



Select Committee on International Relations

Corrected oral evidence: Beyond Brexit: the UK and the Balkans

Wednesday 13 September 2017

10.30 am

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Members present: Lord Howell of Guildford (The Chairman); Lord Balfe; Baroness Coussins; Lord Grocott; Lord Hannay of Chiswick; Baroness Helic; Baroness Hilton of Eggardon; Lord Jopling; Lord Purvis of Tweed; Baroness Smith of Newnham; Lord Wood of Anfield.

Evidence Session No. 2

Heard in Public

Questions 16 - 32

Witnesses

I: Professor Marko Prelec, Director of Applied Policy Projects, Central European University.

II: Ambassador Qirjako Qirko, Albanian Ambassador to the United Kingdom.

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Examination of witness

Professor Marko Prelec.

Q16 **The Chairman:** Good morning, Professor Prelec. I am speaking to you from London. I am the chairman of the House of Lords International Relations Committee. Technology has brought us together this morning, and we are extremely grateful to you for spending some time with us and sharing your wisdom on our inquiries. I should explain that this session is on the record. The Committee is assembling views on and inquiring into the pattern of developments in the western Balkans, and particularly the potential role of the United Kingdom. Always in the background to this is the likelihood that Great Britain will no longer be part of the European Union but will of course continue to be involved in international affairs and the stability of Europe in particular. That is our background. Again, thank you for being with us. I should like to start straightaway with some questions, but as you are the guest, is there something that you would like to say first?

Professor Marko Prelec: No. As a technical matter, I do not know whether I am supposed to see you because I cannot. However, I can hear you quite well.

Q17 **The Chairman:** Professor, it will have to be an audio session, if you do not mind. If you do not hear anything clearly, please ask us to repeat it. I was hopeful that the technology would work, but it does not seem to be working as well as we want.

Can we begin by asking from your view and with your expertise about the UK's interests in the region? This is a UK Committee, so understandably we start from that point. What areas should the UK prioritise, and how do you think they will be affected by our operating outside the EU treaties in the future but obviously in close co-operation with EU structures? Can you give us an assessment of that question first?

Professor Marko Prelec: It depends to some extent on the timing, so the answer will change after Great Britain leaves the European Union. It also depends on how one understands the question. The "western Balkans", is a common euphemism for the former Yugoslavia that is not in the EU yet, plus Albania, so it is an artificial distinction that is relevant primarily in the context of EU accession. As time passes, if the UK is no longer a member of the Union, that might not be the most relevant definition to adopt. One might need to look at the region framed in a broader way, perhaps by looking at a set of countries that share common problems. All the countries of the former Yugoslavia, including the members of the Union, share a strong family resemblance. They have a common administrative heritage, with the possible exception of Kosovo, a common political culture, common habits of mind, a common economy and legal heritage as well as common problems. They also share to a lesser extent features and similarities with parts of the Mediterranean region, in particular places like Greece, Malta, Cyprus and parts of southern Italy. There is, shall we say, a certain informal way of doing

things. In other respects they are like the countries of the former eastern Europe.

If you do not mind, I will occasionally refresh my memory with some notes that I have here. With that preliminary comment out of the way, the interests of the UK in the region are mild, which I think is the best way to put it. The primary interest is simply that of avoiding a further outbreak of violent conflict. The risk of that happening, at least from today's perspective, is very small. Absent that unfortunate occurrence, the region in itself is simply not very important to the United Kingdom. It is much more important to the European Union in a number of ways. I suppose you could say that for the UK it has a kind of indirect significance in that the EU is likely to be still by far the largest and most significant political actor in your neighbourhood.

In so far as the Balkans have the potential to be a problem for the EU, they also indirectly have the potential to be a problem for you. That would now most likely be not necessarily through an extreme case of conflict but through milder forms of state dysfunction or failure. One now has to get hypothetical, casting one's gaze quite far into the future. It is possible to imagine a case where additional states have joined the European Union but are not behaving well. Given the structure and high degree of unanimity required for the EU to act, if one or more Balkan members are unable to act in their own internal affairs, as they have been in the past, that could, at a minimum, significantly degrade the EU's ability to be a foreign policy actor. That is an indirect effect. That is all that I have on that issue.

The Chairman: Thank you for those comments. You have touched on a number of aspects. I will ask Lord Hannay to go straight on to one of them.

Q18 Lord Hannay of Chiswick: Professor, could we spend a minute or two on the Islamic dimension in the Balkans? It would be helpful if you could comment first on what I call Islamist extremist networks, which operate in the Balkans. Where are the hotspots? How are they funded? Do they represent a security risk for every European country, including the United Kingdom? Also—this is a completely separate Islamic question—what about the influence of Turkey, which is under a very authoritarian ruler? President Erdoğan seems to be trying to extend Turkish influence into parts of the world that were part of the Ottoman Empire, with which he seems to feel some affinity. Perhaps you could talk about those two aspects of Islam.

Professor Marko Prelec: Certainly. Taking the first question first, it is important to distinguish between several different kinds of extremism within the Islamic community—violent and non-violent extremism. That is important for outside observers and for policymakers in the region. This is probably a familiar fact to you, but Balkan Islam is—for lack of a better word—a moderate kind of Islam, traditionally. Over the past quarter century or so, since the wars and after the wars, there has been an influx of different Islamic traditions, sponsored by Saudi Arabia and other

actors, in response to the traumas of war. So you have, for want of better words, little pockets of Salafi or Wahhabi practice of several different kinds throughout the western Balkans—in Bosnia, Macedonia, Kosovo and, to a lesser extent, Albania. These tend to freak people out because they are very different; these are ways of living that are at odds with traditional ways of living, to do with the segregation and covering of women. Some of these people practise isolationism in out-of-the-way villages in Bosnia, where they live by themselves and are hostile to outsiders. It is quite disturbing.

