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# PARADOXES OF STABILISATION

BOSNIA AND HERZEGOVINA

FROM THE PERSPECTIVE OF CENTRAL EUROPE

Edited by Marta Szpala

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# **PARADOXES OF STABILISATION**

## **BOSNIA AND HERZEGOVINA FROM THE PERSPECTIVE OF CENTRAL EUROPE**

Edited by Marta Szpala



**OSW** | CENTRE FOR EASTERN STUDIES  
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## INTRODUCTION

The Dayton Peace Agreement from 1995 brought peace to Bosnia and Herzegovina, ensured that it remained a single country and prevented a subsequent armed conflict in a divided society. Simultaneously, it established a state with a weak Council of Ministers at the central (state) level and split it into two Entities – the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) and Brčko – since 2000 an autonomous district. FBiH is composed mainly of Bosniaks and Croats and is divided into 10 cantons, while RS is inhabited primarily by Serbs and is highly centralised. This complicated structure of power sharing was intended to overcome division between three ethnopolitical communities (Bosniaks, Croats and Serbs) to create a multiethnic state, which would become an EU and NATO member state in the future.

Indeed, on 15 February 2016 Bosnia and Herzegovina formally applied for membership of the EU. However, in the current situation this is rather an ambiguous achievement. Since at least 2006, the country has been mired in a protracted crisis caused by the lack of a common vision for the future; with Serbian political elites creating a state within the state in RS and constantly undermining the power of the central governments; Croats are focused on fighting for their own entity and Bosniaks are pushing for a more centralised state. In order to stay in power, local politicians often resort to stirring up mutual resentments and fears and to using public resources to enhance their patronage network. The situation in the country deteriorated after 2008 due to the economic crisis, which led to an increase in the rate of unemployment (over 43% in 2015) and a fall in remittances from those working abroad, which are the main source of income for many. This combination of a protracted economic crisis and a lack of confidence towards corrupt political elites resulted in massive protests in February 2014. It brought no significant change in the internal situation or political scene of BiH since it was played down by local politicians in power and presented as a threat to the interests of the ethnopolitical group. However, this strong manifestation of public discontent led to a change of the EU's policy towards Bosnia. The EU started to focus on economic issues by introducing the Reform Agenda and to unblock the process of Bosnia's EU integration, which resulted in a membership application being submitted.

The EU's policy had brought no significant change in BiH since 2006 and a change was unquestionably needed. The application and focus on the adoption of EU norms may change the dynamics of the reform process as was the case with the visa liberalisation in 2010, which was one of the rare success stories

in BiH. Having a clear incentive, the local elite were able to fulfil all the criteria of enabling visa-free travel, including the sophisticated introduction of the biometric passport in a very short period of time. However, the EU at this point is missing the stick and the carrots on which the success of enlargement policy is based since the prospect of full membership is unlikely in the coming years. Moreover, the Bosnian political elites want to gain a political point from the submitting the application, but they are less keen on introducing the reform, which undermines their position. The opaque way the EU is conducting the enlargement policy in BiH prevents Bosnian society from accessing information regarding who is responsible for the success and the failures of the process. The EU is also not very strict in introducing its policy. From the conditions which were mentioned as requirements for submitting an application (the introduction of a functioning mechanism of coordination, the revision of the Stabilisation and Association Agreement, implementation of the Reform Agenda, and the publication of the 2013 census result) none were fully implemented. The coordination mechanism<sup>1</sup> was secretly adopted in January 2016, but is questioned by the governing elites of Republika Srpska. This tendency is a signal for the governing elites in BiH that the EU is keener on quick success than real reform.

The Framework of the EU negotiation process, which provides clear benchmarks and priorities in the reform process, is a useful tool and an opportunity for the transformation of Bosnia and Herzegovina. It may help in assessing the achievements of the country's governing elites. But only a combination of bottom-up pressure and strict European conditionality can bring significant change and prevent local elites from using the accession process in their old ethno-political games. Bosnia badly needs a positive signal but at the same time the EU's institutions have to fairly evaluate the achievements of Bosnian political elites otherwise the EU will lose credibility in the eyes of society. A group of NGOs from Bosnia have already questioned the massively overly optimistic 2014 Progress Report and the 2015 Report of the European Union, which ignored the basic setback in BiH in that period<sup>2</sup>. In their opinion these

<sup>1</sup> The coordination mechanism is intended to unify the stances of different administration bodies on EU related issues. The current construction of the coordination mechanism gives a lot of opportunities to block the process of an adoption of the EU's norms and recommendations by the various levels of the local administration (not only entities but also cantons) which can significantly slow down the process.

<sup>2</sup> Komparativni pregled „Izvještaja Evropske komisije za BiH za 2015 godinu” i „Alternativnog izvještaja o napretku BiH 2015” Inicijative za monitoring evropskih integracija Bosne i Hercegovine, [http://eu-monitoring.ba/site/wp-content/uploads/2015/12/Komparativni-pregled-Izvje%C5%A1taja\\_04112.pdf](http://eu-monitoring.ba/site/wp-content/uploads/2015/12/Komparativni-pregled-Izvje%C5%A1taja_04112.pdf)

two documents were intended to appease local political elites and to strengthen their position in society.

\* \* \*

The idea of experts from Central Europe cooperating more closely in order to exchange ideas, conduct common research, monitor the transformation process and provide recommendations concerning Bosnia and Herzegovina is not a new one. In 2006 on the initiative of the Polish Institute of International Affairs (PISM) a seminar about the security challenges in Bosnia and Herzegovina was held in the International Institute of Political Science of Masaryk University in Brno. A collection of the papers was published<sup>3</sup> as a result of this project held on the occasion of signing the Stabilisation and Association Agreement (SAA). It was devoted to examining the structural problems of BiH and the engagement of the international community in its stabilisation. Since then many things have change but many have stayed the same. The countries of the Visegrad Group – the Czech Republic, Hungary, Poland and Slovakia – have been more actively engaged in the Western Balkans. This region, including Bosnia and Herzegovina, is also playing a more prominent role in the framework of V4 cooperation not only due to the security challenges in the immediate neighbourhood of Central Europe, but also due to the migration crisis. The stability of this region and its integration with the EU and NATO is of vital interest to the V4 countries. It was for this reason that the Centre for Eastern Studies (OSW), alongside partner institutions from the V4 countries, decided to continue this initiative to elaborate the process of the transformation of Bosnia and Herzegovina in a team of the scholars and political analysts from Central Europe and BiH. The main focus of the research were the challenges for the stability of BiH; the examination of the policies and areas, which hinder the reform process, coherence and unity of the state in the changed internal and international circumstances; and the policies of various political actors towards BiH which influence the dynamics of the political process there. This research was the base for developing a political recommendation for the V4 countries which, by conducting common activities, can contribute to the stabilisation of Bosnia and Herzegovina.

Despite international pressure (especially from the EU), the complicated constitutional structure imposed by the Dayton Peace Agreement (DPA) in 1995 is

<sup>3</sup> Matusz Gniazdowski (ed.), *Europejski protektorat? Bośnia i Hercegowina w perspektywie środkowoeuropejskiej*, Warszawa 2008.

still in place. The consequences of this institutional arrangement were broadly elaborated on by **Jan Muš** in the opening chapter of the book. He underlines that the lack of democratic legitimacy of the constitution made it a subject of criticism from all three nations – Croats, Serbs and Bosniaks, which led to decreasing respect and support for this basic act of law. That eventually wreaked destruction on the image of the constitutionally established state institutions. It is also important that the system which was aimed at creating a multiethnic society reinforced ethnic division and led to a complete ethnicisation of political discourse and practice. As **Wojciech Stanisławski** notes in his paper, these three dominant identifications – the Bosniak, the Croatian and the Serbian – separated and mutually exclusive – are not balanced by the collective “Bosnian” identity based on a sense of citizenship and a nation of “Bosnians”. According to this author the existence of a community addressing its political loyalty towards the modern Bosnian state is the *sine qua non* to reforming and modernising BiH. Thus the ‘ethnic ghettoisation’ of Bosnian political life has led to the emergence of a ‘cartel’ of ethnic political parties, which exploit national identities, sentiments and resentments to defend its position in controlling broad areas of the economy, media, security and administration.

**Hana Semanić** in her paper describes another powerful tool, which entrenches ethnic divisions and prevents the creation of a common identity – the education system. BiH has no vertical or horizontal responsibility or coordination in the education sector on the state level. There is no common teaching curriculum, but separate plans and programmes for FBiH and RS for the three constituent peoples in so-called ‘national groups of subjects’. The school manuals are ideologically and nationalistically oriented to treat and promote the culture of only one ‘constituent people’, they contain many examples of hate speech directed towards different ethnic groups and do not promote feelings of a united BiH heritage. Moreover, RS is developing a more intense level of cooperation in education with Serbia than with the rest of BiH. As regards the Croats of BiH and the Republic of Croatia, the cooperation is less institutionalised, but it does nevertheless exist. In these circumstances education is used to enhance stereotypes and to promote competing and divisive histories instead of to promote societal reconciliation and build social trust.

**Péter Reményi** devoted his paper to the development of the transportation and communication network, which weakens the unity of the state and enhances its partition. Starting from the thesis that the more connections and interactions the members of a society have, the more cohesive a country is, the author notes that the ethnocratic elites in Bosnia favour ethnic/entity interests in the field

of transportation development and push for transport lines to be constructed, which connect their territories. Both RS and FBiH try to plan, construct and develop structures which increase their own stability, efficiency and spatial development. This kind of spatial planning is in contrary to the interests of the state as a whole and additionally enhances its division. Therefore this aspect also should be taken into account by the EU or V4 in choosing projects which are to get robust funding for example in the framework of the Berlin process.

The chapter written by **Rastislav Báčora** and **Simona Mészárosová** deals with the influence of the poor political and economic situation on the internal security in BiH, which is challenged by corruption, organised crime and the different types of extremism, especially radical Islamism and terrorism. These also pose a significant danger to the wider region including Central and Eastern Europe. The advanced decentralisation and the complex structure of law enforcement agencies undermines the state's ability to effectively fight corruption and organised crime. Due to ethnic divisions, corruption investigations or allegations are often challenged as being politically motivated or as an attempt to weaken the position of one of BiH's nations. Moreover, the highest political, legal and economic structures and businesses are infiltrated by criminal groups. The bad socio-economic situation and subsequent unemployment, especially among vulnerable youth, make BiH prone to further radicalisation and the growth of extremism. Taking into account the fact that Bosnia's Muslim population is currently a pool for generating new extremists and is a transit country for Islamists from Western Europe to Syria and Iraq, if the stagnation in Bosnia is prolonged then it would be a source of growing internal and transnational security threats.

**Haris Mešinović** devoted his article to the mutual dependence structure of the state's structure and economic development. He also examined the source of the resistance to the creation of a single economic space in BiH. First of all there is the fragmented system, which requires expanded and double or even triple administration in a country of 4 million people and is extremely inefficient and costly and obviously hampers economic growth. On the other hand, it upholds the privileged position of interest groups affiliated with political parties. Under the cover of 'the defence of national interests' elites reject the implementation of reforms which would bring competitiveness to Bosnia's economy and would thus significantly weaken its influence. Weak development of the private sector also makes the society as a whole dependent on politicians who make appointments in the administration and state-owned businesses and on which contracts to sign with private companies. Therefore the assumption that economic growth

and reform is in the interest of the Bosnia political and even business elites is unfounded. Both Mešinović and **Tomaš Dopita** underlined that if Bosnia is to be reformed and its institutional arrangement changed, then the interests of all local political, social and business units should be taken into account and they should be involved in the process. Dopita compared the conditions and the course of the army and police reforms and showed why the former was a success and the latter a failure. Any attempt to impose even the most rational and effective solutions would fail if the important social and political actors are not convinced of the benefits of the changes and the negative consequences of failing to implement them. This is why the bottom-up approach and gaining the support of low-level actors are so important for the success of reform. Well-organised groups or communities (farmer groups, health care patients, students etc.) should be involved in the process and may thus effectively advocate for change.

**Jarosław Wiśniewski** in his paper also notes that strengthening the non-governmental sector will be crucial to the success of reforms in Bosnia, in particular in the context of the new German British initiative, which has already led to the process of Bosnia's European integration being unblocked. This has not yet borne fruit in any real change in the circumstances on the ground, though. Wiśniewski also underlines the lack of 'naming and shaming' of those who are responsible for the failures and backlogs of the reform process. In current circumstances the local political elite is not accountable to its citizens, thus society has no practical tools to assess its performance. The EU's constant practice of conducting secret negotiations outside the state's institutions additionally weakens the transparency of the process and the position of the society versus its political elites. Domestic dynamics are based on the protection of the system of patronages and business relations are based on political power. When we take into account the fact that this is somewhat threatened by this new initiative, we understand the need for a wider coalition to support it.

This means not only engaging the internal actors, but also what I address in my article regarding the support from neighbouring countries. Neither Serbia nor Croatia have been fully engaged in supporting the reform process in Bosnia and they are rather focused on protecting the interest of their 'own people'; this usually runs counter to the objectives of a pan-EU policy on Bosnia. Brussels has enough tools to bring Belgrade and Zagreb on board a common EU strategy towards BiH. In pursuing a new approach, the EU should also take into account the activity of other players such as Turkey, China and Russia. Especially for the latter influence in Bosnia is the 'newly rediscovered' tool of pressure on Western partners, and Moscow will not give it up easily.

The analysis of the challenges for Bosnia and Herzegovina is accompanied by a comprehensive elaboration of the relations BiH has with V4 countries, written by **Mateusz Gniazdowski** and **Tomáš Strážay** in both the bilateral and multilateral dimension. The authors emphasize that the Visegrad Group has proven to be a committed advocate of the region in the EU and a supporter of the integration ambitions of the countries of the Western Balkans. They also provide multiple examples of how the V4 countries can engage in stimulating reform in BiH. Transfer of know-how, particularly in sectoral areas, and strengthening the commitment of the international community – especially the EU – to the reform process in BiH are the most important of these. But V4 can also influence BiH's political elite and explain the consequences of their inaction.

As Gniazdowski and Strážay note, BiH as an important element of political stability in the entire Balkan region, which is one of the main priorities for the foreign policy of all the Visegrad Group countries. It is also the subject of rivalry for influence between the EU and countries outside the EU – mainly Russia. Moreover, the uncontrolled migration via the Western Balkans trail to Western Europe and the security challenges (mainly the fight against terrorism) underlines the problem of 'geopolitical gaps' on the map of Europe in the region; these pose a threat for the security not only of V4 countries but also of the whole EU. This challenge should be addressed in the framework of EU enlargement policy, which the V4 group is devoted supporter of. However, it is also an opportunity for V4 to confirm its role in the wider neighbourhood.

This report derives from workshops and discussions in the framework of a joint research project developed by the Centre for Eastern Studies (OSW) in cooperation with partners from the Visegrad Group countries – the Research Centre of the Slovak Foreign Policy Association, the Institute of International Relations Prague and GEO Research from Hungary.

This whole initiative was made possible by support from the International Visegrad Fund. We would like also to express our sincere gratitude to the institutions and individuals with whom we discussed the current situation in BiH and who helped us conduct the research, particularly to the Embassy of the Republic of Poland in Sarajevo and the Delegation of the European Union in Sarajevo.

Responsibility for the opinions and views expressed in these published articles rests solely with their authors.

**MARTA SZPALA**



PART I  
**THE INTERNAL CHALLENGES**



JAN MUŠ

## **ONE HAND CLAPPING – THE STATE-BUILDING PROCESS AND THE CONSTITUTION OF BOSNIA AND HERZEGOVINA**

*The Dayton constitution purports to create a 'state' composed of two unrelated parts, armed against each other, each allied with neighboring states, and with no functional central government. This is a constitution worthy of a zen master, the concept of single 'state' so divided being comparable in its subtlety to the sound of one hand clapping.*

Robert Hayden, "Blueprints for a house divided"

The constitutional system of Bosnia and Herzegovina (BiH) mostly concerns relations between the three ethnopolitical groups inhabiting the country. Each of the provisions regarding, for example, the institutional set up, division of competences, legislative process, etc. is perceived as necessary for the preservation of the fragile inter-ethnic balance. Taken together, though, the provision provided a framework which has led to a complete ethnicisation of political discourse and practice and a deepening inter-ethnic abyss. The text presented below will briefly elaborate the Bosnian constitutional system with regard to its functionality and inter-ethnic relations.

### **1. Origins of the Constitution**

The Dayton Peace Agreement (DPA) was signed in November 1995. This marked the end of the war in Bosnia and provided the country with a new constitutional framework, included in the peace agreement as the Annex IV. It is generally perceived that the DPA has disabled the state's functionality and may be regarded as one of the main factors hampering the political and economic development of the country and the reconciliation of society.

The agreement has secured the political rights of all three nations – Croats, Serbs and Bosniaks (Bosnian Muslims) by enabling them to be represented in all central institutions and to unilaterally stop the legislative process. It has not however satisfied their aims and long term ambitions and in this sense it has preserved the political conflict between the three national factions. The

Serbian aspirations of the establishment of a so-called Greater Serbia, finally covering Serbia proper, Montenegro, Kosovo, Vojvodina, and also the land inhabited by the Serbs in Bosnia and Herzegovina and in Croatia, could not be satisfied because of the military defeat of the Serbs in Croatia in summer 1995, the international embargo and the subsequent loss of their dominant position on the Bosnian frontline. Bosnian Croats were also unable to secure independence from the authorities in Sarajevo and the unification of Western Herzegovina and Central and Northern Bosnia with Croatia. Furthermore, Bosniak leaders had to give up the idea of a unitary state, in which their political option would ultimately enjoy the support of a relative majority. As a result of this political dissonance, the constitution of BiH has provided the political, economic and social framework of the state, but has been very thoroughly criticised both internationally and domestically, although for extremely different reasons. The act has been too centrist for Serbs, too decentralising for Bosniaks, and discriminatory against the Croatian minority, which has been left without its own entity.

The picture would not be complete without taking into account the international environment concerning Bosnia and Herzegovina. The constitution was prepared by international peace negotiators and guaranteed by major international players. In formal terms, the Dayton accords were reached by 'the Republic of Bosnia and Herzegovina, the Republic of Croatia and the Federal Republic of Yugoslavia'.<sup>1</sup> Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH), the two entities composing BiH, formally speaking 'have agreed' to almost all annexes containing more detailed provisions of the peace agreement, while the constitution itself has been 'approved'. The constitution has never been the subject of popular vote or referendum. Furthermore, the international community (High Representative, the OSCE, NATO, the EU, Russia, the USA, Germany, France, the United Kingdom, Turkey) has been deeply involved in overseeing the implementation of the DPA. As such, it remains a unique act in the European legal system – it not only lacks political and popular legitimacy, it also provides the international community with overseeing powers. Secondly, the democratic legitimacy of the act, constituting the foundation of the legal, political, economic and social system, has been and will be, dependent on the political needs of the particular players; this is the subject of a fundamental dispute. Using the constitution as an object of permanent criticism not only led to decreasing respect and support for this basic act of law, but

<sup>1</sup> The General Framework Agreement, [http://www.ohr.int/dpa/default.asp?content\\_id=379](http://www.ohr.int/dpa/default.asp?content_id=379)

has eventually wreaked a destructive effect on the image of the constitutionally established state institutions. The gradual and constant degeneration of the political class in Bosnia and Herzegovina, along with nepotism and corruption constitute additional factors that, when taken together with the constitutional system presented below, has led to the Bosnian dysfunctionality.

## **2. Non-territorial division – Constituent Peoples**

The Serbs, Bosniaks and Croats are defined as the constituent peoples of BiH. This means that in reality there is a pluralistic character of society and therefore also of politics. After the war the question arose as to whether the territorial division overlaps with the constituent character of the Bosnian peoples, i.e. whether each of them is constituent only on ‘its own’, respective territory. The Constitutional Court of BiH ruled on this subject in 2000, in the so called Constituent Peoples’ Decision. The ruling imposed an obligation for the respect of all three constituent nations in all parts of BiH. The implementation of this decision however required additional agreement, which was achieved only in March 2002. The agreement defined the vital interest of the constituent peoples as well as the institutions responsible for its protection – the House of Peoples in FBiH and the Council of Peoples in RS.

The idea of a constituent character of the three peoples of BiH aims at equal treatment and a balanced political position. It established a constitutional norm developed later on in all the three branches of the government, the decision making process and in political life in general. However, a system of this kind has two negative consequences. Firstly, it excludes the building of a single “Bosnian” political identity, which could be based on the idea of citizenship, not ethnicity or nationality. Secondly it excludes non-constituent people from the state government. The latter issue was addressed in 2009 by the Sejdić-Finci ruling of the European Court of Human Rights. It states that limiting the possibilities of participation in public life by virtue of being a member of an ethnic minority is discriminatory and as such against the European Convention on Human Rights.

## **3. Territorial division**

Bosnia and Herzegovina is federation divided between two entities: Republika Srpska and the Federation of Bosnia and Herzegovina. This division constitutes a classical territorial form of federalism. The internal border between these two entities roughly represents the frontline from autumn 1995. It has

been generally acclaimed that the existing inter-entity borders are dysfunctional and contradict economic reasoning. The DPA has provided politically empowered territorial units, which nevertheless disregard the principals of economic development. Peripheries traditionally linked with certain markets. One example of this is Eastern Herzegovina (RS) links with Mostar (FBiH) and Dalmatian Coast (HR). Another is Eastern Bosnia’s (RS) links with Sarajevo and Tuzla (FBiH). The inter-entity borders not only split the multi-ethnic communities, they also split roads, factories, mines, sale points and customers.

**Map 1.** Territorial Division of BiH between the RS and the FBiH. The number refer to the cantons in the FBiH



The Bosnian federation has another dimension, though – the national one. While the Serbs constitute a majority in RS, FBiH is dominated by Bosniaks. Bosnian Croats control two of the ten cantons in the FBiH (II, VIII) and constitute a significant minority in two other cantons (VI, VII), where they can

also possibly win power. The nations are not, though, linked to the territories, nor do the territories formally have any particular national character. As regards non-territorial federalism, the Constitutional Court decided in 2000 in the above-mentioned ruling that: *elements of a democratic state and society as well as underlying assumptions – pluralism, just procedures, peaceful relations that arise out of the Constitution – must serve as a guideline for further elaboration of the issue of the structure of BiH as a multi-national state. (...) Territorial division must not serve as an instrument of ethnic segregation (...) Despite the territorial division of BiH by establishment of two Entities, this territorial division cannot serve as a constitutional legitimacy for ethnic domination, national homogenisation or the right to maintain results of ethnic cleansing.(...) Designation of Bosniaks, Croats and Serbs as constituent peoples in the Preamble of the Constitution of BiH must be understood as an all-inclusive principle of the Constitution of BiH to which the Entities must fully adhere, pursuant to Article III.3 (b) of the Constitution of BiH.*<sup>2</sup> In short – Bosniaks, Serbs and Croats were politically empowered regardless of the internal division of the territory. This ruling, followed by its implementation indicates that national or ethnopolitical division does not formally reflect the territorial one, although in practice certain regions are dominated by the respective groups.

The constitutional system of Bosnia provides its citizens with both forms of federalism – territorial and non-territorial and may be described as a bidimensional federation. This model was adopted due to the strong division between particular ethnopolitical factions. Territorial division provided their leaders with power and the non-territorial dimension opened the path for the reestablishment of multi-ethnic societies. And while the first conditions have been met, the second is still to be realised and is unlikely to happen.

#### **4. Constitutional consociationalism – institutions, processes, competences and territorial division**

Bosnia and Herzegovina was inhabited by three groups with a different ethnic consciousness and political identity. Therefore the constitutional model applied in this case required a special feature – consociationalism. Since the political domination of one of the groups is likely to lead to the exclusion of the others from the state government, the consociational democracy implies that in pluralist societies the widest possible participation of all groups is needed for the sake of the stability of the system. It needs to be emphasised that in

<sup>2</sup> Constituent Peoples' Decision of the BiH Constitutional Court, [http://www.ohr.int/ohr-dept/legal/const/default.asp?content\\_id=5853m](http://www.ohr.int/ohr-dept/legal/const/default.asp?content_id=5853m)

a divided society, just as in the case of BiH, the political differences between respective group concern major questions, for example those of cultural identity, political organisation and social life and are therefore of grave significance. In practice the consociational model contains the following characteristics: the proportional political representation in the legislature, executive, judiciary and administration, the right to veto,<sup>3</sup> enjoyed by representatives of the respective groups, autonomy from the central authorities<sup>4</sup> and the requirement of a grand coalition in the legislature enabling the common governing by all segments of society. These solutions weaken the state authorities, but their main goal has been to stabilise the political system and thus to preserve their respective statehoods.

#### 4.1. Representation of ethnic groups or ethnicisation of institutions

The post-war practice and pre-war experience established a norm, which guarantees at least the formal participation in state governance by representatives of all the three groups. Subsequently, all of the important state institutions have been covered by ethnic parity. For example, the upper chamber of the Bosnian Parliament – the House of Peoples – comprises 15 delegates. Two-thirds (five Croats and five Bosniaks) are selected from the FBiH by the respective regional parliament and one-third (five Serbs) from RS. They therefore represent the interests of the regional legislatures, and strictly speaking ruling regional coalitions and, at the same time, the three separate ethnic caucuses (Bosniaks, Croats, and Serbs). The lower chamber – the House of Representatives – consists of 42 Members. Two-thirds (28) of them are elected in popular vote directly from FBiH and one-third (14) from RS. There is no formal requirement regarding the ethnic or national affiliation of the elected members so theoretically representatives of any ethnic groups, including minorities can be elected. In practice however the members from RS are almost exclusively Serbs, while in FBiH the victors are Bosniaks and Croats. Taking into account the dominance of Serbs in RS and Bosniaks and Croats in FBiH, both chambers of parliament are politically divided along ethnic and territorial lines.

Proportional representation has been guaranteed, both in terms of territory and ethnicity. Rules concerning election to the House of Representatives

<sup>3</sup> In BiH has been guaranteed by the mechanism of the protection of the vital interest.

<sup>4</sup> In BiH it has materialised by a strong decentralisation towards the middle-level of governance – entities and cantons.

suggest even some sort of representation of the population as the whole. Nevertheless, the ethno-political key is the dominant one and, so far, the parliamentary elections favoured those political factions which look for support among one of the constituent peoples and preferably in one of the entities. This is a perversion of the consociational or federal systems, where the upper chamber usually represents the particular interest of regions or society's segments, while the lower chamber tends to reflect the overall interest of the population, such as: security, economic development, social welfare, international trade and foreign policy. In BiH the legislature almost exclusively reflects the ethnopolitical divisions and ignores common identity and issues.

Ethnic parity does not, though, only affect parliament, which reflects social divisions in other way, even if they are not marked by ethnicity. A similar logic has been applied to the head of state of Bosnia and Herzegovina. This collective body – the Presidency – consists of three members: one Bosniak and one Croat, each directly elected from the territory of FBiH, and one Serb directly elected from the territory of RS. The members of the presidency are elected (precisely as is the case with members of parliament) with regard to their nationality, as representatives of a particular constituent people inhabiting a particular entity. Minority members submitted a complaint regarding the election rules concerning the presidency to the European Courts of Human Rights (Sejdić – Finci case).

The executive also reflects ethno-territorial divisions. One third of the Council of Ministers should be appointed from RS and, consequently, should represent the interests of Serbian majority inhabiting it. The remaining two thirds should represent the interests of Bosniaks and Croats who dominate the FBiH. The composition of the council of ministers and senior officials in the ministries has been strictly regulated to ensure the participation of each of the three constituent nations' representatives. The Constituent Peoples' Decision has provided more detailed guidelines concerning the ethnic composition of public offices. The court decided that in the entities: the prime minister and their deputies may not come from the same constituent people. Moreover, out of the following positions in the entities not more than two should be staffed by representatives of any one constituent people or of ethnic minorities: the prime minister, two speakers of the upper and lower chambers of the relevant parliaments, presidents of the supreme and constitutional courts, public prosecutors. In the entities, the President should have two Vice-Presidents coming from different constituent peoples.

A similar line of logic has been followed also in relation to executive institutions on the entity level of government. In the transitional period, i.e. the period of the return of refugees to their pre-war homes: *The RS Government should be composed of 8 Serb, 5 Bosniak and 3 Croat ministers. One Other may be nominated by the Prime Minister from the quota of the largest constituent people. There shall be additionally a Prime Minister who shall have two Deputy Prime Ministers from different constituent peoples selected from among the Ministers. The Federation Government (Prime Minister and 16 ministers) shall be composed of 8 Bosniak, 5 Croat and 3 Serb ministers. One Other may be nominated by the Prime Minister from the quota of the largest constituent people. There shall be additionally a Prime Minister who shall have two Deputy Prime Ministers from different constituent peoples selected from among the Ministers.*<sup>5</sup>

This overwhelming ethnicisation of public institutions has resulted in the preservation of the ethno-political divisions, since none of the state institutions, particularly the parliaments can claim to represent the whole population. In terms of institutional affiliation, ethnic identity with one of the three groups became the leading factor. Then again, guarantees of inclusion, even if concerning virtually all institutions, do not necessarily lead to state inefficiency or failure. However, when such provisions are paralleled in the decision making process and strengthened by ethno-territorial divisions and substantial decentralisation, the ethnic identity and therefore ethnic divisions receive superior political value.

#### **4.2. The division of competences**

Territorial division does not necessary lead to decentralisation and definitely does not determine the model under which competences are divided between the centre, the regions and the communities. The Bosnian model encourages regionalisation by leaving weak state authorities and powerless municipalities. The enumerations below show the formal (constitutional) state competences as well as the contested ones, which, as centralist claims, arise from other provisions of the constitution, but which remain contested by political elites aiming at a further decentralisation.

<sup>5</sup> Agreement on the Implementation of the Constituent Peoples' Decision of the Constitutional Court of Bosnia and Herzegovina, <http://www.oscebih.org/Download.aspx?id=160&lang=EN>

### **Formal state competences (Article III)**

Foreign policy  
Foreign trade policy  
Customs policy  
Monetary policy  
Finances of the institutions and for the international obligations of Bosnia and Herzegovina  
Immigration, refugee, and asylum policy and regulation  
International and inter-entity criminal law enforcement, including relations with Interpol  
Establishment and operation of common and international communications facilities  
Regulation of inter-entity transportation  
Air traffic control

### **Formal state competences (Outside of Article III)**

Election law  
Constitutional judiciary  
Defence  
Establishment of a Central Bank by Parliament  
Limited budgetary competences  
International obligations of the State  
Protection of human rights

### **Implied and contested competences:**

Establishment of the new state institutions – border guard  
The system of and the agency for indirect taxation

This list is not complete as the division of competences and the empowerment of various levels of institutions does not have a permanent character. It is rather a subject of a spill-over effect, presuming that the common institutions have a growing number of competences. Nevertheless, this system has been criticised on from both sides and is accused of having a centralist and a decentralising character, but this dispute (centralisation or decentralisation) is rather another topic used as a smokescreen protecting political elites from responsibility for the catastrophic economic and social condition of the state. Neither centralisation nor decentralisation does not determine the development of the country as local politicians claim. In the case of BiH, most of the responsibility for the economy, agriculture, social security, the insurance system, banking, housing, infrastructure, etc. falls on the entities and cantons. However, this does not mean that solutions of this kind to problems which arise are impossible. It is possible on both these levels of governance.

