



HOUSE OF COMMONS

Foreign Affairs Committee

Oral evidence: Western Balkans, HC 1094

Tuesday 31 January 2023

Ordered by the House of Commons to be published on 31 January 2023.

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Members present: Alicia Kearns (Chair); Saqib Bhatti; Sir Chris Bryant; Liam Byrne; Bob Seely; Henry Smith; Royston Smith; and Graham Stringer.

Questions 23 - 60

Witnesses

I: Dr Kurt Bassuener, Co-founder and Senior Associate at the Democratization Policy Council; Edward P. Joseph, former Deputy Head of OSCE Mission in Kosovo and Senior Fellow at John Hopkins University School of International Studies; and Anthony Monckton, former British diplomat and founder of ViennEast.



Examination of witnesses

Witnesses: Anthony Monckton, Dr Kurt Bassuener and Edward P. Joseph.

Chair: Welcome to this meeting of the Foreign Affairs Committee, where we will be talking about the situation in the Western Balkans and UK policy there. May I ask each of our guests to introduce themselves, and then we will go into the Q&A?

Dr Bassuener: I am Kurt Bassuener. I am a senior associate and co-founder of the Democratization Policy Council, a think-tank based in Berlin. I am living in Sarajevo.

Edward P. Joseph: I am Edward P. Joseph. I teach at Johns Hopkins University School of Advanced International Studies in Washington DC, and I am also a senior fellow at the school's think-tank, the Foreign Policy Institute.

Anthony Monckton: I am Anthony Monckton, a former British diplomat, and I now have a consultancy, VE Insight, in Vienna and a green energy company in Montenegro.

Q23 **Chair:** Thank you. It is 17 years since Paddy Ashdown left Bosnia and Herzegovina as High Representative. I am interested in your assessment of how successful the international community has been in maintaining stability and, more importantly, moving away from ethno-nationalism and towards enhanced stability and union between different communities.

Edward P. Joseph: I am going to address that as it pertains to Bosnia and Herzegovina and the entire region. When we consider the fundamental question of what the UK's interests are in the Western Balkans, that overshadows everything, including this question about what has happened since Paddy Ashdown left Bosnia and Herzegovina.

The answer explains why, in a region where, unlike Ukraine, the west holds the strategic advantage, we are still struggling all these decades after the late, great Paddy Ashdown left Bosnia and Herzegovina. It explains why, in a year in which Russia has become weaker and more isolated after Russia's invasion of Ukraine, the west has become more unified and the situation in the Balkans has deteriorated. It also leads us to the solution, which, surprisingly, rests in Ukraine's hands—that's right: the solution to the Balkans could be in Ukraine's own hands.

The answer to the question, "What is the UK's and the western interest in the region?" is straightforward. The interests are the same as in Ukraine: our interest is to see the Western Balkans incorporated in the western order, addressing ethno-territorial and ethno-national divisions along western values of democratic coexistence, not Putin's values of raw power and division. There cannot be one order for Europe while the Balkans are left a grey zone for Russian and Chinese influence.

I will get right to it: the entire problem in the Balkans, including with Bosnia and Herzegovina, is that, while the UK, the US, the EU and NATO



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speaking with one voice on Ukraine about Ukraine's sovereignty and territorial integrity, we speak with two voices in the Balkans. The majority of NATO and EU countries recognise Kosovo as a fully legitimate, independent and sovereign state, part of the European order, but five NATO EU countries do not recognise Kosovo.

Here is the point that is often overlooked, and it is the central point of what I have to say to you today: it is not just that Greece, Romania, Slovakia, Spain and Cyprus do not recognise Kosovo—this is everything; it is that they affirm Serbia's position. That is the point. This means affirming, inadvertently, everything else that goes along with it, and this will take you right to Sarajevo and its neighbours—the Serbian narrative as a victim and Serbia's claim to compensation for the loss of Kosovo. It takes us to the position in Serbia of affirming a different order—not the western order, but an order aligned with the values of Orbán and Putin.

In a direct way—and I can explain this to you later—the non-recognisers hand Belgrade the tool and the leverage to subvert the sovereignty and functionality of three of the four neighbouring states in which Serbs live in significant numbers: Bosnia and Herzegovina, Kosovo and Montenegro.

Let me give you the proof, ladies and gentlemen. The proof comes in the fourth state: Croatia. Only in Croatia does Belgrade not control or heavily influence the Serb polity, and therefore only in Croatia do Serbs participate as citizens, not in a zero-sum relationship with the state or out as outright separatists. That is the key. The proof is that yesterday, there was a cordial meeting between the Foreign Ministers of Serbia and Croatia, discussing exactly the model that we would like to see between Kosovo and Serbia and all the states, and the position of minorities in each country.

Let me quickly add, if there are any senior Serbian officials watching, as they may be, that I do not say Belgrade is responsible for all the problems in the region. My point is that Belgrade is the constraint on addressing them and on resolving them along our values, not Putin's and Orbán's. That is the key point about this leverage.

The reason I take the time to mention this to you is that before last February—before the invasion—this was just a regional problem. Now it is a European problem. It is a transatlantic problem. First, the endorsement of Serbia's sovereignty claim gives Belgrade licence to support Putin's war openly and an incentive to do so. Secondly, stagnation and disorder in the region suits Moscow's and Belgrade's aims. Stagnation is what they want. Moscow and Belgrade do not need a new war. Kosovo, not energy dependency, is the basis for Serbia's destructive and dangerous relationship with Russia.

Thirdly—and this is perhaps most serious and most overlooked—by endorsing Serbia's sovereignty claim, the non-recognisers fuel Putin's core grievance against the west. It is that grievance that drives and from which Putin gains the support—I can give you quotes later to establish that—for the war against Ukraine, which is hammering not just Ukraine but



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economies around the world, including the British economy. I can explain later how Serbia uses this tool.

This is the lens to view the US and EU proposal to address the stand-off between Serbia and Kosovo. This is the most consequential western effort in the Balkans in decades. It is no longer mediation by the US because the mediators are presenting both sides in this case—yes, even Serbia—with significant financial and other penalties. This is a discrete case in which the sides are in a very unequal position. The deal has many benefits for Kosovo, and we all need to acknowledge that. It would put the two states on an even position bilaterally, but it would still leave internationally Kosovo in a limbo position, with a host of risks for not just Kosovo but the US, the EU, the UK and NATO.

Now we come to the crux of the matter: the association of Serb-majority municipalities. Madam Chair, I am aware that you have properly commented on this. Autonomy in any form—even a benign form—is a final status issue, particularly for a Serb community with separatist motivation. This is how the Croatian Serbs obtained their own Joint Council of Municipalities: by first accepting Croatian rule.

You get autonomy when you accept the sovereignty of the country in which it will be exercised; that is very straightforward. The problem here is less the content. The content is very important, and the Friedrich Ebert Foundation just put out a very constructive proposal for Kosovars to discuss. There is a meeting today at the US embassy with the ambassador of the US and political parties to discuss this crucial issue.

But the problem is the sequence. Because the association is a prior obligation—not part of this agreement, but a prior obligation—there is plenty of time for incidents to occur that could give Serbia an out from even signing the agreement. And yes, Kosovo will already have given up its leverage.