However, there does not seem to be a correlation between these groups and violent extremists. As far as I have been able to gather in observing this phenomenon, the people who tend to be receptive recruits are avowed extremists—the people who are interested in al-Qaeda or the Islamic State, the people who emigrate to join the Islamic State or commit acts of terror, largely seem to be drawn from a young population. They are often people who are to some degree troubled, socially isolated and religiously isolated; they are people who are not firmly tied into a particular mosque. They turn to violent extremism often mediated by the internet, not only by social media but through direct person-to-person contact, in chatrooms et cetera, with recruiters for these extra-Balkan extremist groups. They turn to these groups as a way of finding some kind of meaning in a life that is in other ways adrift.

The answer to your question is that, from the perspective of the risks posed to the interests of the United Kingdom, those are only to do with the latter community, which is quite small. In per capita terms, it is comparable to, although probably smaller than, the percentage of people who are drawn into violent Islamic extremism among Islamic minority populations in western Europe. It is certainly smaller than in places such as Belgium, where it is a large problem. They pale in comparison to the threat posed by home-grown extremists in the UK. It is not a zero threat, but it is quite small.

It would also be a mistake to react too sharply to or to be too concerned by Salafi communities in the Balkans. My information is not current; I last looked at this a couple of years ago when the Macedonian Albanian community was quite radicalised relatively speaking. Within broader qualifications, these are all very small groups—small clusters of individuals. There were perhaps more of them per capita among Macedonian Albanians. There were some in Kosovo and some in Bosnia. There had been quite a few in the Sandžak in Serbia, but that seems to have faded over time. Unless you have a follow-up question, those would be my reflections on that.

Moving on to the role of Turkey, there is clearly an ambition on the part of President Erdoğan to expand his reach into the region. There is a receptive audience in certain conservative political circles, especially in Bosnia, within the Party of Democratic Action, the SDA. I think that the objective reality of where these countries find themselves sharply limits how far this can go. Turkey will never be able to rival the economic

importance of the European market for any of these countries. This is widely known, so I do not think that there are any serious political actors in the region who consider Turkey as a viable alternative. It is more a kind of folkloric reaction that people feel and a sense of importance that they derive from being the objects of attention for a person who, however much he is now condemned for his authoritarian tendencies, is now a major world actor. Beyond that, there is not so much to it.

- Q19 **Baroness Helic:** Thank you very much, Professor Prelec. If I may, I will take you back to what you just said about the influence of the Salafis in the region, particularly in Bosnia. You paint a starkly different picture from the one that the President of Croatia has given over the past six to nine months. Not only has she spoken, most recently last week, about pockets of threat to Croatia, she has also obviously had discussions with four countries—Hungary, Poland, the Czech Republic and Slovakia—as well as Austria to the extent that Foreign Minister Kurz said very starkly three weeks ago that Bosnia represents a major threat to the stability of the Balkans and Europe. If I am correct, the same view came from Hungary and Slovakia. What can the President of Croatia see that you cannot?

Professor Marko Prelec: I have to offer a caveat with my answer. As I mentioned, my information on this is not current. It is possible that the President has access to information that I am not aware of, either public or otherwise. However, on the basis of what I do know, none of the comments that you have cited are credible. It is also plain that there is a long and well-documented history of exaggerating, if not inventing, an Islamic threat in the countries that you have mentioned—countries with extremely small Islamic populations and no history of Islamic violence—to which Croatia might now simply be gravitating. Croatia has its own reasons for encouraging suspicion of Bosnian political actors. It has a strong interest in the position of the Bosnian Croat community, which is not what most of that community would like and not what Croatia would like on its behalf. This can take us quite deeply into the weeds of Balkan politics, but the short answer might be that Bosnian Croats have a mix of legitimate and illegitimate grievances about their position that gives Croatia a motive, since of course all these people vote in Croatian elections.

It also might be apposite at this point to reflect on my initial comments about this inquiry. Croatia is not often seen as part of the western Balkans since it is in the EU, but despite having been a member for four years, it still has politics that are quite strongly nationalistic and prone to stirring up nationalist trouble where it has no real merit.

That also reminds me, since you mentioned it, that Minister Kurz, in his position as a party leader now since the recent elections, made what I think one could charitably call an unhelpful intervention during the last Macedonian election campaign, in which it is reported that he openly campaigned for the VMRO-DPMNE party. It is an unusual step, given the revelations of corruption that had been made available about that party.

This is potentially stuff that is produced for domestic xenophobic and populist consumption within the countries in question.

- Q20 **Lord Grocott:** Related to that, I have a broad question on nationalist groups and leaders within the Balkans: minority groups in relatively recently established states. I would like your views on the effect that has and is having on the stability of states in the area, including perhaps on the strength and stability of the present boundaries of all the states.

Professor Marko Prelec: It is important to be aware that by almost any sensible definition of nationalism, virtually all the political leaders who have been active in the region over the past quarter of a century and who are active today are nationalists. It is true that some of them see themselves and identify themselves publicly as anti-nationalists, but they are structurally identical, by which I mean that they base their political appeal and view the world through the prism of a well-defined community that does not coincide with all the citizens of a country. Whereas a nationalist in Croatia might be said to be someone who is focused only on ethnic Croats to the exclusion of ethnic minorities, you can be a nationalist in Bosnia in that way by focusing on Bosnian Croats or on Bosnian Serbs, or by focusing on the community that sees itself as primarily Bosnian citizens.

If that is a little too abstract, I can make it more practical by fingering a particular party. There are two leading anti-nationalist parties in Bosnia, the Social Democratic Party and the Democratic Front, both of which appeal to a subset of the total population. They in no sense see roles for the actual voters of Republika Srpska or the Croat-dominated areas. They do not see them as their constituency, because those people have a different political outlook and they are not interested in the same kind of state project that those parties are interested in.