### 4.3. Procedural guarantees of inclusion

There are three types of veto which can be introduced by a particular caucus to stop the decision making process. First of all there is the vital interest protection veto. The three (of five) delegates to the House of Peoples, representing one of the constituent nations, may veto a legislative process by referring to the protection of the vital national interest of their people.

**The vital interests have been defined as follows:**

- to exercise the rights of constituent peoples to be adequately represented in legislative, executive and judicial bodies,
- to identify one constituent people,
- constitutional amendments,
- the organisation of public authorities,
- the equal rights of constituent peoples in the decision-making process,
- education, religion, language, the promotion of culture, tradition and cultural heritage,
- territorial organisation,
- the public information system,
- and other issues treated as being of vital national interest if so claimed by 2/3 of one of the caucuses of the constituent peoples in the House of Peoples or Council of Peoples.

The protection of vital interest may practically cover all possible areas of legislation. Also the legislation procedure relies on the support of representatives of the all three constituent peoples, and two thirds of either Bosniak, Croat or Serb representatives in the House of Peoples may block a legislative proposal. In the House in Representatives the right to veto might be used by the members on the basis of territorial affiliation. This in fact means also a nationally-based veto. In this case the decision-making process may be blocked by a two-thirds sub-majority of all deputies elected from one of the entities. This indirect way of vetoing a decision-making process is known as entity voting or the entity veto. Entity voting is based on the territorial division of the country, while the other veto opportunities are attributed rather to the particular constituent peoples than the territory. The entity veto ends the relevant legislative procedure, while the vital interest veto has a more constructive character leaving the disputed bill for reconsideration and possible amendment. The entity veto – as opposed to ‘the vital interest veto’ – does not require a standard, yet complicated, procedure of the preparation of court motions and is based on vote counting in parliament. Interestingly, the entity veto has been used in over 50% of procedures, which led to the rejection of a proposal, while the vital interest veto only 4 times (during the period 1997-2007).

The members of the Presidency may stop legislation procedure by referring to the protection of one of the entities' interests. This decision must be supported by a majority of either Bosniak or Croat delegates to the House of Peoples of FBiH, or of Serbian delegates to the National Assembly of Republika Srpska (both of these are the parliamentary bodies of the federal units). Thus, while protecting the interests of the whole entity, a member of the Presidency of Bosnia and Herzegovina derives the power of veto from representatives of one of the constituent nations.

Common wisdom claims that true political power can be measured by one's ability to block the decision making process. In BiH these are ethnopolitical factions, whose political power has not only become formalised but has also gained an exclusive character.

## **Conclusions**

Territorial division, decentralisation, and institutional empowerment are often mentioned in political models and applied in practice to varying intensities and scales. The principles of proportional representation, grand coalition, and federalism has been provided to stabilise the country, which has been peopled by a divided society. These tools seem to grant autonomy to different groups within society, while at the same time preserving a common state. These tools have been generously applied in the Bosnian political system, framed by the constitution. The three nations inhabiting Bosnia and Herzegovina, representing three very different visions of the future of the country, have their representatives in practically all public institutions. Unlike the political system of Germany and the US, composition of the Bosnian government, presidency, parliament and other institutions reflect its federal division. Thus the question of nationality has dominated Bosnian political life and development.

Nevertheless, it is the application of ethnic parity in the legislative path and decision making process in the presidency which provide ethnicity with true political power and therefore it is this which remains destructive for building a common Bosnian identity and constitutes a serious obstacle for socio-economic development. Any political party will find it much easier to gain power, represent the people and use legislative tools if it relies on the support of one of the constituent peoples. In the post-war situation this means mobilising voters by emphasising the threat arising from the other nationalities and this promotes a similar action among the other nationalities.



**THREE NATIONS IN BOSNIA AND HERZEGOVINA  
(TO SAY NOTHING OF THE FOURTH)  
THE QUEST FOR A POST-DAYTON COLLECTIVE  
BOSNIAN IDENTITY**

For the last couple of years diplomats, political analysts, international advisers and journalists interested in Bosnia and Herzegovina (BiH) or who feel responsible for it have constantly been posing questions such as: “What went wrong?”, “What are the key factors of the crisis?” “Why is the post-war settlement so painful?” or “What is the main obstacle to the political process?”. The fact that we are celebrating the 20<sup>th</sup> anniversary of the Dayton Peace Agreement (DPA) that laid the groundwork for post-war Bosnia and started the peace process does not help much.

The opinion that those endeavours have so far been in vain, and the conclusion that the “Bosnian problem” is – under the present political conditions and with the existing political toolset – insoluble, is not a new one; in the mid-2000s local authors such as Božo Zepić<sup>6</sup> and Nerzuk Ćurak<sup>7</sup> have claimed this. It took some time, however, before internationally renowned experts were able to admit in *Foreign Affairs* pages – as did Patrick C. McMahon and Jon Western – that “Bosnia stands on the brink of collapse”.<sup>8</sup> It is not openly admitted by diplomats or members of the Office of the High Representative (OHR) staff; however, the weariness and resignation that come hand in hand with ‘exit syndrome’ seem to be present among international community much more than they were in the nineties.

If anyone is ready at all to admit that ‘something went wrong in Bosnia’ – be it the failed population census, the still-divided Mostar, one FBiH’s<sup>9</sup> cabinet falling af-

<sup>6</sup> B. Zepić, Pat pozicija u Bosni i Hercegovini, Mostar 2005.

<sup>7</sup> N. Ćurak, Obnova bosanskih utopija. Politologija, politička filozofija i socijologija dejtonske države i društva, Zagreb-Sarajevo, 2006.

<sup>8</sup> P. C. McMahon, J. Western, The Death of Dayton: How to Stop Bosnia from Falling Apart, *Foreign Affairs*, October 2009.

<sup>9</sup> Federation of Bosnia and Herzegovina, one of the two entities in BiH.

ter the other, the lack of any prospects of constitutional reform, etc. – there is one “usual suspect” to be blamed in the first place: the nationalisms, or – as George S. Will put it in his review of recent publications on Bosnia – the centrifugal forces of the rival ethnic nationalisms of Bosnia’s Muslims, Croats and Serbs.<sup>10</sup>

I wish to argue that this interpretation oversimplifies the state of affairs. Quite obviously centrifugal forces exist, but they are not ingrained in the simple ethno-national sentiments. And what makes these forces so dangerous for Bosnia is the lack (or at least the weakness) of a counterbalancing centripetal force, that – under normal circumstances – would be dominant.

One of the basic problems of present-day BiH is precisely this deficiency of the collective **Bosnian** identity based on a sense of citizenship. The lack of this identity makes the creation of any political bodies unfeasible – be they popular movements or political parties enjoying wide support among the political elites, with clearly defined aims and the determination to follow a set agenda. The problem is that political bodies of this kind, willing and mobilised, are the *sine qua non* to reform and modernise BiH, to move it from the current state of entanglement. This is the ‘fourth nation’ – so much expected and still non-existent in present Bosnia: the nation of **Bosnians**, addressing their political loyalty towards the modern Bosnian state.

The three nations of Bosnia (or, as I shall elaborate below, the dominant political projects, which are to a very limited extent identical to the expression of a “true” ethnic will, interests, and even sentiments) leave almost no room for the development and maturing of the ‘fourth nation’—the civic one. It does exist, of course: as a political offer, as a set of ideas, and even in the field. However, the present situation offers barely any opportunity for the expression, action and maturing of such **Bosnian** national sentiment.

Is there room for advice, more nuanced and less bold than the blunt nation-building idealism that has – since the interventions in Bosnia and Iraq – been rightly criticised and sometimes even ridiculed? The present project, aimed at the assessment of the current state of stability in Bosnia and Herzegovina, obliges us to look for some viable solutions and a possible V4 contribution. I believe there still exist ways and means to strengthen the **Bosnian identity**, especially at a moment when the present political order would become, for any

<sup>10</sup> G. S. Will, *Been There, Didn't Do That*, [http://townhall.com/columnists/georgewill/2009/09/20/been\\_there,\\_didnt\\_do\\_that?page=full](http://townhall.com/columnists/georgewill/2009/09/20/been_there,_didnt_do_that?page=full)

reason, destabilised – and, secondly, to help forge a new, broader collective Bosnian identity by offering a new understanding of the historical past.

## 1. The three historical and political nations of Bosnia

The development of the various national identities within Bosnia's borders in modern history is certainly too broad a subject to be discussed or even epitomised within a single paper. But whether we refer to internationally renowned experts such as Xavier Bougarel<sup>11</sup> or (as yet) lesser known specialists,<sup>12</sup> the broad and overall conclusion remains the same: two of the country's constituent nations, namely Serbs and Croats, were developing their historical and cultural identities relying on, respectively, Belgrade and Zagreb as the source of historical curricula, values and political agendas.

The evolution of the third, **Muslim/Bosniak** national identity, was encountering many obstacles; there were numerous factors inhibiting its development and several alternative projects regarding the basis of the Bosniak collective identity. We may observe with some astonishment the vague similarities between the perspectives of the **Bosnian project** under communist rule and in the post-Dayton era: both Bosnia's were expected to become a model multi-national (or, to put it differently, 'supra-national') states. In both cases the hopes for the fast development of the supra-national or civic identity proved futile. Deliberately projected systems of 'national quotas', checks and balances, instead of making the political system viable, led to the stalemate. One could perceive it as a historical irony or a historical regularity, but the old adage *The more things change, the more they stay the same* seems to have rather a lot in common with the pre-1990 and post-1995 Bosnia.

The architects of the Dayton Peace Agreement, facing the historical circumstances (plus the realities of the cruel war) did their best to tailor the *de facto* constitution of BiH in such a way as to make it functional for a multi-ethnic society, comprising the three main ethnic groups and 17 minorities. Although

<sup>11</sup> X. Bougarel, Od 'Muslimana' do 'Bošnjaka': pitanje nacionalnog imena bosanskih muslimana, [In:] H. Kamberović (ed.) *Rasprave o nacionalnom identitetu Bošnjaka*. Zbornik radova, Sarajevo 2008.

<sup>12</sup> See I. Lucić, In the service of the nation: intellectuals' articulation of the Muslim national identity, *Nationalities Papers*, vol. 40/2012; M. Seroka, Czynniki religijny w kształtowaniu współczesnej boszniackiej tożsamości narodowej, [In:] R. Michalak (ed.) *Polityka jako wyraz lub następstwo religijności*, Zielona Góra 2015; C. Sancaktar, Historical construction and Development of the Bosniak Nation. Alternatives, *Turkish Journal of Foreign Relations*, vol. 11/2012.

‘ethnic hatred’ has been (quite inaccurately) blamed for all the horrors of the civil war, ethnicity itself has been (quite paradoxically) institutionalised in all aspects of political life in BiH. The basis of the whole political system has been recognition of the three constituent nations (Bosniak, Croat and Serbian) and the effort to make them share power and cooperate on various (municipal, cantonal, entity and state) levels.

After twenty years, the result is all too well known: stalemate. The appeal to ‘ethnic interests’ – or, better still, to the necessity of defending the “endangered vital interest of the constituent nation” – became a political passkey. By exploiting it, ruling politicians are able to close every door to political manoeuvring. Since the beginning of the second decade of the 21<sup>st</sup> century, when the ‘double hatted’ Office of the High Representative (OHR) was trying to show some initiative, this stalemate has been possible to observe within every aspect of the political process: be it constitutional reform or the EU integration.

## 2. The nations or the projects?

But are the trivial ethnic rivalries to be blamed for this stalemate? Two researchers in an op-ed in *Der Spiegel* which was broadly commented on referred to it as the “ethnic ghettoisation” of many aspects of Bosnian life.<sup>13</sup> Many experts are doing their best to give a more nuanced answer. The Bosnian-Herzegovinian public sphere has recently become the scene of a battle of three dominant identifications – the Bosniak, the Croatian and the Serbian – that are perceived as separate and mutually exclusive – suggests Polish researcher Maciej Falski.<sup>14</sup> There are many communities based on the quest of a collective identity in Bosnia, each of whom tends to become a state per se, granting the status of “citizen” only to their own members – explains the stalemate Bosnian sociologist Tarik Haverić.<sup>15</sup>

In my opinion, however, the most adequate description of the ethno-political situation in Bosnia has been offered by the team of experts of the renowned International Crisis Group. In a report from July 2014, entitled “Bosnia’s Future”

<sup>13</sup> R. Flottau, M. Kraske, Dayton 10 Years On: Apartheid in Bosnia, <http://www.spiegel.de/international/spiegel/dayton-10-years-on-apartheid-in-bosnia-a-383962.html>

<sup>14</sup> M. Falski, Pamięć społeczna a ideologia. Z problematyki autodefinicji kultury bośniackiej, *Południowosłowiańskie Zeszyty Naukowe. Język, kultura, literatura*, Łódź 2007, pp. 51-64.

<sup>15</sup> T. Haverić, Etnos i demokratija. Slučaj Bosne i Hercegovine, Sarajevo 2006, p. 318.

(and, so far, the last, concluding one, that deals with Bosnia) they have defined the situation as follows:

*The noise and confusion are misleading. **The reality is simpler: Bosnia has three, and only three, political communities that are not precisely identical to the three constituent peoples named in the constitution. Each is loyal to the set of political institutions that represent it, centred on a capital city.** [emphasis mine]. Bosnian patriots, the largest community, are loyal to the BiH state and Sarajevo. They disagree on much but want that state to thrive as they see in it the representation and protection of their interests. The second community is loyal to RS and Banja Luka; it wants the best for that entity and dreams of its independence. The third and smallest community lacks a clear institutional focus but has a capital of sorts in Mostar and an aspiration to some kind of self-rule for Croat-populated areas.*

*Political communities overlap with constituent peoples but are not identical to them. (...) Whatever his or her ancestry, a Bosnian may claim membership in any of the three peoples or any minority and may change identity at any time. Belonging to a political community is strictly voluntary. Yet, the sense of loyalty is exclusive: no one is left out; there are no minorities or dual identities.*

***Whatever the details of their family trees, everyone in Bosnia looks to either Sarajevo, Banja Luka or Mostar as their focus of political activity and figurative capital.** [emphasis mine]. Nor are they based on heredity, culture or specific territory. Most but not all Bosniaks are Bosnian patriots, but so are many Croats and Serbs. Most Serbs are loyal primarily to RS, joined by smaller numbers of Bosniaks and Croats who feel at home there. Most Croats but also some Serbs and Bosniaks gravitate to Mostar. Ethnic minorities thrive in all three communities. Each community's adherents range from the apathetic to the fanatical.*

*Each political community corresponds to one of the political projects – a strong Bosnia, a strong RS or a Croat unit – and their competition constitutes Bosnia's political struggle. Each has its own political parties, civil society organisations, media and patron-client networks. Individuals, factions and parties within a community fight over issues, the spoils and the like but agree on the overall political agenda and cooperate easily when it is threatened.<sup>16</sup>*

<sup>16</sup> Bosnia's Future, Europe Report 232, Brussels 2014, <http://www.crisisgroup.org/en/regions/europe/balkans/bosnia-herzegovina/232-bosnia-s-future.aspx>, pp. 6-8.

I believe this is the most apt description of post-Dayton Bosnia's ethno-political situation: the three meta-political projects that appeal to the national identities, sentiments and resentments, use (and abuse) the Dayton system – but are by no means pure or *naïve* expressions of the '(ethno)national will'. On the contrary, those projects and emotions are exploited by a 'cartel' of the six main political parties (broadly known as the 'Sextet') that for the last couple of years has been able to control broad areas of the economy, media, security and administration.

### 3. The stalemate and the protests

Is there a way to break this cartelisation of Bosnia's political life and the rule of the 'Sextet'? It seems extremely complicated, especially given the determination with which the members of the ruling political elite in Bosnia are ready to defend its rule on the grounds of 'defending the Dayton/constitutional order'.

The only viable solution would be to look for and support a new, civil, **Bosnian** common identity – one that would openly reject or at least disregard the strong ethnic identifications that make up the core of the present political system.

Are there any prospects for such a common identity, a citizen's nation – the fourth nation I was referring to in the title of my paper – to come out and grow? The truth is that numerous political initiatives that were appealing to this kind of understanding of the common interest were either marginalised – or have enjoyed only limited support or have been denounced as a cover up of the majoritarian, Bosniak political project.<sup>17</sup> Even the preliminary results of the delayed and incomplete present census (the fate of which is a meaningful example of the political stalemate itself) show that the constituent nations dominate in statistics and public discourse.

I think that as the 'Sextet rule' compromises itself, we should look for new avenues where an anti-systemic attitude could be voiced. The Dayton paradigm should be shifted and a new, **Bosnian**, citizen-rather-than-ethnic, identity expressed.

In fact situations of this kind already took place during the **Bosnian spring** of 2014 which, alas, withered away all too quickly. Several studies of the grass-roots protest and the Bosnian civil unrest of 2014 clearly show that probably the most important aspect of those protests had been the appeals to a **Bosnian**

<sup>17</sup> *Ibidem*, p. 9.

identity, the rejection of the whole system of political rule and the strong mistrust expressed towards all the existing political parties.<sup>18</sup>

Should the ‘Sextet system’ prove to be non-viable, the chances are that protests of this kind may emerge more often and on a much broader scale. The experience of the emergence of the Polish Solidarity movement in the 1980s is a clear example of how a deterioration of general living conditions and mistrust towards the ruling class could result in mass protests and – consequently help forge new collective identities and new mainstream political projects.

What makes such developments even more probable are the radically new challenges that Western Balkan countries (as much as the whole Europe) might face with the present influx of the refugees/economic migrants from the Middle East and Northern Africa. As we are in the midst of a rapidly developing refugee crisis, it is impossible to judge any of its outcomes: what we have encountered, however, since the summer of 2015 shows that the impact could be truly tectonic.

So far, Bosnia and Herzegovina has been out of the way of the main migration routes – due to both geographical (inaccessibility, land-locked position) and economic reasons. Any influx of refugees/migrants would certainly present a challenge to the fragile economy and ineffective infrastructure of the state. On the other hand though, it could quite unexpectedly become a unifying factor for the nations of Bosnia, engendering sentiments of solidarity, and a common threat. Such sentiments had already been voiced this summer in the other ‘troubled’ Balkan area – namely, the Preševio Valley – where longstanding Serbian-Albanian tensions sank into the background during August, 2015, when thousands of refugees/migrants from Macedonia were passing through the area.<sup>19</sup>

#### **4. The quest for a shared memory**

Is there a chance for the development of the common, collective memory of the past within the communities or between the nations divided by (civil) war? It is certainly one of the biggest challenges for any reconciliation process.

<sup>18</sup> The most exhaustive study of this aspect of the Bosnian spring is, in my opinion, the working paper *Sow hunger, reap anger*, written by Chiara Milan, PhD candidate at the European University Institute and presented during the seminar run at the Collegium Civitas in Warsaw by Mateusz Falkowski, PhD.

<sup>19</sup> Those are the observations of prof. Radosław Zenderowski, the renowned researcher of the conflict in the Preševio Valley, who was on the spot in August and shared his opinion with the author in several conversations and e-mail exchanges.

The leading Polish specialist in the field of ‘remembrance studies’, Robert Traba, during the last few years did a lot to describe the Polish and German notions of the past.<sup>20</sup> What he argues is that the ‘collective historical memories’ of the two neighbouring nations, that were so dramatically in conflict in the 20<sup>th</sup> century (with the culmination during the Nazi German invasion and occupation of Poland, followed by looting of its resources and extermination of its population) remain **parallel and separate**.<sup>21</sup> This situation exists in spite of the fact that the war in Central Europe ended 70 years ago, that many dramatic and politically valid acts of reconciliation took place and that Berlin and Warsaw remain close allies within the EU and NATO.

I find the formula of ‘parallel and separate collective memories’ truly accurate, not only for Poland and Germany, but also – actually, much more so – for other post-conflict communities and nations, forced by circumstances (or by decisions made at the international level) to remain neighbours or to share the same country and space. Actually, it is possible to note dozens of examples showing how divided and conflicted Bosniak, Croat and Serb collective memories currently are: both at the academic and popular level they are at its worst – contradictory, at best, i.e. parallel and separate.

Efforts to construct an education curriculum of a basic shared history started two years after the Dayton peace conference; that is, on the relatively early stage of post-war build-up – and has still borne almost no fruit. Many authors, from Tommaso Diegoli<sup>22</sup> to Valery Perry,<sup>23</sup> to Pilvi Torsti,<sup>24</sup> who made perhaps

<sup>20</sup> I am referring there basically to his review article *Polska i niemiecka kultura pamięci*, <http://www.polska-niemcy-interakcje.pl/articles/show/44>. However, one should also read his major publications: R. Traba (ed.), *Przeszłość w teraźniejszości. Polskie spory o historię na początku XXI wieku*, Poznań 2009; H.H. Hahn, R. Traba, M. Górny, K. Kończal (ed.), *Polsko-niemieckie miejsca pamięci. Refleksje metodologiczne*, Warszawa 2013.

<sup>21</sup> The German dominants of the collective memory of the second world war and 20th century are: the Holocaust, the battle of Stalingrad as a token of German military virtues, the bombardment of Dresden as the symbol of the innocent German victims and the expulsions. The major points of the parallel Polish collective remembrance discourse is the heroic defence of the country against the German invasion, the Warsaw Uprising (1944) as the symbol of the quest for independence and, thirdly, Auschwitz and Katyn as symbols of Polish nations victimised by the two totalitarianisms – the Nazi and the Soviet one – states Traba; R. Traba, *op. cit.*, p. 6.

<sup>22</sup> T. Diegoli, *Collective Memory and Social Reconstruction in Post-Conflict BiH*, Denver 2007.

<sup>23</sup> V.Perry, *Reading, Writing and Reconciliation: Educational System in Bosnia and Herzegovina*, ECMI Working Papers, No. 18.

<sup>24</sup> P. Torsti, *Segregated Education and Texts: A Challenge to Peace in BiH*, *International Journal of World Peace*, Vol. 26, No. 2 (June 2009).

most in-depth description of historical education in Bosnia, harbour no illusions: it has been one of the most spectacular failures of the reconciliation process. Within each of the three Bosnias' 'political projects' its own historical narration is undergoing construction and development, and they are usually strongly polemically oriented towards 'other' narratives. Such narratives, even if they are objectively false, overstated or misinterpreted remain (owing to the educational system) deeply entrenched within each community and are perceived as 'true', 'the one and only non-falsified', etc. The endeavours undertaken to impose a unified historical curriculum for the whole BiH failed and it is hard to imagine such an initiative being raised again within the existing 'Sextet system'.

Given this 'pat-position' it might perhaps be reasonable to start the debate on Bosnia's history/histories and the representations of the past on some other plane, neither the educational one (where the stalemate is evident) nor the academic (which is also heavily politicised).

I do believe that much remains to be done regarding the whole sphere of the historical museums and exhibitions. Such institutions as 'Historical Museums' exist in both entities and several cities – heavily politicised but also (even more severely) underinvested and thus underdeveloped. To help them modernise would at present be both economically and politically too expensive: even if V4 was able to secure funds for this, it would mean support for competing and potentially conflicted projects.

I would like, however, to point out the set of new digital technologies that have resulted in a new, rapidly developing phenomenon: so called 'virtual museums'.<sup>25</sup> Scores of them have been created in cyberspace during the last few years – either as an extension of a 'real' museum's offer or as a new, autonomic initiative. Owing to the advantages of the new technologies, the cost of establishing, running and conserving these 'virtual museums' is usually a fraction of the real museum budget.

Given the willingness of the V4 countries to contribute to reconciliation, their present experience in 'talking anew' about their recent war and communist past and, last but not least, the Polish experience in the development of new

<sup>25</sup> Of the numerous literature, cf: W. Schweibenz. The Development of Virtual Museums. ICOM-NEWS. no. 3. 2004; E. Giaccardi, Collective Storytelling and Social Creativity in the Virtual Museum: A Case Study. *Design Issues* 22 (2006).

concepts for modern historical museums (the Museum of the Warsaw Uprising and Museum of the History of the Polish Jews are already open, gaining spectacular successes; the Museum of Polish History and the Museum of the Second World War are to open their permanent exhibitions within the next two years) – perhaps it makes sense to share such experience with willing Bosnian partners or even help establish a virtual ‘Museum of Bosnia’s History/Histories’?

## FRAGMENTATION AND SEGREGATION IN THE EDUCATION SYSTEM IN BOSNIA AND HERZEGOVINA

The education system in Bosnia and Herzegovina (BiH) has a long history. The institutional beginnings of higher education are identical to the university traditions of Western Europe. The first institutions of higher education can be traced back to 1531 when Gazi Husrev-beg<sup>26</sup> established a school of Sufi philosophy. During the Austro-Hungarian Empire, a Sharia Law School began its five-year program. In the 1940s, the University of Sarajevo became the city's first secular institute of higher education.<sup>27</sup> However, the present educational system is greatly influenced by politics that has created instructive institutions that cannot respond to the needs of people living in BiH, nor can they cope with the new challenges posed by the Bologna process and the Lisbon agenda. This results in deep ethnic divisions, which will be further addressed in the paper.

One result of the state structure of Bosnia and Herzegovina created by the 1995 Dayton Peace Agreement (DPA)<sup>28</sup> was a series of negative effects on the education system. The DPA divided a relatively small country into two asymmetrical entities which enjoy full autonomy: the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS). The DPA also proclaimed three main ethnic groups or constituent peoples<sup>29</sup> and 17 recognised national minorities.<sup>30</sup> The constituent peoples are Bosniaks (Bosnian Muslims), Croats (Bosnian Catholics) and Serbs (Bosnian Orthodox) based on the principle of self-declaration. Besides the con-

<sup>26</sup> Gazi Husrev-beg was a Bosniak Ottoman sanjak-beg (governor) who greatly contributed to the improvement of the structural development of Sarajevo's urban area.

<sup>27</sup> Education, University of Sarajevo, <http://www.sarajevo.ba/en/stream.php?kat=145>

<sup>28</sup> The General Framework Agreement, [http://www.ohr.int/dpa/default.asp?content\\_id=380](http://www.ohr.int/dpa/default.asp?content_id=380)

<sup>29</sup> Constituent Peoples' Decision of the BiH Constitutional Court, [http://www.ohr.int/ohr-dept/legal/const/default.asp?content\\_id=5853](http://www.ohr.int/ohr-dept/legal/const/default.asp?content_id=5853)

<sup>30</sup> National Minorities in BiH, Organization for Security and Co-operation in Europe (OSCE) Mission in BiH, <http://www.oscebih.org/Default.aspx?id=53&lang=EN>

stituent peoples, there is the group of 'others'<sup>31</sup> which includes anyone who does not identify with one of the three ethnic groups, including all minorities, people of mixed ethnicity, those who do not wish to identify with one group over the others and those who simply identify themselves as 'citizens of BiH'. Demographically speaking, Serbs make up a numerical majority in the RS (approximately 88%) and most Bosniaks and Croats today live in FBiH. The FBiH entity is further divided into ten cantons where usually either Bosniaks or Croats form a majority. Furthermore, in line with Annex 2, Article 5 of the DPA<sup>32</sup> in 2000 the Brčko District was formed as an autonomous entity and a neutral, self-governing administrative unit that is currently a territory shared by the two entities. Both legal and political entities have their own independent legislative, executive and judicial functions with their own capitals, governments, presidents and parliaments. With this in mind, one can justly state that the DPA created a paradoxical political framework of integration through separation, which has also fragmented and segregated the education system in the country for the past twenty years. According to Pašalić-Kreso, *From the very beginning, the Constitution created a decentralized, asymmetric and defective education management system that has undermined unity in educational policies, common educational goals, common values, positive and patriotic feelings for one's country and homeland, etc.*<sup>33</sup> FBiH is fragmented into 10 mini-states or cantons, each of which has almost unlimited power over the education sector. The Brčko District has its own education policies, too. Simply put, according to the constitution, BiH does not have a ministry of education at the state level. This leaves the country without any vertical or horizontal responsibility or coordination in the education sector.

The entity of RS is developing a more intense level of cooperation in the area of education with neighbouring Serbia than with the rest of BiH. In 2010, the Ministry of Education and Culture of RS and the Ministry of Education of Serbia signed a Memorandum of Understanding of Mutual Cooperation. The goal of this agreement has been intensifying the level of cooperation between the two partners when it comes to enhancing the exchange of knowledge, staff, students and joint participation in EU academic projects.<sup>34</sup> Article 128

<sup>31</sup> Preamble of the Constitution of FBiH, <http://www.ohr.int/ohr-dept/legal/const/>

<sup>32</sup> The General Framework Agreement: Annex 2, [http://www.ohr.int/dpa/default.asp?content\\_id=370](http://www.ohr.int/dpa/default.asp?content_id=370)

<sup>33</sup> A. Pašalić-Kreso, The War and Post-War Impact on the Educational System of Bosnia and Herzegovina, *International Review of Education*, Vol. 54, No. 3/4, 2008, p. 360.

<sup>34</sup> Saradnja u obrazovanju sa Republikom Srpskom, [http://www.rtv.rs/sr\\_lat/drustvo/saradnja-u-obrazovanju-sa-republikom-srpskom\\_229550.html](http://www.rtv.rs/sr_lat/drustvo/saradnja-u-obrazovanju-sa-republikom-srpskom_229550.html)

of the Law on Higher Education in RS states that diplomas obtained at recognised institutions of higher education in Serbia are fully accepted in RS.<sup>35</sup> Moreover, the Agreement on the Mutual Recognition of Education Documents and the Regulation of Statutory Issues of Students signed in 2005 recognises primary, secondary and higher education diplomas from Serbia in RS and *vice versa*.<sup>36</sup> There is also a high number of students from RS studying in Serbia as they have the right to free primary and secondary education under the same conditions as citizens of Serbia. This is particularly used in the border area along the Drina River, where many students from RS attend schools in Serbia. Also concerning higher education, Serbs from RS enrol into colleges or universities in Serbia under the same conditions as the citizens of Serbia, while those from other countries in the region join based on quotas negotiated by the Ministry of Education of Serbia and the universities. Since students from RS have the same status as citizens of Serbia, they are also entitled to be financed from the budget of Serbia if they meet the necessary criteria. The majority of students from RS choose to attend schools or university in RS or Serbia over those in FBiH.