The next problem is that Serbia does give up the right to block Kosovo in international organisations. But Serbia does not control Kosovo's access to NATO or the EU—that is in the hands of these non-recognisers. Nor, apparently, does that prevent Serbia from continuing to block Kosovo bilaterally, which pulls Serbia—and this is a concern for all of us, not just Kosovo—into alignment with Iran: another country with which Serbia has a relationship on the basis of non-recognition of Kosovo. Because it gives up the right to block Kosovo in international organisations, Serbia could become more, not less, dependent and reliant on Moscow and Beijing to do the blocking of Kosovo for Belgrade. As long as Kosovo is blocked from NATO and the EU, that relationship continues.

This is where Ukraine could come in; I will close here, Madam Chair. It is not as though the US and the EU have done anything wrong. They have not—these are highly capable officials doing their best. This is my point to you: the agreement that they have done is the best that the circumstances can allow, and it could give concrete bilateral improvements. But the point is that it does not change Kosovo's limbo



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status or, potentially, Serbia's relationship with Russia, which affects the interests of the UK and the rest of the West. The circumstances are the best they could do, but the circumstances have to change.

This is where Ukraine comes in; I will summarise very briefly. Ukraine's recognition could change this entire dynamic. Why? When President Zelensky spoke here before the House of Commons, he invoked Shakespeare—"To be or not to be". If President Zelensky stands up and says, "Recognition of Kosovo is in the interests of Ukraine's sovereign and territorial integrity. We recognise Kosovo's independence and sovereignty and all that led to it, including the NATO intervention and the US and UK-led independence", that could change the dynamic among the rest of the non-recognisers. It could bring Greece along.

Once Greece comes along, the others would as well; I am going to close here, Madam Chair. That would create a choice for the rest of the non-recognisers: either stand with President Zelensky on Kosovo or stand with Putin. The question ultimately boils down to a question of risk containment and time. Given the war in Ukraine, do we have the time to leave the Serbian relationship¹ intact and potentially strengthened? This is my last point: can Europe remain disunited over the Balkans and somehow united against Putin and his partners in the region? That is it. Madam Chair, please give the rest of my time to my two esteemed colleagues on my right and left. Thank you so much.

Q24 Chair: Anthony, set out for us the good, the bad and the ugly of how the international community has been doing in the last 17 years or so in the Balkans.

Anthony Monckton: I call it "stable instability" as opposed to "violent instability". We have just let things wander on without any real sense of vision or purpose. I was talking the Kurt before the meeting: it is almost like Einstein's definition of stupidity—you keep trying to do exactly the same thing and expect a different result.

We need some imagination to take things forward. Having elections so quickly after the conflict just reinforced the nationalist parties in place and all the policies that have happened since then, particularly in Bosnia, including the recent election law change, have only reinforced those nationalist parties and suppressed the moderate voices.

We need to look at starting from the bottom, getting community engagement and cross-ethnic divide engagement at a local level. There is a European initiative called the Peaceful Change initiative. In Kosovo, we have Plan for Peace, led by Scilla Elworthy. Those sorts of initiative have greater hope than talking to the politicians, who have basically not changed their position in the region for the last 20 years.

Q25 Chair: Can I press you on that point about the election change that happened? Obviously, we had Christian Schmidt with us yesterday. Are

¹ Note from witness: When saying "the Serbian relationship" I meant to say "the Serbian relationship with Russia".



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you surprised at how little protest there was on the streets of Bosnia? If we went to the polls in the UK and voted under one set of rules, and then when polling closed and we were suddenly told, "Well, that's great that you thought you were voting on this basis, but we are now changing the basis on which your vote is being counted and we are going to do it in a whole new way," I think there would be riots. The response in Sarajevo and across the country was quite muted, given the context. Do you think that is an unfair question or analysis?

Anthony Monckton: No, I think it is because we have had several hundred years of democracy, and they have not. They are used to being told what to do and accepting it, and being slightly trodden upon and not listened to, so I am not surprised at all.

Q26 **Chair:** Thank you. Kurt, how do you see things in Sarajevo?

Dr Bassuener: I think the 17-year bookend that you set forth—it is to the day that Paddy Ashdown left Sarajevo; he was the one who coined the phrase from the "push of Dayton" to the "pull of Brussels". We have been on bureaucratic autopilot and have effectively had a zombie policy towards the region for 17 years, with the presumption that European enlargement would take it the rest of the way and that local leaders would be impelled by what a great deal they would get if they joined our clubs.

Quite clearly, they have decided on a cost-benefit analysis that this works for them; it is just rotten luck for the overwhelming majority of their citizens. On top of that, we are effectively treating Bosnia and Herzegovina like a condominium of Serbia and Croatia now, which is exactly what the nationalists always argued during the war: that it can only exist on their sufferance.

There are three countries on the Serbian World—Srpski svet—menu: Bosnia Herzegovina is the big prize; Montenegro is there, as well as Kosovo. All those happen to be the ones who are resistant to joining the Open Balkan initiative, which is seen from their perspective as the economic dimension of Srpski svet. That Srpski svet—Serbian World—is an exact analogue, by design, of Russian World—Russkiy mir—which is the justification that Putin used for his full-scale invasion of Ukraine, and a rebranding of "Greater Serbia", which we all know from the 1990s.

So there needs to be a review of the presumptions that undergird our policy. What we are seeing, what Ed discussed a few moments ago and what was in Anthony's diagnosis, which I agree with very much, is trying to paper over the inconsistencies and failures, and hope for the best, because the principles of the policies of Britain and the United States are that they don't want it to be a problem in the region. That is about the highest ambition.

We have given up on progress and we have given up on the idea that these countries can adopt and embrace functional liberal democratic values, which I think is false and fatalist. Effectively we accept the ethno-territorial dimension imperative that undergirded the election law change.



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You see it in the Association of Serb Municipalities proposal. I think that would be a step backwards.

- Q27 **Chair:** As a result, what is the standing of the High Representative—the position rather than the individual? In this place, we have spoken about the importance of standing behind that role, given its responsibility to uphold the Dayton agreement.

Dr Bassuener: It's crucial.

- Q28 **Chair:** Do you see that role to currently be undermined, enhanced or in the pocket of certain sectors? What is the situation?

Dr Bassuener: I have never seen the role of that office, which is absolutely crucial to not only holding back further regression but enabling progress, more diminished in popular estimation than it has been now; it is at a low ebb. The other element of that enforcement is the military deterrent angle, which I would be happy to discuss further later on.

- Q29 **Bob Seely:** I have two questions, one for Anthony and one for whoever wants to answer it, but probably Kurt. Srpski svet—did the Russians design it? We know about Russkiy mir and the whole cultural-linguistic value system being pushed by it. You say that Srpski svet is similar. Do we think the Russians designed it? Does that mean the GRU took to influential people in Serbia? How did that work? Anthony, what do you think is the level of Russian influence over Serbia, and what do you think is the level of Russian influence over the Bosnian Serbs?

Dr Bassuener: I will be very quick. I think it was a conscious analogue, by design, of a geopolitical champion of Serb nationalism. Certainly, they were encouraged to do that and to adopt an essentially similar template, but I do not think it had to be designed. They were pushing on an open door.

One of the markers, before I hand over to Anthony, is the reason that Russia has so much traction at the popular level in Serbia is largely due to Vučić making it so through his media, which he controls. The constituency that Russia has in Serbia and areas where Serbs live is heavily due to his doing; it is not incidental at all.

Anthony Monckton: I think I would just add to that that you have to understand there is the Slavic Brotherhood—and the historical one, which Ed touched on—and the Orthodox Church. If you visit the Orthodox monasteries in Kosovo, you can understand why Serbs feel very strongly about that country. Any agreement with Kosovo has to reach an understanding on the cultural heritage of Serbia that is there.