Again, to make this less theoretical, we must ask why we are looking at nationalists to begin with and why we consider them to be a threat. The principal reason has to be that they present a danger of breaking down the state through their inability to get along well, construct reasonable compromises with and govern with other actors within multi-ethnic and multinational states. In the case of nationally-homogeneous states, they might run the risk of getting into inter-state conflict with a neighbour. This does not necessarily correlate with whether a party or a political actor sees themselves as a nationalist. To return to the Bosnian example, there is a fairly long and rich history, although it is by no means unbroken, of co-operation between two quite nationalist parties, the Croatian Democratic Union and the Party of Democratic Action, the party I referred to earlier. That is not imperilled by the fact that they are both nationalist parties. On the other hand, one did begin to see state breakdown in Bosnia when the Social Democratic Party, a self-proclaimed all-Bosnian party, entered into government.

So the question really has to be: what do we do to discourage the parties from adopting intransigent and rigid positions with respect to one another? You also raised the possibility of border change. Perhaps I

should pause at this point. Is there anything you wish to follow up on the previous answer, and should I simply continue and talk about border change?

- Q21 **Baroness Smith of Newnham:** Can you tell us a bit about how the UK and the EU might be able to respond to the nationalism? Are sanctions appropriate? Also, you said earlier that we should move away from the theoretical, but I will take us back slightly to that. The EU has long seen itself as a normative power, seeking to export its values. To what extent do you think it is able to win round the leaders of countries that are aspiring to membership, and does the rise of illiberal democracy in some European states actually make it harder for the European Union to exert the positive influence and conditionality that it has exerted in other regions in the past?

Professor Marko Prelec: I think the latter part of your question is the answer to the first part of the question. Excellent examples of this arose in a previous question about comments made by the Prime Minister of Croatia and other eastern European leaders. If Martians were simply to tune in to the rhetoric that is coming out of Europe, it is by no means clear that they would find the most extreme or upsetting rhetoric coming from the Balkans. One can quite easily find more xenophobic statements being issued by irresponsible leaders within the European Union, and that certainly does hobble the EU's ability to act as a normative power.

Baroness Smith of Newnham: I wonder whether there should be sanctions, but there was a point that you wanted to come back to.

Professor Marko Prelec: Yes, I have a couple of stray thoughts on this question and on a previous question on sanctions and secession. In respect of sanctions, there are, I think, already some sanctions, at least on the part of the United States. I do not know if the European Union has brought any in against Milorad Dodik and possibly some others. There are the usual sanctions against criminal actors.

It is potentially an important instrument. I do not see anyone currently in power who would unambiguously merit sanctions, but it is something that has to be preserved. The impact, as I understand it, is primarily psychological as a strong expression of international disapproval. The practical effects of an asset freeze or a visa ban on a Balkan political leader are mild. What is less mild is the sense of being cast out of the community of reasonable actors. Sanctions ought to be retained in the global arsenal, so to speak, but not necessarily resorted to with any frequency.

With respect to secession, the risk today is very low, but we have to be aware that the leadership of Republika Srpska is quite serious in its intention to break away in due course. It is in no hurry, but for at least a decade now it has made it clear that that is the aim, and it is an aim that has fairly broad and deep public support in Republika Srpska. The whole thing is hard for anyone to imagine, and it is not something that your average Serb spends much time thinking about. But when you ask

average Serbs whether they would prefer to be independent or not, the answer is quite clear that they do intend to be independent or, rather, to join Serbia. So it is likely that this will remain a feature of Republika Srpska and Bosnian political life for the foreseeable future.

The best defence against it ought to be that of ensuring that the conditions for a move to independence do not arise. Those conditions can only be on the one hand—and this is the more important one—a comprehensive failure of Bosnian state institutions, or paralysis of the type that Bosnia flirts with from time to time in its various troubles. The cause is a very complicated legal structure and the fact that the need for consensus is built in. If the Bosnian state is paralysed and unable to function for whatever reason, it would be relatively easy for a Serb leader to say, "This ship is sinking. We didn't make the hole, but the water is coming in and we have to take our own interests into account". You might find an audience on the international stage for that.

The other event, of course, would be a drastic shift in the international climate such as, for example, a series of European secessions, perhaps Catalonia or Scotland. If they were to take place peacefully and be recognised, that would change the calculus within Bosnia. Short of that, I think it is quite unlikely.

Q22 **Baroness Hilton of Eggardon:** Pursuing the same theme about Republika Srpska and President Dodik, he has talked yet again about holding a referendum on independence. Do you think there is a particular crisis at the moment that is making him talk about it again, or is it just one of the ongoing themes in that particular area? Also, do you think Russia is involved in encouraging Serbian independence from other parts of the Balkans?

Professor Marko Prelec: To answer your latter question, from what I have heard, and this is not especially reliable, Russia is not involved and is not in favour of any immediate steps towards independence. The motive is essentially that any move towards independence is likely to be violent and would draw NATO back in to Bosnia. The primary Russian interest in Bosnia is to keep NATO out. That is also the regional interest in the Balkans.

In response to your first question, the elections next year are due to the crisis to which the referendum might be a reply. A lot will depend on the details. It is entirely possible or even likely that the referendum will be much discussed but will not take place, and if it does take place it will have some form of built-in ambiguity. It might not be a binding referendum. There will be some sort of consultative thing or the question might be rephrased in some way. They toyed with this in the referendum that was to be held five or six years ago. It was ultimately called off, but they got quite far in fighting for it. It went as far as the high representative.

Obviously, if there were to be an unambiguous referendum for independence in these conditions in Republika Srpska, it would merit an

exceptionally strong and clear response by every interested party because it would be profoundly dangerous and likely to lead to violence. So everyone from the Security Council to the European Union, the United States and the United Kingdom would need to be aware of that.