In the case of Croats from BiH and the Republic of Croatia, the cooperation is less institutionalised. There is an agreement between the Council of Ministers of Bosnia and Herzegovina and the Croatian government on cultural, educational and sports cooperation.<sup>37</sup> However, Bosnian Croats or others who hold Croatian citizenship as a result of their ethnic Croat identity have the same right to education as Croats born in Croatia and pay equal enrolment and tuition fees. Many young Croats from BiH go to Croatia to study, but, at the same time, recent years have seen an increasing number of students from Croatia who go to BiH to study, especially to the University of Mostar. This is partly due to the proximity of those in southern Croatia and southern Dalmatia, but many believe this is generally because most of them do not enrol onto the desired program in Croatia or do not pass the so-called *državna matura* – ‘maturity diploma’ or the high-school leaver’s exam.

<sup>35</sup> Обавјештење о признавању страних високошколских диплома стечених у Републици Србији [Обавјештење о признавању страних високошколских диплома стечених у Републици Србији], Влада РС, <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mpk/Documents/obavjestenje%20o%20priznavanju%20diploma%20iz%20srbije.pdf>

<sup>36</sup> Sporazum о uzajamnom признавању докумената у образовању и регулисању статусних питања ученика и студената, Службени гласник Републике Српске no 79/05, <http://www.ubn.rs.ba/download/dokumenti/Sporazum-Srbija-Republika-Srpska-Priznavanje.pdf>

<sup>37</sup> *Official Gazette*, No.16/03.

## 1. High decentralisation of the education system

The institutionalised image of the education system in BiH is a reflection of the complicated set-up of the country and thus education is also highly decentralised. There are 14 ministries in charge of education in BiH:

- two entity ministries<sup>38</sup> (the Federal Ministry of Education and Science and the Ministry of Education and Culture of Republika Srpska)
- ten cantonal ministries<sup>39</sup> (Ministries of Education of the Una-Sana Canton, Posavina Canton, Tuzla Canton, Zenica-Doboj Canton, Bosnian-Podrinje Canton Goražde, Central Bosnia Canton, Herzegovina-Neretva Canton, West Herzegovina Canton, Sarajevo Canton and Canton 10)
- a separate administration for education in the Brčko District
- a ministry at the state level (the Ministry of Civil Affairs) which also has a division for education.<sup>40</sup>

The BiH Constitution accommodates this state of affairs because, according to Article 3 (Annex 4 of the DPA),<sup>41</sup> all powers that are ‘not expressly assigned’ to the state institutions are given to the entities, while Section 3, Article 4(b) of the FBiH Constitution<sup>42</sup> gives the cantons responsibility for making education policy, including decisions concerning the regulation and provision of education. The ministries of education at the entity level have entirely disparate policies for pre-school, elementary, secondary and higher education. In addition, the cantonal ministries of education have the same individual policies and/or additional ones depending on the canton. For instance, the Sarajevo Canton has its own sector for pre-school, elementary and secondary

<sup>38</sup> Federalno ministarstvo obrazovanja i nauke, <http://fmon.gov.ba/>; Ministarstvo prosvjete i kulture Republike Srpske, <http://www.vladars.net/sr-SP-Cyrl/Vlada/Ministarstva/mpk/PPP/Pages/Splash.aspx>

<sup>39</sup> Kantonalna ministarstva, Federalno ministarstvo obrazovanja i nauke, [http://www.fmon.gov.ba/index.php?option=com\\_content&view=article&id=184&Itemid=140](http://www.fmon.gov.ba/index.php?option=com_content&view=article&id=184&Itemid=140)

<sup>40</sup> Department of Education, Ministry of Civil Affairs of Bosnia and Herzegovina, [http://www.mcp.gov.ba/org\\_jedinice/sektor\\_obrazovanje/default.aspx?langTag=en-US&template\\_id=108&pageIndex=1](http://www.mcp.gov.ba/org_jedinice/sektor_obrazovanje/default.aspx?langTag=en-US&template_id=108&pageIndex=1)

<sup>41</sup> The General Framework Agreement: Annex 4, [http://www.ohr.int/dpa/?content\\_id=372](http://www.ohr.int/dpa/?content_id=372)

<sup>42</sup> Ustav Federacije BiH, Agencija za državnu službu, [http://drzavni-ispit.foto55.com/dokumenti/ustav\\_fbih.html](http://drzavni-ispit.foto55.com/dokumenti/ustav_fbih.html)

education; a sector for higher education and science; a sector for the computerisation of education and science.<sup>43</sup>

At the entity level, education is highly decentralised in FBiH and highly centralised in RS, while remaining generally decentralised in the state as a whole. The Ministry of Civil Affairs is responsible for establishing the basic principles of the coordination of activities among the ministries, harmonising the plans of the entity bodies and defining strategies at the international level.<sup>44</sup> However, compared to the entity ministries, the role of the Ministry of Civil Affairs is quite insignificant. Bearing this in mind, one can presume that it was the DPA that created this immensely institutionally complex structure that has made the task of educational reform almost impossible.

Within the education sector, political influence is greatly visible in the appointment of school boards, directors and teachers. Political motives also have a negative impact on the financial management of the education system, resulting in outdated and inefficient school networks and schools which lack the adequate funds for equipment, libraries and teacher training. Oversight mechanisms, such as education inspectors, also fall victim to political pressures and the lack of independence. The OSCE mission to BiH has been monitoring the work of school directors, school boards and education inspectors for several years now. These efforts have resulted in a number of reports which all reach similar conclusions – democratic mechanisms lack transparency, accountability, effectiveness and efficiency and therefore are not strong enough to counter political manipulation. This often results in political parties turning into the unopposed decision-makers in the education system.<sup>45</sup>

Perhaps the biggest challenge today is how to encourage citizens to actively participate in the decision-making process when it comes to carrying out different educational policies. One of the success stories of the OSCE mission is the establishment of two state-level associations of school directors in BiH, which is geared towards the improvement of cooperation and coordination among school directors across the country.

<sup>43</sup> Nadležnosti, Ministarstvo za obrazovanje, nauku i mlade Kantona Sarajevo, <http://mon.ks.gov.ba/ministarstvo/nadleznosti>

<sup>44</sup> Competencies of the Ministry, Ministry of Civil Affairs of Bosnia and Herzegovina, <http://www.mcp.gov.ba/default.aspx?pageIndex=1&langTag=en-US>

<sup>45</sup> Education, OSCE Mission to Bosnia and Herzegovina, <http://www.oscebih.org/Default.aspx?id=3&lang=EN>

## 2. Higher education and curriculum reform

As it was previously indicated, RS and cantons in FBiH, as well as Brčko District have their own laws and regulations on higher education. However, these laws need to be harmonised with state law. At the state level, higher education is regulated by the Framework Law on Higher Education in Bosnia and Herzegovina which was adopted in 2007. The law sets the basic standards and principles for the area of higher education. All other issues in the area of higher education that are not regulated by the law are governed by entity law in RS and cantonal laws in FBiH.<sup>46</sup>

In accordance with the laws and regulations, higher education institutions are funded by the corresponding RS or FBiH authorities. Higher education activities are thus governed by either RS or FBiH legislation, with the Ministry of Civil Affairs at the state level assuming the task of coordinating the higher education activities of the two entities. One of the main prerequisites for reform was the adoption of the Higher Education Law in Bosnia and Herzegovina. Following its adoption, many challenges such as the establishment of a higher education institution and a financing council will need to be addressed. Reforms within universities themselves represent a challenge — for example, the introduction and implementation of the ECTS and diploma supplements, as well as other Bologna Process initiatives.

In 2012 there were 48 higher education institutions in BiH, including 25 universities (more private than public ones), 19 colleges (*visoka škola*) and four religious universities.<sup>47</sup> It is incredibly difficult to find exact data on the number of higher education institutions for 2015.<sup>48</sup> This is mostly due to a growing number of private higher education institutions in the country, more than are

<sup>46</sup> Higher education in Bosnia and Herzegovina, Education, Audiovisual and Culture Executive Agency (EACEA), Unit P10 – Tempus and Bilateral Cooperation with Industrialised Countries, [http://eacea.ec.europa.eu/tempus/participating\\_countries/overview/bosnia\\_and\\_herzegovina\\_country\\_fiche\\_final.pdf](http://eacea.ec.europa.eu/tempus/participating_countries/overview/bosnia_and_herzegovina_country_fiche_final.pdf)

<sup>47</sup> N. Branković, Enrollment policy and higher education funding system in B&H, Center for Research and Studies – GEA, August 2012. Accessed June 11, 2015, p. 15.

<sup>48</sup> Even the Agency for the Development of Higher Education and Quality Assurance that has been established by the Framework Law on Higher Education in BiH as an independent public organisation removed this information from its official website *given that there has been some misunderstandings and misinterpretation*; List of HEIs in BiH, Agency for Development of Higher Education and Quality Assurance, [http://www.heg.gov.ba/kvalitet/evdencija\\_vsu/Lista.aspx](http://www.heg.gov.ba/kvalitet/evdencija_vsu/Lista.aspx)

needed, in fact.<sup>49</sup> However, the Law on Higher Education treats private and public higher education institutions equally. There is almost no cooperation between and among different education ‘systems’ and where there is it tends to be primarily encouraged by the previously-mentioned institutions and laws. However, this cooperation is not sufficient to respond effectively to the challenges posed by the Bologna Process and Lisbon Agenda.

The primary and secondary school curricular reform began in 2002 and calls for educational standards to reflect human rights values and contemporary educational approaches. Primary education in BiH is mandatory and free for all children from ages 6 through 15 and lasts for nine years in three three-year cycles (ages 6–9, 9–12 and 12–15). This system was firstly adopted in 2004, as a replacement for the old eight-year primary education system, offered to children from ages 6 through 14 in two four-year cycles (ages 6–10 and 10–14), which is still valid for children who began their education before 2004 and also in some regions after that date. Secondary education is also free. It begins at the age of 15 (or 14 as part of the previous system) and lasts for three or four years, depending on whether it is a general secondary school (*gimnazija*, *medicinska škola*, *ekonomska škola*, *tehnička škola*, *muzička škola*) or a vocational secondary school. Students who have graduated from general secondary schools and who have passed the high-school leaver’s exam or Matura exam can enrol into any university or college after passing a qualification examination set by the institution, while students who graduated from vocational schools obtain a diploma.<sup>50</sup>

The main challenges of the education system in BiH, some of which will be further elaborated in the paper, are:

- assimilation and segregation grounded in separate curricula for the three ‘constituent peoples’

<sup>49</sup> Throughout the Western Balkans, in BiH especially, there has been a boom of new private universities. Some of them are certainly on their way to establishing themselves as serious institutions of higher education, but many raise doubts (the establishment, curricula, teaching staff, requirements, study time, corruption scandals). According to Florian Bieber, there are approximately as many private universities in the Western Balkan region as in the entire EU; F. Bieber, *New Universities in the Balkans: European visions, UFOs and Megatrends*, <http://florianbieber.org/2011/06/26/new-universities-in-the-balkans-european-visions-ufos-and-megatrends/>

<sup>50</sup> World Data on Education, UNESCO [http://www.ibe.unesco.org/fileadmin/user\\_upload/Publications/WDE/2010/pdf-versions/Bosnia\\_and\\_Herzegovina.pdf](http://www.ibe.unesco.org/fileadmin/user_upload/Publications/WDE/2010/pdf-versions/Bosnia_and_Herzegovina.pdf)

- the practice of students commuting to mono-ethnic schools
- teaching about religions and history
- literature and language teaching
- the ‘two schools under one roof’ system
- the problem of subjects listed within the ‘national group of subjects’ (history, geography, nature and society, mother tongue and literature, and religious instruction).<sup>51</sup>

### 3. Literature and language teaching

The literature and language policy in BiH is what prevents the education system from developing into a more unified one. The country recognises three official languages which correspond to the category of constituent peoples: Bosnian (mainly used by Bosniaks), Croatian (mainly used by Bosnian Croats) and Serbian (mainly used by Bosnian Serbs).<sup>52</sup> It is important to indicate that the Serbian used in BiH (the official language of RS) is a dialectical version of Serbian which is not identical to what is spoken in Serbia, and the Croatian used in BiH differs slightly from the standard version used in Croatia.<sup>53</sup> Nevertheless, this linguistic division is exploited by those who want to keep the current segregated educational system by simply stressing the importance for children of different ethnicities to be taught in ‘their language’. The administrative boundaries in the former Yugoslavia never translated into the ethnic ones, so the language(s) used in BiH, Croatia, Montenegro and Serbia today is that people speak in a similar way, while accents are local and not national.<sup>54</sup> The official language in Yugoslavia was called Serbo-Croatian or Croato-Serbian in Croatia. In BiH, before the disintegration of Yugoslavia and after the 1992-1995 war, the language is a mix of the Croatian language (Latin alphabet and Ijekavian

<sup>51</sup> Curricular Reform, OSCE Mission to Bosnia and Herzegovina, <http://www.oscebih.org/Default.aspx?id=31&lang=EN>

<sup>52</sup> S. Boračić, A. Kamber, Language Politics in Bosnia and Herzegovina, Institute for War and Peace Reporting, TRI Issue 721, <https://iwpr.net/global-voices/language-politics-bosnia>

<sup>53</sup> *Ibidem*, p. 1.

<sup>54</sup> T. Judt, D. Lacorne, Language, nation, and state: identity politics in a multilingual age, New York 2004, p. 216.

forms), while generally adopting Serbian terms<sup>55</sup> and using Turcisms. However, practically speaking, the differences between the three languages are ‘statistically few and insignificant’<sup>56</sup> but, metaphorically speaking, the non-existent differences have taken root in society. In other words, the language goes beyond the mere ‘communicative reach’<sup>57</sup> and it serves the purpose of retaining cultural values, political goals, autonomy, asserting loyalties, etc.<sup>58</sup> The linguistic choices in BiH are political ones, as there is fear among parents that their children could be instructed and trained in ‘another language’ which does not match their ethnic belonging. One can also notice that although there are no ‘territorial divisions’ between Bosniaks and Bosnian Croats in FBiH, it is still visible that there is a linguistic disunion. This is particular for the southern part of the country, Herzegovina, which has always been a battleground for the power-struggle between Bosniaks and Bosnian Croats.

The name Bosnian language has been a controversial issue for some Croats and Serbs, who refer to it as the Bosniak language based on the people who speak it and not based on the country. This has been recently confirmed by Ivan Klajn on behalf of the Committee for the Standardization of the Serbian Language of the Serbian Academy of Science and Arts.<sup>59</sup> Croatian linguists are divided on the issue. Some support the term Bosnian language, while others claim that Bosnian language and Bosniak language refer to two different things. Bosniak linguists, however, insist that the only legitimate term is Bosnian language (*bosanski jezik*) and that that is the name that both Croats and Serbs should use, too. The controversy arises because the name ‘Bosnian’ may seem to imply that it is the language of all Bosnians and Herzegovinians, while Bosnian Croats and Bosnian Serbs reject that designation for their idioms. Nonetheless, the language is called Bosnian in the DPA which was signed by the international presence and recognition.<sup>60</sup> The International Organization for Standardization (ISO), the Library of Congress, the United States Board on Geographic Names (BGN), and the Permanent Committee on Geographical Names (PCGN)

<sup>55</sup> *Ibidem*, p. 217.

<sup>56</sup> *Ibidem*, p. 228.

<sup>57</sup> W. Kymlicka, F. Grin, *Assessing the Politics of Diversity in Transition Countries* [In:] F. Daffary, F. Grin (ed.), *Nation-Building, Ethnicity and Language Politics in Transition Countries, Local Government and Public Service Reform Initiative*, Budapest 2003, pp. 1-29.

<sup>58</sup> *Ibidem*, p. 11.

<sup>59</sup> *Postoji li bosanski jezik? Evo šta kaže Ivan Klajn*, <http://www.blic.rs/Vesti/Drustvo/587341/Postoji-li-bosanski-jezik-Evo-sta-kaze-Ivan-Klajn>

<sup>60</sup> R. D. Greenberg, *Language and Identity in the Balkans: Serbo-Croatian and Its Disintegration*, New York 2004, p. 136.

also recognise the Bosnian language, as well as bodies such as the United Nations, UNESCO, translation and interpreting accreditation agencies, and most English-speaking language encyclopaedias.

RS does not acknowledge any language other than Serbian. This entity refuses to call the language Bosnian, but instead calls it the ‘language of Bosniaks’ or ‘Bosniak language’ (*jezik bošnjačkog naroda* or *bošnjački jezik*). Therefore, the beginning of this school year was uncertain for hundreds of Bosniak children in RS, especially in the Bosniak-dominant schools in Kotorski, Vrbanjci and Konjević Polje. Their requests to the RS authorities have failed, even though they have been the same for the past three years: the introduction of the ‘national group of subjects’ and a request to call the language Bosnian as opposed to Bosniak, as is currently the case. Finally, pupils’ parents from Vrbanjci and Konjević Polje decided that their children will attend instructive classes following the curriculum of the Zenica-Doboj Canton of FBiH, while pupils in Kotorski will start the 2015/16 school year according to the curriculum of RS, but will boycott classes which would teach the ‘language of Bosniaks’. The RS authorities are insisting on this language formulation as the RS Constitution states that the official languages of Republika Srpska are: the language of the Serb people, the language of the Bosniak people and the language of the Croat people,<sup>61</sup> and by ‘the rules of formation’ the language of the Bosniak people is called Bosniak.

According to the inter-entity agreement from 2002, pupils of Bosniak ethnicity, which formed a majority of more than 50% in these schools, were entitled to the introduction of the Bosnian language and the ‘national group of subjects’. This is another instance of a growing systemic discrimination in BiH enhanced by the mechanisms in place. The greatest consequences are suffered by the children, although according to the constitution of RS everyone has the same rights. It is possible to witness the segregation that is built into the system, while basic human rights are systematically violated at all levels.

Based on data from the Ministry of Education and Culture of RS, there are 95,000 elementary school pupils in this entity today, out of which 6,925 are Bosniak and only 408 are Croats. Most Croat children are assimilated into the teaching curriculum of RS. This is mostly the case in smaller cities such as Prijedor, Doboj, etc. However, Banja Luka is home to one of the General Gymnasiums of the Catholic School Centre, which is mainly, but not exclusively, attended by Croat pupils

<sup>61</sup> Basic Provisions, Article 7, Constitution of Republika Srpska, <http://www.vijecenarodars.net/materijali/constitution.pdf>

and students and taught in the Croatian language. Such schools exist throughout BiH – in Bihać, Mostar, Sarajevo, Tuzla and Zenica.

#### **4. ‘Two schools under one roof’ system**

As highlighted earlier in this paper, education in BiH is a powerful tool when it comes to reinforcing ethnic divisions and there is a strong link between education, language and nationalism. This is highly visible when it comes to the system of ‘two schools under one roof’, which was intended to be a temporary solution for post-war BiH. This system was supposed to affirm the return of displaced persons to their pre-war addresses and provide security and rights to education for returnee children who had previously attended classes in inadequate facilities that were not designed to serve educational purposes. However, this concept was abused in order to divide school children along ethnic lines. Even twenty years after the war, this system is still effective and is not being tackled enough by the major political elites and parties. It is important to stress that the policy of ‘two schools under one roof’ was not made because children, their parents or teachers demanded it, but because politics mandated for it. Such schools exist in FBiH and are absent from RS as there is a high degree of ethnic-homogeneity and education is centralised. ‘Two schools under one roof’ were created for Bosniak and Croat children who attend classes in separate shifts and are taught in ‘different languages’ and have different teaching curricula, books, two school bells, two entrances, two head teachers and two sets of staff. As regards a possible solution to this issue, there is a wide gap between possible scenarios: some favour full integration, while others call for complete segregation.

The first school operating as ‘two schools under one roof’ was established in 2000. The Framework Law on Primary and Secondary Education adopted in 2003 foresaw the administrative unification of ‘two schools under one roof’, but three cantons – the Zenica-Doboj Canton, the Central Bosnia Canton and the Herzegovina-Neretva Canton – have not yet started implementing the law. In the period from 2000 to 2003, the number of divided schools increased to fifty-two, and these are mainly located in the three previously-mentioned cantons. As both political and educational stakeholders were instructed to carry out an administrative unification of ‘two schools under one roof’, the number of such schools has decreased but they are far from having been abolished.<sup>62</sup> Even though current data vary, it is believed that

<sup>62</sup> G. Božić, *Reeducating the Hearts of Bosnian Students: An Essay on Some Aspects of Education in Bosnia and Herzegovina*, *East European Politics and Societies*, Vol. 20, No. 2, 2006. p. 328.

presently there are approximately thirty-four<sup>63</sup> divided but functioning ‘two schools under one roof’. Even in schools that have already successfully implemented the administrative unification, it seems that the transformation does not necessarily imply the students are integrated, as they are united only by the same facility while the curricula and textbooks are still different. The educational reform was successfully carried out in the Brčko District, where the Education Act was passed in 2000 and led to an integrated school system.

There is also a ruling by the Supreme Court of FBiH from August 2014 which says that the phenomenon of ‘two schools under one roof’ represents the ethnic segregation of pupils and that this practice should be eradicated. This principally applies to the Stolac and Čapljina primary schools.<sup>64</sup> Nonetheless, the experience teaches us that in BiH court decisions *per se* are not employed in a timely manner. Even the ruling by the Strasbourg European Court of Human Rights in the Sejdić and Finci vs. Bosnia and Herzegovina case from 2009 is still to be implemented in the constitution. What is very worrying is the fact that ministers in the cantons where ‘two schools under one roof’ exist do not see this issue as segregation, but a constitution article which guarantees equality for the three ‘constituent peoples’.

## 5. The ‘national group of subjects’ issue

Another peculiarity of elementary and secondary education in BiH is the so-called ‘national group of subjects’ that includes history, geography, nature and society, the mother tongue and literature and religious instruction. There are no teaching curricula at the level of BiH, but separated plans and programs for FBiH and RS. Moreover, in FBiH there are two curricula, one that is applied in the cantons with a Bosniak majority and another one in the cantons with a Croatian majority population. This diversity, as has been previously explained, is enabled by the fact that in FBiH education is at the level of cantonal ministries of education, so the cantons can individually profile their educational policies. Additionally, the Brčko District has had its own educational strategy since its establishment in 2000. In the middle of 2001, there was a common proposal to

<sup>63</sup> A. Ivanković-Tamamović, *Nastavak diskriminacije pravosudnim sredstvima: logičke akrobacije i apsurdni drugostepene sudske odluke u predmetu Dvije škole pod jednim krovom*, Analitika – Centar za društvena istraživanja 2013, p. 2.

<sup>64</sup> Presudom Vrhovnog suda Federacije BiH prekinuta evidentna praksa razdvajanja djece na etničkom principu, *Vaša prava BiH* - Legal Aid Network, <http://www.vasaprava.org/?p=2092>; [http://www.vasaprava.org/wp-content/uploads/downloads/2014/11/Vrhovni-sud-Federacije-BiH-odluka-po-reviziji-dvije-%C5%A1kole-pod-jednim-krovom\\_01.pdf](http://www.vasaprava.org/wp-content/uploads/downloads/2014/11/Vrhovni-sud-Federacije-BiH-odluka-po-reviziji-dvije-%C5%A1kole-pod-jednim-krovom_01.pdf)

harmonise teaching plans and programs for primary and secondary schools, which started to be implemented from school year 2001/2002. Generally speaking, multiethnic education has been established in the Brčko District, but history and other subjects of the 'national group of subjects' are taught separately in primary schools. In gymnasiums, history teaching is performed jointly, regardless of the national affiliation of students, according to the harmonised plan and program. In secondary vocational schools, history classes are performed separately as a 'national group of subjects'. In primary schools in the Brčko District there was a reduction of the contents of the national curriculum for approximately 30% in order to alleviate the teaching contents. The teaching is performed in accordance with the common core at BiH level. For this subject students use textbooks written in the language and scripts of the people whose history is being studied.<sup>65</sup>

The Open Society Fund Bosnia and Herzegovina conducted a study which examines the extent to which three different school books and teaching curricula in BiH are in line with the laws and other relevant documents of the education system reform. What is important for this paper is their assessment of some individual subjects from the 'national group of subjects':

- **Mother tongue:** The title of the subject alone calls for linguistic segregation. Mother tongue books are ideologically and nationalistically oriented to treat and promote culture of only one constituent people, at the same time forgetting that cultural diversity is one of the main characteristics of BiH. These books also tend to 'lay claim' to authors or literary pieces as belonging to a certain ethnic group, which is a manipulation of biographical information. In other words, some books and/or writers, for instance, are proclaimed to be Serbian, by some sources, while others claim them to be Croatian and others still say they are Bosniak.
- **History:** History books contain few instances that can serve as a positive model of history teaching. Generally, we come across negative examples which do not promote feelings of a united BiH heritage. At the same time, history books do not encourage critical thinking in students, while historical and political processes are burdened with political interpretations

<sup>65</sup> Seventh and eighth periodic report on application of international convention on elimination of all forms of racial discrimination in Bosnia and Herzegovina, Ministry of human rights and refugees, <http://www.mhrr.gov.ba/PDF/LjudskaPrava/PeriodicniIzvjestajCERDeng.pdf>

which reinforce the stereotypes. There are also many examples of hate speech directed towards different ethnic groups.

- **Religious instruction:** This subject is organised and implemented under the jurisdiction of religious institutions, not educational ones. Religious instruction books carry instances of a certain religion being glorified, while religious diversity is depicted as a problem.

Gordana Božić terms the driving force behind the ‘national group of subjects’ an ‘adequate education’ which targets one of the ‘constituent peoples’. In the context of BiH, the concept of an ‘adequate education’ does not ‘give minority groups the right to an education in their mother tongue and according to their cultural and religious beliefs, respecting and promoting school, community, and national pluralism’, but it is created in order to meet the needs of ‘constituent peoples’ and make it an ‘ethnically correct education’ driving all stakeholders involved into the national identity trap.<sup>66</sup>

### Long-term solutions

The political divisions and inefficiencies in the country make education reform almost impossible. Politicians generally focus on their self-serving campaigns based on nationalistic ideology and have no long-term strategy for future generations. For more than twenty years the system has been educating children who have barely anything in common: they are instructed in three supposedly different languages within three different education systems and who rarely have mutual contact. Then we come to another issue that is seldom put forward. What happens with the category of the ‘others’, the 17 recognised minorities in BiH which do not belong to the group of ‘constituent peoples’? Which school should they go to? The obvious conclusion from what has been previously written is that major changes in the education system are urgently needed, because otherwise all ethnic groups will continue to live in isolation and tensions could produce more conflicts in the future. Analysis of the current education system provides an insight into the high ethnic apprehension in the country and predicts gloomy prospects for the citizens of BiH.

In order to create a more welcoming and participatory school environment and to bring the education system in line with BiH’s international commitments,

<sup>66</sup> G. Božić, *op. cit.*, pp. 330-331.

the political framework in the country needs thorough revision. It should begin with institutional and legislative changes, but also needs to improve cooperation between the relevant bodies in the country, as well as among teachers and students regardless of their ethnicity or religion. The phenomenon of ‘two schools under one roof’ is the most visible example of segregation in schools in BiH and it was often the subject of heavy criticism, condemnation and pressure due to various obstructions at the local level. In spite of all the efforts, these schools still exist.



## **DAYTON'S STRUCTURE OF BOSNIA AND HERZEGOVINA AND THE SINGLE ECONOMIC SPACE**

Twenty years on from the signing of the Dayton Peace Agreement (DPA), Bosnia and Herzegovina (BiH) remains at peace, but the conflict's legacy still persists in the deep divisions that hamper its society's development and impinge on the life of its citizens. Major progress and some notable successes have been seen in: security, human rights, the restitution of property, reconstruction efforts, even the prosecution of war crimes. But BiH's economy has consistently underperformed, all but blocking its society's path to prosperity and increasing the strain on the institutions and the population.

This paper aims to analyse the context for economic policy-making in BiH in order to discover the causes for their systematic failure to produce economic growth and developmental trajectories on the level of comparator countries, both in Southeastern Europe and beyond. Specifically, I will examine how the old war-time divisions enshrined in the political system have shaped the country's present-day institutions and how they evolved to contribute to the persistent malaise of its economy. I will take a look at the evolution of factors, and actors, that have been driving and steering (economic) policy-making from the immediate post-war days to the present. Lastly, I will strive to weigh up both the particularities and the commonalities of the political-economic underpinnings of the current state of BiH's economy and economic management in the hope of highlighting some paths and approaches that may improve their efficiency and robustness.

To explain the relevance and pervasiveness of the topic, this paper starts with the historical context, looking not only at the national, but also to the international context in the 1990s: the transition patterns, the Washington Consensus, the inability of the domestic elites to generate convincing alternatives. The diagnostic part will focus on the current state of affairs, with a range of examples and an attempt to analyse their individual and cumulative effects. Next I proceed to look at the interests (political and other) of the country's ethnic

group, universally seen and even constitutionally defined as key forces in the political system, as well as the impact of external factors, such as Office of the High Representative (OHR), the Peace Implementation Council (PIC) and the EU on the behaviour of country's elites. Then I review the past and current approaches to improving the situation and reforming the system.

## **1. Promise and reality of post-war recovery and prosperity**

The authors of the DPA needed to stop the war and create conditions for the country to begin to heal and move forward. A considerable package of financial and technical assistance (USD 5.1 billion over 4-5 years) was envisaged to help the country's recovery and jumpstart its economy. Mechanisms to address security, justice, political and human rights concerns were provided, but the country's two constitutive entities – Republika Srpska (RS) and the Federation of BiH (FBiH) and ten cantons (in the larger of the two, FBiH) – received broad autonomy, including control over economic matters.<sup>67</sup>

Understanding some of the shortcomings of the DPA in the economic sphere may be helped if the broader European and global context in the mid-1990s is taken into account. Since the fall of the Berlin Wall and the collapse of socialism, the market model and capitalism were generally embraced by former East European nations, and the prospect of economic prosperity was the main motivation for embarking on the difficult and painful transition process. When the war in Bosnia ended, transition processes were well underway in all other former socialist countries and the prestige of the Western economic model was at its height. This reform momentum spread globally to numerous developing countries that were seeking solutions for their socio-economic woes and it even found its formal policy expression in the Washington Consensus,<sup>68</sup> which

<sup>67</sup> The Constitution was adopted as Annex IV to the Dayton Peace Agreement. It treated the issues of security, political institutions, human rights and international obligations in detail, but as regards economic issues, it only specified that foreign trade, customs, and monetary policy, as well as the finances of the institutions and the international obligations of Bosnia and Herzegovina were the stated responsibilities of Bosnia and Herzegovina. All other matters not expressly assigned in this Constitution to the institutions of Bosnia and Herzegovina shall be those of the Entities, [http://www.ohr.int/dpa/default.asp?content\\_id=372](http://www.ohr.int/dpa/default.asp?content_id=372)

<sup>68</sup> The Washington Consensus is a set of 10 relatively specific economic policy prescriptions that is considered to constitute the 'standard' reform package promoted for developing countries by Washington, D.C.- based institutions such as the International Monetary Fund (IMF), the World Bank, and the US Treasury Department. It was coined in 1989 by English economist John Williamson. The prescriptions encompassed policies in such areas as macroeconomic stabilisation, economic opening with respect to both trade and investment,

sought to determine a universal path of successful development for crisis-affected countries. Since then, however, it has come to symbolise the rigidity of the Western approach in the context of the diverse conditions and dynamics of development.