Of course, Russia has used the whole of the Western Balkans as a tool to annoy NATO and the EU, as part of its games; there is no doubt about it. It is a sort of bulwark, and Serbia helps there, but there are strong economic ties. I think there is an area that we have not looked at closely enough, which is the role of Gazprom and the influence through the Orthodox Church and Gazprom, sometimes operating together. They have influenced the local population.



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Energy security in the Balkans actually affects us all. Currently, 8,000 MW of poor coal-fired lignite power stations—about two thirds of the energy—comes from power stations that are failing. The solutions being put forward are combined Russian-Chinese solutions; they are not western solutions. They are 500 MW gas-fired power stations, with the gas coming from Russia. Two are scheduled for Republika Srpska, three are identified in Serbia and one in Croatia. That is Gazprom working with Shanghai Electric and China Power. That is also the way that they would get around sanctions: by using the Chinese. We are not watching that closely enough. I do have an interest, but that's that.

Q30 Bob Seely: Do you think we have been a little naïve in not understanding how the Russians have utilised non-military forms of power to develop influence and control over individuals?

Anthony Monckton: I think we have been naïve in forgetting that people do not mirror-image. We allow our companies to make market-forces decisions as to whether they should invest or not, whereas Russia combines its diplomatic and business power in one, as do the Chinese. Because they do not have the same processes of transparency and openness that we have with our business, that then leads to corruption and organised crime as well.

Q31 Graham Stringer: I will roll two questions into one. You gave a comprehensive view of what the drivers of instability were in Kosovo. Have they got worse recently? If so, how and why? Secondly—and there is no reason why people on the panel should speak with one voice—I think you said, and I wrote down, that the international community was doing the best that circumstances allowed, whereas the other two witnesses here basically said the international communities had zombie policies and were not doing as much as they could. Is that a contradiction? If it is, can you analyse each other's points of view?

Edward P. Joseph: Thank you for your question, Mr Stringer. On whether the situation has got worse, there have been tensions in the north of Kosovo, where the US, EU and NATO, as has been the case, have to jump in and mediate. They have to go from trying to address the underlying drivers of the conflict to crisis management, so the answer to that is yes, but that is due to the instability. It is ultimately due, again, to the position of the non-recognisers, and that comes to the other question.

When I say that they have done the best that circumstances have allowed, that is the agreement, the proposal, that they are offering to Kosovo and Serbia. That is the proposal, but it has fundamental weaknesses in it. The overlying problem is Serbia's strategic orientation. This is the crux of it. This is what drives the subversion in Bosnia and Herzegovina.

Madam Chair, yesterday you had High Representative Schmidt here and you talked about the parade. Well, who attended that parade that ultimately ended with an award to Vladimir Putin? The Serbian Foreign Minister, Ivica Dačić, attended that parade, as did the son of the Serbian President. So the driver there is Serbia's strategic orientation.



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To address the question about Russian influence, I don't see that Serbia is a proxy to Russia. It is not. The Serb world is its own policy, and it is the updated version of Milošević's "Greater Serbia". It is subverting, and it is the non-recognisers that allow this. Why? Because Serbia is not like Belarus or Armenia. It is outside Russia's near abroad. It has no strategic option other than the west. Two thirds of its trade is with the EU. It is surrounded by countries that are either NATO members or aspirants to join NATO. It has no strategic option unless the five EU states give it that. That is what sustains its two chairs and fake balance. And there is the instability.

I do not believe that energy dependency is the basis for why. Yes, Serbia is dependent on Russia for almost 90% of the gas it gets. But gas is a very small portion of the overall Serbian energy requirement. Plus we see on top of this that Serbia is not moving away from wholesale energy dependency. In October, the Serbian President signed an agreement with Hungary to build a pipeline to bring Russian oil. While everyone else is getting free², they are continuing.

There was a meeting on Friday with the Russian ambassador to Serbia and the Energy Minister where they pledged continued co-operation, so I don't believe it is energy dependency. It is Kosovo. We know that because we have seen the only tensions between the two come up when that issue comes up, because their relationship cannot survive recognition.

Q32 Graham Stringer: Did you want to say anything about the countries interested in what the Western Balkans could have done better?

Dr Bassuener: I think right now we are in a reactive position. In Serbia one of the things that Aleksandar Vučić has done is play geopolitical arbitrage very well, not just with us and the Russians, but with the Chinese, the Turks, the Gulf and so on, and we have allowed it, effectively. We have accepted his terms and we treat it like a game of geopolitical keep-away—we don't want to lose Serbia—rather than saying, "Okay, these are our terms."

There is a conundrum that we have, to refine a point that Ed made earlier: at a time when the west is more unified in its voice about democratic values and human dignity, since 24 February and since the end of the cold war, we are on the back foot in the Western Balkans, where we are more empowered than anywhere else on earth in terms of our tools, our leverage, and our ability to prevent malign actors—local and from further afield—from creating violent instability, and yet we have relied rather on our partnerships with those leaderships and hope that we can convince them to do the right thing. Instead, we have been played and we are continuing to be played.

Q33 Graham Stringer: Thank you. I have a final question. Edward, you said that there is a huge benefit for the adjacent countries if Kosovo is

² Note by witness: When saying "getting free" I misspoke. I meant to say: "fleeing Russian fossil fuels".



stabilised and security is improved. Can you explain why you think that and how it could come about?

Edward P. Joseph: Absolutely. The question is if Kosovo's limbo status is resolved—it does not have to become a member of NATO and the EU. All it needs is a pathway, and that pathway is from these non-recognising states. We are on the verge of a transformation in the region. If they would commit on the basis of the EU-US proposal of Serbia's de facto acceptance of Kosovo and say, "Okay, that's good enough for us," this region would be transformed, and you could hold far fewer hearings, Madam Chair.

The key is not that the situation improves. It is that once Kosovo has this access, the charade in Belgrade is finished. The relationship with Russia is finished as we know it, despite all the Orthodox Slavic solidarity. It all rests on Kosovo. Again, Serbia has no strategic option but the west. It is only the Kosovo lever that allows it to do this, playing off both sides. That is the only barrier, and that is why Belgrade is so intent on keeping it. That is why it goes around the world interfering. Just this month, the President of Serbia met with the Foreign Minister of Togo to celebrate the fact that Togo was reversing its recognition of Kosovo. This is a strategic concern for Serbia, and it knows that its entire orientation rests on this.

Q34 **Chair:** The Foreign Secretary said earlier that Britain would not accept any creation of a Republika Srpska-style Serbian enclave in Kosovo. That was a surprise, because it breaks with our European partners. How significant do you think it is for a Minister of the British Government to have said that on the Floor of the House? Is it not a surprise, and what does it mean in terms of where we go from here and how powerful the voice of objection might be?

Dr Bassuener: It is completely the opposite of the disposition of Britain in Bosnia, for example, where Britain has been the only western power that basically followed the United States' lead in pushing these election law changes. I would welcome it if it is the case. The question is, what kind of diplomatic weight is going to be put behind trying to convince Britain's partners that that is the right approach?

This idea of embracing ethno-territorialism, which was considered to be the foundational problem of Dayton that even Richard Holbrooke talked about—if we entrenched it in Kosovo all the way down to the Macedonian border, that would be an error. It is dependent on how much political heft is put behind that position.

Anthony Monckton: The fact that we are, as Ed pointed out, so divided in the US position, the EU position and the UK position makes it very difficult. It also makes it difficult for the political actors within those countries to know who they should be listening to and which advice they should be following. We need much greater coherence across the board.