Lord Jopling: I would like to enlarge on that. Would you say more about the attitude of Serbia? I think you have given us the impression, as have other witnesses, that Serbia is not actively encouraging the secession of Republika Srpska at this time, but you have also given the impression that if there were an initiative internally in Banja Luka they might be sympathetic to it. Is that a correct reading of what you are saying?

Could you also tell us about Serbia's general attitude to the enlargement of its interests? I am thinking particularly of the part of Kosovo that is primarily Serbian. I think we would quite like to know how you view the general policy and attitude, now and in the future, of the Serbian Administration.

Professor Marko Prelec: With respect to Serbian policy on Bosnia and the possible breakaway, again it would depend on the circumstances. In the current circumstances they would see a breakaway as rash and would certainly discourage it. I would go so far as to say that they would not recognise it. They have certainly discouraged noises—Vučić has done this in the past—about a referendum or independence on the part of the republic. If things were different, if there seemed to be a plausible road to recognising independence, Belgrade would have no choice but to take a seat on that train.

There is also some interest within Serbia in Republika Srpska as a kind of compensation for the loss of Kosovo. I do not know how widespread this is, but I have noticed that the political class in particular is not especially friendly towards the Bosnian Serbs, certainly on a party level. Dodik had much better relations with President Tadić, both through the Social Democrats and personally, than he does with Vučić, with whom he has really quite poor ties. They are all seen as somewhat rustic and somewhat crazy, and nobody is keen to integrate into the Serbian political scene.

Also, things have shifted, and it might still be a bridge too far to recognise Kosovo's independence. It would perhaps be quite a difficult and challenging step for any Serbian leader to take. The extent to which people really care about this is now, I think, quite diminished. Serbia has neglected, to the point of contempt, the interests of its former clients among the Kosovo Serbs, and it has paid no significant price in popularity. The public image of the Kosovo Serbs in Serbia is that they are moochers and a drain on the state. There is not so much sympathy for them, and as time has passed people have got used to the idea that they are simply lost to Serbia.

I do not know whether that has answered your question.

Q23 **Lord Jopling:** In the past, peace in the Balkans has been pretty high on

the United States' agenda. Could you update us on what you perceive the influence to be now of the United States and how you think the Trump Administration will react to events in the western Balkans? Do you think there is any particular possibility of the United Kingdom playing a part in encouraging the United States to play a continuing role in the area to try to keep it reasonably peaceful?

Professor Marko Prelec: That would certainly be welcome. There is relatively little hope of much of an effect. United States foreign policy can now be thought of as a ship without a captain. There is, of course, a President and there is a Secretary of State, but they are not actively engaged, certainly not in this part of the world. They have no demonstrated interest in or knowledge of the Balkans. State Department veterans in the foreign policy establishment are simply continuing to run policy and will continue to do so without any great change. There is no real possibility of escalation, which I suppose is the one thing that has changed. In the past, you could always say that things were looking really bad and you would get the Secretary of State or the President involved. That is no longer a plausible option. So we are essentially in housekeeping mode in the United States and are very likely to remain there for the duration of this Administration.

The Chairman: Thank you. We heard in an earlier session that in a sense there are two policies coming out of the United States, one from the White House and one from the State Department, and what you have said rather confirms that: that the State Department is carrying on with its professional work while various rather eccentric comments come out from the White House tweets.

Lord Balfe will open up the questions on the wider interests of the world.

Q24 **Lord Balfe:** We know that Russia is perpetually meddling in the region, and Lord Hannay has referred to Turkey. However, China and the Gulf countries have also been engaged; the recent Chinese takeover of half of the port of Piraeus will supposedly open up the new Silk Road. I understand that President of the Commission Juncker today in his state of the union message will deal with the need for the EU to have some sort of blocking mechanism for Chinese investment in crucial areas of EU real estate. What are your views on the intentions and actions of China and the Gulf countries, which are flush with cash and are clearly trying to increase their footprint in Europe, and on what the impact of their activities might be in this region?

Professor Marko Prelec: I think it is important to distinguish China from the other countries that you mentioned. China is the only actor that is a plausible rival to the European Union, possessing an economy that is the same order of magnitude.

Lord Balfe: And the Gulf states?

Professor Marko Prelec: They do, but it is dependent on petroleum and the level of petroleum pricing, and on the timing. On the China Belt and Road Initiative, China does see a significant national interest in the

Balkans as part of its entry into the broader European market. The port of Piraeus plays an important role in that. Some of the railway and other transportation projects that have got into trouble with the European Commission because of apparent violations of procurement rules, for example in Hungary, I believe, are also part of that.

Although it is discussed less often, there are long-term political interests in fostering good relations now, when it can be done at relatively low cost, with states that are forecast eventually to have seats on the European Council. One can already see the dividends of that policy in certain actions taken by Greece in the Council to shield China from human rights criticisms as a kind of payback for Chinese loyalty. One need not think of this as a kind of buying of influence. In Greece this was seen as China being a friend when it had no friends during the crisis of 2015. However, for China this is subordinate to its relations with the European Union and the European market. The Chinese will never act in the Balkans in a way that will imperil their access to that market.

There has been a lot of talk in the Gulf mainly about influxes of populations in the form of people buying property. I do not know if that is what you meant. It is true that whole communities in Bosnia have been bought up by Gulf Arabs. My understanding is that this is simply people seeking comfortable and relatively cheap European property with a pleasant summer climate, unlike that of the Gulf, and a culturally welcoming Islamic population. There does not seem to be anything especially nefarious about it.