Consequently, in 1995 Bosnian leaders neither would nor could question the assistance their country was offered, nor its modalities and underlying concepts. Their will and capacity had been exhausted and weakened by nearly four years of conflict and deprivations, and policy-making circles in Bosnia could not propose any realistic alternative to the 'transition to market economy' model, let alone reach agreement about it. However, the country's ethnic elites, having used wartime to gain power and control of resources – from state-run companies and property to taxes and appointments – did not miss the opportunity to solidify their hold and tap into new sources of revenue generated by reconstruction and economic recovery.

There are multiple channels in which a political economy of this kind operates, from large and small-scale corruption to nepotism, incompetence, neglect, and a lack of accountability, but these phenomena are widespread and may be encountered even in advanced societies. The peculiarity of the Bosnia's conditions from the standpoint of economic development is, however, best reflected in the persistent struggle for creation of a 'single economic space' (SES) in the whole country. The understanding of the concept in Bosnia draws considerably on the experience of the EU, but also on the country's recent history as a part of Yugoslavia. It is probably unsurprising that a clear and formal definition could not be traced, since any specific prescriptions were likely to encounter opposition from the defenders of the sweeping powers of the entities in the crucial economic domain, but for the purposes of this article, a single economic space signifies the uniformity of the regulation of the economy aimed at enabling the free movement of goods, services, capital and labour, resting on the principles of free trade in BiH.

The earliest mention of a single economic space in the Bosnian policy context can be found in statements of the High Representative for BiH Carlos Westendorp in 1998.<sup>69</sup> Among the priority issues at the time, single customs and mod-

and the expansion of market forces within the domestic economy. <http://www.iie.com/publications/papers/williamson0904-2.pdf>

<sup>69</sup> Presentation by HR Carlos Westendorp at the Donor Conference in Brussels, 7 May 1998, [http://www.ohr.int/ohr-dept/pressso/presssp/default.asp?content\\_id=3318](http://www.ohr.int/ohr-dept/pressso/presssp/default.asp?content_id=3318)

ern payment systems have since been achieved, progress has been made on the harmonisation of taxation, but the privatisation and restructuring of public services have never quite been completed and still remain open issues, even if they are not at the top of the agenda. Since then, although specific priorities and approaches may have varied, reflecting changing circumstances, occasional reform achievements, and even the evolving understanding of the concept of single economic space, it remained an important composite measure of progress towards a functional market economy and an elusive goal in the Bosnian context. The Compact for Growth and Jobs in BiH,<sup>70</sup> the most recent initiative targeting a set of specific reforms in this domain, was conceived in late 2014 as an international initiative, and it took nearly a year to get all domestic parties to sign up. The implementation only began in the autumn of 2015, but it is certain that any meaningful progress will require sustained international pressure.

## **2. More competition than coordination in economic management**

Even a brief overview of the main features of BiH's economic system and institution will suffice to highlight many obstacles to a real SES. The broad powers granted to the entities (and the cantons in FBiH) by the Dayton Constitution are reflected in the multiple legislatures, often with overlapping and poorly divided jurisdictions, and different bodies of legislation regulating economic activities in a fragmented way, with few requirements for uniformity and even less understanding of why it matters. In addition to the BiH Parliamentary Assembly, there are 13 other parliaments regulating economic activities in their respective jurisdictions. State-level laws, whether imposed by the High Representative or painstakingly negotiated by domestic political parties, are typically 'umbrella laws', often leaving a lot to be defined by entity-level laws, often disputed and occasionally counteracted by entity legislation (most frequently by RS) treating the same subject matter. The pressure created by the requirements of EU integration has been the main factor leading to intensive harmonisation activities, but even when such efforts succeed, such as in the case of the entities' inspection laws, they are extremely effort-intensive and not entirely safe from subsequent divergences.

From the standpoint of the economy, the structure of the judiciary also reflects the independence and often profound differences in approach employed by the entities. In FBiH regular courts handle business-related matters, including

<sup>70</sup> The Compact for Growth and Jobs in BiH, [ec.europa.eu/europe2020/pdf/compact\\_en.pdf](http://ec.europa.eu/europe2020/pdf/compact_en.pdf)

registering businesses, while in RS there are separate commercial courts. Business registration laws were introduced on the entity-level, developed with international assistance and harmonised to a high level, but businesses still need to register in both entities to operate throughout the country, and there are still three connected but distinct databases of operating businesses (including the one in the Brčko District) which significantly increases the administrative burden on businesses and complicates judicial enforcement.

At this point, it will be useful to explain the position of the state-level government relative to the entities and lower levels, as well as its repercussions. Although at the top of the governmental pyramid, the state government is not hierarchically superior to the entities; instead, its powers are sharply delimited and rather narrow, predominantly related to international affairs. Its main role is one of coordination between the entities on a broad range of issues. While 'coordination' is the sole mechanism at disposal for advancing most inter-governmental decision-making processes in BiH, there is plenty of evidence that it often fails to work. Coordination mechanisms for agriculture, education, health care, and even the police have failed to yield the desired results. BiH could not even establish the necessary mechanisms to receive EU IPARD funds.<sup>71</sup> But this state of affairs can only partially account for the sweeping lack of accountability between levels of government: the RS government routinely disputes and opposes state-level initiatives, cantonal governments and parliaments can pass laws and budgets without the requirement to coordinate with government of FBiH, while most governments and parliaments regularly fail to meet even their own adopted work programs. Accountability to citizens is barely notional, since the election law ensures that the party leaderships determine the order candidates appear on ballot papers, effectively ensuring the loyalty of their members of parliament.

Competition for resources, including tax revenues and investment, is not uncommon in countries with a multiple-tier structure; in BiH, though, its forms often tend to aggravate the business environment in various ways. Under international pressure, the state level budget, which is responsible for servicing the foreign debt, has priority on indirect tax receipts, i.e. the major source of revenue for the state now with the decline in importance of customs duties. But the actual budget for the state institutions has been frozen for four years

<sup>71</sup> V. Perry, *Elephant in the Room: Bosnia and Herzegovina's Unmentionable Constitutional Disability*, <http://www.transconflict.com/2014/07/elephant-room-bosnia-herzegovinas-unmentionable-constitutional-disability-097/>

at approximately 950 million BAM (around EUR 486 million), which considerably hampers the development of state capacity not only to meet EU accession obligations, but also to implement other trade-related reforms.

The entities, for their part, get to distribute the remaining indirect tax revenues, in addition to collecting most other fiscal revenues, but are in turn also constitutionally tasked with the broad range of economic and social mandates. The centralised structure of Republika Srpska permits relatively simple decision-making when it comes to the allocation of budget resources, but certain geographical areas feel they are being consistently neglected. As for the FBiH, its revenues remain higher, but its complex structure and the inevitability of coalitions in government severely undermine the efficiency of revenue allocation. The cantons enjoy broad powers in domains such as the police, health care and education, but are often hard-pressed to secure sufficient revenues for the exercise of these powers. While their taxation power has been effectively limited for a number of years, the need to augment both cantonal and municipal revenues may still lead to tax hikes or the introduction of non-tax fees and charges. Fortunately, in recent years this competition has also resulted in efforts to simplify the administrative requirements for business and investment.

### **3. Not so common economic space**

The sector of micro, small and medium-sized enterprises is by far the most negatively impacted by the non-existence of a SES: while successive reforms brought down administrative costs, the requirement to register in both entities to be able to operate in the entire country is still disproportionately detrimental to small businesses. While the entity company laws have been mostly harmonised, the regulatory burden in general is often multiplied on entity, cantonal and municipal levels, which increases both direct and indirect costs and deters investment, particularly by discouraging business expansion to other jurisdictions. It is important to understand that the attitude of the ruling elites towards the private sector is not ideological: the private sector is welcome to operate, but as long as the ‘powers that be’ get their ‘share’ – up front whenever possible. On its part, the business sector is disenchanted and fragmented, and seeks solutions either by way of evasion or collusion.

The banking sector has been widely perceived as one of the major reform successes in BiH: having received considerable technical assistance and policy attention, it was successfully privatised and attracted a very considerable share

of total FDI. Still, the banking system is also entity-based, with different but harmonised banking laws, and two banking supervision agencies that are independent but operate in coordination, with the competent and careful backing of the BiH Central Bank, whose role in banking supervision has gradually evolved. While this setup seems, and even is, workable, it should be contrasted with the ongoing drive to unify banking supervision across the EU. While other segments of the financial sector are less important and less developed, there are still two stock exchanges, two securities commissions and two securities registers, as well as two entity insurance agencies (albeit with a national umbrella coordination body on the state level).

Presented as a way to jumpstart investment and the economy and conceived broadly along the lines of the Czech model, privatisation was also implemented on the basis of entity-level legislation and managed by the entity and even cantonal governments. While the analysis of the privatisation process falls outside the scope of the article, it is worth noting that the FBiH decision-makers felt it necessary to give their territorial sub-units (cantons) a role in it. While granting a share in the proceeds to local communities in exchange for the assets in their territory made sense, the resulting lack of transparency and efficiency has contributed to the perceived failure of privatisation to deliver a boost to growth and employment. A small number of mostly homegrown investment funds, which emerged from entity-based privatisation but failed to develop significantly, also operate pursuant to their respective entity legislation and on their own entity market. The difference in approach to the network-based industries is another prominent aspect of the lack of policy harmonisation: as early as 2007, RS privatised its telecommunications operator and used the bulk of the proceeds to finance its Investment-Development Bank. In the FBiH, the Sarajevo-based BH Telecom and the HT Eronet from Mostar to this day remain majority-owned by this entity government and control of the significant revenues they generate continue to be a prominent bone of contention between coalition partners in every FBiH's government.

Other segments of the country's infrastructure follow the same model: three power generation utility companies surviving from wartime are still in operation, two in FBiH (on Croat- and Bosniak-majority territory) and one in RS, each with their own generation and transmission facilities. The situation with railways and roads is somewhat simpler: there are only Federal and RS Railways, operating in their respective territories. While it used to be necessary to change engines when crossing the inter-entity boundary line, it is no longer the case, but in the meantime both public railway enterprises continue

to suffer from poor management and underinvestment. After long delays, the road sector is now in a better position from the investment standpoint, but it is still managed by entity-level directorates and projects are implemented by the individual entities' road construction enterprises.

Let us not forget that all the above public-sector enterprises are subject to entity regulation and follow their own business plans, and that there are no requirements to adhere to any state-level strategies or documents. Certainly, coordination bodies and harmonisation mechanisms exist in all the sectors mentioned above, and most of the time they even work. But the waste of resources inherent in duplication (sometimes triplication) of predominantly administrative work is huge, while on the other hand the capacity to adopt – and implement – important but basic decisions is obstructed to a debilitating extent.

The EU in its 2014 annual report saw no progress towards creating a single economic space within the country<sup>72</sup> and specifically listed weaknesses in achieving consensus on economic policy, the need to reboot privatisation, reduce subsidies to state-owned enterprises, eliminate administrative barriers for business and investment, and achieve more on the liberalisation of network industries. At the same time, the relevance of this topic is increasingly recognised by local leaders: BiH Presidency Member Dragan Čović, speaking to the media in August 2015, specifically invoked the primacy of the creation of 'a single economic space' in BiH as the goal of upcoming government actions.<sup>73</sup>

#### **4. Origins of resistance to the SES**

This section aims to dispel the myth of an 'enduring conflict', 'fear', 'hatred' and 'national (effectively ethnic group) interests' from the reality of economic incentives prevailing in what is essentially a drawn-out, lingering and in a sense subverted early stage of the transition process. It is this author's firm belief that the motives of political economy were pivotal even for the outbreak of the conflict in the former Yugoslavia in late 1980s, with the contending elites using the ethnic card as a way to win power and control over the resources of their respective communities, even at the risk of sweeping devastation, staggering

<sup>72</sup> 2014 BiH Progress Report, DG-Enlargement, Annex to COM(2014)700 final of 8<sup>th</sup> October 2014, p. 30.

<sup>73</sup> Dragan Čović o reorganizaciji BiH: Cilj jedinstveni ekonomski proctor, <https://www.linkedin.com/pulse/dragan-%C4%8Dovi%C4%87-o-reorganizaciji-bih-cilj-jedinstveni-business-news>

economic losses and impoverishment of the population. Over time, their motivation changed to protecting the power and control they had won against the rise of a different and formidable model personified by the EU. The domestic powers-that-be have so far been mostly successful in thwarting the changes that would advance the country on the path to strengthening rule of law and rule-based governance. Despite their weakness and lack of vision, their power is reinforced by a tacit understanding that they protect what remains of the economy by slowing down EU integration. The indirect mode of protection is essentially inaction, and the current leaders are its implied protagonists. As there are few widely-held firm objectives, success is measured by how well the *status quo* is preserved, but the ultimate defeat of the current ruling elites will follow from their inability to offer an alternate road to prosperity.

The interests of the three main ethnic groups in BiH, as expressed in the stated positions of political leaders who come from seven or eight significant parties, can be reduced to the drive for increasing autonomy on the part of Serbs and Croats, and the striving for ‘a normal, functional country’ of Bosnia and Herzegovina for all citizens. With one entity for themselves, the Serbs already enjoy considerable autonomy, but most of their persistent opposition to strengthening the central institutions in the past decade might be seen as the struggle to preserve the *status quo*. Croats invoke the risk of being outnumbered and outvoted in the FBiH by the numerically predominant Bosniaks as the reason to claim a separate entity of their own, but in the meantime are reasonably successful in winning the government seats they crave and in obtaining other concessions. For their own part, Bosniaks advocate for a stronger state and justify it with the need to fulfil numerous and complex requirements on the road to EU integration. They frequently feel pressed into unpalatable concessions and continue to present themselves as the victims of Serb and Croat intransigence.

However, this assessment of the balance of interest in BiH cannot fully account for the apparently ‘irrational resistance’ and determined obstructionism even of initiatives and reforms that would increase the wellbeing of the entire population, such as business environment reforms and enhancements to the country’s infrastructure, and it only becomes clearer when the interests, goals and capacity of the ruling elites are factored in. The *status quo* is the preferred position for both Croat and Serb political and economic leaders: they manage to keep and solidify control of their communities and related assets and resources without the need for transparency and performance, mainly by stoking old fears and mistrust. Twenty years after the war, the division of assets and the demarcation of ‘interest zones’ have been mainly completed, so

there is little danger coming from encroachment by other domestic elites and the competition is chiefly for control of appointments and public budgets. On the other hand, the outright pursuit of separatist agendas to their ultimate outcome of secession is also not in the interest of domestic elites, as it is risky and expensive. The strategy of neither winning (in which case the seceding territory would join one or the other of the neighbouring countries and the elite would lose its importance and its power) nor losing does not bring any improvement over the status quo.

The preference for the *status quo* to be maintained applies to the Bosniak ruling elite as well, primarily as they lack the capacity to put forward superior alternatives and convince their domestic counterparts accordingly. In the same way, while the notion of dominance of the most numerous people in a more centralised country is not unattractive, it is perceived as too risky and too costly.

To a considerable extent, such strategic calculations are shaped by the pervasive engagement of the international community, and the EU in particular; firm international support for the DPA makes any radical actions prohibitively risky and expensive. On the other hand, faster progress towards eventual EU membership exceeds the abilities of the elites, fragmented and conservative as they are, leaving the status quo as the preferred 'low equilibrium' state. In addition to preserving peace and stability, the international community's influence frequently prevented or mitigated major policy failures, but a by-product of such extensive support has been to encourage irresponsibility on the part of domestic policy makers, who have apparently come to believe that external help will always be available to save them from their own mistakes and incompetence. The EU's increasing preference for maintaining stability in recent years, even at the expense of preventing reform and the fulfilment of obligations, appears to validate this perception. A logical extension of this type of outlook, which also serves to encourage irresponsibility among Bosnian leaders and the population, is a belief that Bosnia's geographical position, its painful recent history and the EU's striving to follow a regional approach to the Western Balkans will combine to bring BiH into the EU eventually, while in the meantime the country will be able to benefit from the bloc's assistance and support.

While the EU at the present time faces perhaps the greatest strain since its origins, the best hope for BiH is that enlargement momentum will continue. For BiH at its current stage of social, economic, and political development there is no other way to change the paradigm from recurring backslides into isolation, fragmentation and impoverishment except to join a club in which its people

will be both allowed and prompted to join the 21<sup>st</sup> century global economy. That path will be longer and harder than almost anybody in BiH really understands, but at least it will be well laid-out and clear.

## **Conclusions**

The most important departure point when considering the SES and the reform agenda in general is to understand that all parties involved recognise the absence of alternatives to EU accession; there is no competing long-term perspective but the European one, no consistent ideological approach except the market approach, and no feasible model that can bring prosperity to broader segments of the population. In this context, the current resistance should be recognised as delaying tactics used by those social and political forces whose privileged positions will be undermined by reforms. Nevertheless, such delays impose considerable losses on the society as a whole. In consequence the EU should find a way to reward performance (or perhaps to punish the lack of it). There are understandable fears that rewarding one entity for some progress would reinforce the division of the country (economic space), but the existing multi-polarity of jurisdictions and power centres should be exploited by stimulating competition. The EU insisted on, and obtained, signatures on the Compact for Growth and Jobs in BiH, and inadequate performance should be squarely ascribed to the governments and individual leaders responsible. Perhaps this is not easy for appointed EU officials, but it might be easier for bilateral (or even non-state) partners.

The bottom-up approach has already been tried, and it is yielding results, although it cannot be sufficient in its present forms. NGOs generally remain fragmented and typically suffer from the legacy of a 'donor mentality'. Various donor/IFI programs sought to work either with the local levels of authority, i.e. municipalities on relevant reforms, or with low-level actors, such as local businesses/farmers communities/associations, generally on capacity building and on some institutional/procedural reform. There are successes, and there is some interest for replication on the part of municipalities not originally included in such projects, but the ability of those changes to filter up has so far been limited. It would be interesting to see what experience in strengthening subnational governments in the EU accession context the V4 countries can offer.

Some constituencies around the country are coalescing around sectoral issues: agriculture and rural development have for a long time been an issue suitable

for being raised to the state level (in the form of a state law and state ministry), and there are nationwide farmer groups that recognise the need for the problems hindering their ability to export to be addressed in a uniform manner. Unfortunately, although the failures have been widely recognised in other domains, such as the inter-entity mobility of health care patients, reforms required to enhance international mobility in higher education, or across the range of issues affecting the functioning of the single economic space, none of these, including the business community, is well-organised or strong enough to effectively advocate change.

While EU accession still enjoys 78% support in BiH,<sup>74</sup> the fears of the social consequences definitely dampen down the attraction of the EU and are readily exploited by the same forces which benefit from the *status quo*. Even if no ‘magic bullets’ exist, more direct and better disseminated experiences of countries that passed along the same path might diminish the fears and empower the forces of progress. In view of their recent experiences, the social sector – more precisely, mitigation of the consequences of EU accession – may be an area where V4 countries may provide support based on their recent experience.

There are other causes that affect the economic performance of Western Balkans countries and, despite formal differences, their problems are still to a considerable extent shared. This is reflected in the level of GDP, investment, and quality of governance, to mention only a few common traits. But in this article I tried to show how this Bosnian phenomenon of irrational resistance to change and the stubborn insistence on ethnic interests and conflict history in fact represents only superficially peculiar manifestations of underlying political-economic goals and incentives that are much more general and comprehensible. And I hope I have managed to prove that this problem is more of a ‘mirage’, a rearguard action of early winners in transition, fragmented and inflexible old-style interest groups that cling to privileges appropriated during the conflict with the same methods and under the same excuses. What ultimately matters is that, when the covers of ‘ethnic interest’, ‘security’ and ‘fear’ are stripped away, it will become easier to follow the example of other societies that managed to pull together around genuine progress and economic prosperity.

<sup>74</sup> 78% of BiH Citizens Support entry into the EU, <http://www.sarajevotimes.com/78-of-bh-citizens-support-the-entry-to-the-eu/>

## CONNECTING BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina is today the paradigm of a state splintered along civilisational/ethnic fault lines and also of the failure of the Western nation building. The ethnicised conflicts in the state, which were born during the breakup of Yugoslavia, could not have been solved either by local actors or by the international community. In order to stop the large-scale armed hostilities and violence against civilians the conflict was frozen without a long-term solution being reached. A major tool for this was the peace treaty drawn up in Dayton in the United States; this also contains the constitution of Bosnia and Herzegovina (BiH). According to the Dayton Peace Agreement (DPA) the country was decentralised based on ethno-spatial principles, and the newly formed territorial units and political elites were granted widespread self-determination and autonomy. This made peace possible, but at the same time it has also proven unsuitable as an area where a sufficient, successful and modern European state can be established on the rubble of war.

The major problem of the current system is the ethnicisation (and its institutionalisation by the DPA) of the majority of spheres of everyday life, especially since this usually prevails over loyalty to the state. The DPA provides both territorial and political autonomy to the groups organised along an ethnic logic, and thus in practice institutionalises the ethnic-based separation – within what is theoretically one state. The elites who lead the constitutional nations (Croats, Serbs, Bosniaks) wish to retain power and are thus not interested in bringing down the current system. This can be an option only to the Bosniak elites, who, due to the ongoing ethnicisation of political life and the demographic processes working in their favour, can expect to remain in power in the medium-term following centralisation.

The infrastructure in BiH is chronically underdeveloped. The ethnic tensions and disintegration tendencies which is influencing the efficiency of the state and how it functions are the main challenge for developing Bosnia's transportation system. Besides that: the economy is not dynamic, there are high unemployment rates, low export figures etc. These all contribute to the fact that

the existing transportation infrastructure is generally not overused (though at certain times and places it may be crowded). Moreover, Bosnia and Herzegovina is not a real transit region – except for Central European tourists who travel to Central and Southern Dalmatia – so external interests have only a slight impact on the development of infrastructural and traffic systems. So neither internal nor external economic interests push for the development of the infrastructure. Thus, in general, the infrastructure in BiH is rather a political question not an economic one.

On the other hand mobility is the principal phenomenon of the modern and post-modern age and global competitiveness; without it the world as we know it today could hardly exist. To increase mobility the creation of unified communication networks is inevitable. Furthermore geographers (among others) from the early 20<sup>th</sup> century (e.g. D. Whittlesey, R. Hartshorne)<sup>75</sup> have considered it obvious that without a balanced transportation infrastructure and services no state can maintain internal stability and development. Not even one without ethnic tensions and powerful centrifugal forces. Generally the more connections and interactions the members of a society have and the slicker they are (this is not limited to transportation), the more cohesive a country is. Furthermore Bosnia and Herzegovina is far from being a cohesive state and is subject to several serious centrifugal forces.<sup>76</sup> According to classical functional political geography uninterrupted, balanced, fast and effective communication – the main channel of which is the transportation infrastructure – is a decisive centripetal force increasing integrity and keeping the state together.

One of the arguments put forward in the paper is that an integrated infrastructure policy and above all a regional development policy introduced along consensual principles would increase the stability and standard of living and survival prospects of the state. Besides increasing the global competitiveness of the state, this would have symbolic importance as well, (another consensual case), would help the effective use of resources (the removal of duplicated development) and may contribute to the intensification of day to day cooperation among people and increase local SMEs' economic opportunities and their access to FDI. All this has to be supplemented by the intensified connections to

<sup>75</sup> D. Whittlesey, *The Earth and the State. A Study of Political Geography*, New York 1939, p. 618; R. Hartshorne, *The functional approach in political geography*, *Annals of the Association of American Geographers*, vol. 40. no. 2, pp. 95–130.

<sup>76</sup> P. Reményi, *The statehood of Bosnia and Herzegovina according to the Hartshorne model*, *Historia Actual Online* no. 27/2012, pp. 129–140.

the European and most prominently to the Central European networks, which are inevitable for the success of regional initiatives.

## 1. Bosnia and Herzegovina and the inherited infrastructure

If physical geography is important everywhere in determining transportation infrastructure, it is even more important in the Balkans, including in Bosnia, due to its significant vertical fragmentation. Only the lowlands and valleys enable cost-effective transport routes so both the transport corridors and consequently the major demographic-economic axes are geographically determined. As far back as Roman and medieval times the very same routes have been used since there are only a few alternatives provided by geography.<sup>77</sup>

As we stated above, there are not many transit demands regarding BiH, which does not create an irresistible need to cut through the mountains as with the Alps in Switzerland. The sole exception is the above-mentioned tourists from Central Europe who travel through BiH en route to Adriatic and Croatia due to the geographically odd shape of the latter, where the distance between Osijek and Dubrovnik via Bosnia is only the half the route which runs entirely through Croatian territory.<sup>78</sup>

The most important East-West axis in BiH is the Posavina plain (along the river Sava), while the river valleys (Vrbas, Bosna, Neretva, Drina) provide North-South links. Under the influence of the physical geography, the settlement system has also been formed so that the major urban centres evolved in the sites most suitable for transportation. As a consequence the major transportation axes of present day Bosnia and Herzegovina, which follow in general the rivers Sava (E-W) and Bosna-Neretva (N-S) also connects the major urban centres of the country. At the junctions of major routes important 'junction-cities' emerged<sup>79</sup> (Banja Luka, Dobož, Zenica, Sarajevo, Bugojno) while the few routes traversing the mountain ranges saw the birth of gateway cities (Mostar, Kupres, Travnik).<sup>80</sup>

<sup>77</sup> T. Mendöl, *A Balkán földrajza*, Budapest 1948, p. 107; G. Škrivanić, *Roman Roads and Settlements in the Balkans*. F.W. Carter (ed.), *An Historical Geography of the Balkans*, London 1977, pp. 115-145.

<sup>78</sup> P. Reményi, *Horvátország térszerkezetének alapvonásai a XXI. század elején*. [In:] *Balkán Füzetek*, No. 4, pp. 57-78.

<sup>79</sup> G. Prévélakis, *Les Balkans: cultures et géopolitique*, Paris 1996, p. 191.

<sup>80</sup> T. Mendöl, *op. cit.*

**Map 2. The main rivers in BiH**



The question of transportation infrastructure is inseparable from regional development, the spatial division of economic activity and in general from spatial politics. Every single decision regarding infrastructural development bears seriously impact on the opportunities of settlements, their development possibilities and the life of their citizens. This may be true in general for every state in the world, but in Bosnia and Herzegovina ethnic policies are also added which – as we will put forward later – in many cases overrule the principles of spatial rationality, economics or long term sustainability. Hence political parties organised along ethnic lines are in many cases interested in decisions favouring their own voters (also organised along ethnic lines) in contrary to the interests of the state.

Today's transportation network is in general the result of Yugoslav developments, which were primarily aimed at satisfying the whole country's needs

and demands (the economy, territorial cohesion, national security, etc.) and not only Bosnia's.<sup>81</sup> As a result of this, a significant part of both the railway and the road networks can be understood only in Yugoslav terms. Since the fall of Yugoslavia this means they must be viewed in international terms. Therefore, in some cases the fastest and most effective links may run partly or fully outside the current state borders and at the same time routes within Bosnia and Herzegovina which bear only peripheral importance for Bosnia are important for neighbouring states.

For example, the East-West (Zagreb-Belgrade) highway in Croatia a few kilometres north of the Croatian-Bosnian border can be used by inhabitants of northern BiH as a link to European networks or the motorway on the right bank of the river Drina (in Serbia). The most effective, geographically determined transportation routes between the cities of the western part of Bosnia occasionally dip across to the Croatian side of the border. At the same time the Una-railway which crosses the Croatian-Bosnian border several times, links major towns in Croatia, thus its usage for Bosnian domestic aims is limited. The E71 road connecting Zagreb to Split runs through Bihac and the E65 road crosses the Neum corridor.

The transportation infrastructure was severely damaged during the war (as a target of attacks or accidentally) but this has largely been reconstructed. The spatial division created by the DPA continues to hamper the use of some transportation links and directions, above all the railways. Besides obsolete infrastructure, the existence of separate state railway companies in the entities of the country hinder the efficient operation of a railway system. The refusal of these companies to compromise means that the trains crossing the Inter-Entity Boundary Line (IEBL) change engine at every single crossing, which makes the use of railways practically impossible in certain directions.

This leads to a situation in which development and planning tends to see routes laid out within individual entities' 'own' territory – and this is not the case only for the railway, but also for road infrastructure. One other reason for this tendency has its roots in the rule of the ethnic principle.

<sup>81</sup> D. Marić, Corridor Vc as a factor of integration of Bosnia and Herzegovina into the European Union, *Journal of the Geographical Institute "Jovan Cvijić"*, vol 62. no. 1, pp. 89–101.

## 2. Ethnocracy and the infrastructural development of the entities

As with many other areas of life, both the management and development of transportation are also ethnicised in BiH. It is important to understand the ethnicisation of Bosnia and so the term ‘ethnocracy’ enables to understand and explain how and why infrastructure is developed and planned.

Yiftachel and Ghanem term societies where ethnic affiliation overrules citizenship when it comes to accessing public goods ‘ethnocratic regimes’.<sup>82</sup> In their argument, the main point of ethnocracies is the ethnicisation of almost all levels of public life (politics, society, the economy, transportation etc.) where the main dividing lines follow the ethnic fault lines, instead of wealth, class or anything else, while remaining theoretically and institutionally defined as democracies. They also emphasise, that ethnocratic regimes usually use development and planning tools – including transportation infrastructure development and its planning – and also land tenure to increase ethnic control over a territory;<sup>83</sup> this is a crucial element of ethnocracies.

Although Yiftachel and Ghanem did not include BiH in their research we can undoubtedly state that it also belongs to this category. Although Bosnia as a whole can hardly be considered a ‘regular’ ethnocratic regime, since its political and social structures are *de jure* based upon the balance of the three major ethnic groups, the two entities nevertheless separately follow that scheme. This view is supported by the overall structure of the country (ethnic-based parties, ethnic-based institutions, ethnic-based school curricula, universities etc.), the ethno-demographic changes occurred in the last decades (homogenisation), the blocking off of minority returns by the local majority, etc.<sup>84</sup>

The division of ethnic groups along the former frontline, now functioning as the Inter-Entity Boundary Line (IEBL), was a first step towards the creation of the ethnocratic regimes of a subnational level. However the framework for this ethnically based segregation of institutional, political and economic systems,

<sup>82</sup> O. Yiftachel, A. Ghanem, Understanding ‘ethnocratic’ regimes: the politics of seizing contested territories. *Political Geography*, no. 23, pp. 647-676.

<sup>83</sup> *Ibidem*, p. 650.