I would like to come back to the energy point. The energy point is that the coal-fired power stations are going to fall down in the next decade or so, and they need to be replaced. Currently, the replacement is Russian gas.



It may not be now, but it is a long-term strategic game that is being played.

Q35 **Royston Smith:** What impact has Russia's invasion of Ukraine had and what impact is it likely to have in the future on security and stability in the Western Balkans?

Edward P. Joseph: This is the impact it should have had. The Russian invasion has exposed Russian weakness. It has exposed Putin's ineptitude and his brutality. There is no question about it. This is what Germany has realised with the Zeitenwende and so forth; we have all seen it. It should have had that same effect in the Balkans.

We should have seen within Serbia anyone, despite Orthodox affinity, saying, "Oh my God, we don't want to be associated with this declining power. We want to redouble our interest³," but it has not had that effect. That was the whole subject—I won't repeat it, Chair—of my thesis: that what allows this to persist is the Kosovo card, and that is fundamentally the problem in the region. This instability in these three countries—Bosnia and Herzegovina, Montenegro and Kosovo—is because Serbia did not change its strategic orientation. The way I say it when I speak in the region is that the world changed on 24 February last year, but the Balkans did not change, and that is because Serbia did not change.

Anthony Monckton: The decline of Russian influence that will inevitably happen because of what has happened in Ukraine, because they themselves will be distracted, will not necessarily lead to the resolution of the problems of the Western Balkans. They are quite capable of mucking themselves up without Russia interfering as well.

I think there is still a danger—I hear what Ed's saying about how recognition of Kosovo will solve it, but as soon as you get that, you will get Republika Srpska saying, "Right, we're having a vote for independence, because that's what Kosovo had." You can go back and argue about the history of who can vote when and what is an entity and what is an autonomous republic; fundamentally, it is what they strongly feel. Whether you are voting because of your language, religion or territory, you choose the one that suits you from history that works for you.

Dr Bassuener: Russia's posture shifted from being an opportunistic spoiler to an active disrupter in 2014, and that was visible in Bosnia, where they encouraged Milorad Dodik to pursue the Crimea example. They have amplified the vocality of their diplomatic representatives. On the ground in Bosnia and Herzegovina, there was a sense that they dodged a bullet when it was really, really hot just before 24 February, but all the potential for instability is still there because we have a weak deterrent.

Three DSACEURs—all British generals, from General McColl through Bradshaw to Shirreff—said the deterrent capability mandated by Dayton requires a brigade-strength force, which that is something Britain could

³ Note by witness: When saying "redouble our interest", I misspoke. I meant to say: "redouble our interest in joining the West".



command, by the way, composed of other NATO members. Putting them in the circuit breaker in Brčko would eliminate the separatist narrative. It would not make people not talk about it, but it would make it impossible to realise. Right now we are trying to convince people, “Oh, we’ll never recognise it.” That is not good enough. Russia has more than enough to play with and, as Anthony noted, all the actors on the ground have agency; none of them are bots. Dodik is by far Russia’s most valuable player in the region, but he is doing it for his own reasons, so they are very useful to each other.

- Q36 **Royston Smith:** We were out there and we met Dodik, and all of this is well documented. If, as we would all like, Russia fails in its ambitions in Ukraine and perhaps we would all like, too, that Putin was no longer part of the picture, that would make people like Dodik weaker, wouldn’t it? Therefore, although Anthony said they have the ability to mess themselves up anyway, would that not make it more difficult for those people to be so influential in that region?

Dr Bassuener: He would definitely look to find another patron but, yes, he had put most of his eggs in that basket—unlike Vučić, who has juggled a lot. The fundamental point here is that we have put ourselves in a vulnerable position that we do not need to be in. If it were clear to everybody—I disagree with Ed that Kosovo is a central front.

Bosnia and Herzegovina, so long as that is in question, bring out the worst in both Serbia and Croatia, and we have seen it. Srpski svet cannot exist without Bosnia and Herzegovina on the menu. We could take it off the menu. We used to take it off the menu. When Paddy Ashdown left, it was not considered a threat. Now, whatever your worst fear is in the region, and there are many different varieties thereof, they seem possible in a way that they were not possible 17 years ago because of our posture—that is on us. The local actors are taking full advantage of that latitude. We could deny that to them; we are not doing it.

- Q37 **Chair:** Can I just push you on that, before we go to Saqib? You just said that we have got the latitude to do it, and you said earlier that we have got all the tools in the box—we are just choosing not to use them. Can you unpack slightly what those tools are?

Dr Bassuener: Certainly. Speaking specifically about Bosnia—but a lot of these pertain to Kosovo as well, in terms of hard security tools—we have NATO deterrents. Bosnia and Herzegovina has a de facto NATO security guarantee that we are not living up to, and that is through annex 1A to the Dayton peace agreement. It has an international High Representative, which, as the Chair mentioned, is an absolutely essential tool. We are the overwhelmingly predominant economic actor, despite the caveats mentioned by my colleagues on the panel, which were all relevant. We have the best narrative.

I want to underscore something that Anthony mentioned, and it concerns the biggest let-down for citizens on the ground. The constituency that we courted in central and eastern Europe in the big bang enlargement of



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2004, we did so with the promise that they were joining a community of values, but that has not been part of our narrative for the past 17 years. It was presumed that you just plug in and play with European enlargement; you didn't even need to say it. Then we started to gravitate towards just courting the leaders and thinking that all their citizens would just follow them like sheep.

We can undercut those leaders with their own citizens, if they think we are serious, which right now they don't. Their perception is that we only care about stability, which means pacification—and it is not stable. The business model of the existing elites in the region is, "We can destabilise it whenever we want—pay us. Pay us indulgences in letting us get away with depredations on our own populations and give us funds." That is what we have been doing.

- Q38 **Chair:** Including by allowing Republika Srpska to raise the majority of their secessionist funds on the London stock exchange, year after year, which is one of the sole places that they are able to raise funds for their interests.

Dr Bassuener: Bingo.

- Q39 **Saqib Bhatti:** Coming back to something that was said earlier about Serbia not being a proxy for Russia, in that context, what are Russia's objectives for Serbia, and in the Balkans? Could you spell those out, before I move on?

Edward P. Joseph: What you see is what you get. Just as they need Ukraine to be a model of failure and cannot allow and sustain Ukraine—that is strategic for them—to support the overall Russian grievance and attack on the west, they need the Balkans to be in the same condition. Again, Russia and Serbia do not need a war; they need it to be a mess. They need it to be stagnant.

Stagnation is enough. Stagnation equals grievance and political power, equals our dependency on Belgrade to restrain Dodik, to help us sort out tensions in the north⁴ that are contrived, and to work with us and say, "Please back off Montenegro." That is the game. They only need stagnation.

- Q40 **Saqib Bhatti:** To follow on from that, given that Ukraine has exposed weaknesses within the Russian military force and subsequent economic power, has that changed Russia's approach to the Balkans, since the Ukrainian resistance?

Edward P. Joseph: Yes. This is that thing: Russia is totally preoccupied with this war. There are massive, unprecedented sanctions. They are running out of ammunition. Their urgent preoccupation is that they can continue to destabilise and keep the Balkans in this condition and disorder at low cost. How? Because they have a partner in Belgrade. That partner

⁴ Note by witness: When saying "to help us sort out tensions in the north", I misspoke. What I meant to say was: "to help us sort out tensions in the north of Kosovo".



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remains their partner, again, as long as it has the leverage that the west gives it.