Baroness Helic: I would like to follow up on the previous question. There is a quite visible presence of Gulf tourists, if I may say so, now that Lebanon and Syria are in hot water; perhaps Bosnia is cooler in the summer for them. In particular, do you have any thoughts on investment by the United Arab Emirates in Serbia? Just one tranche was worth around €3 billion for building areas of the modern part of Belgrade. Where do you see the genesis of the relationship between President Vučić and HH Mohammed bin Zayed? Where do you think this is going to end, and what is the aim?

Professor Marko Prelec: I regret to say that I simply have no information about that. I am not familiar with the position and there is nothing helpful that I can say.

Q25 The Chairman: Professor, there is one final question that is slightly off the main schedule, and you may not want to answer it. You are sitting in Budapest, which is an area that has not been without controversy on a number of European issues. To what extent have all these problems in the western Balkans created any backwash into Hungary and the debates there about the European Union, and indeed about your own university, of which you are a distinguished member?

Professor Marko Prelec: There has been relatively little. The explosive impact on Hungary took place about a year ago during the migration crisis. There were of course migrants who were coming through the

western Balkans; they were not from the western Balkans. There is not really that much interest here. I am sorry to say that there was lukewarm support at best in the western Balkans for the independence of Central European University, with a few welcome and distinguished exceptions.

I do not know if it is proper to do so, but I would like to offer one additional comment. I was thinking about your primary topic and it has occurred to me that Brexit, if it goes forward, has the potential to have a seismic impact on the western Balkans. The United Kingdom is now engaged in leaving the Union, the prospect of entering which has been the sole effective policy implement for those seeking to effect positive change in the western Balkans. While it is impossible to say how this will play out in any detail, it is plain that it will greatly weaken the narrative that one hears both in enlargement circles in Brussels and within the region: that enlargement of the European Union has no alternative, because until now there simply has been no alternative. European Free Trade Association member states are all too unlike the states of the western Balkans, and in most cases too small, to serve as a possible model. After Brexit this will change, and the nature of the United Kingdom's relations with the European Union has the potential to be enormously influential in shaping the political future of the Balkans. That has to be kept in mind.

There is also the potential to learn something in the other direction from observing the practices of the European Union as a foreign policy actor in this part of the world. We can see how it behaves and learn how it might behave in the Brexit negotiations. That is because it is unlikely that habits of mind and understandings of power and its exercise of decision-making practices will be entirely reinvented for this new circumstance. The issue you raise is fascinating and is likely to be very important for the region, for the United Kingdom and for Europe.

The Chairman: Professor, that is a challenging and perceptive comment on which to end. You have rightly reminded us as a Committee that we have some work to do in precisely that area. Thank you very much for your wisdom and patience in answering our questions. We are very grateful to you, and please accept our best wishes for the future.

Professor Marko Prelec: You are very welcome.

Examination of witness

Ambassador Qirjako Qirko.

Q26 **The Chairman:** Welcome, ambassador. This is a public session and everything will be on the record. We are very grateful to you for coming. There will be a transcript of it, which you will be sent. Please change anything in it if you wish to. We were planning also to have your fellow ambassador from Kosovo here this morning, but I am sorry to hear that he has fallen ill, so we have you all to ourselves, which is very nice for us

and I hope not too taxing for you. We are very much looking forward to hearing your perspective on problems of the region.

This session is part of an inquiry which this Committee is conducting into the west Balkans generally and the issues in which the UK can be a positive and constructive help in the future. Our own status, of course, will be somewhat changed by removal from the EU treaties. That is the background. If we may, we will ask you some questions, but first, as you are our guest, it might be right to ask whether you want to make any preliminary comment or statement.

Ambassador Qirjako Qirko: Lord Chairman, my Lords, it is my special honour and pleasure to be here today before the Committee. This session is a great example of the special attention which the British Government are paying to the region and especially to my country. I would like to take this opportunity to express on behalf of my President, my Parliament and my Government our gratitude for the continued support which the UK has given to my country in the last 27 years, supporting us on our path and in our ambition towards euro-Atlantic integration and making a special contribution to peace and stability in the western Balkans.

I am open to all kinds of questions if I can answer them, but there is something that I would like to stress. Especially in the last five years in the western Balkan region there has been a very positive climate, thanks to the fact that everywhere in the western Balkans there are democratically elected Governments and there is excellent co-operation on the economy and in fighting organised crime. It also seems that the ambition to join the EU one day has a magnetic force that makes all the countries aware that it is much better to work together and to build the future together than to fight. The bad legacy of the past is behind us. We are looking forward to our common future, and we hope that one day all six western Balkan countries will join the European Union. And why not? Albania, as a NATO member, strongly supports all countries in the region having membership of NATO, because security is important for the region and we think that NATO is the best solution.

Twenty years ago, Albania was, let us say, a kind of consumer of stability. Now, as a NATO member, our armed forces are contributing to the stability in our region. We have armed forces in Kosovo and Bosnia as well as in Iraq and Afghanistan, and we are contributing through our navy to the GLC to control of the refugee influx. This is an example of how joining the European Union and NATO will definitely bring this region peace and stability.

Q27 The Chairman: Ambassador, thank you for your kind remarks about the UK and for your positive and encouraging assessment of development in the region and in relation to your own country.

We want to come on to the political issues, which are all too familiar to all of us, and certainly to you. I will begin with the basic question of economics, prosperity and that sort of thing. How do you see the main economic challenges facing Albania as you move forward in your aspirations and in relation to the rest of Europe and your neighbours?

How can we in the UK be most helpful in these areas of economic advance?

