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**Testimony before the House of Representatives Committee on Foreign Affairs
Sub-Committee on Europe and Eurasia**

The State of Affairs in the Balkans

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Thank you Chairman Burton, and all the distinguished Representatives here today, for the opportunity to testify about the Balkans region.

As you know, I had the privilege of serving as US Ambassador to NATO in 2008-2009, and served in several other senior positions at the State Department, the National Security Council, and the office of the NATO Secretary General. I worked on issues dealing directly with the Balkans region at several points in my career, and have continued to remain engaged through my think tank affiliations.

I want to be clear that today I am here to provide my personal views based on my experience and judgment. While I have both think tank and private sector affiliations, I am not representing any organization here today, nor am I working with any clients in, or from, the Balkans region.

In April 2010, I had the privilege of testifying before the Senate Foreign Relations' subcommittee on Europe about the Balkans region. (I am attaching a copy of that testimony here.) As I re-read that testimony with over 18 months hindsight, in most respects, little has really changed. And that itself is a sad statement which should cause us to question whether what we are doing is really working.

However, one major thing has changed, and that is where I would like to begin my testimony today.

For years, the premise of US and European policy in the Balkans has been that the promise of eventual integration into the mainstream of Europe, including NATO and EU membership, would overcome the ethnic and historical problems of the region. Just as Western Europe overcame centuries of bloodshed and rivalry through integration, so too could the Balkans.

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Integration into a larger whole would be more feasible than forcing recent adversaries to deal with their differences alone. And such integration – into a democratic, prosperous, and secure Europe – would provide the incentive required for leaders in the region to implement necessary, long-lasting reforms.

And let me be clear up front: I still believe that integration into mainstream Europe is indeed the right path for the Balkans. We should continue to pursue that goal as vigorously as possible.

But what has changed in the past year and a half is that while we continue the process of promoting such integration, it is rapidly losing credibility as a near-term prospect, and as a driver of change.

The European Union is consumed with managing a raging deficit and debt crisis. The issues being confronted in the political corridors of Europe right now are not whether new members can be admitted to the EU, but rather how to save Europe itself, whether Italy can avoid default, and whether Greece or others will be expelled from the Euro-zone.

Since the debt crisis began, the government of every EU country threatened with default – even if avoided – has been ushered out of office: Ireland, Greece, Portugal, Italy, and, if polls can be believed, in Spain next week. And the governments in the countries doing the bailing out face equally tough sledding as they look ahead to future elections.

Political commentary in Germany suggests a view that it was a mistake to bring in Greece to the EU in the first place. There is no mood for taking in others – making it simply not credible in either the Balkans or Western Europe that new states (beyond Croatia) will indeed be admitted to the EU in any near-term period.

This is not to say that the mechanics of enlargement are not moving ahead. EU Commissioner Stefan Fule, a good friend and a highly capable official, is actively working to advance the membership process. Croatia has concluded negotiations and will likely be admitted next year. Montenegro has “candidate” status and may soon open accession negotiations. And Montenegro is a *de facto*, if unofficial, part of the Euro-zone. Serbia has arrested Ratko Mladic and may achieve candidate status in the EU by the end of this year. The EU and the United States remain engaged in Bosnia trying to hammer out specific issues before the EU and NATO Ministerials this December.

In short – all the experts and technocrats in the EU enlargement machinery are doing their jobs. And that is to be applauded. But the political consensus and political commitment in member states in favor of enlargement has been badly damaged.

Likewise, NATO enlargement has also stalled. Montenegro has joined the Membership Action Plan. But there has been no genuine movement forward on any other nations joining the Alliance since 2008. Indeed, the promises of NATO’s Bucharest Summit in 2008 – that Macedonia would join as soon as the name issue with Greece was resolved, and that Georgia and Ukraine would eventually become members – now seem more distant than they did in 2008.

To put this in perspective, the Obama Administration – in its first term – will be the first Administration not to invite new countries to join NATO since the first term of President Clinton. The reason, of course, is that potential candidate countries are not ready, and there is no consensus within NATO to invite them.

But this simply underscores the broader point that the prospect of membership in either the EU or NATO is not sufficient as a driver of progress and reform.

To repeat: the goal of our policy is still right. We should want this region to be fully integrated into Europe. But the notion that the prospect of integration will itself solve the problems of Bosnia or Kosovo, or drive the needed reforms elsewhere, needs to be re-examined. And to the extent that the roles the U.S. and Europe continue play in the region are based on this premise, those roles need to be re-examined as well.

