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Russia and China Fomenting Instability in Southeast Europe and Undermining U.S. National Interests

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Chairman Joni Ernst, Ranking Member Gary Peters, and members of the **Subcommittee on Emerging Threats and Capabilities**, thank you for the opportunity to speak with you today about the escalating threats from Russia and China in Southeastern Europe.

I must commend the committee on the timing of this hearing. Today is the 80th anniversary of the Soviet invasion of Poland in an alliance with Hitler's Germany to carve up Central-Eastern Europe. 80 years later Vladimir Putin's Russia is still carving and one of its targets is the Balkan peninsula. For Moscow, southeastern Europe provide an opportunity to undermine Western unity and extend Russia's influence. China is also pursuing a strategy of expansion by exploiting Balkan volatility, poor economic performance, and limited Western integration.

While Russia remains the main near-term adversary of the West, China is developing into a more formidable long-term threat. Russia is a revisionist aggressor trying to subvert the trans-Atlantic world but its capabilities will decline in the midst of internal turmoil and a looming succession crisis. In contrast, China is a steadily growing global competitor with a strong economy and a durable strategy designed to surpass Europe and America.

Russia-China Anti-Western Axis

1. China and Russia are strategic partners intent on weakening Western cohesion. Beijing benefits from Moscow's disruptive actions that distract the U.S. from China's ascendancy, and Chinese economic leverage can undermine NATO's collective response to a Russian attack. In a worst-case scenario, both states may coordinate a simultaneous military offensive against neighbors - for instance, Ukraine and Taiwan respectively - calculating that this would disperse and dilute America's reaction.

2. Although predatory powers such as Russia and China may cooperate against a third party they are always mindful of competition and encroachment on each other's domains. This can turn partners into rivals, especially where the weaker party becomes economically or militarily dependent. Russia's capabilities will diminish and China will present a major threat to Moscow's Eurasian aspirations by reorienting Central Asia away from its orbit and challenging Russia's territorial integrity in Siberia and the Pacific Coast where the Chinese population is growing.
3. Washington should not be distracted by China's rising ambitions by failing to tackle Russia's current shadow war against Western integrity. To secure its national security and defend its allies and partners, the U.S. needs to develop a strategy of leverage that promotes discord and division between Russia and China, its two major adversaries. A strategy of "divide and rule" is long overdue in American foreign policy.

Russia's Strategy and Objectives

1. Moscow's broad strategic objective is to reverse the transformations of the post-Cold War era during which Russia lost its satellites, forfeited its regional predominance, and relinquished its global role. A key element of Russia's strategy is to expand a Eurasian "pole of power" to ensure its primary influence in neighboring states and in regions where it was historically active.
2. Moscow's strategic objective necessitates weakening NATO's security posture throughout Europe, dividing and fracturing the European Union, splitting the U.S. from its European allies, and eroding America's global influence by undermining its political system and discrediting its leadership role.
3. To compensate for its military and economic weakness vis-à-vis the West, Moscow deploys a broad arsenal of political, financial, economic, and informational tools to achieve its objectives. It systematically capitalizes on Western vulnerabilities, whether through cyber attacks, disinformation, corruption, blackmail, social disruption, or other "soft power" weapons.

Russia's Offensives in the Western Balkans

The Balkan peninsula is NATO's internal frontier where Moscow can challenge U.S. and European interests and project its Eurasian agenda. The Kremlin views the Western Balkans as Europe's weakest flank and a subversion zone where competition with NATO and the U.S. can be increased, latent conflicts manipulated, potential new allies found, and economic opportunities exploited.

Russia pursues five main inroads in the region.