<sup>84</sup> A. L. Juhász, A boszniai gócpont: a folytonosság és átmenet keresztútján, *Külgügyi Szemle*, (Spring 2008), pp. 47-71; H. Haider, The Politicisation of Humanitarian Assistance: Refugee and IDP Policy in Bosnia and Herzegovina, *The Journal of Humanitarian Assistance*, <https://sites.tufts.edu/jha/archives/700>

as well as the legalised ethnic control over territory, is a direct consequence of the peace treaty, as we stated above.<sup>85</sup> It is also important to emphasise that in this case ethnocracy is not a state-level program, but rather works on a subnational level and thus strengthen separatism. We may also consider the policy of the Republika Srpska (RS) as a 'counter-ethnocracy' and an answer to the growing (demographic) power of the Bosniak population and which results in opposing state-building preferences.

If we combine the ethnicisation of everyday life with the ethnocratic regimes and recent demographic trends (which foresee an absolute Bosniak majority in the medium-term) then we can understand the leaders of the Republika Srpska insisting on every single word of the DPA, and their intentions to hinder the centralisation of the state and the returns of minorities, since this would (re)create a spatially multicultural society. This is also true for transportation infrastructure and its development, where, from the point of view of RS, it is not Bosnia but the RS whose integrity, stability and harmonic spatial development should be protected, along with its uninterrupted domestic and external relations in strategic directions.

On the other hand, due to the growing majority of Bosniaks, their lack of a kin state forces them to adjust their theoretical orientation to the Federation of Bosnia and Herzegovina (FBiH) is usually in favour of centralisation and accepts and applies the Bosnian point of view instead of the Bosniak one (knowing that in the long run the difference between them will be obsolete). But as we may see, in the case of infrastructure development the FBiH also has its entity-focused priorities.

If one were to examine the major spatial features of BiH and its entities as if they were separate states, one finds that the main axis of RS runs East-West along the Sava in the Posavina plain, while the secondary axis runs North-South in the mountainous region along the Drina. The first of these is also a major axis of a cohesive Bosnia-Herzegovina.

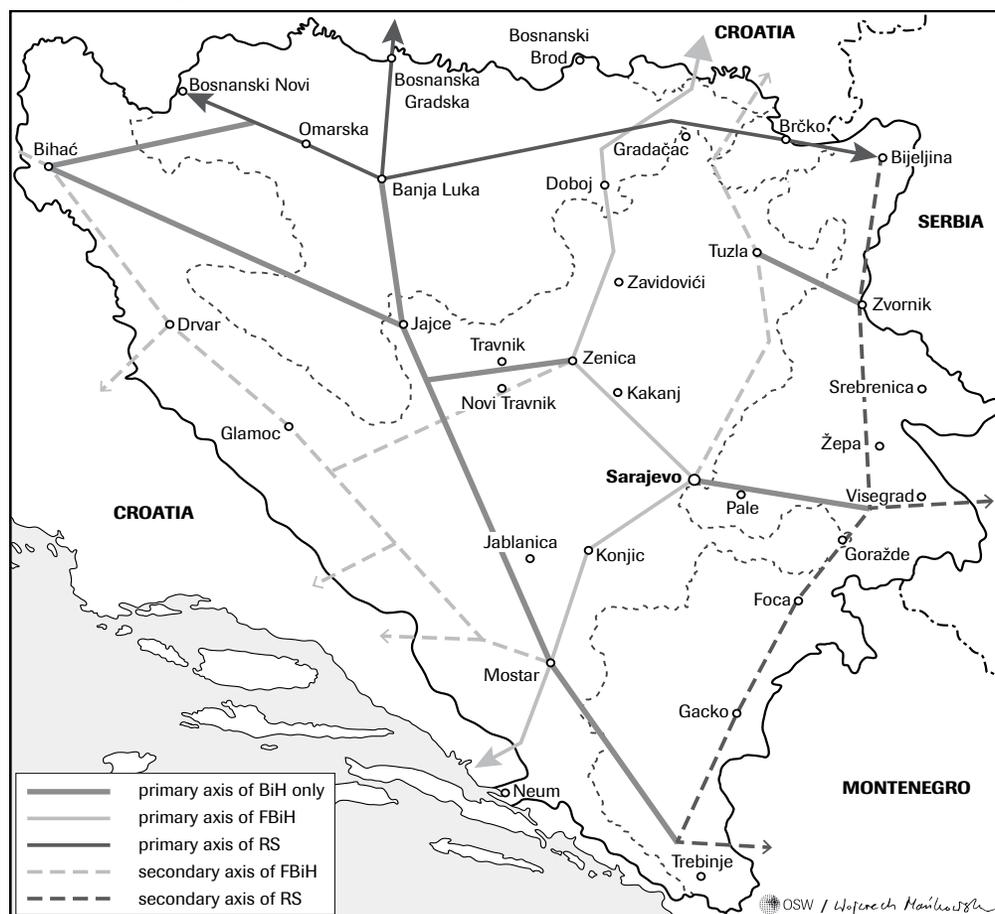
The main axis of FBiH, on the other hand runs North-South along the Bosna-Neretva rivers, linking the major towns of Mostar, Sarajevo and Zenica, while the secondary is Northwest-Southeast along the poljes of Herzegovina and Western Bosnia. The first axis here again is a major axis of Bosnia and Herzegovina as well.

<sup>85</sup> P. C. McMahon, J. Western, The Death of Dayton. How to stop Bosnia from falling apart, *Foreign Affairs*, September/October 2009, pp. 69-83.

If we look at these axes, the shape of the entities, their spatial characteristics and external relations we find that their orientations and the efforts to develop them are in several cases either antagonistic or competing. The interests of RS point towards Serbia and Montenegro, due to cultural ties, the economy and financial needs, while FBiH is oriented towards Croatia and beyond (Central and Western Europe) because of the very same reasons. And since the planning, maintaining and inspection of the roads and traffic is the business of the entities (which are led by ethnocratic elites) particular ethnic/entity interests rule the field of transportation.

Transportation development and also regional development in general are all entity business too, and are strongly connected to the control of the land. It is thus of the utmost importance in a state where the ethnic-based struggle for territory is linked to this. Furthermore, the entities would like to have crucial transport lines running through “their” territory due to strategic reasons.

**Map 3. Basic geopolitical axes of BiH and their entities**



## 2.1. Spatial planning as a tool for ethno-territorial control – RS

RS's 'real' willingness to separate and form an independent state has been elaborated many times. We are not in a position to judge the possibility of this happening, but from the spatial development point of view (including transportation development) one thing seems to be true: RS is either working on or at least planning to have the crucial basic infrastructure (not only of transportation) of a more viable territorial unit, and what suits RS in BiH, also suits an independent RS.

At the present time, the urban and infrastructural network of RS is unsuitable for the organisation of balanced spatial development and the provision of adequate services for the population – in other words, for becoming the spatial basis of the existence of a (semi-) sovereign state. On the other hand, the efforts in this are there to be seen, which above all serve to strengthen the urban network of RS and to connect the major centres by new or renewed transport links. Both regionalisation and the related urban development plans are meant (especially in the first version of the spatial development program and less clearly also in the second one)<sup>86</sup> to strengthen the backbone of RS, i.e. the urban network, and the infrastructure responsible for the physical organisation of the settlements into a functioning network.

First of all, the spatial development plans made for separate entities lack any spatial rationality for Bosnia and Herzegovina as a whole so these documents may be seen as further proof of sovereignty efforts rather than strengthening state control over the territory and its integrity.

The issue of the communication network (especially transportation) is closely related to the transition/transformation of the urban network. The distinguished places of power over territories are the cities, but they can only function efficiently if they are connected to a network by a well-functioning infrastructure system. As the shape of RS is extremely unfavourable in a political-geographical sense and the pre-war infrastructure systems not 'designed' for an entity of this shape were interrupted in many places by the IEBL. In the case of sovereignty, one of the most important tasks would be the building of

<sup>86</sup> Prostorni plan Republike Srpske 1996–2015 – Etapni plan 1996–2001; Prostorni Plan Republike Srpske do 2015. godine, p. 405; Izmjene i dopune prostornog plana Republike Srpske do 2025. godine, p. 342.

adequate communication channels. There are responses to this challenge in the spatial development plans of RS.

Presently the entity has several parts that are not accessible by efficiently usable transport routes (such bottlenecks are e.g. the Posavina corridor and the South Drina corridor, and also the Dobož and Mrkonjić Grad districts). The spatial development plans contain large-scale investment aimed at eliminating these bottlenecks (in some cases construction has begun) and for the creation of a connection to Serbia not endangered by another entity. We can define areas – let us call them hotspots – where the narrowing of the communication corridors bears the theoretical risk of future conflicts. Not surprisingly, several transport development zones (Posavina motorway, Eastern Herzegovinian railway, Serbia-Sarajevo railway) coincide with these hotspots, which are identical with the zones of large scale ethnic cleansing and divided municipalities.<sup>87</sup> Accordingly these are the most sensitive points of the spatial integrity of RS, and possession of those core areas allows the entity to operate, and the loss of them runs the risk of territorial fragmentation.

## 2.2. Spatial Planning – FBiH

As we have previously noted, if the current demographic trends and ethnicised domestic politics prevail, Bosniaks will emerge as an unavoidable factor in the state (to put it simply: they will reach an absolute majority), so for the Bosniak elite the growing centralisation of Bosnia and the demolition of the entities are desirable. Therefore, the regional development documents of the FBiH tends to apply a more integrated approach in terms of territory covered or at least to plan developments for the FBiH part as if BiH were an integrated state. On the other hand, in the recent transportation development documents of FBiH there are several hard-to-explain plans of motorways running parallel either to existing or planned motorways running on the RS side.<sup>88</sup> One example is the embranchment from corridor Vc at Žepče (still in FBiH territory) via Tuzla to Orašje (Map. 4). Also in Southern Herzegovina the road connecting Trebinje with Mostar is duplicated. Both cases are clear examples of the entities' own particular interests (in this case FBiH's) overruling the interests of the other entity as well as Bosnian interests.

<sup>87</sup> N. Pap, P. Reményi, A. Végh, Új állam a Balkánon: a Republika Srpska, *Földrajzi Közlemények*, vol. 134. no. 3, pp. 313–329.

<sup>88</sup> Prostorni Plan Federacije Bosne i Hercegovine za period 2008.-2028. godine, 2012, p. 294.

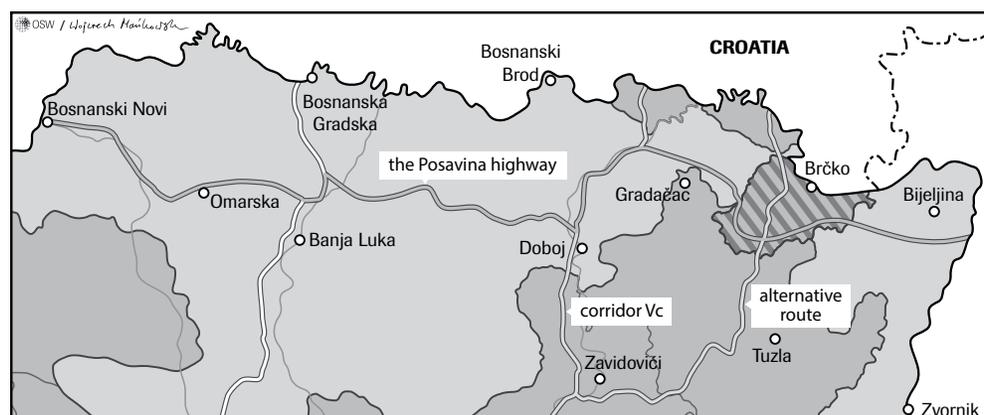
### 3. Examples of ethno-territorial-based planning

#### 3.1. The E-W (Posavina) axis of RS

The Posavina motorway, currently under construction, is the main artery of the most densely populated area of RS. It is important both for Bosnia's spatial development and for international relations. It does, however, pose some questions. First of all, there is a motorway on the other side of the river Sava – indeed in another country – parallel to the Posavina motorway currently being built, serving the same directions and needs. The Posavina motorway would duplicate the same Zagreb-Belgrade relations only 30-40 km to the south. This is the reason why it is not even listed in the E-network of European roads (Map. 4).

Its domestic importance is hampered by the fact that its course runs entirely in RS territory, even if this means that some detours have to be made, and it bypasses larger urban areas within FBiH, such as Tuzla. Furthermore, the Vc corridor may be more important than the Posavina motorway, yet the construction works are much intensive at the latter. Even the webpage of the Republic of Srpska Motorways public company (Autoputevi Republike Srpske) states that this motorway is an important factor in the integration of RS.

**Map 4.** The Posavina corridor<sup>89</sup> and The Tuzla exit<sup>90</sup>



<sup>89</sup> Based on *Izmjene i dopune prostornog plana Republike Srpske do 2025. godine, 2013, Banja Luka, p. 342.*

<sup>90</sup> Based on *Prostorni Plan Federacije Bosne i Hercegovine za period 2008-2028. godine, 2012. Sarajevo-Mostar, p. 294.*

### 3.2. The FBiH exit to Croatia via Tuzla

The Vc corridor running from Doboj to the border in RS territory and from Doboj to FBiH territory is intended to be the major Northern connection towards Croatia. The corridor is included in the EU's Trans-European Transport Network (TEN-T). It links major cities in BiH (50% of the total population lives in the 30 km zone of the corridor, while 60% of its GDP is produced in the same area)<sup>91</sup> and it is traditionally the major communication corridor of BiH.

As we stated above, FBiH planning usually favours Bosnian solutions disregarding the entities, but in this case a parallel motorway is also planned. It would split off from Vc at Žepče (still in FBiH territory) and while connecting Tuzla with the corridor, it would continue its course towards the North via Brčko and cut across the border at Orašje (Map. 4). Building a motorway only a few kilometres to the East, parallel to the Vc seems to be economically irresponsible in a state with a budget as low as BiH's.

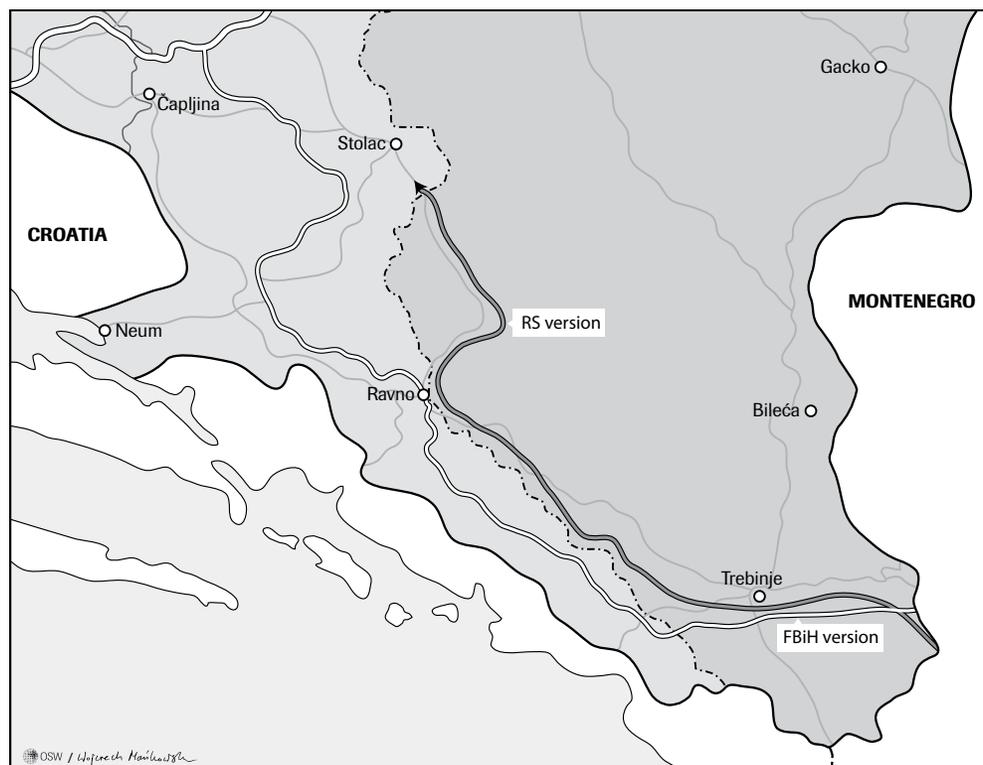
### 3.3. The Eastern Herzegovina highway

In Eastern Herzegovina one can also observe competing versions of road development. The dissolution of Yugoslavia left a strip of land without real cities, when Dubrovnik became the southern most urban centre of the newly independent Croatia and its hinterland was divided by the IEBL. Trebinje became part of the RS while the land between Trebinje and Dubrovnik went to FBiH with no real urban centre. For RS and FBiH a motorway providing the possibility of development is of the utmost importance and so the motorway linking the Vc corridor with Trebinje and onwards to Montenegro appears in the development plans in both entities but following different courses. In the plans of the FBiH the highway from Trebinje crosses the IEBL at the closest point to the territory of FBiH where it connects Ravno (a town with a Croat majority) to the network and reaches Mostar from the south. The same highway in the plans of RS remains in the territory of the Serb entity where it turns north and connects Ljubinje (a town with a Serbian majority) instead of Ravno to the Trebinje-Mostar highway (Map. 5). The latter plan may be more realistic since it would follow the route of an already existing main road at the edge of Popovo Polje under relatively favourable circumstances as regards land relief. In contrast to this, the motorway in the FBiH's plans would be a brand new road

<sup>91</sup> Marić, *op. cit.*

through mountainous terrain, solely in FBiH territory, connecting barely accessible villages and towns to the motorway system.

**Map 5. Eastern Herzegovina RS version vs FBiH version<sup>92</sup>**



We have to add that RS has already begun to develop the road, namely it has improved the Trebinje-Herceg Novi (Montenegro) link, which forms a new and fast connection between the southern parts of RS and the Montenegrin coast. The Posavina motorway and other minor links between Bosnia's Podrinje and Serbia also play an 'international' role for RS.

### 3.4. Railway plans of RS

Perhaps the most grandiose and the same time the most unlikely transportation development plans concern railway development. Massive railway developments can be found in the regional development plans of RS where physical geography does not favour railways. The large and multiple differences in altitude

<sup>92</sup> Izmjene i dopune prostornog plana Republike Srpske do 2025. godine, 2013, Banja Luka, p. 342, Prostorni Plan Federacije Bosne i Hercegovine za period 2008.-2028. godine, 2012. Sarajevo-Mostar, p. 294.

would require the construction of too many structures (tunnels, bridges etc.) which would make the construction of the line too expensive along the left banks of the Drina and further down to Trebinje. It would join Serbian lines at Zvornik and Višegrad and is planned to run in its entirety through the territory of RS to Trebinje from where it is planned to fork to the Vc railway and to Montenegro.

The proposed railway would practically be a duplication of the Belgrade-Bar railway, which used to be one of the most expensive railways in the world. It would also be parallel to the railway of the Vc corridor, with the exception that the latter connects urban and economically active (in Bosnian terms) areas while the planned line would travel through sparsely populated rural areas with little economic activity.

**Map 6. The Drina railway<sup>93</sup>**



<sup>93</sup> Based on Izmjene i dopune prostornog plana Republike Srpske do 2025, p. 342.

### 3.5. Banja Luka-Split motorway

The Banja Luka-Split motorway is a similar project. A feasibility study is underway and future financiers and constructors have been identified. It would run between and parallel to the primary BiH transportation project, Vc motorway, and the existing A1 motorway in Croatia. It will connect Split – Croatia's second largest urban area – with Central Europe via the Croat majority Herzegovina and RS's capital and largest city, Banja Luka. This would serve the interests of RS as it realises an important N-S corridor within the entity, as well as the interests of Herzegovina as it connects Split with its Croat-inhabited Herzegovinian hinterland. It will also, of course, serve the interests of transit tourists heading to the Dalmatian coast. It is only the Bosniak community which it bears no significance for since it bypasses their territory and channels the transit flows to RS and the Croat cantons of FBiH.

On the other hand, it should be noted that both RS's and FBiH's directors of public motorway companies stated that this Chinese-financed project is important. It may also be problematic that a motorway serving particular needs may overtake a project (Vc) designed for the entire state and also supported by the EU.

## 4. Bosnia and Herzegovina and the V4 states

The connections between BiH and Central Europe (V4) are very weak. There are no direct flights from any V4 airports to anywhere in Bosnia, nor are there any direct train links between them. The railway connection between Hungary and Bosnia and Herzegovina via Croatia was terminated by Croatian Railways due to financial reasons. The only means of transport are either by car or via Serbia or Croatia or via huge western or eastern airports (Istanbul, Munich etc.). The diversification of transport connections is in the interests of BiH, but creating a North-South communication axis via Central and Southeastern Europe between the Baltic and Mediterranean seas is also the interests of V4.

When talking about road links, it is the Pan-European Corridor V which is the most important link between BiH and the V4. Corridor V forks into three branches at Budapest, Hungary heading to Slovenia, Northern-Italy, and the Western Mediterranean (branch A); through Zagreb to Rijeka (branch B); and through Osijek and Sarajevo to the Southern-Dalmatian port Ploče (branch C). Among these lines, from both the Hungarian and European perception, the most important is the first one linking several central and semi-central areas

of Europe with Central and Eastern Europe, while the ones labelled 'B' and 'C' 'only' connect the not yet decisive Adriatic ports via a smaller (in European terms) capital area (Zagreb and Sarajevo) with the Danube Basin and beyond. Moreover, corridor V is not the priority axis for either Croatia or Hungary. Both these states have been interested in strengthening their western connections from where significant FDI and modernisation can be expected. For Croatia – due to the importance of the tourism sector, the Adriatic motorway (which is not part of TEN-T) also has significant importance. Both for Hungary and Croatia it is more important to connect its peripheries (South Transdanubia and Eastern Slavonia, regions which the Vc passes through) to their capitals than to construct an uninterrupted motorway all the way down to Bosnia-Herzegovina. This resulted in the non-completion of the Vc on both sides of the Hungarian-Croatian border and at the Croatian-Bosnian border. Recent promises from both the Hungarian and Croatian governments state that work will begin soon.

Corridor Vc only bears significant importance for Bosnia-Herzegovina; it is literally the only TEN-T corridor reaching the country. It has domestic, transit and export utility as well. The construction of the corridor will undoubtedly help to integrate the country into international routes. The corridor would pass near core areas, the demographic and economic centres of the state and would link it with more developed regions. What is more, it would improve intrastate accessibility (which could help improve overall stability) and create the possibility of better cooperation with more developed Central and Western European regions, as a potential source of innovation, modernisation and FDI. Therefore, in the case of BiH the importance of the corridor is beyond question (as in Hungary or Croatia), but the possibility of construction is limited due to other vast and resource-consuming infrastructure construction projects in BiH (such as the Banja Luka-Split motorway).

## **Conclusions and proposals**

The network of transportation infrastructure is being created according to the demands of physical geography and the economic/political demands of the former Yugoslavia. Following independence and the bloody and destructive war, the reconstruction of infrastructure has been completed. However, the spatial reconstruction of the former multicultural society has not yet happened. The political units of BiH maintain ethnocratic-like regimes where the main factor of inclusion and access to public goods is ethnicity. The ethnic elites run

institutions, public companies etc. which in many cases favours 'their' ethnic communities and their spatio-political units either directly or indirectly.

Since transportation is a fundamental element of a region's economic performance, development opportunities, well-being and overall standard of living, as well as general stability, it is no surprise that the institutions responsible for maintaining, planning, and developing such structures and networks (not only the transportation network, but regional development and spatial planning as a whole) are also ethnicised. All communities are interested in developing and constructing networks favouring their communities (this is characteristic for all societies across the world) where the limited set of resources prevents the fulfilment of all needs. But in the case of Bosnia the struggle for resources, due to the overethnicisation immediately turns into an ethnic-based struggle. The ethnicity-based spatial units granted in the DPA underpin this, since the spatial control of territory (which may seem atavistic but in BiH is an everyday practice) is unimaginable without an efficient transportation and communication network. Therefore all territorial units within the state try to plan, construct and develop structures which increase their own stability, efficiency and spatial development. Due to various reasons this is more spectacular in the case of RS but is also present in FBiH. These plans, as we pointed out above, are in many cases antagonistic or at least compete for the same set of limited resources.

The well-developed, 'entity- and ethnicity-free' transportation network as well as an 'entity-free' regional development agency/authority could be an important pillar of a stable Bosnia and Herzegovina. This latter, professional and with international experts if needed, could develop general regional and sectoral development plans for BiH regardless of the entities, focusing on the interests of BiH as a whole. We are well aware that the implementation of the plans is in the hand of politicians. More robust EU funds on prioritised Bosnian projects (in which the Vc corridor should be put in first place) and denial of funding particular interests may be a step towards a solution. However, non-EU funding (China, Russia) cannot be banned.



## **INTERNAL SECURITY IN BOSNIA AND HERZEGOVINA**

Although nearly twenty years have been passed since the end of the war in Bosnia and Herzegovina (BiH), the country has not been stabilised to the level that a peaceful development would be possible without international engagement. In addition, international military and law enforcement forces are still needed in order to oversee the political situation and potential tensions between the ethnic groups. The international community and especially the EU have to take responsibility for development in the country by tackling a broad spectrum of different security risks that do not primarily have an ethnic background. The main internal security challenges in BiH are posed by bad socio-economic conditions as the basis for corruption, organised crime and extremism, especially radical Islamism. Therefore the aim of this article is to describe these security challenges and to quantify them by using the research methods of the social sciences.

### **1. Meaning of the socio-economic aspects**

Security issues were primarily discussed in the context of Theories of International Relations (IR) where external security factors of state centric concepts were the most relevant indicators for identifying threats to regional and international security. In this context, understanding the transnational threats posed by low internal security standards is only relevant when failed states as international actors are affecting the regional stability or national interests of other countries. Although the social economic conditions in a country have much to do with the stability of a country and therefore with its security, social aspects were not traditionally recognised as relevant factors when security issues were questioned within IR theories. That is why socio-economic issues have not for a long time been the focus either of security studies or of discourses regarding various security communities in a transatlantic framework. But since 9/11, the failure to ensure stability in Afghanistan and Iraq after the military intervention during the era of the former US president George W. Bush alongside the consequences of the Arab Spring 2011, the significance of social

affairs for security issues has increased but they were still not discussed on the highest political level. Through the spread of the so called Islamic State (ISIS) and the war in Syria that caused the migration crisis, scholars and politicians have realised that traditional peace making and peace enforcement measures are not enough for a long term stabilisation of post-war countries. In this context BiH can be used as a case study for other regions, especially as a negative example of social-economic recovery after the war and a source of threats.

### 1.1. Social-economic situation in BiH

A comparison of the socio-economic data of the Western Balkan countries clearly expresses the bad situation of BiH. One of the most important criteria for the assessment of the wealth of a country is the unemployment rate and in this regard, BiH has the worst numerical values of all the Western Balkan countries.

**Table 1.** Unemployment rate in Western Balkan countries

| <b>Bosnia and Herzegovina<sup>94</sup></b> | <b>Kosovo<sup>95</sup></b> | <b>Macedonia (FYROM)<sup>96</sup></b> | <b>Serbia<sup>97</sup></b> | <b>Albania<sup>98</sup></b> | <b>Montenegro<sup>99</sup></b> |
|--|----------------------------|---------------------------------------|----------------------------|-----------------------------|--------------------------------|
| 43.15%                                     | 35,3%                      | 26.84%                                | 17.9%                      | 17.3%                       | 15.68%                         |

**Source:** Table is based on data from Tradingeconomics.com

Besides the unemployment rate, a further additional indicator with enormous relevance for the security situation is the employment rate of young people under 25. According to this, BiH does not only have the most young people not

<sup>94</sup> Trading economics: Bosnian and Herzegovina, numerical values from August 2015, <http://de.tradingeconomics.com/bosnia-and-herzegovina/unemployment-rate>

<sup>95</sup> Trading economics: Kosovo, numerical values from January 2014, <http://de.tradingeconomics.com/kosovo/unemployment-rate>

<sup>96</sup> Trading economics: Former Republic of Yugoslavia Macedonia, numerical values from July 2015, <http://de.tradingeconomics.com/macedonia/unemployment-rate>

<sup>97</sup> Trading economics: Serbia, numerical values from February 2015, <http://de.tradingeconomics.com/serbia/unemployment-rate>

<sup>98</sup> Trading economics: Albania, numerical values from July 2015, <http://de.tradingeconomics.com/albania/unemployment-rate>

<sup>99</sup> Trading economics: Montenegro, numerical values from October 2015, <http://de.tradingeconomics.com/montenegro/unemployment-rate>

integrated into the labour market in the Balkan region, it also has one of the highest youth unemployment rates worldwide.

**Table 2.** Youth unemployment of people under 25 in Western Balkan countries

| Bosnia and Herzegovina | Kosovo <sup>100</sup> | Macedonia (FYROM) | Serbia | Montenegro | Albania |
|------------------------|-----------------------|-------------------|--------|------------|---------|
| 60.4%                  | 60.2%                 | 52.2%             | 48.9%  | 41.3%      | 28.9%   |

**Source:** Author, table is based on World Bank<sup>101</sup> data except for Kosovo

The data in the two tables enables only a vague inside view into the miserable living conditions of the majority of Bosnia's citizens. However, young people in particular are suffering under the bad socio-economic circumstances. According to international experts, BiH is very much affected by the phenomenon of the so called 'brain drain'; it is estimated that more than 150,000 young people have left BiH since 1995.<sup>102</sup> Those who remain have to face an uncertain future with a wide spectrum of security risks.

## 1.2. Social situation and internal security

The fragility of the internal security in BiH is evident since the violent protests against 'unemployment and the perceived inability of politicians to improve the situation' broke out in February 2014.<sup>103</sup> The protests began with demonstration over the closure and sale of factories in Tuzla, where most of the local population was employed. These protests quickly developed into country-wide violent social and anti-government unrest with hundreds of people injured. Although there were also demonstrations in Republika Srpska, the 'hot spots' of the unrest were in Sarajevo and Tuzla as well in other cities of FBiH with a Muslim majority.

In the context of the unrest in 2014 it is important to stress that the bad socio-economic situation has a negative impact on all ethnic groups. Young Catholic

<sup>100</sup> UNDP: Kosovo, <http://www.ks.undp.org/content/kosovo/en/home/countryinfo.html>

<sup>101</sup> World Bank: Unemployment, youth total (% of total labor force age 15-24), <http://data.worldbank.org/indicator/SL.UEM.1524.ZS>

<sup>102</sup> E. M. Jukic, Youth Emigration Causing Balkan 'Brain Drain', <http://www.balkaninsight.com/en/article/young-people-leave-serbia-bosnia-the-most>

<sup>103</sup> Bosnia-Herzegovina protests break out in violence, <http://www.bbc.com/news/world-europe-26086857>

Croats, Orthodox Serbs and Muslim Bosnians find organised crime groups, nationalist movements or religious extremists equally attractive. Due to the fact that the radicalisation of young people is 'becoming one of the most important threats of international terrorism', young Bosnian Muslims are of greater international interest.<sup>104</sup> The worries of the estimated population of 950,000 between the ages of 15 and 29 must be taken seriously by the international community and special labour market measures have to be implemented. Consequently, hundreds of thousands of young people without any prospects pose a huge potential for destabilising the fragile post-war stability.