I will quickly address the points that Kurt and Anthony made about Bosnia and Herzegovina. Anthony said that if they recognise Kosovo, Dodik will secede with RS. Kurt was saying that Bosnia was the centre of it. Before there was a war in Bosnia and Herzegovina, which ultimately culminated in genocide in Srebrenica and Žepa, there was war in Croatia. The first “Greater Serbia” ambitions started in Croatia, and later there was a war between Croats and Bosniaks. The way it happened is that we tolerated Serbian aggression in the 1990s, and we got Croat-Bosniak tensions and “Greater Croatia” ambitions. That is what Čović realised. If you leave Dodik unaccountable for 15 years, since Paddy Ashdown’s departure, you are going to get Dragan Čović. You are going to get collusion like that.

Turning it around, the answer is not with the High Representative, Christian Schmidt, who is doing the best he can. The answer is in Belgrade. It is curtailing this Serb world—the “Greater Serbia” aspirations. Anthony, that is why Dodik has no possibility of seceding if Belgrade recognises Kosovo. Why? Because the game is finished. There is no more Serb world. Serbia has no strategic option to join the west⁵. I tell you, Madam Chair, that Serbia will join NATO in that case. It will all be finished and, as I said, you can hold far fewer hearings on this subject.

Anthony Monckton: That is an optimistic view. It is worth mentioning NATO, of course, because Putin has described his war as being against the West and NATO, and that is how it is pushed out by Sputnik, RT and all that. Of course, that plays to the Serbian agenda, because the last people to attack Serbia, as far as the population of Serbia is concerned, were NATO. We forget that. We forget that it was NATO bombs that hit a hospital, the Chinese embassy and a train with civilians. That runs deep in Serbian memory, and we ignore that at our peril.

Edward P. Joseph: Can I quickly address that? Anthony, those are great points. Let’s remember the media environment there, and let’s remember all the steps the west took not just before the NATO bombing but after the ’99 air campaign. Let’s remember that the condition for Milošević and Belgrade was not Kosovo’s independence; it was restoring Kosovo’s autonomy. Belgrade had a process⁶ to remove that unilaterally.

Immediately after the 1999 bombing, we stood up for Serbian sovereignty and territorial integrity by putting down an ethnic Albanian uprising in the Preševo valley in the south of Serbia. We set up a special court in the Hague that only goes after ethnic-Albanian crimes, and not those of Serbia. In 2020, we even forced the President of a sitting Republic, Hashim Thaçi—the President of the Republic of Kosovo—to step down and

⁵ Note by witness: When saying “Serbia has no strategic option to join the west” I misspoke. What I meant to say was: “Serbia has no strategic option other than to join the west.”

⁶ Note by witness: When saying “Belgrade had a process” I misspoke. What I meant to say was: “Belgrade had launched a process”.



go to the Hague. He is in a Hague courtroom as we speak to answer for crimes against Serbs.

None other than Joe Biden, when he was Vice-President of the United States, went to Belgrade not to apologise for the NATO action but to express condolence for the lives lost. There have been ample outreach efforts by the United States—Open Balkan and many other gestures—to prove that this was not about “Greater Albania” or about punishing Serbs; it was about standing up to aggression of a similar sort to today.

Q41 **Saqib Bhatti:** To paraphrase that, are you suggesting that the lack of action by the west is risking history repeating itself?

Edward P. Joseph: We are risking what we have got. We are risking continued turmoil and disorder, to Putin’s benefit. Again, he marshals the Kosovo case directly to support himself. It is his core grievance against the west, which he marshals against Ukraine. It is not a trivial subject; that has been demonstrated many times. We risk the continuation of this. The problem with this EU-US proposal on Kosovo is that it leaves this Serbian leverage intact. As long as Kosovo does not have a pathway to NATO and the EU, you could have a continued relationship between Serbia and Russia, to the detriment of UK interests.

Q42 **Sir Chris Bryant:** I understand Greece, Cyprus and Slovakia, but I do not really understand Spain. Can you enlighten me?

Edward P. Joseph: Yes, I can expand—that is a great question, Mr Bryant. Can I begin with Greece? Greece has actually crossed the Cyprus barrier. The Greek Foreign Minister, Nikos Dendias, has publicly posted on the Greek MFA website his correct understanding of the 2010 International Court of Justice advisory opinion that was brought at Serbian behest through the UNGA, and he has correctly and publicly applied that in the Cyprus case. He said that based on the reasoning of the court, Cyprus is a completely different matter. Essentially, he said that Greece can recognise Kosovo without throwing Cyprus under the bus. That is No. 1. It is in Greek interests to recognise, because Greece is in the Balkans, close to Kosovo, has good relations with Kosovo and needs stability. Greater continued tensions and any partition leads to “Greater Serbia”, “Greater Albania” and greater Turkish influence—and that is the last thing Athens wants.

Q43 **Sir Chris Bryant:** And, apart from on shipping, Greece has been fine on Ukraine.

Edward P. Joseph: Absolutely; this is what is so encouraging. We had the landmark effort under former Prime Minister Tsipras⁷. This is the proof of what I am saying: when these countries tackle, not incrementally but fundamentally, as Croatia and Serbia did, permitting these relations, as Greece and North Macedonia did, the relationship is transformed and it survives changes in Government. We do not have Athens undermining it,

⁷ Note by witness: When saying “under former Prime Minister Tsipras” I meant to say “under former Prime Minister Tsipras with North Macedonia.”



even though Mitsotakis had complained about the agreement. That is what we need in Kosovo: we need to be decisive.

On Spain, quickly, its position is the fear of Catalonia⁸ and, less so, the Basque Country. It is a great question, Mr Bryant—and this is why Ukraine's recognition would be so important—because what is the real threat to Spanish sovereignty and territorial integrity? Who is inspiring this? It is the Kremlin that is conspiring, financing separatism in Catalonia and recently, according to the *New York Times*, backing extremist groups that are sending letter bombs to the highest-level Spanish officials. That is why I am saying this. For Ukraine⁹ to choose between Zelensky and Putin is logical. That is what that would do: Ukrainian recognition would give Spain the opportunity re-examine the rationality of its position.

Q44 **Sir Chris Bryant:** Do you agree?

Anthony Monckton: I think I would agree. The press in Montenegro recently talked about the "motherland". We have not touched on Montenegro today, but Montenegro is inherently unstable at the moment, politically.

Q45 **Sir Chris Bryant:** Who is engendering that, I wonder?

Anthony Monckton: Well, there has been some engendering from Russia, but it is also coming out of Belgrade, where they are saying, "We've got to look after the motherland." There is a large Serb minority in Montenegro. I'm afraid it comes down to numbers of population. Ed has cited the Croatian example, but the Serb population fell after the war to a number small enough, if you like, for the Croatians to live with. It is not the same in Bosnia, Kosovo or Montenegro, which is why an inherent tension will continue.

Dr Bassuener: Can I bridge your two questions with a fundamental point? Russia is not solely reliant on Serbs or Serbia to be a destabilising actor. The President of Croatia threatened something he could not do constitutionally. There was Sweden and Finland's entry into NATO last summer. Unless Britain, the United States and Germany pressured Sarajevo to accept the election law, I suspect what was going on below the waterline was that those who did have that power—the Government—were pursuing that less visibly.

Certainly Croatia has reached out to Moscow about Balkan matters, and they have a single-issue foreign policy—which is Bosnia-Herzegovina—that they pursue through all fora, monomaniacally. Russia will take advantage of every opportunity, be it in Spain, in Croatia or with Serbia, to pursue a destabilising agenda for its own sake—to keep us off balance and in the hope that they will have more opportunities by that churn. That is, again, something that the west could be far more resolute in confronting,

⁸ Note by witness: When saying "the fear of Catalonia" I misspoke. What I meant to say was: "the fear of the secession of Catalonia".