16 years after the Dayton Accords and 12 years after KFOR was established, we see stagnation if not regression. No taxpayer will want to keep U.S. budgets and troops at current levels if it appears our efforts are not working. Something has to give.

The understandable temptation – especially when we are facing budget crises and fatigue here in the United States – is to pull up stakes and go home. I think that would be a mistake. It would be a short-sighted and pound-foolish answer to the challenges we face.

I believe that United States interests are directly affected by events in the Balkans region, as they are affected in many places in the world, and that we can protect and advance those interests with modest and sustainable levels of engagement.

There is no reason to consider a choice between keeping our financial and military commitments as they are, or withdrawing altogether. Even as we tackle our own deep fiscal and economic crisis here at home, we have the means to continue to advance American interests abroad. Indeed, a great nation with the breadth of interests of the United States can and must do both.

We already see today the risks to the United States of financial meltdown in Europe. Though it lacks the dynamic growth of Asia, the EU-US relationship remains the single largest economic relationship in the world.

Likewise, security in Europe remains a vital U.S. interest. The welfare of the United States depends on a democratic, prosperous and secure Europe. And that Europe is Allied with the United States in helping to protect interests and promote values in a wider world. No other region of the world provides the financial, political, and military resources alongside the United States in anywhere near the scale that Europe does.

A return to conflict in the Balkans, a breakdown in political structures and institutions, and or a return to major human rights abuses there would directly affect Europe as a whole, and thus the interests of the United States. And renewed U.S. intervention in the Balkans would be far more costly than our current engagement.

To take a quick look at the history: After declaring “we have no dog in that fight,” the United States, as part of NATO, became involved in Bosnia in the mid-1990’s because the conflict there was affecting Europe, because of massive human rights abuses, and because neither Western Europe nor the United Nations was effectively dealing with the problem. In 1995, the United States dedicated some 20,000 troops to an overall NATO mission of 60,000 troops in Bosnia. The IFOR mission, and its successor mission, SFOR, have been ended and the United States only has military personnel in Bosnia as part of the U.S. Embassy, or as part of the small NATO Headquarters Sarajevo, which has less than 30 military officers in total, alongside less than 50 civilians. The European Union maintains about 1500 peacekeepers in Bosnia at the moment.

In 1999, the United States led a NATO air campaign to force an end to ethnic cleansing in Kosovo, which had produced over 1.5 million refugees. NATO then deployed some 50,000 peacekeeping troops in KFOR, of which about 15 percent were American. There are currently less than 800 U.S. troops in Kosovo, of a total of less than 7,000 NATO troops.

There has been major progress in both areas since the initial NATO interventions, and major reductions in the international security presence. We do not want to return to the problems and the massive levels of engagement of the past, and the modest investment we have today is a good insurance policy of never having to do so.

But while it is a good insurance policy, it is also not a sufficient policy in itself.

One can rightly ask “for how long must we do this?” To avoid this becoming a perpetual engagement with no end, the United States must work actively, together with European Allies, to resolve the problems in the region so that eventually, no outside security presence is required.

And if the core thrust of that policy over the past 15 years is not working – driving reform through the promise of European integration – we need to come up with something else to drive progress, not walk away.

It is not as though there is a neutral playing field in Bosnia and in Kosovo apart from the international community. Other external forces are already working to shape events in the region and will continue to do so. Take, for example, the case of the gunman who recently attacked the U.S. Embassy in Sarajevo. A Muslim from Sandjak, part of Serbia, he was radicalized by extremists in Vienna and then entered Bosnia to attack the U.S. Embassy.

Organized crime, intelligence services, and under-the-table nationalist networks are all active in the region. Without determined partnership between the international community and local officials aimed at driving progress forward, the region will slip backward instead.

We are a long way from the active role the US played in pushing through the Dayton agreement, or that UN Envoy Ahtisaari played in trying to advance the statement over Kosovo’s status. We are now counting on progress to come from the region itself, and instead, we are seeing stagnation if not regression.

So if European integration is not providing the incentives for progress, we should flip the order around. I believe it is possible and worthwhile to significantly increase diplomatic engagement, together with Europe, to press for resolutions to long-festering issues in the Balkans. And that, in turn, can facilitate eventual integration into Europe in the future, when both the region and Europe are more ready.

In the past, we have stood at arm's length from seeking to resolve these issues because they are so intractable. But if the integration strategy alone is not working, perhaps we should try the opposite and dive in much more ambitiously. This would require high-level backing from leaders in Europe and the United States – something in precious short supply. But it is better than backsliding, and more realistic than near-term integration.