## 2. Main security challenges

The Western Balkan countries are facing more or less the same internal security challenges but there are differences in the dimension and the scale of the certain types of threats. The common threats for all the Western Balkan countries are:

- weak state structures influenced by corruption and overall uncertainty;
- security threatening the socio-economic situation;
- divisions and distrust between the ethnic groups;
- political radicalisation and growing Islamic extremism;
- organised crime networks in the country and region;
- availability of explosives, weapons and ammunition which may be potentially misused by certain groups.<sup>105</sup>

The threats can be grouped into three clusters since the internal security will focus on corruption, organised crime and political/religious extremism. Both corruption and organised crime are closely linked to the weak state structure and they significantly endanger the state administration. In these

<sup>104</sup> M. Bizina, D.H. Gray, Radicalization of Youth as a Growing Concern for Counter-Terrorism Policy, *Global Security Studies*, Winter 2014, Volume 5, Issue 1, p. 72.

<sup>105</sup> N. M. Duka, New security threats impose Western Balkan countries a new way of doing intelligence, Albanian Institute of Intelligence and Security Studies, <http://www.aliiss.org/aliiss/?p=362>

circumstances extremist groups can easily spread their activities and became an international threat.

## 2.1. Corruption

From a scientific point of view, quantifying the perceptions of the threat of corruption remains vague but in real life it has a huge impact on society, the economy, public institutions and politics. In other words, corruption is relevant for the whole internal security situation, particularly of a country like BiH.

One cause of the social and anti-government unrest in February 2014 was the expression of the public's disappointment and dissatisfaction with the poor and corrupted state administration and reluctance of political elites to fight this problem. How this corruption is experienced in BiH and how it can be perceived as a threat will be shown by using the data published in the UNODC Report 2011.<sup>106</sup> Since the data were generated by UNODC experts, the situation in the country has not improved. In 2013, the level of corruption in the country assessed and compared by Transparency International by its Corruption Perceptions Index, ranked BiH number 72 out of 177 countries but in 2014 it slid down to 80<sup>th</sup> place.<sup>107</sup> This runs contrary to the expected development in line with the EU accession conditions and EU enlargement process which keeps the fight against corruption high on the agenda.

The UNODC stated that at least 20% of citizens experienced corruption in the last 12 months in person or through a household member.<sup>108</sup> It means in absolute numbers that approximately 740,000 citizens of BiH directly experienced corruption.<sup>109</sup> The trend shows that bribery prevailed with 25.5% more in the decentralised FBiH (making up approx. 600,000 citizens)<sup>110</sup> than in the entity of Republika Srpska with 10.5% (approx. 140,000 citizens).<sup>111</sup> The UNODC states that the average amount of each bribe was around 112 euros and most of these

<sup>106</sup> Corruption in Bosnia and Herzegovina. Bribery as Experienced by the Population, UNODC 2011, [https://www.unodc.org/documents/data-and-analysis/statistics/corruption/Bosnia\\_corruption\\_report\\_web.pdf](https://www.unodc.org/documents/data-and-analysis/statistics/corruption/Bosnia_corruption_report_web.pdf)

<sup>107</sup> F. Bosso, Bosnia and Herzegovina, an Overview of Political Corruption, Transparency International, [http://www.transparency.org/whatwedo/answer/bosnia\\_and\\_herzegovina\\_overview\\_of\\_political\\_corruption](http://www.transparency.org/whatwedo/answer/bosnia_and_herzegovina_overview_of_political_corruption)

<sup>108</sup> Corruption in Bosnia and Herzegovina, *op. cit.*, p. 7.

<sup>109</sup> Calculation by authors based on UNODC data.

<sup>110</sup> Calculation by authors based on UNODC data.

<sup>111</sup> Calculation by authors based on UNODC data.

bribes were given in cash (80%), however other forms can also include food and drink.<sup>112</sup> The fact that 52% of the bribes were given to the police is dramatic.<sup>113</sup> Statistically 33 million euros were illegally taken from citizens by corrupt police officers.<sup>114</sup>

The level of corruption in the country is influenced both by political and economic factors. The legacy of war in 1990s in the form of Dayton Peace Agreement created a complex and opaque institutional settings with many horizontal and vertical administrative layers. This offers many opportunities for bribery in society. The advanced decentralisation of political and economic power results in the involvement and influence of corrupt officials. Local governments are responsible for fiscal and economic policies to such an extent that it undermines the state's ability to set up strategies.<sup>115</sup> Another obstacle that contributes to the complicated situation with unemployment and corruption in the country is the incomplete transition from the planned economy in Communist Yugoslav to a neo-liberal market economy, labour market liberalisation, rapid privatisation and post-war aid dependence.<sup>116</sup>

In addition, deep-rooted ethnic tensions and distrust in politics, as well as a lack of transparency, cultivates the environment in which it is difficult to effectively implement any kind of anti-corruption laws, even the recent ones adopted under pressure from the European Union. Moreover, the division along the ethnic lines in the political parties and in public is so striking and strong that it even runs through private businesses, companies and industries accordingly, starting from energy suppliers to telecommunications service providers and many more. In line with this, in order to get certain types of jobs young people are often directly or indirectly forced to take sides.

According to the European Commission's Progress Report 2014 the fight against widespread corruption that bears an impact on so many areas is very slow and ineffective, particularly as some implicated high-level figures manage

<sup>112</sup> Corruption in Bosnia and Herzegovina, *op. cit.*, p. 7.

<sup>113</sup> *Ibidem*, p. 4.

<sup>114</sup> Calculation by authors based on UNODC data.

<sup>115</sup> B. Divjak, M. Pugh The Political Economy of Corruption in Bosnia and Herzegovina, *International Peacekeeping*, Special Issue: Post-conflict Peacebuilding and Corruption, Volume 15, Issue 3, 2008, <http://www.gsdr.org/document-library/the-political-economy-of-corruption-in-bosnia-and-herzegovina/>

<sup>116</sup> *Ibidem*.

to successfully avoid prosecution and are reluctant to tackle this problem.<sup>117</sup> The most acutely affected sectors in society include public administration on higher and lower levels, law enforcement, the judiciary and public procurement and also healthcare, access to employment and the educational system. Not even foreign financial aid is excluded.<sup>118</sup> The international actors and the highest but disputed executive authority, the Office of the High Representative, are unable to prevent the corruption in the disbursement of grants and loans and to ensure transparency. In addition, their presence and influence in the country only contributes to the continuation of dependency syndrome and slows the process of local ownership development.<sup>119</sup>

Another factor affecting corruption is the seeming impunity, the low penalties for corruption and the slow and ineffective prosecutions of cases. This gives the public the wrong perception of the act as being something natural and common and increases the impression that being caught or prosecuted is unlikely. Moreover, the willingness of society to report corruption in the country also remains very low.<sup>120</sup>

Corruption affects the stability of the political and economic system and the already low confidence and dissatisfaction with politics, public administration services and other key areas. According to the Transparency International Global Corruption Barometer 2013, respondents in BiH consider politicians to be the most corrupt institutional actors. It also creates unfavourable conditions for business development, and drives away new investors and thus hinders job creation as one of the few ways to tackle high unemployment and the frustration stemming from this, especially among young people in the country. Moreover, it deepens the inequality and the gap between the poor and rich. This view is largely supported also by more than 60% of respondents in a public survey carried out by the World Bank. The vast majority (approx. 98% of respondents) stated that rising inequality, high level of crimes, endangered

<sup>117</sup> European Commission Progress Report 2014, [http://ec.europa.eu/enlargement/pdf/key\\_documents/2014/20141008-bosnia-and-herzegovina-progress-report\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-bosnia-and-herzegovina-progress-report_en.pdf), p. 15.

<sup>118</sup> M. Chêne, Corruption and Anti-Corruption in Bosnia and Herzegovina (BiH), U4 Anti-Corruption Research Centre, <http://www.u4.no/publications/corruption-and-anti-corruption-in-bosnia-and-herzegovina-bih/#sthash.KHn57CT9.dpuf>, p. 2.

<sup>119</sup> B. Divjak, M. Michael, *op. cit.*

<sup>120</sup> N. Garoupa, D.M. Klerman, Corruption and Private Law Enforcement: Theory and History, *Review of Law and Economics*, Vol. 6, No. 1, 2010, [http://law.usc.edu/assets/docs/Klerman\\_Corruption.pdf](http://law.usc.edu/assets/docs/Klerman_Corruption.pdf), p. 88.

state security and moral decline in society were among the main crucial consequences of corruption.<sup>121</sup>

## 2.2. Organised Crime in BiH

Corruption is very closely connected with organised crime. However, while corruption is mostly an internal state problem, organised crime has a wide regional impact and influence. Little has been achieved in fighting organised crime in the country during the 20 year period following the war. There is a tendency to overlook the fact that organised crime is not a product of the war of 1992-1995 – it was present in BiH even earlier; war only provided fertile ground and the opportunity for it to spread as in all post-war countries. After the war these activities continued and developed as the fight against organised crime was not among the priorities at that time unlike the prosecution of war criminals or peace-keeping.<sup>122</sup> Also local elites and law enforcement agencies were corrupt and unable or unwilling to deal with these issues or they even became part of the criminal networks.

The full picture of organised crime in the country is limited due to the lack of reliable data in this field, insufficient data exchange, and the frequent involvement of high-up political and business figures in the organised crime structures and thus obstruction in data collection. All ethnicities in BiH are involved in organised crime networks. The structures and groups are believed to be loose with some transnational element and based on ethnicity. Traditional ‘mafia-like’ strictly structured criminal groups active in the country and abroad are rather rare in BiH.<sup>123</sup>

The main areas in which criminal networks in BiH are involved are: drugs and weapons trafficking and human trafficking and smuggling. As regards human smuggling, BiH is both a country of origin and transit but also a destination country for victims of labour exploitation, sexual exploitation and begging.<sup>124</sup>

<sup>121</sup> Bosnia and Herzegovina. Diagnostic Surveys of Corruption, World Bank, p. 10, <http://www1.worldbank.org/publicsector/anticorrupt/Bosniananticorruption.pdf>

<sup>122</sup> S. Brady, Organised Crime in Bosnia Herzegovina – A silent war fought by an ambush of toothless tigers or a war not yet fought?, [https://www.occrp.org/documents/OC\\_in\\_BH\\_ENG.pdf](https://www.occrp.org/documents/OC_in_BH_ENG.pdf), p. 10.

<sup>123</sup> V. Stojarová, Organized Crime in the Western Balkans, *HUMSEC Journal*, Issue 1, [http://www.Humsec.eu/cms/fileadmin/user\\_upload/humsec/Journal/Stojarova\\_Organized\\_Crime\\_in\\_the\\_Western\\_Balkans.pdf](http://www.Humsec.eu/cms/fileadmin/user_upload/humsec/Journal/Stojarova_Organized_Crime_in_the_Western_Balkans.pdf), p. 96.

<sup>124</sup> European Commission Progress Report 2014, *op. cit.*, p. 16.

The recent migration wave that Europe is experiencing at the moment and the so called re-discovered Balkan route are causing the human trafficking industry to flourish. The production of illegal drugs in BiH is on a low level; BiH remains rather a country of transit and storage of hard drugs on the way mostly to Western European countries.<sup>125</sup>

The illicit arms trade is closely connected to BiH's post-war situation. The wide availability of small arms and light weapons together with a poor institutional background and rule of law system in the country has brought about a situation in which black market arms were spread using the traditional drug trafficking routes to other conflict zones, such as Iraq. This was allegedly even supported and coordinated also by private companies.<sup>126</sup> There is still a high availability of cheap and easily accessible weapons in BiH that can be trafficked via the black market abroad as foreign demands are higher than those found locally. The reason is that many citizens keep their own weapons as a matter of safety and due to having low confidence towards the state as a provider of security and also because of their distrust of the other ethnicities. Furthermore, the punishments for illegally possessing weapons are low and so many citizens opt for the benefits of feeling safe over the fear of punishment.<sup>127</sup>

Together with these traditional organised crime activities which are still present, also vehicle theft, organised robberies, money-laundering, cigarette smuggling and organised petty theft groups are active. The true extent of all these is very difficult to assess. Another worrisome area closely connected to corruption in BiH is non-traditional organised crime linked to privatisation, public procurement and tender fraud.<sup>128</sup> This tends to have a much further and broader impact on the society of BiH. Despite everything mentioned above, the extent of organised crime in BiH in comparison with other Western Balkan countries does not seem to be significantly different.

Among the most recent successful arrests leading to conviction is the case of Zijad Turković, the leader of an organised crime group responsible for murders, robberies and drug trafficking. In April 2015 he received a sentence of 40

<sup>125</sup> Country Overview: Bosnian and Herzegovina, <http://www.emcdda.europa.eu/publications/country-overviews/ba>

<sup>126</sup> S. Brady, *op. cit.*, p. 16.

<sup>127</sup> *Ibidem*, p. 34.

<sup>128</sup> *Ibidem*, p. 36.

years of imprisonment and his accomplice, Milenko Lakić, received 35 years.<sup>129</sup> Although there were several successful joint police operations, including with transnational cooperation, European Commission's Progress Report 2014 states that the strategic approach of law enforcement, the judiciary and prosecution to fight corruption is lacking and needs to be developed and strengthened. The fight against corruption is hindered by the infiltration of criminal groups within the highest political, legal and economic structures and businesses.<sup>130</sup> Furthermore, the existence of double police and law enforcement services in Republika Srpska on one side and in the FBiH on the other further retards the progress in fighting organised crime and corruption due to the absence of cooperation. Little progress has been made overall, nor are the prospects optimistic, taking into consideration the lack of transparency, the involvement of elites, the reluctance to act and the ubiquitous corruption. Finally, Věra Stojarová summarised the prevalent meaning of organised crime for both society and state as follows:

*Organised crime negatively impacts official financial streams, the market environment and relations with the countries of Western and Central Europe, and presents a threat at the regional as well as global levels. Organised crime threatens the stability of every state. The structures of weak states encourage the threat of criminal activities and the high level of infiltration by organised crime into state structures threatens democracy, democratic institutions and public confidence. Corruption enables the infiltration of organised crime into society because corrupted political elites do not effectively fight organised crime – very often because of mutual interest.<sup>131</sup>*

### 2.3. Islamism and Terrorism

The current threat of terrorism and radical Islam spreading in Europe is becoming more glaring with every new attack, especially after the recent Paris attacks on 13 November 2015 and it has not skipped BiH either. The frustrating socio-economic situation in BiH and most of all unemployment, the lack of effective law enforcement, weak democracy and the overall stagnation that the

<sup>129</sup> A. Džonlić, Zijad Turković ide u izolaciju i strogo čuvani Četvrti paviljon!, <http://www.avaz.ba/clanak/174235/zijad-turkovic-ide-u-izolaciju-i-strogo-cuvani-cetvrti-paviljon?url=clanak/174235/zijad-turkovic-ide-u-izolaciju-i-strogo-cuvani-cetvrti-paviljon#sthash.n7e-Ocuyp.dpuf>

<sup>130</sup> European Commission Progress Report 2014, *op. cit.*, p. 57.

<sup>131</sup> V. Stojarová, *op. cit.*, p. 92.

country faces, forms fertile ground for growing nationalism, radicalisation, extremism and potential violence.

The origins of the growing Islamic fundamentalism in BiH can be traced back to the former president of BiH, Alija Izetbegović and the movement *Mladi Muslimani* (Young Muslims) that he joined during World War II. For centuries the moderate open-minded Hanafi tradition of Islam prevailed in BiH.<sup>132</sup> However, Izetbegović's ideas of a 'Great Muslim State', the Islamic declaration he wrote in the 1970s, and later the disintegration of Yugoslavia in 1990s, as well as the beginning of the war in BiH in 1992 have all borne further impact on the current situation of radical Islam in BiH.

During the war in 1992 in some areas under the command of Bosnian Serbs or Bosnian Croats and the Muslim population decreased to almost zero due to incidents of ethnic cleansing. However, those areas controlled by the army of BiH were open to almost any kind of Islamic religious activities and this meant that many militant Islamists from Afghanistan and other countries in the region that came to fight on the side of their 'Muslim brothers' as mujahideen, or 'holy warriors' could preach and spread their ideas about Islam among the Muslims of BiH who had until then been liberal and moderate.<sup>133</sup> After the war many jihadists received BiH citizenship and remained in the country to spread the ideas of radical Islam and in time became a real international threat. Among those who supported Bosnia during the war were Khalid Sheikh Mohammed, known as the 'mastermind of the 9/11 attacks'<sup>134</sup> and Abu Hamza al-Masri. While Mohammed was in Pakistan captured already in 2003 and after that detained in Guantanamo, Abu Hamza al-Masri was sentenced to life by a US court in January 2015 for 11 terror and kidnapping charges.<sup>135</sup> Although Abu Hamza al-Masri is in prison, he managed to influence the current generation of terrorists during his active time in London.

<sup>132</sup> G. N. Bardos, Jihad in the Balkans: The Next Generation, September/October 2014, <http://www.worldaffairsjournal.org/article/jihad-balkans-next-generation>

<sup>133</sup> J.C. Antúnez, Wahhabism in Bosnia-Herzegovina. Part One, [http://www.bosnia.org.uk/news/news\\_body.cfm?newsid=2468](http://www.bosnia.org.uk/news/news_body.cfm?newsid=2468)

<sup>134</sup> B. Kanzleiter, Wahhabi Rules: Islamic Extremism Comes to Bosnia, <http://www.worldpoliticsreview.com/articles/747/wahhabi-rules-islamic-extremism-comes-to-bosnia>

<sup>135</sup> H. Alexander, Who is Abu Hamza?, <http://www.telegraph.co.uk/news/worldnews/al-qaeda/10813352/Who-is-Abu-Hamza.html>, Radical cleric Abu Hamza jailed for life by US court, BBC, <http://www.bbc.com/news/world-us-canada-30754959>, Khalid Sheikh Mohammed Fast Facts, <http://edition.cnn.com/2013/02/03/world/meast/khalid-sheikh-mohammed-fast-facts/index.html>

As a former British intelligence informant said, the Charlie Hebdo terrorist attack in Paris, in which 12 people were killed by two brothers of Algerian origin in January 2015, was linked to an Abu Hamza lieutenant based at the Finsbury Park Mosque.<sup>136</sup>

This was how Wahhabi ideas first appeared in BiH, alongside financial support from Arab countries not only to religious movements but also local NGOs helping during the war, meaning that they flourished in a socially and economically underdeveloped BiH. The biggest financial support came from the Saudi King Fahd, who gave US\$103 million to Bosnia in the period 1992–96.<sup>137</sup> In addition, among the returnees after the war there were also many adherents of Wahhabism and their return to areas with a majority of Bosnian Serbs or Bosnian Croats caused and continues to cause tension and distrust. The traditional local moderate type of Islam is also endangered by various activities, such as: sending students to madrasas or universities in Arab countries to study theology; foreign investment from Arabic countries; new types of mosques and religious activities not based on the traditional local Islam. Unquestionably, the uncertainty in the society is growing and the increasing influence from Arabic countries especially from Saudi Arabia is more and more seen critically by western oriented Bosnian Muslims, Croats and Serbs. Representatives from Western countries are also concerned about the close connections between Saudi Arabia and the Bosnian leading party SDA (Party of Democratic Action).<sup>138</sup> SDA was founded by the former president is chaired by his son Bakir Izetbegović, who is since 2010 the Bosniak member of the tripartite presidency of BiH.

Wahhabi adherents are committed to enforcing Sharia law in the country and believe in the purification of Islam as the founder of Wahhabism, Muhammad ibn Abd al-Wahhab ordered. They are very strict in their religious practices and belief and consider the pleasures of everyday life such as music, films and so on as a symbol of 'decay'.<sup>139</sup> The most unexpected incident that caused the

<sup>136</sup> D. Barrett, G. Rayner; Charlie Hebdo suspect 'mentored' by Abu Hamza disciple, <http://www.telegraph.co.uk/news/worldnews/europe/france/11333776/Charlie-Hebdo-suspect-mentored-by-Abu-Hamza-disciple.html>

<sup>137</sup> M. J. Petersen, Trajectories of transnational Muslim NGOs, *Development in Practice*, Vol. 22, No. 5 – 6, 2000, p. 770, [http://www.academia.edu/4368432/Trajectories\\_of\\_Transnational\\_Muslim\\_NGOs](http://www.academia.edu/4368432/Trajectories_of_Transnational_Muslim_NGOs)

<sup>138</sup> A. Wölfl, Angst vor islamistischem Terror in Bosnien, <http://derstandard.at/2000015382397/Angst-vor-islamistischem-Terror-in-Bosnien>

<sup>139</sup> *Ibidem*.

public to start worrying about the spread of radical Islam was the attendance of 3,000 radical Islamists at the funeral of their leader Jusuf Barčić, who died in 2007 in a car accident. Several journalists were attacked during the funeral.<sup>140</sup>

The problem with radicalisation in BiH is largely connected to the economic and social conditions in the country and the interethnic issues. Radical Islamists tend to use this situation and the frustration of young people especially in the rural and least developed areas adding to the memory of the past persecution and ethnic cleansings of Muslim during the war. Under such conditions and given the poor educational system in BiH, recruiters offer support and help to young people, taking care of them and later on recruiting them. This practice of bonding by organising trips, camps or other activities, isolating the youth from the family by indoctrination and propaganda as well as becoming a sort of mentor providing a spiritual lead and guidance is a common habit of various radical Islamic groups. Another common practice is targeting vulnerable individuals such as drug addicts, alcoholics or people involved in crime and offering them help in exchange for indoctrination.<sup>141</sup>

At present around 3,000 radical Islamists are known to be present in BiH. Among them there are many followers of ISIS but also of al-Qaeda and al-Nusra. They are present in higher concentrations in isolated villages such as Gornja Maoča, Osve or Donja Bočinja. These are the centres of radical Islamists from BiH but also those from abroad creating 'extra-territorial Sharia-run enclaves' separate from the BiH public authorities and police, which are recruiting stations as well as safe havens for jihadists from BiH and countries such as Afghanistan, Yemen or Chechnya.<sup>142</sup> BiH's most famous Wahhabi authority, Nusret Imamović, who left to Syria to join the war, was resident in Gornja Maoča. After Imamović went to Syria, Husein Bosnić aka Bilal took over his place as the publicly most prominent Islamist in BiH. The biggest difference between them is that Imamović supports al-Nusra actively in Syria, while Bosnić calls for fighting alongside ISIS in Syria and Iraq.

Husein Bosnić was arrested in September 2014 based on verifiable evidence that he supports terroristic activities. He was charged with financing, organising

<sup>140</sup> *Ibidem.*

<sup>141</sup> J. C. Antúnez, *op. cit.*

<sup>142</sup> G. N. Bardos, *op. cit.*

and recruiting Bosnian citizens to join terrorist groups in Syria and Iraq.<sup>143</sup> Altogether 17 persons were arrested with the same charges in 2014 and 12 persons directly involved in fighting within ISIS to March 2015. ISIS is believed to have recruited approx. 330 citizens of BiH by spring 2015 for fighting in Syria and Iraq.<sup>144</sup> Although it is currently unclear whether al-Nusra or ISIS is receiving more sympathy from the Islamists in BiH, there are some reliable indicators that ISIS is becoming more popular among young people. However, both al-Nusra and ISIS have strong networks and their Bosnian followers pose an equally enormous challenge for internal security.

Radical Islamist-caused violence is also a security threat within BiH which has led to several attacks in over the last five years. In June 2010 the radical Islamist Haris Čaušević blew a police station in the mostly by Bosnian Muslims populated town Bugojno and killed one police officer and injured six. The reason for the terroristic act was that Čaušević wanted to take revenge against the police, because one of his Islamist friends Rijada Rustempašić was arrested for terroristic activities.<sup>145</sup> In the second verdict Čaušević was sentenced to prison for 35 years for committing a terroristic act.<sup>146</sup> The ethnical or religious background did not play a role in this attack, because the policeman who was killed as well as most of the injured officers were Bosniaks and therefore Muslims. Moreover, the brother of the police officer who was killed was decorated with highest military medal of the Bosniak armed forces during the war.<sup>147</sup>

One year after the Bugojno bombing Mevlid Jasarević a Serbian citizen from the Muslim populated region Sandžak fired in October 2011 more than 100 bullets at the building of the US embassy in Sarajevo and wounded a policeman. Jasarević belonged to the Wahhabi circles of extreme Islamist in Gornja

<sup>143</sup> Islamic state flag displayed in Bosnian village, [http://www.b92.net/eng/news/region.php?yyyy=2015&mm=02&dd=05&nav\\_id=93091](http://www.b92.net/eng/news/region.php?yyyy=2015&mm=02&dd=05&nav_id=93091)

<sup>144</sup> G. Lanktree, Isis in Bosnia and Herzegovina: Why are Islamic State extremists buying up land in Osve village?, <http://www.ibtimes.co.uk/isis-bosnia-herzegovina-why-are-islamic-state-extremists-buying-land-osve-village-1511731>

<sup>145</sup> Radio Sarajevo: Razlog terorističkog napada u Bugojnu hapšenje Rijada Rustempašića, 1 July 2010, <http://radiosarajevo.ba/novost/29043/razlog-teroristickog-napada-u-bugojnu-hapsenje-rijada-rustempasica>

<sup>146</sup> Al Jazeera: Haris Čaušević osuđen na 35 godina zatvora, <http://balkans.aljazeera.net/vijesti/haris-causevic-osuden-na-35-godina-zatvora>

<sup>147</sup> Dan žalosti - u Bugojnu će biti ukopan ubijeni policajac Tarik Ljubuškić, <http://vijesti.ba/clanak/15327/dan-zalosti-u-bugojnu-ce-bitu-ukopan-ubijeni-policajac-tarik-ljubuskic>

Maoča.<sup>148</sup> After the first verdict was revoked, he was found guilty of terrorism and sentenced to 15 years in prison in November 2013. During the trial Jasarević apologized for what he now calls his ‘stupid act,’ saying he had been manipulated and then abandoned by his radical Islamist mentors.<sup>149</sup>

In April 2015 one policeman was killed and two were badly injured in Zvornik in Republika Srpska by Nerdin Ibrić, a 24 year old Muslim resident who died in shooting shoot out with the police. Because Nerdin’s father was killed during the war by Serbs who were policemen at that time in Zvornik, there were doubts, whereas as to whether personal revenge was the reason for the killing or if it was linked to religious extremism.<sup>150</sup> Only one day after this incident, on 28 April, an emergency sitting of the Council of Ministers on the national level took place and politicians from all ethnical groups condemned this as a terroristic act.<sup>151</sup> After the attack three men with an extremist background were arrested. One of them was a foreign fighter in Syria and was in contact with Nerdin Ibrić.<sup>152</sup> An Al Jazeera reporter discovered that Ibrić had been radicalised only within the previous several months and was evidently influenced by a veteran from Syria.<sup>153</sup> Based on evidence, Bosnian experts count the Zvornik attack as being executed by a Wahhabi adherent.<sup>154</sup> Since then new terroristic acts are expected by intelligence and law enforcement sources in BiH and this has caused mistrust also between the entities.<sup>155</sup> In such a tense situation Enes Omeragić in the aftermath of the terroristic attacks in Paris killed two soldiers and injured three people in Sarajevo-Rajlovac on 19 November 2015 before

<sup>148</sup> BBC: Sarajevo gunman fires at US embassy in Bosnia capital, 28 October 2011, <http://www.bbc.com/news/world-europe-15499143>

<sup>149</sup> RFE/RL’s Balkan Service: Bosnian U.S. Embassy Attacker Gets 15 Years In Jail, 20 November 2013, <http://www.rferl.org/content/bosnia-us-embassy-attack/25174652.html>

<sup>150</sup> Teroristički napad ili lična osveta? Šta je govorio Nerdin Ibrić?, Radio Sarajevo, 28 April 2015, <http://www.radiosarajevo.ba/novost/187183/teroristicki-napad-ili-licna-osveta-sta-je-govorilo-nerdin-ibric->

<sup>151</sup> Nakon terorističkog napada u Zvorniku: Danas vanredne sjednice Predsjedništva, Vijeća ministara, <http://www.bhrt.ba/vijesti/bih/hitne-vanredne-sjednice-predsjednistva-bih-i-vijeca-ministara/>

<sup>152</sup> Dan žalosti zbog napada u Zvorniku, <http://balkans.aljazeera.net/vijesti/dan-zalosti-zbog-napada-u-zvorniku>

<sup>153</sup> Dvoje privedenih zbog napada u Zvorniku, <http://balkans.aljazeera.net/vijesti/dvoje-privedenih-zbog-napada-u-zvorniku>

<sup>154</sup> D. Dzidic, Bosnia’s Wartime Legacy Fuels Radical Islam, <http://www.balkaninsight.com/en/article/bosnia-s-wartime-legacy-fuels-radical-islam>

<sup>155</sup> A. Wölfl, *op. cit.*

committing suicide by detonating a bomb.<sup>156</sup> The state prosecution started immediately investigations on this ‘act as terrorism’<sup>157</sup> and the OSCE in Sarajevo also officially granted the killing as ‘terrorisms’.<sup>158</sup>

Omeragić was 34 year old, born in France, had been arrested for some time in Zenica and due to media he was ‘associated with members of the Wahhabi movement and prone to narcotics’.<sup>159</sup> Due to media information it is not clear, if Omeragić was a ‘lone wolf’<sup>160</sup> or if he was integrated into extremist group. Investigations enclosed that he had an increased contact to persons with Arabic background before the killing and more over his brother in law had been personally fighting in Syria.<sup>161</sup>

Generally, the latest cases of terrorist acts committed by Ibrić and Omeragić are examples how individual motivation or social disintegration can be misused for radicalization that finally leads to terrorism. Bosnian intelligence services warned that especially the 200 veterans from war in Syria pose a direct threat to security and new attacks are expected.<sup>162</sup> BiH has changed its importance for Islamists, it is not only a retreat territory for international terrorist but Bosnia’s Muslim population is pool for generating new extremists and more over it is transit country for Islamists from Western Europe to Syria and Iraq.