⁹ Note by witness: When saying "For Ukraine to choose between Zelensky and Putin" I misspoke. What I meant to say was: "For Spain to choose between Zelensky and Putin".



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including in respect of its values within its own ranks. That is something we have seen within the European Union and NATO: Russia has friends.

Q46 Sir Chris Bryant: What capabilities in misinformation and in the social media world does Serbia have and deploy?

Dr Bassuener: I will start, if I may. Aleksandar Vučić controls the media environment in Serbia, without a doubt, and he has allowed in Sputnik, which Anthony mentioned. Sputnik does quite a bit of work in Serbia and is read throughout the region.

Edward P. Joseph: And Russia Today.

Dr Bassuener: Yes. There is a huge footprint of this disinformation, by design, and it has had an impact. I do not know whether there was data collected at the time of the Đinđić assassination, which was 20 years ago in March, on how popular Russia was among the general population in Serbia. It is a lot more popular now after the democratic transition in Serbia, which tells you a lot about the disposition of the media environment.

Q47 Sir Chris Bryant: You are both nodding.

Anthony Monckton: I totally agree.

Edward P. Joseph: On that question, Anthony made a very good point about the mass exodus of Serbs from Croatia. I just point out that that is relevant to what is going on in Kosovo today. Today, as we speak, there is a meeting at the US embassy in Kosovo with political leaders on this very important topic. Madam Chair, it goes to the very wise statement of the Foreign Secretary about the terms—about having no entity.

The reason for that tragic exodus of those Serbs, principally from what was known as the Krajina region, was that Milošević rejected—here are the key words—the joint US-Russia plan. That's right: before Vladimir Putin, the US actively collaborated with Russia to produce an autonomy plan—the same thing that the Serbs are now crying out for in Kosovo. This was what was on offer to Milošević in January of 1995. He turned it down—they rejected it out of hand. Belatedly, there was a token acceptance, once they saw the die was cast. But that is the reason, and it is a tragedy.

Q48 Sir Chris Bryant: I think Russia also played quite a role in disinformation in the Catalan independence movement through social media. It is pretty obvious that a lot of the stuff that we saw here in the UK was stuff that had been faked and promoted by the Russians in relation to Catalonia.

I have one more question. How should the UK engage with Serbia and Croatia to improve the situation?

Edward P. Joseph: I see them as very distinct. I am sure that Kurt and Anthony each has his views on this. With Croatia, this was all flowing, as the High Representative told you all yesterday, from the Bosnian Constitutional Court decision in the Ljubić case. Now that that has been



addressed, Croatia should support addressing what was the real core Bosniak interest, which was the Sejdić and Finci case at the European Court of Human Rights, Pilav and these other cases. That is what Croatia should support. It should support a joint position of Bosnian Croats—not from Croatia, but Bosnian Croats—and Bosniaks, all the parties and non-ethnic parties on how to implement the Sejdić and Finci, Pilav and other cases.

The kicker is this: it should encompass Republika Srpska. It should not be, as the US and EU previously said, RS-neutral. It should not be RS-neutral; they should say, "This is how we see these important cases being implemented. This is how we want to move towards a more non-ethnic country." That can be presented to the RS as a negotiating position. That is my opinion on Croatia.

Serbia is of a completely different character. This is, again, the Kosovo problem, and that is in Spain and is for other neighbours.

Dr Bassuener: On the internal element that both Croatia and Serbia have exploited, the position of the HDZ, the nationalist party, was that they wanted to close the system further and reduce leakage so that they maintained feudal control—this is essentially a feudal system. They enlisted the west to help them to optimise feudalism in Bosnia and Herzegovina.

The European Court of Human Rights rulings, beginning with Sejdić and Finci, were all about opening the system to give citizens wider latitude and full ability to be represented in political structures. The west—Britain, the United States, the EU—should all be trying to push Croatia and Serbia out of internal Bosnian affairs and deal with Bosnian Croats and Bosnian Serbs using the tools that we have for peace and deterrents within the country, rather than enlisting Zagreb and Belgrade and trying to be helpful, because every time we ask them to be helpful, they involve themselves in a most unhelpful way.

Anthony Monckton: Just a thought on special representatives. There is a proliferation of special representatives; they are not actually directly linked into the policymaking on a day-to-day basis. Whereas 25 years ago you had political directors from each Foreign Office and Ministers of foreign affairs involved, now we seem to have outsourced it—to a retired general in our case; in the case of other people in other countries, I am not sure how that works. We need to co-ordinate our policy between the US, the EU and the UK together, rather than trudging round individually.

- Q49 **Chair:** Kurt, is it fair to say that the electoral reforms that Schmidt brought in unfairly supported the Croats to essentially reinforce their position? Western policy in the Balkans in the '90s was very much characterised by long delays. Do we think Vučić and Dodik have that in their thinking and, in essence, are hoping to set the facts on the ground now, before the west finally wakes up and realises that it has to do something? Is that in their calculus?



Dr Bassuener: To answer the second part of your question first: yes. They have taken the measure of us; they've got our number, but we are yet to get theirs. It is not just those two, but it is definitely those two.

The rationale for pursuing these was the Ljubić case, but the real reason was that the HDZ BiH was holding the Federation government formation process hostage for four years. It was a case of, "Give them what they want and maybe they will be co-operative."

Zagreb is no more co-operative, and it is certainly arguing for dealing with the presidency, which was always the hood-ornament goal for the HDZ. They attacked the election methodology for the presidency, which has been the same ever since Dayton; it has not changed. The presumption was that everybody would stay in their lane and nobody would vote cross-ethnically. You can sort of hear the undercurrent from the HDZ saying, "That wasn't the deal".

Instead of trying to get an actual, accountable democratic system in Bosnia and Herzegovina, we have defaulted to asking, "How do we keep the oligarchs happy?" The squeakiest wheels are the ones that we cater to; in this case, it was the HDZ BiH, but it will be others in the future.

Edward P. Joseph: Kurt is making an important point. The danger here is to conflate Dragan Čović and HDZ with Croats. That is the danger, and it is a very serious danger to advancing the goal of moving towards a non-ethnic state. I say that because if you read the Ljubić case, there was nothing illegitimate in Schmidt needing to address this. I disagree with the vituperation—apartheid and so on. It was not illegitimate. People can disagree about the way he did it and say he should have done it this way or that, but the motivation to do this was legitimate.

It was not just that. I believe the British embassy, along with the US embassy, backed Schmidt in his approach. The motivation was legitimate; it came from a constitutional court decision. What is very important in that decision is seen if you read the dissent by the chief judge, Mirsad Čeman, a Bosniak who was the president of the constitutional court. He does not challenge this on any of the bases that we heard or any of this apartheid rhetoric. Basically, he says that the concern brought before the court—the legitimate one—is that it is a very delicate balance and is very complex. That is what we need to understand and respect before making these kinds of allegations.

Q50 **Chair:** The Croats said that it was a diplomatic victory for them, so there is a slight challenge there. We will move on, but the Croat President if standing up in their Parliament saying it is a victory for them.

Edward P. Joseph: Madam Chair, you make a great point. That is why I said that now the onus is on Zagreb to move the Bosnian Croats—not to do it themselves, but to encourage them to work with the Bosniaks on this. What is in it for the Croats? It is what Kurt referred to: the election of the Croat member of the presidency. It is wrong—Bosniaks know this—to take advantage of a static balance in population to over-vote another



population. That is about the worst advertisement for a civic state, because it exactly proves the fears of the other side—"This is what we will get if we have a civic state."