Let me offer three suggestions:

- In the case of Bosnia-Herzegovina, the Dayton framework has stalled out. It is time to launch a new, major push from the international community to go beyond Dayton and establish lasting, effective governing structures – a Dayton Two. The Butmir process of a few years ago was a good effort, but ultimately did not succeed. We should go further.

There are plenty of positive forces for change in Bosnia today – from reformers and young people to civil society to businessmen and so forth. The conditions for progress have never been better. But the current political structures have guaranteed long-term divisions inside the country that play to the hands of nationalist and separatists. We should not close down the Office of the High Representative, or phase out the EU Force, until political structures are settled and functioning. So we should make a major push to settle these very issues.

- Likewise, we need a fresh push for political progress on Kosovo – in particular arrangements for Mitrovica in the north. Ethnic Serbs in southern Kosovo are well-protected and able to participate actively in society in Kosovo. There is no reason ethnic Serbs in the north could not do the same, but they are radicalized and held back. Criminal interests – both local and from Serbia proper – Serbian interior ministry police, and of course the nature of the Kosovo government and international community's past engagement, have all played a role. But it has gotten worse with time, not better, and it is time to push for a more wide-reaching resolution.

Here, one needs also to push the European Union on its role. Despite years of history and the ruling of the International Court of Justice, five EU member states do not recognize Kosovo's independence, as the United States and 22 other EU members have done. This serves to perpetuate the belief in Serbia, and in Mitrovica, that Kosovo's independence can be un-done. It can't. And neither can partitions or territory swaps solve Kosovo's problems. Indeed, such steps would add new problems in the entire region. While no one can force any state to recognize another, the sooner the EU develops a stronger and more unified position, the sooner both sides in Kosovo can stop looking backward and start looking forward. With all the other problems Europe has to tackle right now, it makes no sense to continue contributing to this one.

- I want to add a word on Macedonia as well. In 2008, Macedonia was ready to be invited to join NATO, but there was no consensus within NATO to do so, because the name dispute with Greece was unresolved. Under the interim agreement of 1995, Greece had supported Macedonia's participation in international organizations under the temporary name of "Former Yugoslav Republic of Macedonia." But Greece broke with this practice when it came time to admit Macedonia to NATO. Since then, Macedonia itself has slid backwards on some reforms, and has ramped up its use of controversial symbols of ancient Macedonia as a means of rallying the public and distracting from other issues at home.

Macedonia should be a vibrant crossroads of the Balkans – linking Greece to the north and linking the Western Balkans to Greece and the Mediterranean. The current stand-off serves no one's interests: Not Greece, not Macedonia, not Europe, not the people of the Balkans, and not the United States. For years, we have supported the UN lead in negotiating a possible solution to the name issue. All of the elements have been put on the table at one point or another. It is time for the U.S. and EU together to make a concerted effort to (a) re-assert the validity of the 1995 interim agreement and use of FYROM as a temporary name, which – with Greek agreement – would allow Macedonia to join NATO and progress toward the EU; and (b) simultaneously, launch a major political push, including with incentives and disincentives, in support of the UN process, to get both sides to a final settlement.

Finally, a word about the broader issue of EU and NATO enlargement itself. Given the problems in the EU and the Euro-zone at the moment, it is understandable that the whole topic of further enlargement is scarcely on the table. Moreover, apart from Croatia and Montenegro, we have weaker candidates in the Balkans than in earlier enlargements, reversal of progress in Ukraine, a continuing dictatorship in Belarus, Russian occupation of parts of Georgia and the division of Moldova, and deep divisions in Europe over the prospect of Turkish EU membership. It is therefore natural that political leaders seldom bring up the idea of completing a Europe whole, free and at peace.

But ultimately, that should remain the goal. Europe has made extraordinary progress since the world wars of the last century. But millions of people in Europe's South and East, including in Russia, are still not living in free, prosperous, secure stable societies. Europe remains divided – though in different ways and across different lines than in the past. While the temptation today is to circle the wagons to protect what Europe has achieved, the reality is that the success of Europe will never be complete, and never 100 percent secure, until all of Europe shares in the dream of a Europe whole, free and at peace. European leaders need to keep to keep that vision on the front burner, and continue working toward it, and America should remain a full partner in that effort, as it has for the past 60-plus years.

If we can keep up the vision of a Europe whole and free writ large, we can then also make the prospect of integration of the Balkan region into Europe more real and immediate. This can again become a driver of reform, and as states succeed one-by-one, it begins to whittle down to the few very hardest problems, and changes the incentive structures that have kept these

problems alive until now. That remains the ultimate destination. But in the near-term – with Europe’s troubles dominating the headlines – we should push the ground-game in the Balkans to help us get back on track with this larger vision.