1. Promoting local nationalisms to undermine support for NATO, the U.S. and the EU, to mobilize backing for Moscow, and to stir conflicts between rival nationalist projects enabling the Kremlin to offer targeted assistance.
2. Corrupting national politicians and local businessmen to favor Russian economic interests, enable greater societal penetration, to support Moscow's foreign agenda, and oppose Western policies such as sanctions against Russia.
3. Fostering energy dependence by tying Balkan countries into gas projects controlled by Gazprom, and buying into local pipelines, refineries, and other energy facilities. Energy dependence is exploited to gain diplomatic and political leverage. Other economic sectors where Moscow seeks influence include metallurgy, arms supplies, banking, and real estate.
4. Launching propaganda offensives through local media, internet, and social networks to enhance Russia's position and undermine Western institutions. Various messages are intended to appeal either to anti-globalist, Euro-skeptic, and anti-American sentiments or to ultra-conservative and religious orthodox constituencies in which Russia poses as the defender of traditional values and the EU and U.S. are depicted as immoral and deviant.
5. Forging numerous inter-societal connections that increase Moscow's political influences. These include Orthodox Churches, political parties, cultural organizations, historical societies, sports clubs, and lifestyle groups, including bikers clubs, gun lobbies, and paramilitary survivalist groups.

The Kremlin benefits from frozen conflicts and frozen states. In Bosnia-Herzegovina it encourages the Serbian entity to keep the country divided and question its future as a single state. In Kosova, Russian officials claim the Serbian population is repressed in order to undermine Kosova's independence and raise the specter of partition. Kosova is blocked from entering the UN, primarily by Russia's opposition. Unresolved conflicts and disputed states enable the Kremlin to claim that NATO has failed to stabilize the region and slow down West Balkan progress toward EU integration. This benefits Moscow by forestalling the implementation of the Union's legal standards and facilitating the corruption of national leaders.

The promotion of Balkan instability distracts attention from Moscow's offensives elsewhere. Intensifying disputes can preoccupy Western diplomacy and give the Kremlin a freer hand to pursue its neo-imperial objectives in the former Soviet

Union. However, Moscow has also suffered several significant Balkan defeats, including Kosovo's independence, Montenegro's NATO membership, the resolution of the Macedonian-Greek dispute, and North Macedonia's pending entry into NATO. Much of this progress is driven by a consistent U.S. policy to bring the entire peninsula into a secure Western alliance.

China's Penetration of Southeast Europe

The Chinese regime has no design to capture territory or impose its system of government on states outside its immediate sphere of influence. Instead, it has three main goals as demonstrated in its policy toward southeast Europe.

1. Expanding China's economic reach to affect global standards for trade and investment that favor Beijing over its competitors. Beijing's Belt and Road Initiative linking China with Europe envisages the Balkan Peninsula as a focal point for maritime and overland routes into Europe. Chinese companies purchase cargo terminals and finance roads and railways throughout southeast Europe. Its investments ignore EU procurement regulations and its loans and export credits are debt traps often tied to the employment of Chinese companies and labor. Although Balkan governments welcome investments that rescue declining industries, they are vulnerable to predatory lending and the surrender of national infrastructure.
2. Leveraging economic penetration into political influence. In exchange for financial investments, Beijing seeks Balkan diplomatic support for its policies or muted criticism in international institutions. Its investments in the Greek port of Piraeus help ensure that Athens dilutes EU condemnations of China's human rights record and its ambitions in the South China Sea. This formula is repeated across Europe with Beijing aiming to divide Europe from the U.S. and prevent the emergence of an anti-China front.
3. Diminishing U.S. influence and undercutting EU enlargement. China and Russia have developed significant convergence in such areas as anti-democracy promotion, diplomatic offensives, and disinformation campaigns. China's ambitions are also evident in expanding intelligence activities and cyber hacking.

Balkan Flashpoints

Several flashpoints in the Western Balkans could precipitate a wider crisis and are fuelled by a number of destabilizing factors.