Ambassador Qirjako Qirko: Thank you for this question. With regard to the economic co-operation between our two countries, the reality is very far from our common ambition. Unfortunately, the UK is not one of the main partners in our economic affairs. The volume of exchange of goods between our two countries last year was around 40 million Euros. We think that Brexit is another opportunity for British business to discover a new economic area, such as Albania, because not only Albania but the whole region offers great opportunities for British companies. After Kosovo, Albania has the youngest population in the region; 61% of the population is under 35 years old. The country is rich in natural resources such as petroleum, gas, chromium, copper, iron and nickel, and there is significant potential for the production of sustainable energy such as hydro, wind and solar. There are huge opportunities for investment in roads, infrastructure, airports, marinas and tourism.

For the moment, unfortunately, even in the British Embassy in Tirana, there are no representatives of the Department for International Trade, and we think that there is a lot of room for improvement. One of my objectives here as ambassador to Albania is to attract to and to increase British business not only in my country but in the whole region. We know that Albania is a small market, but consider the excellent relations that we have in the region, the opportunity that this region offers, and the excellent, let us say perfect, infrastructure in general—my capital Tirana to Podgorica is a two-hour drive, Tirana to Pristina is two and a half hours, and Tirana to Skopje is three hours.

Albania also has very flexible and very modern legislation that offers good opportunities for businesses, so my objective is to make my country more attractive to British businesses.

- Q28 **Lord Balfre:** I have visited Albania on four occasions, once under what one might call the old regime and three times since 1990. In our parts of the world we often talk about corruption and crime as though it is something that just happens there, but of course one difficulty is that the system of knowing people to get on and to get jobs means that some of the best brains leave. Not so long ago I spoke to a Canadian ambassador, who said, "Part of our policy is to get people from the former Yugoslavia to work in Canada". Unless this can be tackled, it will be very difficult to go in for nation-building, because there will be some extraordinarily good brains in your very young population, many of which will have as their ambition to leave unless this can be dealt with head-on. How do you envisage dealing with what appears to be an endemic problem that overall is weakening the country?

Ambassador Qirjako Qirko: Corruption is a problem not only for Albania but for all the countries in the region. We are building a system to fight it. Let us take an example. Some years ago, the traffic police service was considered to be one of the most corrupt in the country. After taking measures, every police officer now has a camera and is monitored

throughout the working day. Now the service is considered to be the most respectful. There were other areas of corruption such as competitions to bid for public tenders. Now, 100% of tenders are now electronic, which means that no contract can be made through people. The object and the money are on the screen. You apply with all the documents that are needed and the commission has no contact with the individuals concerned.

I can give another example from the foreign service. Some years ago, consular activity was considered to be corrupt because sometimes people would pay money to get certain papers as quickly as possible. Last year, our foreign ministry adopted the e-consulate model. This means that there is no need to present yourself directly to the consul. You ask for what you need in an email and then fill in an application form. You send the money through your bank account and after a day or two you receive the document that you need.

Referring to the polls from four years ago, the judicial system in my country was considered to be the most corrupt area. At the end of July, and with the agreement of all the political parties, we were successful in stopping that corruption. With the assistance of an EU delegation, the United States embassy and your excellent British ambassador in Tirana, who was very energetic and active in the process, our Parliament adopted some changes to the constitution that allow for a specific ordinance to vet magistrates. This means that the wealth of judges can be checked. There is now a specific system. There has been a long discussion about how the law affects people's human rights, and now not only the wealth of the judges or magistrates themselves is checked but that of their relatives—fathers-in-law, mothers-in-law, brothers-in-law and so on. After getting the opinion of the Venice Commission and with 100% support from all the political parties, the system is now in force. It started up last week and we are waiting for the results regarding the vetting of the judiciary. Then we will come to the vetting of all politicians, which is very important to the future of our country.

The Chairman: Thank you. Now let us come to the nationality and politics side of things.

Q29 Lord Hannay of Chiswick: Ambassador, I apologise for this question, which really was as much for your Kosovan colleague as it would have been for you. However, I am certainly not asking you to respond on his behalf. Can you comment on your Government's attitude towards the very halting progress of the Kosovo-Serbia dialogue? What would your Government like to see emerging from that dialogue? Do you think the UK has a role to play in handling the unsolved dispute about the Serb majority populating part of Kosovo?

Ambassador Qirjako Qirko: Thank you for the question. Our position is that we are strongly encouraging a dialogue between Kosovo and Serbia. It is now clear to everyone that after the NATO intervention, Kosovo has been an independent state for about 10 years. This is the new reality, which is now recognised by more than 110 countries. Even to Serbia it is

quite clear that there are no Serbian institutions in the area. There is no army, police or judiciary because Kosovo has its own institutions and Parliament. The Government and the judicial system are totally independent. We are encouraged that both parties, especially Serbia, will take what I would call a more realistic approach with regard to Kosovo. In its own interests, Serbia is playing well. As a candidate wishing to join the EU, one of the conditions is to accept that Kosovo is an independent state. Step by step, its ambition is to join the EU, and by recognising Kosovo the end result will be membership of the EU. Certainly the UK can play and is playing an important role because of the specific sympathy that you have in the region, particularly from Albanians. Given that, my opinion is that the negotiations will go on and the result will be the same as it was before.

Lord Hannay of Chiswick: You say that one of the conditions of Serbia negotiating with the European Union is that it accepts Kosovo as a state, but surely that position does not have a lot of force when some members of the EU do not accept it either.

Ambassador Qirjako Qirko: That is a problem in the foreign policy of the European Union: that there is no unification. We understand the position of countries such as Spain, which has its own problems with Catalonia. That is why we can understand the position. For different reasons, some countries do not recognise Kosovo, but Kosovo is certainly a reality. It is an independent state with its own institutions. It is a reality that cannot be changed, and Serbia will surely recognise that.

Lord Jopling: Some rather cynical people took the view, after Baroness Ashton made a deal on behalf of the European Union between Kosovo and Serbia that on the one hand that they could open negotiations to join the European Union and on the other could start living peaceably together, that those countries had no intention of living more peaceably together and that the whole point of agreeing to Baroness Ashton's proposal was so that they could realise their ambition to join the European Union. Do you subscribe to that rather cynical view?