<sup>156</sup> ‘Islamist’ gunman kills two Bosnian soldiers in Sarajevo, <http://www.bbc.com/news/world-europe-34866890>

<sup>157</sup> BBC: ‘Islamist’ gunman kills two Bosnian soldiers in Sarajevo, <http://www.bbc.com/news/world-europe-34866890>

<sup>158</sup> OSCE Press Release: OSCE Mission to BiH expresses its condolences to families of BiH Armed Forces soldiers killed in terrorist attack in Rajlovac, <http://www.oscebih.org/News.aspx?newsid=2093&lang=EN>

<sup>159</sup> This is Enes Omeragic, Sarajevo terrorists who killed two soldiers, <http://www.bosniatoday.ba/this-is-enes-omeragic-sarajevo-terrorists-who-killed-two-soldiers/>

<sup>160</sup> Definition of “Lone Wolfe Terrorism” (LWT) is: The deliberate creation and exploitation of fear through violence or threat of violence committed by a single actor who pursues political change linked to a formulated ideology, whether his own or that of a larger organization, and who does not receive orders, direction, or material support from outside sources. Report: Lone Wolf Terrorism, Prepared by Security Study Program ‘National Security Critical Issue Task Force’ (NSCITF). The report was published by a writer’s collective conducted by professors Jeffrey Conner and Carol Rolie Flynn, Georgetown University, 27 June 2015, p. 9, <http://georgetownsecuritystudiesreview.org/wp-content/uploads/2015/08/NCITF-Final-Paper.pdf>, p. 9.

<sup>161</sup> Zločin u kladionici “po uzoru” na kambodžanski restoran u Parizu, <http://www.vecernji.ba/zlocin-u-kladionici-po-uzoru-na-kambodzanski-restoran-u-parizu-1038663>

<sup>162</sup> A. Wölfl, *op. cit.*

## 2.4. Digression: Austro-Bosnian-Jihad-Connection

After the terrorist attacks in Paris in November 2015 transnational Islamist connections are a matter of concern for security communities in all EU member states. In this context Austria has a particular interest in the relations between Islamists in Austria and BiH. The case of the extremist group in Gornja Maoča shows how interconnected Islamists between these two countries are.<sup>163</sup> For several decades Austria was a popular destination for migrants from Bosnia. This is why more than 206,000 people with a Bosnian background are living in Austrian cities like Vienna, Linz and Graz.<sup>164</sup> Consequently, Islamists from the Western Balkans with close relations to BiH are active in Austria. Already in 2007 Mustafa Cerić, the official representative of the Muslim community in BiH, complained that centres for Bosnian Islamists had been established in Vienna.<sup>165</sup> This became more evident when in November 2014 Mirad Omerović aka Ebu Tejma, a Muslim from the Serbian Sandžak region, was arrested in Vienna along with 13 other potential extremists. In this the biggest anti-Islamist operation in Austria a total of 900 police officers were involved.<sup>166</sup> Omerović is 33 years old, the father of six children and a radical preacher who was receiving support from the Austrian social system.<sup>167</sup> He is the suspected leader of a transnational Islamist network with well-functioning relations to Nusret Imamović and other extremists in Gornja Maoča but also to directly to al-Nusra and ISIS in Syria.<sup>168</sup> According to Austrian law enforcement sources Omerović's 'Balkan network' established a very successful logistic structure that was able to recruit and transport young radicalised Muslims from Austria through the Western Balkans to Syria.<sup>169</sup> He is accused of the recruitment of 64 young Muslims between the ages of 15 to 30.<sup>170</sup> The case of Austria shows how interconnected the

<sup>163</sup> Bergdorf der Radikalen, <http://diepresse.com/home/panorama/oesterreich/4792323/Bergdorf-der-Radikalen>

<sup>164</sup> Über 206.000 Menschen mit bosnischem Migrationshintergrund, [http://medienservices-telle.at/migration\\_bewegt/2014/02/11/ueber-206-000-menschen-mit-bosnischem-migrationshintergrund/](http://medienservices-telle.at/migration_bewegt/2014/02/11/ueber-206-000-menschen-mit-bosnischem-migrationshintergrund/)

<sup>165</sup> E. Kocina, R. Nowak, Die Wiener Islamisten-Zelle, Die Presse, <http://diepresse.com/home/politik/terror/330169/Die-Wiener-IslamistenZelle>

<sup>166</sup> A. Wetz, Bosnien-Connection: Al-Qaidas Netzwerk in Österreich, [http://diepresse.com/home/politik/aussenpolitik/4607236/BosnienConnection\\_AlQaidas-Netzwerk-in-Osterreich](http://diepresse.com/home/politik/aussenpolitik/4607236/BosnienConnection_AlQaidas-Netzwerk-in-Osterreich)

<sup>167</sup> Austro-Jihadisten kassierten Sozialhilfe, <http://www.oe24.at/oesterreich/chronik/Austro-Jihadisten-kassierten-Sozialhilfe/167065672>

<sup>168</sup> "Ebu Tejma": Schieß - und Kampftraining, <http://wien.orf.at/news/stories/2683920/>

<sup>169</sup> A. Wetz, *op. cit.*

<sup>170</sup> "Ebu Tejma": Schieß - und Kampftraining, *op. cit.*

internal security from Central European countries with those in BiH is, and how important international counter-terrorist measures are.

## **Conclusions**

The nations of the Western Balkans have in the past proven their vulnerability towards intolerance and they have maintained this feature. In addition, there are the poor political and economic situation in the countries and the stagnation especially in the case of BiH with very little focus on fighting corruption, organised crime and radicalisation and these pose a significant danger to the wider region including Central and Eastern Europe. Without the improvement of socio-economic conditions in post war countries such as BiH, the perspectives for peace and stability will be low and the frustration among people will be high and these are the sources of various internal and transnational security threats.

The internal security of BiH is mainly challenged by corruption, organised crime and the different types of extremism especially radical Islamism and terrorism. There are several reasons why BiH is prone to further radicalisation and the growth of extremism. The first is the already mentioned bad socio-economic situation and subsequent unemployment especially among vulnerable youth that see no perspectives in the country. Another reason is believed to be the close links which extremists have with organised crime to finance their activities and infiltrate higher politics. However, it has also been shown that Bosnian law enforcement agencies can point to some success and this gives hope for the future. Finally, the EU and its member states – especially those in Central Europe – should more effectively support internal security in BiH. In the long run it will be a valuable contribution to its own security.

## LESSONS FROM THE ARMY AND POLICE REFORMS

How could the Czech Republic, Slovakia, Poland, and Hungary, the members of the Visegrad Group (V4), help in the process of Bosnia and Herzegovina's European integration? In this paper I would like to discuss this contemporary issue via reflection upon the history of the post-Dayton institutional development in Bosnia and Herzegovina (BiH). In particular, I would like to draw some lessons from the past, when international actors have made to reform the army and police sectors in this country. Therefore the historical events and processes linked with the army and police sector reforms in Bosnia and Herzegovina will be presented and then the lessons we have learned from this will be applied to current integration initiatives.

### 1. The Success of the Reform of the Army

In the first years after the Dayton Peace Agreement (DPA) entered into force there formally existed two armies in Bosnia and Herzegovina, one in each entity – the Federation of BiH (FBiH) and Republika Srpska (RS). However, the Army of the FBiH was composed of two elements based on the war-time Army of the Republic of Bosnia and Herzegovina and the Croatian Defence Council (HVO). From the side of the international actors the divisions between the different military elements were increasingly represented as an obstacle that had to be overcome to unblock the socio-economic and political development of the country.<sup>171</sup> In July 2001 NATO formally offered Bosnia and Herzegovina to participate in the Partnership for Peace programme, but this made conditional on the creation of an army that is with democratic oversight and administered at the state level.<sup>172</sup>

<sup>171</sup> See e.g. H.Vetschera, M. Damian, Security Sector Reform in Bosnia and Herzegovina: The Role of the International Community. *International Peacekeeping*, Vol. 13, No. 1, p. 29; See also US boost for Bosnia-Herzegovina's joint military committee, Bosnian Institute 2001, [http://www.bosnia.org.uk/news/news/070800\\_1.cfm](http://www.bosnia.org.uk/news/news/070800_1.cfm)

<sup>172</sup> Statements by the Right Honourable Lord George Robertson – NATO; Ambassador Wolfgang Petritsch – OHR and Lieutenant General Michael Dodson – Commander SFOR, Transcript: Joint Press Conference 13 July 2001, <http://www.nato.int/sfor/trans/2001/to10713a.htm>

Since the end of 2001 the Office of the High Representative (OHR), NATO's Stabilisation Force (SFOR) and the OSCE engaged with local political actors and tried to get them on board for this reform. From the beginning this project had been supported by representatives of Bosniak and Croat political parties. Representatives of the Serb parties based in Republika Srpska had also been involved, but at the beginning they rejected the proposed changes as unconstitutional.<sup>173</sup> However, they subsequently changed their attitude on this question. This change is commonly interpreted as a consequence of the ORAO affair,<sup>174</sup> in which the military and political establishment from RS was caught red-handed directly violating the UN embargo on selling arms to Iraq.<sup>175</sup> It was also seen to be a consequence of the illegal wiretapping scandal which uncovered the fact that representatives of the RS army had been wiretapping many representatives of the public, civilian and an international sector.<sup>176</sup> Following these scandals a member of the BiH Presidency elected from RS, Mirko Šarović, resigned and the overall position of the representatives of Republika Srpska weakened substantially.

After the basic political agreement was secured the international representatives continued with the engagement on the issue of the common army and defence. Based on the work of the Defence Reform Commission the Parliamentary Assembly of BiH adopted the Defence Law of BiH on 1 December 2003. The outcome was that supreme authority over two different armed forces was entrusted to the BiH Presidency, where decisions are adopted by consensus, and within the administrative chain of command the entities still retained their own defence ministries for primarily administrative purposes (manning, training and equipping). At this stage of the reform Bosnia and Herzegovina received a third Defence Ministry on the state level and its armed forces remained divided into two armies and three ethno-national components.

By the end of 2004 it had become clear that attempts to exercise authority and coordination at the state level were meeting considerable institutional

<sup>173</sup> H.Vetschera, M. Damian, *op. cit.*, p. 32.

<sup>174</sup> The Orao Aviation Institute in the Bosnian Serb entity Republika Srpska, RS, was found to have collaborated with the Yugoslav state company Yugoimport to supply the Iraqi regime with parts for its MiG-21 aircraft in defiance of a UN embargo; G.Katana, Bosnia: Ashdown Warning Over Orao Affair, <https://iwpr.net/global-voices/bosnia-ashdown-warning-over-orao-affair>

<sup>175</sup> H.Vetschera, M. Damian, *op. cit.*, pp. 32-33.

<sup>176</sup> From Peacekeeping to Partnership – Part II: Reforming the Military, <http://www.natolib-guides.info/balkans/videos>

resistance<sup>177</sup> and that the goal of attaining effective compatibility and interoperability with NATO forces was still far from being realised.<sup>178</sup> However, seen from the perspective of NATO, the major problem turned out to be the issue of non-cooperation with the International Crime Tribunal for former Yugoslavia (ICTY) and the Mladić affair. Against this backdrop on 31 December 2004 the High Representative Paddy Ashdown established a new Defence Reform Commission which was mandated to propose changes to consolidate the two chains of command under full state-level control, to transfer remaining entity defence competencies to the state, and to close entity defence institutions. This initiative encountered considerable resistance from the representatives of Republika Srpska, who represented it as contradicting the constitutional order.<sup>179</sup> However, in the end the Defence Reform Commission, including representatives of all three constituent peoples, on 20 July 2005 endorsed far reaching changes, which led to the BiH Parliamentary Assembly adopting a new defence law in October 2005. The result was a complete merger of entity armies and ministries into a single professional military force and Ministry of Defence effective since 1 January 2006.

The institutional form of the integration of the defence sector is of some interest to the purpose of this paper. The main bulk of the army was reorganised in three multi-ethnic infantry brigades. Each of these brigades consists of three mono-ethnic battalions, one Bosniak, one Serb, and one Croat. The brigade headquarters were set to be in Banja Luka, Tuzla, and Mostar/Čapljina, which can be understood as belonging to the homelands of three different constitutive nations of Bosnia and Herzegovina. Also the representative and decision-making positions are occupied by the representatives of the three constituent peoples, so that, for example, the positions at the Ministry of Defence are accorded to a certain group in advance. At the operational level the constituent peoples and others are represented in the army based on a specific pre-agreed proportional ratio.

The outcome of this is that the defence sector in Bosnia and Herzegovina is now one whole operating as a state level army. This nevertheless consists of three main nationally defined elements whose cooperation at the state level is heavily regulated. This formula of three nations in one army, however, did not

<sup>177</sup> AFBiH: A Single Military Force for the 21st Century. Defence Reform Commission 2005 Report, Sarajevo 2005, p. 2.

<sup>178</sup> *Ibidem*, p. 14.

<sup>179</sup> Reforma odbrane u BiH, izazvala negativne reakcije u Republici Srpskoj, <http://ba.voanews.com/content/a-29-a-2005-01-05-10-1-85910767/669971.html>

stop this army developing compatibility and interoperability with the NATO. Soldiers from the Armed Forces of Bosnia and Herzegovina successfully participated in the international peace support operations, for example in Iraq, Afghanistan, Congo, Ethiopia, Eritrea, and Georgia.

## **2. The Failure of the Police Reform**

The DPA created conditions for a policing system with no policing competency anchored institutionally at the state level, except for ‘international and inter-entity criminal law enforcement, including relations with Interpol’. The main thrust of responsibility for policing was left in the hands of the entities and, in the case of the FBiH, in the hands of its 10 cantons. In 1999 it was acknowledged in arbitration that Brčko District should have a special status that gave it entity-like policing competences. This raised the number of relevant levels of policing in Bosnia and Herzegovina to 14. After pursuing the reforms of the internal organisation in the entity, canton, and district police agencies, and after establishing specialised policing institutions at the state level (such as the State Border Service and the State Information and Protection Agency – SIPA), representatives of the International Community began drawing attention to the ‘structural’ weaknesses of the police system in BiH.

In early 2003 the European Union Police Mission (EUPM) began to examine possible police restructuring initiatives and in 2004 a Financial, Organisational and Administrative Assessment of the BiH police forces (FOAA) was published.<sup>180</sup> The document was politically supervised by a steering committee composed of the Minister of Security at the state level, representatives of all 12 Ministries of Interior, the Mayor of Brčko and representatives of the international community, and it outlined three different organisational models of the future organisational framework in BiH and analysed their implications. The suggested possible models were:

- The creation of one single national police force with 5 to 7 regions.
- The creation of a two entity police system with 5 regions in FBiH and 2-3 regions in RS (including the Brčko District), with the SIPA and SBP plus several additional competencies at the state level.

<sup>180</sup> Financial, organisational and administrative assessment of the BiH police forces and the state border service: Final Assessment Report, CMPD and TC Team Consult, Sarajevo 2004.

- The integration of the existing policing structures through the stimulation of collaboration among its components and the development of some essential common support and coordination competences at the state level.<sup>181</sup>

The assessment devoted most attention to the third option and it made explicit arguments concerning its functional compatibility with the wider organisational, administrative, and political environment in BiH.

Shortly after the publication of the FOAA, on 2 July 2004 the OHR issued a formal decision to set up the Police Restructuring Commission (PRC) with a mandate to propose ‘a single structure of policing for Bosnia and Herzegovina’.<sup>182</sup> At the first three meetings the work of the PRC focused mainly on the merits of the FOAA study, which the PRC associates also discussed with Dr Bernhard Prestel, one of the authors of the study.<sup>183</sup> At the fourth meeting on 13 October 2004 the Chairman, Wilfried Martens presented the Concept Paper on the BiH police restructuring based on a single structure model of policing. Since this meeting of the PRC this model has met with continuous opposition from representatives of RS sitting in the PRC. On the 31 December 2004 the Chairman of the PRC submitted the Final Report on the work of the PRC adhering closely to the mandate given by the HR. The Chair noted that *political restrictions placed by the Republika Srpska National Assembly on PRC participants from Republika Srpska prevented the full endorsement of the main recommendations. [...] Therefore, I am submitting the Final Report in my role as Chair.*<sup>184</sup>

The PRC report proposed a single structure model of policing with central-state and regional administrative levels. At the regional level the police would operate in regions that would be determined by technical criteria and that would cut across the existing borders of the entities and cantons. The political and administrative structures of the entities and cantons were completely avoided.

The response of the representatives of RS to the PRC report was unanimously dismissive. They presented the weakening of the entities as unacceptable and accused Ashdown of autocratic behaviour and of attempting to abolish RS. The

<sup>181</sup> *Ibidem*, pp. 118-121.

<sup>182</sup> Decision Establishing the Police Restructuring Commission, Office of the High Representative, Sarajevo, 5 July 2004.

<sup>183</sup> Final Report on the Work of the Police Restructuring Commission of Bosnia and Herzegovina, <http://www.ohr.int/ohr-dept/presso/pressr/doc/final-prc-report-7febo5.pdf>, pp. 234-237.

<sup>184</sup> *Ibidem*, p. iv.

defiance of the representatives of Republika Srpska received strong support not only from all Serb political parties and the RS National Assembly, but also from the the Serbia and Montenegro, the Orthodox Church, and Russia. This started off a long – drawn-out confrontation between the international representatives, including the representatives of the European Commission, and the representatives of Republika Srpska.

Even though the introduction of the police reform was a condition of signing the Stabilisation and Association Agreement (SAA) between BiH and the European Union, the confrontation lasted till April 2008, when the Parliament of BiH adopted the Laws on the Directorate for Coordination of Police Bodies as well as on Agencies for the support of the police structure of BiH. From the side of international representatives this outcome was a face-saving compromise that did not lead to the creation of a single structure of policing and policing regions based on technical criteria, but only towards establishment of some new specialized institutions at the state level. This limited achievement was considered by the European Union as sufficient to meet the conditions set for the initiation of the Stabilisation and Association Agreement.

It is important to note here that it seems that the principal reason for the failure of the police reform was that the international representatives failed to integrate the salient political and social forces into the reform, but instead attempted to avoid them and re-establish the boundaries of policing, and thereby power, in Bosnia and Herzegovina anew. This led to fierce resistance from the representatives of RS, who were successful in representing such a reform to their voters as a covert way to abolish RS. This led to the formation of a strong, radical and (in 2006) democratically mandated opposition in Republika Srpska.

### **3. Lessons for the Current Integration Initiatives**

Whether or not the reform process, and the new institutional design involved in it, succeeded in meaningfully involving and integrating the different salient political and social elements and forces existing in the area under consideration into one functional whole were the decisive factor for the success of the reform of the army and for the failure of the police reform. The two cases developed above are indicative of this. When the local social and political forces, that have vested interests in the area of government under consideration, are not meaningfully involved in the reform process, they are able to spoil and block the reform-integration process, as happened with the reform of the police sector. In this perspective a basic practical question needs to be asked and

addressed if we are to think seriously about new institutional arrangements in BiH: who or what are the salient functional-political-social units that need to be integrated in the new institutional arrangement in question? The answer to this question is of utmost importance, especially with respect to the issue of the common EU coordination mechanism that seems to be the next hurdle BiH needs to take on.

Currently, European integration is a highly publicised and politicised issue in Bosnia and Herzegovina. The little the EU has done since the double elections in 2014, which took place in May in the EU and in October in Bosnia and Herzegovina, has brought important results that generate important questions and also responsibility for the actors located inside the EU. The November 2014 British-German initiative led to the EU Foreign Affairs Council December 2014 Conclusions that invoked the overall objective *to establish functionality and efficiency at all levels of government and allow Bosnia and Herzegovina to prepare itself for future EU membership* and invited HR Mogherini and Commissioner Hahn to continue *engaging with the BiH leadership to secure at the earliest its irrevocable written commitment to undertake reforms in the framework of the EU accession process.*<sup>185</sup>

The written commitment was set as a condition for the EU to unblock the SAA between the EU and Bosnia and Herzegovina. But the council was very specific and demanded that the written commitment should *contain a commitment to work out in consultation with the EU an initial agenda for reforms, in line with the EU acquis [and asserted that] [t]his agenda should include first and foremost reforms under the Copenhagen criteria (socio-economic reforms including the ‘Compact for Growth and Jobs’, rule of law, good governance) and also agreed functionality issues (including the EU coordination mechanism).* Finally, the council also concluded that *[w]hen requesting the Commission’s Opinion on the membership application, the Council will ask the Commission to pay particular attention to the implementation of the Sejdic-Finci ruling.*<sup>186</sup>

The palpable effect of this European move is that the BiH tripartite Presidency adopted the Written Commitment on 29 January 2015, which was then signed by the leaders of the major political parties and then endorsed by the Parliamentary Assembly of BiH on 23 February 2015. In response, the EU Council

<sup>185</sup> Council conclusions on Bosnia and Herzegovina, Foreign Affairs Council meeting, Brussels, 15 December 2014, [https://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/EN/foraff/146293.pdf](https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/146293.pdf)

<sup>186</sup> *Ibidem.*

decided to activate the SAA which entered into force on 1 June 2015. In Bosnia and Herzegovina at the end of July, in turn, the political representatives adopted the Reform Agenda for BiH for the period 2015-2018. The Reform Agenda addressed the areas of: public finance, taxation, and fiscal sustainability; the business environment and competitiveness; the labour market; social benefits and pensions; the rule of law and good governance; and public administration. The Reform Agenda did not, however, address the EU coordination mechanism, even though the council demanded it in its conclusions. The main reason for this is the fact that the areas that were included in the Reform Agenda could be plausibly dealt with through the institutional arrangements established in the different units of government while in this case the EU coordination mechanism would have to establish a new institutional arrangement that would be likely to influence and alter the power-relations between the different units.

If we view the Written Commitment and the Reform Agenda<sup>187</sup> as two crucial documents formulating the new common position of Bosnia and Herzegovina on the issue of European integration then we can see that in these documents the voice of BiH is composed of a total of 14 elements of government: the state, two entities, ten cantons, and the Brčko District. Thus, in answer to the question on who or what are the salient functional-political-social units that need to be integrated in the new institutional arrangement, it seems that in the case of the EU coordination mechanism it is all the 14 elements of government that are signed under the Written Commitment and the Reform Agenda that are the salient units that would need to be integrated into one whole. The main purpose of this 'whole' would be to communicate with the EU institutions on the everyday matters of European integration.

In BiH there is presently an intense discussion on how the EU coordination mechanism should be designed. The representative of RS in the BiH Presidency and currently Chair of the BiH Presidency, Mladen Ivanić suggested in August 2015 that the mechanism should be simplified so that one canton could not hamper decision-making concerning BiH as a whole. Ivanić suggested that where there is no consensus the final decision should be taken by the Chair of the BiH Council of Ministers alongside the two co-chairs from the other constitutive nations, or it should be taken by the Presidency of BiH. This proposal was rejected both by the other representatives of the RS, Željka Cvijanović and Milorad Dodik from the Alliance of Independent Social Democrats (SNSD),

<sup>187</sup> Reformska agenda za Bosnu i Hercegovinu za period 2015-2018. godina, <http://www.fbihvlada.gov.ba/pdf/Reformska%20agenda%20.pdf>

which holds power in RS, and also by Dragan Čović, the Croat member of the BiH Presidency from the HDZ BiH party. The representatives from SNSD argued that the institutions of the state could not be the last arbiter, and Čović argued that all levels of government need to be included in the mechanism.<sup>188</sup> But whereas the political debate in BiH seems to centre around the questions of decision-making, the last arbiter, and the position of cantons, then the other question is also how practical activities, for example the gathering of information from the different and highly autonomous levels of government, will be dealt with on a daily basis.

This short reflection upon the current political situation in Bosnia and Herzegovina suggests that the Reform Agenda is, for some time, the most the local politicians could meaningfully agree on and try to implement in this electoral term. The opportunity for reaching new institutional arrangements could possibly occur in autumn 2018, when the next general elections are scheduled. This, however, does not mean that the external actors, such as the EU institutions or V4, could not meaningfully intervene to facilitate European integration of Bosnia and Herzegovina.

First of all the focus should be put on the development of the long-term policy for BiH's European integration, which should be based on a realistic evaluation of the current political situation in the country, meaning that the Reform Agenda constitutes the basic horizon of our possible activities in the medium-term perspective. The Reform Agenda should also be utilised to expand the scope of EU-V4-Bosnia and Herzegovina relations. Intergovernmental activities and development assistance should be subordinated to the priority areas identified in the Reform Agenda: public finance, taxation, and fiscal sustainability, the business environment and competitiveness, the labour market, social benefits and pensions, the rule of law and good governance and public administration. This would enhance the drive for reform in this area and help local authorities to implement them.

<sup>188</sup> Ivanić bošnjačkim strankama preko mehanizma koordinacije otplaćuje dug, <http://dnevnik.ba/vijesti/bih/ivani%C4%87-bo%C5%A1nja%C4%8Dkim-strankama-preko-mehanizma-koordinacije-otpla%C4%87uje-dug>.



PART II  
**INTERNATIONAL  
ENVIRONMENT**



## **BOSNIA AND HERZEGOVINA IN A WIDER NEIGHBOURHOOD - MORE PLAYERS IN THE GAME**

Bosnia and Herzegovina (BiH) found itself in the spotlight in 2014, when massive protests against the governing elite erupted across the country underlining the popular discontent with the socio-economic situation. Additionally, the tension over Ukraine between the West and Russia led to the latter becoming more actively engaged of in BiH, supporting the separatist tendencies in the country. This means the EU must be more actively engaged there, but it is weighed down with its internal problems and has paid little attention to BiH steeped in a prolonged conflict of political elites focused on fanning the flames of ethnic tensions. Finally in December 2015 European politicians announced a new approach, which is aimed at accelerating reform in the country and the process of BiH's EU integration. Its chances of success are rather limited not only due to vague content of the initiative. In the meantime the EU has lost its appeal and influence in BiH and the more active engagement of regional actors like Serbia, Croatia and Turkey and global powers (Russia, China), which have objectives contradictory to the EU's make the stabilisation and transformation of Bosnia more difficult.

### **1. How the EU lost a decade**

Since at least the year 2000 with the USA gradually withdrawing from the region, the EU and its members have attempted to use the leverage of the EU's enlargement policy toolbox to induce Bosnia's political elites to implement reforms. At the beginning of 2006 BiH seemed to be on the right track for stabilisation and EU membership. Negotiations on the Stabilisation and Association Agreement (SAA) with the EU had just started and progressed more quickly than anyone had expected. However, since the autumn of 2003 EU negotiators and the Office of the High Representative (OHR) were pushing for the unification of police structures in BiH. Since no progress in this area had been achieved in 2005 the EU set three mandatory principles of the police reform and compliance was made the main prerequisite for the signature of the

SAA.<sup>189</sup> This approach significantly influenced the process of Bosnia's EU accession. Only in April 2008, when the EU almost completely withdrew from its initial requirements, did the local elite agree to two minor reform laws<sup>190</sup> but the EU's main objective of – the creation of an integrated police – has still not been fulfilled; the SAA was signed regardless.

The history of police reform is important in many dimensions. By focusing on this condition first of all, the conditions set by the EU started to be seen as arbitrary. Each EU member structures its police force differently and this requirement was not based on *acquis communautaire*. The process of introducing rules and norms of EU became chaotic since there were no other priorities. Secondly, due to linking the centralisation of the Bosnian police and European integration, the Serb political elite started to perceive the EU integration process as a tool for strengthening the central institutions of the state, which they strongly oppose. Thirdly, abandoning the condition when the local elites were unable to reach a compromise showed that the EU is not solid in its position<sup>191</sup> and a wait-and-see strategy combined with playing on intra-EU differences is more beneficial than concession and compromise. Fourthly, it showed that the reforms demanded by the EU have no influence on ordinary people's lives and so social support and pressure for fulfilling the condition was minimal despite the fact that over 70% of citizens support EU membership. The process itself was opaque, so society has no tools to assess which politicians were responsible for the failures and successes. Furthermore, informal negotiation with political party leaders instead of formal state institutions undermined the credibility of the very institution the EU wanted to strengthen.

These trends have been reinforced during the debate about constitutional reform and introducing the Sejdić – Finci ruling of the European Court of Human Rights,<sup>192</sup> which was ongoing from 2010 to 2014 and brought no effect despite hundreds of meetings in various formats with German Chancellor Angela Mer-

<sup>189</sup> W. Stanisławski, M. Szpala, *Bosnia's chaos*, Warszawa 2008, p. 105.

<sup>190</sup> B. Marijan, D. Guzina, *The Politics of the "Unfinished Business": Bosnian Police Reform*, <https://www.cigionline.org/publications/politics-of-unfinished-business-bosnian-police-reform>, p. 6.

<sup>191</sup> Partly because the EU and its members lack a common vision of what they want to achieve by setting their condition.

<sup>192</sup> In 2009 the ECHR decided that BiH's constitution and electoral law violates the EU human rights law since it prohibits minorities or individuals who do not identify themselves as Bosniak, Croat or Serb from running for the country's presidency and other offices.

kel and EU Enlargement Commissioner Štefan Füle<sup>193</sup> among others. Although the implementation of the judgment of the ECHR was the requirement for the SAA to enter into force<sup>194</sup> in 2014 via the introduction of a new initiative towards Bosnia and Herzegovina, this condition was also abandoned.<sup>195</sup> As in the case of police reform, the EU decided to devote a whole mandate of parliament to pushing for the reform which, if implemented, would not bring significant improvement for Bosnian society.<sup>196</sup>

So with no significant achievements in the reform process since 2006, the situation in BiH has deteriorated. In the meantime Russia, Turkey and China have used the EU's inaction to strengthen its position in Bosnia. Also BiH's immediate neighbours – Serbia and Croatia – encouraged by Western politicians started to lead more active policies towards Bosnia. Some EU countries hoped that they could help to stabilise the country<sup>197</sup> by influencing the Croat and Serb leaders and that due to these two countries EU aspirations, their policies towards BiH would be more constructive. But although starting from 2000 both countries have significantly changed their policy,<sup>198</sup> they still focus on the protection of the interest of their respective minorities at the expense of the functionality of the country.

## 2. Focus on the Croat Question

Croatia likes to present itself as a neutral mediator regarding BiH, but is rather a strong supporter of the point of view of BiH's Croats on the internal situation in the country. Croatia's politicians are vocal supporters of Bosnia

<sup>193</sup> A detailed chronology of the negotiation can be found here: Not for lack of trying. Chronology of efforts to solve the Sejdic-Finci conundrum, [www.esiweb.org/pdf/ESI%20-%20Sejdic%20Finci%20chronology%20-%20Not%20for%20lack%20of%20trying.pdf](http://www.esiweb.org/pdf/ESI%20-%20Sejdic%20Finci%20chronology%20-%20Not%20for%20lack%20of%20trying.pdf)

<sup>194</sup> Bosnia-Herzegovina – EU: Deep disappointment on Sejdić-Finci implementation, [http://europa.eu/rapid/press-release\\_MEMO-14-117\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-117_en.htm)

<sup>195</sup> E. M. Jukic, UK, Germany Launch Joint Initiative on Bosnia, <http://www.balkaninsight.com/en/article/uk-germany-propose-bosnia-s-renewed-eu-perspective>

<sup>196</sup> See at F. Bieber, Why constitutional reform will not solve the Bosnian blockade, <http://florebianbieber.org/2014/07/28/why-constitutional-reform-will-not-solve-the-bosnian-blockade/>, Lost in the Bosnian labyrinth. Why the Sejdic-Finci case should not block an EU application, [http://www.esiweb.org/index.php?lang=en&id=156&document\\_ID=143](http://www.esiweb.org/index.php?lang=en&id=156&document_ID=143)

<sup>197</sup> K. Bassuener, B. Weber, Croatian and Serbian policy in Bosnia – Herzegovina. Help or hindrance?, [democratizationpolicy.org/uimages/pdf/dpc\\_neighbors\\_study\\_final.pdf](http://democratizationpolicy.org/uimages/pdf/dpc_neighbors_study_final.pdf), p. I.