- Q51 **Liam Byrne:** Kurt, you talked about the business model of governance. It is a business model. What struck me in the evidence I saw last year was the wholesale corruption of political economy in the region. Those elites are pretty much wholly in control of a network of state-owned enterprises, which in turn are a significant fraction of the economy and of the local labour market, and therefore not only route important profits into political parties, but are a source of economic privilege in countries, winning contracts and elsewhere. They are going to keep that equilibrium for as long as they can, because that is what corrupt people do. How, from the outside, do we wreck that political economy, create some incentives for reform and do what you counselled earlier, which is mobilise people who do not actually like that system very much?

Dr Bassuener: Thank you very much for the question. Bosnia-Herzegovina is what I call a peace cartel. The cartel part is obvious, because the founding parties and their successors have full-spectrum dominance, not just of politics but of economics, media and academia. That is the main driver for the exodus; it is not just people seeking greener pastures. Fundamentally, it is a question of human dignity. They are being dominated by people who are open in their corruption and do not even bother hiding it anymore, because there are no consequences. People see us allied with that peace cartel. And the peace part is because they can threaten the peace whenever we don't give them what they want.

The way we begin to challenge that is by first recognising the limits of our power. Our power is significant. The most we can do on the outer limits of it is to make the environment more conducive for the people who want something fundamentally different to get traction. That is a very potent power. We could limit the ability to threaten violence.

There are two fundamental tools: first, patronage, which is not just through the SOEs and so forth, because Dodik sold a lot of his in sweetheart deals. There are different models for abusing the public trust in the RS and in the Federation: you can sell the goose that lays the golden eggs, or you can rent it out. You can also make sure that your party people are on the boards, which is the Federation model.

If it is clear to people that we will not allow violence—coercive force—to be used against them that is what a safe and secure environment means. That includes dealing with a fear that has become much more apparent, so we will not allow their police to clobber them if they are peacefully demonstrating, which happened in 2013, 2014 and 2018—each with a learning process going on.

If we do all that, then I think that these guys are in real trouble. They have a lot of leverage over people through fears that votes are not secret—if you vote against the powers that be, Uncle Jovan will lose his



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job, and he is the sole breadwinner for the household, and so on—so they would be in real trouble. That was the implicit threat when Paddy Ashdown left—“We will put you out of business unless you straighten up and fly right”—but then the presumption was that European Union enlargement would force them to. And we have seen the result.

Q52 **Liam Byrne:** How do we set about this task without driving those elites into the hands of other sources of revenue such as Russia and China?

Dr Bassuener: We have the ability to control the territory in Bosnia and Herzegovina in a way we don't have anywhere else. We could have a credible deterrent on the ground, which we haven't had in over a decade. They rely on sources of revenue that we have a lot of influence over. Frankly, the Russians have been parsimonious with money; they have been able to do what they want for free, and they don't give anything away. They are not going to subsidise these guys, and nor will the Chinese. They will definitely give what amounts to attacks on future generations in loans, and both entities have changed their laws to allow Chinese investment in the energy sector—in mines and building power stations.

I think we can have a decisive impact. The question is whether a constituency would assemble across ethnic lines. I completely agree with Ed that if you want to have a state, it has to include everybody who considers Bosnia and Herzegovina home. I don't think that is an impossible task at all; it is quite feasible. If I did not think so, I would not have moved back there. I may be wrong, but I would like the opportunity to find out. Right now, we are aligning ourselves with the forces of regression in Bosnia and Herzegovina and region-wide, because it is easier for us and we don't have to admit that we got it wrong.

Q53 **Liam Byrne:** Anthony, you are nodding.

Anthony Monckton: I was thinking of the evidence session yesterday with the High Representative who mentioned the IMF and the World Bank. I don't think they are used sufficiently as tools of influence when it comes to criminality and state capture. Some of the work that they could do to look at local banks and the corruption that happens around them would be appropriate.

Q54 **Liam Byrne:** Given that we helped found the things, why are we not leveraging those Bretton Woods institutions?

Anthony Monckton: Because there are processes, I suppose, and they need looking at and changing. The degree of oversight that those institutions are allowed to have with central banks in the region is not as strong as it could be. Different funding streams have become overly bureaucratic, so it is very difficult for good money to get in because the locals find it very difficult to fill in the forms to get that money. A review of that would be worthwhile. Otherwise, as you said, they get driven to a cheap Chinese loan or a Russian deal behind the scenes because it is easier for them to do, more than anything else. Understanding the values



of how transparency and open business work is difficult in nepotistic states.

- Q55 **Liam Byrne:** It may not be just the transaction costs; it may be that we want other political things as part of that deal package. There may be other things that we want, such as being less corrupt, that incline them to go for those who don't like to attach strings to their money.

Anthony Monckton: I suppose that is one of the weaknesses of our approach. We set terms and conditions, and they look at them in horror and go, "Well, I'll take the easy money, thank you."

Dr Bassuener: Sorry to interrupt, but this is a very important point. We are leaving our potential allies in these societies effectively without friends. We need to enlist the general population in something they want. They want less corruption. We abhor corruption, but then we make political deals with the most corrupt people who are the apex predators in these societies. That sends the message that we are not really that serious about corruption—not if they could create problems for us.

If we want to get traction in these societies and give the citizens the ability to have their hand on the tiller, we need to demonstrate that we are for real and we are willing to have some constructive instability. If we are willing to control for the most threatening element of instability, which is violence, we have decisive leverage there that we have not used.

- Q56 **Henry Smith:** You spoke several times earlier on about China providing the infrastructure for the old, crumbling coal-fired power stations and replacing them with Chinese-built gas power stations supplied with Russian gas. Turning to China more specifically, how do the Western Balkans fit into Beijing's both political and economic strategy more broadly?

Anthony Monckton: It is One Belt, One Road writ large—or writ small, as it were—in the Balkans, where the Chinese can get in with their people. You have to remember that, when they come in with a project, they come in with their own money, their own workers and their own equipment, and, in the short term, that is very attractive. What the countries of the region are unable to understand—or look at properly—is the long-term implications of the loans that come with that and how they are tied in. That is why Montenegro, for example, has had to seek assistance from the US and the EU to try to offset the loan on the highway that the Chinese built.

The Chinese do not care—as much, shall we say—about the environment, so the coal-fired power stations in Bosnia that they are building, or have built, do not meet the emissions standards straightaway. The one in Stanari has a temporary licence to operate until the end of this year, and then it will have to stop, under the rules—that is, if the European Energy Community Secretariat actually enforces the rules that it has imposed on the region for the signatories. I would make a plea here that the UK, having left because of Brexit, should at least be an observer to the European Energy Community Secretariat, because that is important.



Dr Bassuener: On top of that, the Chinese plug into the existing infrastructure of power in these societies. They definitely want political influence for that, in the UNGA and other places, but they do not have the inherently disruptive agenda—at least right now—that, say, Russia does. They just use the proverbial paper key with whoever it takes. They have their own overarching policy agenda, in terms of, at least in theory, not wanting destabilisation and secession, although we have seen the contradictions of that vis-à-vis Russia, just now.

So the Chinese just plug into the existing system, but they definitely cannot operate with public scrutiny, regarding the terms of engagement. However, they come with what is billed as ready money. They also plug into the media infrastructure, in promoting a sort of soporific, “We are bringing money,” “Win, win, win,” “All of this is good for you” message, while the prime beneficiaries are the people in power, and the citizenry picks up the tab—if there is anybody left when the tab becomes due.