Ambassador Qirjako Qirko: As I mentioned earlier, there is a lot of history behind the western Balkans, and the history of the relations between the countries of the region has not been positive. We are now building confidence to get to know each other. The main problem between us has not been the political borders between our countries; rather, it has been the fences that we have had in our minds. We are neighbours, but we do not know each other. We do not know each other's history, art, literature and so on. That is why the Berlin process, which was an initiative by Chancellor Merkel four years ago, was of extreme importance to all the countries in the region. It gave us the green light to work together, and for four years now we have been working closely with each other. The Berlin process has brought about some concrete results, especially in the areas of infrastructure and energy. We are working to build a common infrastructure and energy system.

In July, we had a meeting in Trieste, which was our fourth meeting after the first meeting in Berlin, in the presence of Commissioner Hahn. All the parties agreed to create a joint customs service and a common economic area, which is not easy. This is important because when you start working and doing business together the history is behind us, and we are always looking to the future. The month after there was an informal meeting, in Durrës, Albania, of all the Prime Ministers of the western Balkans. The Prime Ministers discussed in detail what would be in this common economic area, in preparation for the next step, joining the European Union. That is why I mentioned earlier that in this extremely positive climate in the region there is a lot of opportunity for the UK after Brexit to be an important partner in business, not only with Albania but with all the countries of the region.

The Chairman: Now we have a question about accession and the pathway to the EU.

Q30 **Baroness Smith of Newnham:** If I may, I will start with Brexit and move backwards, given that, ambassador, you have very eloquently said that there are trading opportunities for the United Kingdom, and that that is part of your role here. To what extent do you think the dynamics will change? At the moment, the UK, as part of the European Union, has been a powerful advocate for EU enlargement over the years. We now have a situation where the UK is leaving. It may offer us a lot of trading opportunities, but will that mean that our voice matters less in Albania when it comes to politics and persuasion?

On the other side, could we be doing anything to help Albania's moves towards EU accession, and is there still support in Albania for accession?

Ambassador Qirjako Qirko: We in Albania strongly believe what Prime Minister May has said on different occasions: that the UK is leaving the EU, not Europe. That means that even in the near future the UK will be a very strong partner in relation not only to very important global issues but specifically to our region of the western Balkans. I repeat that we are grateful for what Great Britain has done for peace and stability in the western Balkans—in Kosovo, in Bosnia and elsewhere.

We think that the UK's strong voice will continue and we would like its presence in the western Balkans, but at the same time we think that Brexit offers new opportunities for the UK to be more present, specifically in the economic area, because as I mentioned there is only one representative of the Department for International Trade in the region, and the gentleman is posted in Belgrade. In the meantime, as I mentioned, there is a lot of opportunity now.

Baroness Smith of Newnham: I do not think there are many members of the department able to be deployed.

Ambassador Qirjako Qirko: There are other ways. For example, we have very good co-operation in the field of fighting organised crime. There are some people in the British embassy who are working on that, and Albania has two people in my embassy co-operating very successfully

with the British authorities. However, it is time for economic diplomacy, because it is in our interests and yours. The climate is very positive towards the UK. On the other hand, there is opportunity for the young population. More or less everyone speaks English—everyone under 50 speaks English—and there is good legislation, so there is good opportunity for the future. From the economic point of view, there are lots of opportunities, not only for Albanians in the region but for all regions.

The Chairman: In looking forward to accession and involvement with the EU, are there views about the changing nature of the EU itself, which obviously is facing very serious challenges such as migration? The EU will now be in a different shape because it is not going to have Britain in it. Germany, of course, will remain the major power in the centre of Europe. We hear that Mr Jean-Claude Juncker is suggesting new ideas for a renaissance and carrying forward integration, and that Mr Macron has some ideas for single budgetary control, and so on. Do these matters come into your country's assessment of its future in Europe?

Ambassador Qirjako Qirko: We really understand the situation in the European Union after Brexit. There is a different discussion regarding the future of this organisation, but, as I mentioned, the so-called Berlin process is very positive, and the message not only from Chancellor Merkel but from other leaders of the EU towards the western Balkan countries was very encouraging: just do your homework and the door will open at the right time for all countries in the region to become members of the EU.

Lord Grocott: One of the features of some countries in the western Balkans at any rate has been population movement out of the country, and even a declining population. It has certainly been a feature of recent accession states from eastern Europe to the European Union that large numbers of people, particularly in the Baltic states, have left their country, often very able and important people for the economy of those countries. Is it a factor in any way when you look to join the European Union that the possibility of population movement out of countries in the western Balkans would be more likely? Is that in itself likely, and if it is, what might the impact be on the economies of the countries concerned?

Ambassador Qirjako Qirko: The movement of the population within the European Union is already quite normal. There are a lot of Polish people working here; there are Germans and there are French people. Everyone likes to exchange experience. The exchange of experience and of knowledge is part of the new world that is being created and is a human right. So we do not see the movement of people within the countries of the European Union as negative.

Well, there is a problem; there is some illegal immigration, even from the countries in the western Balkans. People are trying to enter the UK and we are taking all measures to stop it. I do not want to get into the details, but my Government, in co-operation with other countries in the region, have a programme to try to prevent this influx of illegal

immigrants. In the end, the reason for it is the same. Why do the Germans or the French like to come to the UK? Because the UK is a great country with great opportunities. The same is true for the people in our countries who want to come to the UK, but because our countries are not EU members the immigration is illegal. Anyway, my Government and the other Governments of the region are trying to take all necessary steps to check and to control this influx of illegal immigrants.