1. Danger that the deadlock in Bosnia-Herzegovina may spiral into a more menacing conflict. Bosnia's status quo is not indefinite and the ingredients are present for another violent implosion. There is no functioning central government between election cycles, the Serbian entity threatens to secede, Croat nationalists are demanding a third entity, and Bosniaks are caught frustrated in the middle as the economy stagnates. In one scenario, Bosnian Serb leaders may reject key reforms that stitch the country together, withdraw representatives from the central government, and announce a referendum on independence. Such moves could trigger renewed violence.
2. The Kosova-Serbia dialogue has stalemated and a process of normalization is needed that can lead to bilateral recognition. If the current standoff is not resolved it may encourage nationalist and irredentist forces on both sides. Belgrade and Prishtina should take steps to de-escalate their disputes. For instance, Prishtina can lift its tariffs against Serbia and Belgrade can lift its blockage of Kosova in entering international institutions. The question of territorial exchanges can contribute to domestic and inter-state disputes if its feasibility is not openly debated. The new U.S. Special Representative can reinvigorate the Belgrade-Prishtina dialogue, but he will face stiff local resistance, weak EU leadership, and Russian sabotage.
3. The region confronts persistent corroding influences, including corruption, clientalism, and partisan polarization. These are flawed democracies, whereby a party that wins elections gains control of all institutions and unmonitored access to state funds that benefit party loyalists. Youth unemployment and out-migration remains high and public frustration with corrupt and incompetent governments is rising. Conversely, economic growth is contingent on political legitimacy, the rule of law, social stability, and investor confidence, all of which are lacking in much of the region.
4. Blockage in EU membership contributes to regional instability. EU entry is widely supported because of the benefits it bestows, including accession funds and investments. Although several states are EU candidates, the Union has decided on a prolonged pause in its Balkan enlargement. The six aspirant states confront an indefinite limbo that can discourage reform, stimulate EU skepticism, and boost nationalist sentiments. This in turn would provide ammunition for EU politicians who oppose further expansion.
5. Moscow continues to undermine regional stability and prevent Western integration. Russian diplomats, local agents, and disinformation activists can engage in various provocations, conspiracies, and influence operations. They will encourage intransigence in Belgrade and Bosnia's Serb entity and probe for new opportunities to create mayhem and test Washington's resolve.

Impact on U.S. Policy

An unstable and conflictive Balkans undermines U.S. national interests and NATO's future as a provider of collective security. Washington has invested substantial diplomatic, economic, and military capital in the region and has registered major success in ending two wars, building legitimate states, and including new allies in NATO. A diplomatic retreat would be viewed as a major American defeat and could pull the West into another violent conflict in the years ahead. Russia and China would capitalize on any U.S. failures and gain fresh momentum to subvert other European states. The U.S. National Defense Strategy specifies that strengthening America's alliances and attracting new partners is crucial for an effective strategy. By working with allies and partners Washington can focus on four objectives in southeast Europe:

1. Reinforcing security by assimilating the entire peninsula inside NATO, including North Macedonia, Bosnia-Herzegovina, Kosova, and Serbia. Serbian leaders and military officers will eventually calculate that NATO is the most effective force to enhance Serbia's military modernization.
2. Resolving the Kosova-Serbia and intra-Bosnian disputes through intense negotiations and the offer of concrete incentives and disincentives. The appointment of a U.S. Special Representative is an important step forward, as long as he has the authority to make key decisions.
3. Containing China by implementing policies that limit Chinese investments but without damaging the economic development of affected countries. Western competitiveness in foreign markets needs to be boosted and alternative sources of infrastructure financing made available. China's investments must be made more transparent, adhere to international standards, and not push governments into becoming indentured debtors.
4. Reversing Russia's influences in Europe through an intensive and extensive strategic offensive. Moscow's presence is not simply malign, but destabilizing and dangerous. I am submitting to the Committee a recent report I published with the Baltic Defense University on conducting a multi-pronged offensive against Moscow rather than simply playing a static defense. Entitled "Winning the Shadow War with Russia" it details six major arenas: Exposing Influence Operations; Countering Informational Offensives; Cyber Defense and Counter-Attack; Economic and Financial Penalties; Military and Security Instruments; and Managing Russia's Dissolution.