Edward P. Joseph: If I could just add to the points raised by Anthony and Kurt, the key point here is the Chinese influence in the region is different. The relationship is different with Serbia. That is not just inference; they have what they call a strategic partnership. They use the same imagery that you have between Putin and Xi, about “stronger than steel” and “the iron friendship”. The President of Serbia puts billboards around the country in homage, saying, “Thank you, Brother Xi”, and exploited the covid diplomacy.

So this is different, and here is the key point on how it is different: it is voluntary on the part of Serbia. This is not a proxy of Russia. It is not a creeping, “Oh, China’s coming with money,” and then, before you know it, you are in a debt trap. That is not what is going on here. How do we know that? Because we know what Serbia’s position is on issues that are of great importance to China and to us, such as Hong Kong and Xinjiang.

This is what we are talking about. This is why the Balkans are so unstable. You cannot have stability in the Balkans when the largest country, with populations that it can manipulate in those three or four different countries, has a strategic orientation different from ours—when it is promoting the Putin-Orbán type of order, not our order. That is the key point about China.

Q57 **Henry Smith:** Further to that point, on the so-called Digital Silk Road and the impact that that has on the Western Balkans, we have spoken about Montenegro and about being caught in that debt trap and having to look for assistance with that, versus the voluntary engagement that Belgrade has with Beijing. How does that relationship work in terms of governance, corruption and all those issues, specifically for the Bosnian federation?

Dr Bassuener: As Ed noted, it is helping Serbia build a surveillance state. But in Bosnia-Herzegovina, it is an alternate host to feed from for now, even though the terms are not advantageous. With Block 7 of the Tuzla coal-fired power plant that Anthony mentioned, they had to change the



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rules to do that. That demonstrates how flexible the powers that be will be about their own rules to get what they want now. I think that demonstrates better than almost anything else the business model that makes these guys tick, and the fact that we in the west have not really fought against it.

The one big score that the European Union had in the region—and they never picked up on it—was with the energy community and South Stream. That was when the EU said, “No pasarán. We’re not going to allow this.” But they never took that example and said, “This is the way we need to engage the powers that be on everything in our portfolio that we care about.”

Anthony Monckton: It means that our strategic aim is to get Serbia away from being in the fraternity of autocracies. That is what we should be aiming to do, and that plays into Ed’s points. That is where Vučić is playing his game at the moment very cleverly—in the geopolitical game.

Edward P. Joseph: I neglected, surprisingly, to mention that, of course, Kosovo is also crucial to the Chinese-Serbian relationship. Why? Because of Taiwan. China has this absolute firm view; their whole view on Taiwan rests on Chinese sovereignty. Their whole concept—a fundamental concept for China—is sovereignty and territorial integrity, and the sanctity of that. So they support, to the end, Serbia’s claim over Kosovo, because they see this as preserving. This is why resolving the Kosovo issue definitively by these five would dramatically curtail the relationship between Serbia and China.

Q58 **Henry Smith:** Further to that, Croatia is obviously an EU member state. Serbia is a candidate EU member state. Do you feel that the EU and the west more broadly are not using the leverage that we perhaps could and should?

Anthony Monckton: The dispute within the EU as to enlargement—as to how that should go forward—makes it very difficult, because the long promise is becoming a mirage for states. That is not helped by the US now going around saying, “You’re never going to get into the EU, so listen to us.” That, again, is where the west is disconnected. And, of course, us leaving the EU has made them go, “Well, who are you to tell us what to do? You were for enlargement, and now you’ve left, so what does that mean for us?”

Q59 **Graham Stringer:** On a slightly different track, when the Committee visited Bosnia about 12 months ago, the most impressive and optimistic people I met were from local government and mayors of local towns. They were as horrified as you and we are about the corruption and patronage, but they have little power in terms of resources or the powers they have.

Do you think that one approach to improving things and attacking the corruption—I don’t know if we have the power—is to increase the influence of those people by putting more resources into local government and giving them more power at that local level, where they are working across



different ethnic groups?

Dr Bassuener: In terms of the mayoral level in Bosnia and Herzegovina, most municipalities in Bosnia-Herzegovina have direct election of mayors; there are a few that don't—Mostar, Brčko, Sarajevo. There is no accountability whatsoever in a sense, because you don't vote for a discrete candidate, like you are all elected as Members of Parliament. You do not have an address to complain to. Mayors is about where that peaks out.

It is a question of resources, and these resources are withheld by higher levels as a political disciplinary tool, but structurally, if you want to reach what Baroness Helic has called for—"a new social contract for the 21st century" in Bosnia-Herzegovina—you need to build on that local level. Those are the elementary building blocks of a potentially functioning democracy. Shy of that, you end up with ethnic oligarchy, which is the way the people who already control the show want to keep it.

So I agree with your impulse. I think we need to be driving for that and saying, "We'll enforce the bad old rules until there are new rules," but we could do that forever. Right now people get the benefits of us being, effectively, absentee landlords, without ever having to pay the freight, and that's the problem. The overarching policy posture needs urgent review.

Q60 **Chair:** We need to draw to a close, but I am going to ask for a final 30 seconds from each of you, focused on solutions and actions. What should the British Government do over the next 12 months to support or improve the situation and to reduce fragility, specifically in relation to Serbia, because a lot of our points come back to that? What meaningful action can be taken in the next 12 months? Ideally, each of you should take less than 30 seconds?

Anthony Monckton: Point one would be proper engagement with our EU and US partners, so we are talking with one voice. Point two, I will bang on about the future of energy and the risk to European energy security, of which we are a part. We should engage with the Energy Community Secretariat and look at how Balkans hydro can support energy flexibility, but only if we sort out the coal-fired power stations. Those are the two things I would say.

Dr Bassuener: One, Britain should try to catalyse a western, transatlantic policy review of why we are accepting being on the back foot in a region where we hold so many tools. We have not revisited the source code in 17 years.

One of the elements to put forward is what you are all doing here. Other parliamentarians—in the European Parliament, the Bundestag and Congress—need to talk to each other and develop a co-ordinated drive to achieve that end from the Executive. One of the policy goals needs to be to push countries that think of themselves as regional hegemony out of the smaller countries—Bosnia, Montenegro, Kosovo, Macedonia—so that those countries can develop their own solutions that are democratic and in line with our principles.



HOUSE OF COMMONS

Edward P. Joseph: First, Madam Chair, let me thank you for the honour of appearing here today. In terms of UK interests, I had the pleasure of meeting your special envoy, Sir Stuart Peach, and we discussed some of these topics. As I said at the beginning, before 24 February 2022, Kosovo's limbo status was a regional problem; now it is a transatlantic problem. It is a problem for all of us.

The answer is very clear. With its special relationship, the UK should work with the United States—Washington—and with Athens and Kyiv; that is the key. It should work to advance Ukrainian and Greek recognition of Kosovo. That will transform the situation and do what President Zelensky said here in the House of Commons: "to be or not to be"—to affirm Kosovo's independence and its sovereignty as a factor of western order, and not continue to let it affirm the Serbian stance and their order. To close, that will allow Serbia to take its rightful place, alongside, as co-equals with its fellow neighbours, in both the EU and NATO.

Chair: Thank you all ever so much for a really instructive and helpful discussion around what is hardly the easiest foreign policy topic. I hope we are not back here in 17 years asking the same questions. That brings our conversation to a close.