Lord Grocott: The impact on the economy of a smaller country—that is partly why I mention the Baltic states—of substantial numbers of people leaving the country is likely to be much more significant than that of people moving from a country with a much larger population. Is that, or is that not, the case?

Ambassador Qirjako Qirko: For the moment, Albania is not feeling this problem. It is probable that in the next two or three years we can close the gap. For example, with reference to medical staff, Germany has offered opportunities to nurses and doctors. In Albania we have a very good medical school for doctors, but last year we had hundreds of doctors applying to work in Germany. If the trend continues like this, we will close the gap in the medical field. As I mentioned, Albania has a young population that is very well educated, so for the moment we are not facing the problem that you mention.

Q31 **Baroness Coussins:** For a long time now, the engagement of the United States has been thought of as vital to stability in the region. Do you think that is still the case today, and how would you assess the interests, ambitions and engagement of the Trump Administration across the region?

Ambassador Qirjako Qirko: The presence and engagement of the US in the western Balkans, especially over the past 25 years, has been of crucial importance. As I mentioned earlier, the role of the United States and the UK in bringing peace and stability to the region has been extremely important. In Albania, more than 92% of the population support the American policy and that is why we were one of the first countries to join the initiative against terrorism and to make our modest contribution to the fight against it. So the role of the US is very welcome in the region. We do not think that anything will change from the other Administration. I would remind you that in mid-July a meeting of the Prime Ministers of the region with Vice-President Mike Pence was held in Podgorica. He confirmed the continuing support and engagement of the United States in the region, along with US support for the integration of the region into the European Union and NATO. We strongly support the membership of our neighbour Macedonia to NATO in an effort to try to resolve the country's problem with Greece with regard to the naming dispute. We also welcome the membership of Montenegro to NATO, and we hope that our other neighbours, such as Serbia, Bosnia-Herzegovina and of course Kosovo, will join the organisation one day.

I would like also to inform the Committee that last month there were, let us say, political crises in some countries in the region. We had a kind of

crisis in Albania before the elections, as did Macedonia and Kosovo. The US Deputy Assistant Secretary for the region, Hoyt Brian Yee, was very active in this process and everything was resolved in the three countries. That was thanks to the contribution of the United States. It is actively involved in the region, and we welcome its presence very much.

Q32 Lord Jopling: We have become aware of the influence and activity of a number of countries outside the western Balkans. Russia, for instance, is tinkering with Bosnia, Kosovo, Montenegro and Serbia, using its leverage with regard to hydrocarbon supplies in particular. We see China beginning to get involved in buying facilities in Greece at the port of Piraeus, and some of the Gulf countries are moving into the region. What is the experience of these activities in Albania, and how do you view them throughout the whole region beyond your own boundaries?

Ambassador Qirjako Qirko: Thank you for the question. First, we have no prejudices against foreign investors, wherever they come from. Of course, the third parties, if I can call them that, have their own agenda, but on the other hand so too do the western Balkans in general. When these agendas do not clash with each other—that is, so long as these third parties are not putting any obstacles in the way of our future ambitions—that is okay. There has been zero investment in Albania from Russia in the last 27 years. There is some minor investment from the Arab countries, and we welcome the fact that they can invest. We are trying to find common interest in this field.

In the last two years, China has been involved, but not its Government; rather, it is private companies. The main national airport, Nënë Tereza airport, has been run for the last 10 or 12 years by a Canadian and German company called Hotchtief. In the end, Hotchtief sold this company to a private entity, a Chinese company. One of the main oil companies, Bankers Petroleum Ltd, a Canadian company that has been active in Albania for around 10 years, was sold last year to a Chinese company. That is more or less the situation in my country. When other countries do not have a different agenda from ours, or they do not create any obstacles to our future, they are very welcome to invest, without prejudice.

The Chairman: Ambassador, you have answered our questions very patiently. I think you mentioned tourism at the beginning. It has just struck me that of course in the last century your country was closed to us. Today it is open, and not only does it have the most dramatic scenery in southern Europe but it has the most fascinating antiquities in the region, which I am sure a lot of people will want to visit. We look forward to Albania being the tourist hotspot of the 21st century, and greatly welcome the prospect.

Ambassador Qirjako Qirko: Thank you. Because tourism is increasing so much, it plays a special role in our economy. Last year, earnings from tourism were more or less 6% of our GDP. We would like a slightly more realistic approach in the FCO's travel advice for British people travelling in Albania regarding crime. I shall read it to you: "Public security is

generally good, particularly in Tirana, and Albanians are very hospitable to visitors. Crime and violence does occur in some areas, but reports of crime specifically targeting foreigners are rare. There have been occasional shootings and small explosions, but these appear to be related to internal disputes over criminal, business or political interests. There have been reports of luggage stolen from hotel rooms and public transport, particularly in the coastal resorts of Vlore and Sarande". These kinds of messages are not helpful.

The Chairman: We will note that. We can see exactly how you feel about it.

Ambassador Qirjako Qirko: Really, I feel embarrassed when I read this. It is totally unrealistic. In the first seven months of this year, 71,000 courageous tourists from Britain visited my country, so an assessment like this is not realistic. Maybe the bureaucrats do not know about the Albanian code of besë. I do not know if you know about it, but it is the tradition in Albania that a foreigner, a guest, is of special importance. They give us their trust, so they have our support and are under our protection. Nothing could happen. It is shaming to have something happen to a foreigner. Let me explain. From January until the end of July this year, more or less 6 million tourists have come into my country, and there has been only one unfortunate case of a Dutch citizen whose wallet was stolen. So I am sorry to see these messages.

The Chairman: That is a very strong message. You mentioned bureaucrats, and I think we all know that bureaucracy always moves slowly and sometimes gets a bit behind events. Let us hope your message gets through more clearly. Thank you very much for being with us. We are grateful.

Ambassador Qirjako Qirko: It is an honour to be here.