<sup>198</sup> In the 90s the authoritarian regimes of Slobodan Milošević and Franjo Tuđman had actively supported the separatist aspiration of Serbs and Croats in BiH through financial, political and military means. W. Stanisławski, M. Szpala, *op. cit.*, p. 143.

territorial integrity, its membership in the EU and the reform of the constitutional system of BiH and critics of the ethnopolitical game of the country's elites. They also are aware that the stability of Bosnia is in the vital interest of Zagreb due to their long common border.<sup>199</sup> On the other hand, though, Zagreb still perceive the non-representation of Croats' interests as the main problem in BiH and in consequence continue to push for the creation of a third entity as a best solution to the permanent crisis in the country even if it brings no change to the functionality of the state or makes it even worse.<sup>200</sup> Moreover, after becoming an EU member in 2013, Croatia also started to use its position as an EU member to impose its own solutions to bilateral problems with Bosnia.

The importance of BiH in Croatia has diminished in the past years. Croatia's society is less interested in the situation in BiH and the influence of Bosnia's Croats on Croatian politics decreased due to changes in the electoral law in 2010.<sup>201</sup> Both Croatia presidents – Stipe Mesić and Ivo Josipović took significant steps towards reconciliation between both nations.<sup>202</sup> But these processes have not changed the objectives policy which the main parties have towards BiH. Both right-wing HDZ and left-wing SDP promote the idea of a third entity and in case of some tension in BiH they have conducted unofficial consultation with the Croats' leader to strengthen their position, bypassing state authorities in Sarajevo. When an SDP-led coalition took the power in 2011 the first initiative towards BiH of the new Foreign Minister Vesna Pusić was federalisation of the country. Bosnia was to be divided into five entities and the Croats would get one.<sup>203</sup> Wide support for the Croat entity is especially seen in the European Parliament, where all the Croatian MPs from different political backgrounds support the idea. What is most important, other problems of BiH are ignored.

<sup>199</sup> Over 1000 kilometres.

<sup>200</sup> It was perfectly seen in the speeches of the representatives of Croatia at a conference organised by the European Parliament in Brussels „European future of Bosnia and Herzegovina – 20 years after Dayton-Paris Peace Agreement” in December 2015 <https://youtu.be/eE3L-1BXfpXs>

<sup>201</sup> The Amendments to the Croatian Parliamentary election reduced the number of polling station in BiH and the Parliamentary representation of the diaspora to three members.

<sup>202</sup> See at M.Szpala, Croatian president has initiated new policy towards Balkans, <http://www.euractiv.com/enlargement/president-croatia-has-initiated-new-policy-towards-balkans-analysis-494054>

<sup>203</sup> Vesna Pusić's next initiative in April 2014 was aimed at unblocking the country's EU integration process, but failed to garner enough support. It did, though, become the basis of the German – British initiative for BiH introduced in December 2014.

Relations between BiH and Croatia are also overshadowed by bilateral problems, which are a legacy of a common state like the demarcation of the common border and the division of Yugoslav property. Due to Croatia's EU membership, new disputes were added regarding connection between the Dubrovnik pene-enclaves and the Croatia mainland, which are separated by the Bosnian part of the coast (Neum corridor) and renegotiations of the SAA between EU and BiH. To solve the first problem Croatia wants to build a so called Pelješac bridge, which BiH opposes, claiming that it prevents the flow into Bosnia's only harbour in Neum. As for the latter Zagreb wants to update the SAA between the EU and Bosnia in order to export all products to BiH without tariffs. The current agreement guarantees Bosnia protection for 15 products, which, due to agricultural subsidies in the EU, cannot compete with those from the EU.<sup>204</sup> Since no compromise was reached in this case, in January 2016 the EU suspended trade preferences for BiH. This action is not only especially harmful for Bosnia's fragile economy. It is undermining the policy of the EU in BiH. The EU just unblocked the SAA to convince Bosnian political elites to carry out the reform. It is also highly probable that in the future Croatia to force BiH to make concessions on contentious issues would block its EU accession.

### **3. We respect Bosnia but love Republika Srpska**

The two main problems in relations between Serbia and BiH are the legacy of war in Bosnia (especially the responsibility of Belgrade for the outbreak of the conflict) and Serbia's special relationship with Republika Srpska, which is inhabited mainly by Serbs.

Serbia takes the view that the war in BiH was an internal conflict<sup>205</sup> in which Belgrade took no part by encouraging the local elites to use force and providing logistical and financial support. In consequence Serbia refutes claims it is responsible for the war crimes committed by Serbian forces. Belgrade focuses on the commemoration of the Serb victims during the war in BiH, which is an attempt to justify and regenerate the crimes committed by Serbian side.<sup>206</sup> Serbia is also pursuing individuals perceived in Bosnia as war heroes, such as

<sup>204</sup> B. Weber, K. Bassuener, *Stuck in Transition? Croatia's Policy Toward Bosnia and Herzegovina*, p. 13.

<sup>205</sup> *Politička kultura protiv evropeizacije*, <http://www.helsinki.org.rs/serbian/doc/izvestaj2014.pdf>, Beograd 2015, p. 451.

<sup>206</sup> *Srebrenica: neželjeno ogledalo Srbije*, *Helsinkiški bilten*, No 117/2015, [www.helsinki.org.rs/serbian/doc/HB-Br117.pdf](http://www.helsinki.org.rs/serbian/doc/HB-Br117.pdf)

Jovan Divjak or Ejup Ganić – defenders of Sarajevo, who were arrested in European countries on arrest warrants issued by Belgrade. This is being done to prove that other sides of the conflict were also perpetrating crimes. Although the previous president Boris Tadić twice visited Srebrenica and in 2010 the parliament adopted a resolution about the crimes committed there these symbolic gesture were not followed by any action for the prosecution of those responsible for them, who are seen in Serbia as heroes and protected as such. Nor have there been any changes in the official narratives about the war. Belgrade's policy strengthens the reluctance felt towards the process of reconciliation among the Serbs in Bosnia. Without accountability for war crimes, cooperation of all nations in a common state will be very difficult.

Under pressure from the EU Serbia ceased to openly support Republika Srpska's separatist ambitions but maintains the special relationship with Banja Luka.<sup>207</sup> The policy of the current president of RS – Milorad Dodik and his party, the Alliance of the Independent Social Democrats (SNSD), who is constantly testing stability of the state and the unity of the international community in efforts to protect its integrity have never been openly criticised by the governments in Belgrade.

Serbia's elite also uses Bosnia in their own political agenda. Vojislav Kostunica's governments (2004-2008) used the Bosnian issue in the negotiation concerning the final status of Kosovo, threatening that the proclamation of independence of the latter will lead to a revision of the borders in Bosnia.<sup>208</sup> The next government led by Democratic Party (2008-2012), whose leader was the president Boris Tadić also practised linking the Kosovo issue with the territorial integrity of Bosnia. Additionally for Democratic Party and president Tadić, the close relationship with Milorad Dodik served as a counterbalance to their pro-European stance to gain support of the more conservative voters. When the Serbian Progress Party (SNS) elite took power in 2012, relations between Banja Luka and Belgrade, due to friendly relation with its political opponents were cold at the beginning, but quickly got back on the right track.

After preliminary election in Serbia in 2014 Aleksandar Vučić, leader of SNS, as the new prime minister inaugurated a new policy towards BiH by choosing

<sup>207</sup> The special relationship between Serbia and RS is based on the Agreement from 2006 and includes a joint annual government meeting. Citizen of RS especially in area of education and health care are treated like Serbia citizens.

<sup>208</sup> W. Stanisławski, M. Szpala, *op. cit.*, p. 146.

Sarajevo as the destination of his first official visit and all three members of the Presidency of BiH have visited Belgrade for the first time.<sup>209</sup> The first joint session of Serbia's and BiH's governments took place in November 2015. The prime minister also visited Srebrenica twice. The rhetoric was positively changed and the diplomatic cooperation between Sarajevo and Belgrade was quite intensive. However the RS elite during the same time have been taking decisive action to undermine the federal institution by calling for the referendum challenging the authority of the state-level judiciary, which is seen as a test before the referendum on the independence of RS. Moreover Dodik at that time participated in all major – state and governing party – events in Serbia, what was seen as a support for its actions. The symbol of Serbia's unconditional approval for Dodik was the celebration of RS Day in Banja Luka in January 2016, which was attended by almost the entire government headed by Prime Minister Vučić.<sup>210</sup> This was despite the fact that the Constitutional Court decided that the date of the RS's holiday is unconstitutional and Dodik recently once again openly questioned the competence of the state court. The another example of a double policy towards BiH of the current SNS government is the case of Vučić taking part in a commemoration ceremony in Srebrenica in 2015. It was important gesture but was preceded by the arrest of Naser Orić – who commanded forces in Srebrenica – on a Serbian warrant and the fierce fighting of Serbia's political elite against the UN resolution on Srebrenica, which called it genocide. President Nikolić even wrote an open letter to Queen Elizabeth II condemning the resolution. This made Vučić's visit highly ambiguous. Furthermore, President Tomislav Nikolić, coming from the same party as Vučić, despite four years in office and several invitations, is yet to pay an official visit to Sarajevo, although he visited Banja Luka as early as 2012.<sup>211</sup> He was also publicly questioning the future of BiH as a common state.<sup>212</sup>

Dodik's repeated actions and Vučić's interventions, which led to the withdrawal of RS elites on the action taken may just be a political game, which enables Milorad Dodik to strengthen his image of defender of Serbs' interests and Aleksandar Vučić to present himself to his Western partners as a politician who is stabilising the political situation in the region and who can control the

<sup>209</sup> Predsedništvo BiH u Beogradu: Tamburaši i šah na Kalemegdanu, <http://rs.n1info.com/a79092/Vesti/Vucic-i-clanovi-Predsednistva-BiH-u-setnji-Beogradom.html>

<sup>210</sup> RS slavi Dan republike: Premijer Srbije Aleksandar Vučić u Banjoj Luci, <http://mojabanjaluka.info/infograda/article/8397>

<sup>211</sup> Tomislav Nikolić u Banjaluci: Doći ću u Sarajevo kada me pozovu, <http://doznajemo.com/2012/12/26/tomislav-nikolic-u-banjaluci-doci-cu-u-sarajevo-kada-me-pozovu/>

<sup>212</sup> Nikolić: Sve više očigledno da BiH ne može da opstane, <http://www.nezavisne.com/novosti/bih/Nikolic-Sve-vise-ocigledno-da-BiH-ne-moze-da-opstane/244046>

unpredictable leader of RS. This kind of game weakens the stability of Bosnia and Herzegovina and diverts attention from the implementation of reforms. Moreover the current government in Serbia also frequently underlines its role as a guarantor of the Dayton Peace Agreement and the territorial integrity of RS. This means the rejection of any constitutional changes or reforms which will diminish the position of the RS government in the BiH system.

#### **4. With a little help from our friend**

In the case of Russia, its activity in BiH appeared to be a proxy conflict with the West in an area which was peripheral from the point of view of both players. But since the Ukrainian crisis the relationship between the two has significantly changed Russia became visibly more active in questioning the Euro-Atlantic perspective of Bosnia-Herzegovina<sup>213</sup> and more vocally supporting the policy of Republika Srpska's separatist tendencies and actions undermining the state institution. Moscow is also strongly rejecting changes in the country's structure set up in the Dayton.<sup>214</sup> From the Russian perspective an unstable Bosnia, which ties up the EU and USA is in its interests. It is also possible that Russia could use its ability to push Bosnia into conflict to exert pressure not only on its Western partners, but also on Serbia. In case of this scenario Belgrade would have to defend Banja Luka, which will rule out its chances for EU membership.

The Russian engagement was welcomed by Serbian politician in BiH. Milorad Dodik was particularly keen to develop a close relationship with Russia, bypassing the mediation of Belgrade. Direct relations with Moscow also strengthen Dodik *vis-à-vis* Belgrade. The crisis in Ukraine was also used by the elites of RS to justify their separatist rhetoric, which stated that the Crimea case is the example RS should follow.<sup>215</sup>

Russia has become increasingly vocal in the PIC SB in its support for Milorad Dodik and his entity government in weakening the central government and

<sup>213</sup> The Russian delegation requested a sentence mentioning „the Euro-Atlantic perspective of Bosnia-Herzegovina” be omitted in the UN resolution about Bosnia, <http://www.rferl.org/content/bosnia-russia-croatia-eu/26697396.html>. The explanation of the Russia stance [http://www.securitycouncilreport.org/monthly-forecast/2015-05/bosnia\\_herzegovina.php](http://www.securitycouncilreport.org/monthly-forecast/2015-05/bosnia_herzegovina.php)

<sup>214</sup> Intervju Ambasadora Rusije u BiH Aleksandra Bocan-Harčenka, *Glasi Srpske*, [http://www.sarajevo.mid.ru/speeches\\_lj\\_10.html](http://www.sarajevo.mid.ru/speeches_lj_10.html)

<sup>215</sup> Dodik: Dešavanja na Krimu primjer za nezavisnost Srpske, <http://www.nezavisne.com/novosti/bih/Dodik-Desavanja-na-Krimu-primjer-za-nezavisnost-Srpske/254423>

functionality of the state.<sup>216</sup> The previous Russian Ambassador in BiH Aleksandar Botsan-Kharchenko tended to defend Dodik by putting the blame for the crisis in BiH on the status of Croats and underlining the fact that the West uses double standards by always accusing Dodik for the crisis in BiH.<sup>217</sup> Botsan-Kharchenko also defended the right of RS to call for a referendum on the BiH's Court and Prosecutor's Office,<sup>218</sup> which was strongly rejected by West. The same stance was repeated by Moscow in the PIC Communiqué adopted in December 2015 when Russia rejected the opinion about the illegality of the RS referendum.<sup>219</sup> Moreover in 2014 Moscow representative for the first time did not vote for the extension of the EUFOR peacekeeping force in Bosnia and the new Russian ambassador suggested that the international supervision of BiH should end.<sup>220</sup> The strong Russian support for RS definitely strengthens the position of the Serbian elite and makes the reform of the country less possible.

Whether the Russia position in RS is strong enough to force the local political elite to take a decision which will destabilise the country remains an open question. Certainly it has been reinforced in recent years due to intensified diplomatic and propaganda activities<sup>221</sup> and investment in the oil industry.<sup>222</sup> Russia is now the fourth biggest investor in Bosnia and Herzegovina with total investment to 2014 reaching 518 million euros. The aim of this investment was not only to enhance the presence of Russian companies in the region but also to strengthen the political power of Republika Srpska in dealings with the central government in Banja Luka and with the international community due

<sup>216</sup> B. Weber, K. Bassuener, The Western Balkans and the Ukraine crisis – a changed game for EU and US policies?, <http://democratizationpolicy.org/uimages/DPC%20Policy%20Paper%20Western%20Balkans%20&%20Ukraine%20crisis.pdf>, p. 5.

<sup>217</sup> Bocan-Harčenko: Problem BiH je položaj Hrvata, a ne Dodik, <http://www.bljesak.info/rubrika/vijesti/clanak/bocanharcenko-problem-bih-je-polozej-hrvata-a-ne-dodik/84052>

<sup>218</sup> Ambassador: Russia against sanctions for RS, [http://www.b92.net/eng/news/region.php?yyyy=2011&mm=05&dd=06&nav\\_id=74188](http://www.b92.net/eng/news/region.php?yyyy=2011&mm=05&dd=06&nav_id=74188)

<sup>219</sup> V. Perry, Highlights and Lowlights: Take your PIC, <http://www.democratizationpolicy.org/highlights-and-lowlights--take-your-pic-take-your-pic>

<sup>220</sup> S. Latal, Russia Sparks Row over International Role in Bosnia, <http://www.balkaninsight.com/en/article/bosnian-official-rebuffs-russian-ambassador-s-proposal-08-10-2015>

<sup>221</sup> B. Weber, K. Bassuener, *op. cit.*

<sup>222</sup> NeftegazInKor, an alleged subsidiary of the Russian state-owned Zarubezhneft bought 79.9% of shares in BiH's only refinery, Bosanski Brod, 75.6% in the lubricant producer Modrica and 70% of fuel retail chain Banja Luka Petrol (78 filling stations) for 121 mln euros. This investment was financed by the Russian state owned bank VTB Bank. In addition to Zarubezhneft's investment, in 2012 NIS, a company from neighbouring Serbia – owned by Russian Gazpromneft, bought a chain of 28 filling station from Austria's OMV which have a market share of 8%. Russia's bank Sberbank also has an interest in Bosnia and Hercegovina's banking sector (7.4%).

to revenues from this transaction.<sup>223</sup> Moreover, this investment gave Russian companies a dominant position on the local oil market and led to a rapid increase in imports of Russian oil to BiH.<sup>224</sup>

For Turkey, having a presence in BiH<sup>225</sup> was a part of the strategy of building a new image of Turkey as an important and active player in the wider region. When Ahmet Davutoğlu took office in 2009 he initiated a new active engagement in BiH underlining the need to cooperate with all ethnic groups.<sup>226</sup> Ankara tried to play the role of a neutral player and conduct policy, which would support the country as a whole. Turkey endeavours to foster dialogue and cooperation in the Balkan region via the framework of the South-East European Cooperation Process (SEECP) and trilateral meetings in the format Serbia-BiH-Turkey and Croatia-BiH-Turkey to solve the bilateral problems between those countries. However, Ankara failed in its aim to gain the same level of influence as the USA and EU in the region. This was mainly due to dynamic changes in Turkey's neighbourhood (the Arab Spring); the ideology behind this engagement and the patronising style stemming from the Turkish sense of superiority which was seen in diplomatic actions.<sup>227</sup> Despite the declaration that intensive cooperation with all the nations and countries in the region is the main goal of Ankara, even Ahmet Davutoğlu in his principal work underlined that cooperation with Muslim communities in the region is Turkey's main priority.<sup>228</sup> Moreover Ankara could not change its image among the Croats and the Serbs of being an ally of the Bosniaks. The deterioration of relations between the EU and Ankara also made Turkey a less desirable partner for Balkan countries still aspiring to EU membership and it weakened the Turkish position in

<sup>223</sup> A. Pivovarenko, *Modern Russia in the Modern Balkans: Soft Power through Investment*, [http://russiancouncil.ru/en/inner/?id\\_4=3744#top-content](http://russiancouncil.ru/en/inner/?id_4=3744#top-content)

<sup>224</sup> While in 2005 Russian imports from Bosnia totalled US\$ 71 million, in 2009 they increased to US\$ 582.9 million and then almost doubled in two years to US\$ 1,101 million.

<sup>225</sup> Since 1990 Turkey has been actively engaged in providing humanitarian assistance, rebuilding and the renovation of Ottoman heritage after the war, and cultural cooperation. The four main institutions conducting such activities in Bosnia are TIKA, Diyanet, Yunus Emre Cultural Centre and the Presidency of Turks Abroad and Kin Communities. For more: A. Vračić, *A Political romance: the relations between Bosnia and Turkey*, <http://www.populari.org/files/docs/427.pdf>

<sup>226</sup> *Ibidem*, p. 23.

<sup>227</sup> S. Ananicz, *Alone in virtue. The "New Turkish" ideology in Turkey's foreign policy*, Warsaw 2015, p. 26; For example, the trilateral meeting Turkey - Serbia - BiH in 2012 was cancelled when the prime minister of Turkey during his visit in Kosovo said that *Kosovo is Turkey and Turkey is Kosovo*.

<sup>228</sup> A. Davutoğlu, *Stratejik Derinlik*, Istanbul 2004, p. 315.

the Balkans. Additionally, Turkey has ceased to be a good example of democratic transformation.

Considering the constant problems in its southern neighbourhood, Turkey is now mainly focusing on close cooperation with the Bosniak political elites, which are primarily based on the personal friendship between the president of Turkey Recep Tayyip Erdoğan and the Bosniak member of the presidency and the leader of the biggest Bosniak party (SDA) – Bakir Izetbegović. Erdoğan is also admirer of Bakir's father – Alija Izetbegović<sup>229</sup> – the first president of BiH. Support for Bosniaks also helps Erdoğan to gain popularity among people of Bosnian origin. It is worth stressing that, in contrast to Russia, Turkey supports the Euro-Atlantic ambitions in the region and the stability of the current borders and does not undermine the EU's and the USA's policy objectives in the region.

The presence of China in the region and BiH is essentially economically focused on energy and transportation. The biggest Chinese investment in Bosnia is the Stanari coal-fired power plant (300 MW), which is being built by Dongfang Electric Corporation and the euros 350 million investment is financed by a loan from China Development Bank. Negotiations on two consecutive power plants (Tuzla, Gacko) are under way. So far the economic impact has not translated into a political one and China is not interfering in the process of stabilising BiH. Nevertheless, as in other regions, the access to the cheap Chinese loans, unburdened with additional conditions concerning democratic and market reform, may make the Bosnian elites less susceptible to the influence and pressure of Brussels in the longer term.

## Perspectives

The local elite in Bosnia and Hercegovina are rather focused on maintaining the *status quo* (which protects their interests) than in EU integration, (which may challenge them). Society has also gradually lost hope that pressure from Brussels can significantly change the country – during the protest in February 2014 there were no flags of the European Union or calls for European engagement. At the same time as soon as protests broke out the leaders of Croatia,

<sup>229</sup> Erdoğan: Alija Izetbegović bio je jedan od najvećih državnika prošlog veka, <http://www.blic.rs/vesti/svet/erdogan-alija-izetbegovic-bio-je-jedan-od-najvecih-drzavnika-proslog-veka/67jqb5p>

Serbia and Turkey reacted to support 'their side'. Aleksandar Vučić immediately met with Milorad Dodik and the leader of the Serbian opposition, Mladen Bosić. Zoran Milanović, Croatia's prime minister, travelled to Mostar, the informal capital of Croats in BiH. Ahmet Davutoğlu, Turkey's Foreign Minister met with the BiH's Presidency, BiH's Minister of Foreign Affairs and the Head of the Islamic Community in Sarajevo. This pattern repeats with every crisis in BiH and foreign engagement usually strengthens the position of all three sides and makes a compromise harder to achieve.

Twenty years after Dayton, Bosnia is not only facing the inability of the West to react on the protracted crisis in this country, but also increasing activity from Russia and China, who are pushing their agendas, most often contrary to the EU's policy aims. Moreover when in the end Germany and the United Kingdom, introduced the new policy for BiH in 2014 they had not even tried to get support for this initiative from countries like Croatia, Serbia or Turkey, which at least declare that they favour the policy of the EU in BiH. In the current circumstances all three states are conducting policy, which makes the introduction of reform in BiH harder. In the case of Croatia there is also a risk that the Macedonian scenario may be repeated, where the policy of the EU as a whole clashes with a completely different policy of one of its members. In other words, Zagreb can block the process of Bosnia's integration with the EU because of its bilateral conflict with Sarajevo. This would jeopardise the EU's efforts to use the enlargement process to force local elites to introduce the reform. In the case of Serbia and Turkey the EU should take advantage of the process of the European integration of both countries to persuade them to pursue a policy in BiH in line with EU strategy. However, is it hard to imagine that the EU (which was unable to reform BiH in more favourable circumstances) will be successful in this new, more complicated environment.

## **‘THIS TIME IS DIFFERENT’ EU POLICY TOWARDS BOSNIA AND HERZEGOVINA: A FAILURE OF THE NEW APPROACH?**

*So that's the package: we, Britain and Germany, will work with Bosnia and Herzegovina on a plan to deliver reform. And once that plan is delivered, we will advocate for Bosnia and Herzegovina with our EU colleagues to ensure Bosnia and Herzegovina's candidacy gets back on track (...) it is about taking a pragmatic and flexible approach to the sequencing of reforms, aligning priorities more closely with the most urgent needs of the country, and being prepared to reward progress where we see it being made. At the same time, we will be prepared to be tougher should political leaders once again allow themselves to get stuck in the mud of ethnic bickering.<sup>230</sup>*

Philip Hammond, UK Foreign Secretary

‘A new strategic approach’ was both the title of the speech and the message sent by Philip Hammond, the UK’s Foreign Secretary, to Bosnian politicians. At that time they were already involved in debates about sharing the spoils of power after the October 2014 elections. More importantly, however, Hammond and his German counterpart Frank-Walter Steinmeier were sending a signal that the EU is willing break the deadlock and turn a new page in its relationship with Bosnia and Herzegovina. A common UK-German letter outlining the ‘new strategic approach’ proposed a new narrative showing the need to focus on the economy before other reforms with the keyword being ‘pragmatism’. An additional push for this initiative was created by the Russian grab of Crimea, which has led many to ‘re-discover’ the Balkans as a potential area of Russian-Western rivalry.<sup>231</sup>

A joint letter, co-written by Hammond and Steinmeier, called on the Bosnian political leaders to sign up to a package (at that time undefined) of economic

<sup>230</sup> P. Hammond, Bosnia and Herzegovina – a new strategic approach, <https://www.gov.uk/government/speeches/bosnia-herzegovina-a-new-strategic-approach>

<sup>231</sup> D. Bechev, Russia in the Balkans: Perceptions and Realities, <http://blogs.lse.ac.uk/lsee/2015/03/19/russia-in-the-balkans-perceptions-and-realities/>

reforms linked with the Compact for Growth and Jobs.<sup>232</sup> In turn, both Hammond and Steinmeier promised to ‘bring the long-delayed Stabilisation and Association Agreement into force so that BiH can benefit from the much needed financial investment that comes with it.’ The Anglo-German initiative was adopted as an EU approach in December 2014. The third crucial part of this ‘new approach’ was the ‘Reform Agenda 2015-18,’ an official document outlining a roadmap of key reforms requested from BiH, *de facto* becoming the package of reforms mentioned by Hammond. The combination of the Compact for Growth and Jobs, the Hammond-Steinmeier initiative and the Reform Agenda were together supposed to break the Bosnian stalemate. Initially it all seemed to work well. Following a written commitment by BiH politicians, in April 2015, the EU’s foreign and European affairs ministers recommended unfreezing the Stabilisation and Association Agreement (SAA).

Only two months later Christian Schwarz-Schilling proclaimed this ‘new strategic approach’ to be effectively dead.<sup>233</sup> This was preceded by the fall of the government of the Federation of Bosnia and Herzegovina (FBiH) and resistance from Republika Srpska’s (RS) president Milorad Dodik. It seemed that the initiative fell victim to domestic Bosnian political dynamics. For the EU however, the initiative remained alive.<sup>234</sup>

To borrow the popular phrase, one might conclude that ‘this time it was supposed to be different.’ This phrase captures and summarises every single financial crisis in the past eight centuries. But, as Carmen M. Reinhart and Kenneth S. Rogoff conclude – it almost never is.<sup>235</sup> A very similar observation can be applied to the history of EU-BiH relations with *déjà vu* being the most common feeling among many Balkan watchers. With the Anglo-German initiative experiencing a reality check when confronted with Bosnian political dynamics, there is hope that a truly ‘new strategic approach’ to Bosnia and Herzegovina can be achieved through the Berlin process.

<sup>232</sup> For more information see at [http://europa.ba/?page\\_id=547](http://europa.ba/?page_id=547)

<sup>233</sup> Njemačko-britanska inicijativa za BiH je propala, <http://www.dw.com/bs/njema%C4%8Dko-britanska-inicijativa-za-bih-je-propala/a-18511957>

<sup>234</sup> Statement of EUD/EUSR on the development of an initial Reform Agenda, <http://europa.ba/?p=32294>

<sup>235</sup> C.M. Reinhart, K.S. Rogoff, *This time is different*, Princeton University Press, 2009, p. XXXV.

## 1. The failure (?) of the Anglo-German initiative

The initial Anglo-German agenda appeared to have a very pragmatic dimension. Instead of pushing for constitutional reforms blocking Bosnia's path to Europe for over 5 years (primarily the Sejdić and Finci case and the 2009 ruling of the European Court of Human Rights), it sought to address the most pressing issue for Bosnian society – the need for economic reform.

The initial letter co-authored by Hammond and Steinmeier was sufficiently vague to be accepted by Bosnian politicians (as they eventually did in February 2015).<sup>236</sup> Its basis was the Compact for Growth and Jobs, which later translated into a more specific 'Reform Agenda 2015-18'. And this proved to be more problematic.

The Compact for Growth and Jobs was originally published in July 2014. It was a product of the Forum for Prosperity and Jobs held in Sarajevo in May 2014 and of subsequent consultations. It has received support from the International Monetary Fund, the World Bank Group, the European Bank for Reconstruction and Development, and the EU and the US Administration.<sup>237</sup> The Compact identified six priority reforms: **(1)** changes in the existing taxes on jobs, **(2)** opening up the labour market by removing the existing barriers, **(3)** improving the business climate (BiH was ranked 131<sup>st</sup> on the World Bank's Doing Business ranking), **(4)** strengthening the private sector by restructuring large state-owned enterprises, **(5)** dealing with corruption (stronger adherence to the rule of law and public administration reform), and **(6)** increasing social protection for the citizens of BiH.

Initially the compact was endorsed by the political elites, but when it came to implementation (the Reform Agenda), obstacles started to appear. The biggest one has not changed since the Dayton Peace Agreement (DPA) itself – the domestic political dynamics in BiH and the inseparability of the economy from politics strengthened by the 2014 elections.

The October 2014 elections have further cemented the political bases of three major nationalist parties: the Party of Democratic action – SDA (Bosniak), the Croatian Democratic Union of BiH – HDZ BiH (Croat) and the Alliance of Independent Social-Democrats – SNSD (Serb). The coalition talks on all levels, from

<sup>236</sup> E. M. Jukić, Bosnian lawmakers unblock path towards EU, <http://www.balkaninsight.com/en/article/bosnian-leaders-unblock-country-s-eu-path>

<sup>237</sup> Compact for Growth and Jobs in Bosnia and Herzegovina, Delegation of the European Union to Bosnia and Herzegovina, <http://europa.ba/?p=17720>

the federal government to the governments in the Federation of Bosnia and Herzegovina and Republika Srpska have yet again exposed the loopholes in the Dayton agreement. Again it turned out that no one is really in the opposition, which was most vividly seen in the case of RS – the dominant SNSD controls the local parliament and local government, but is in opposition on the federal level, where the Serbian Democratic Party – SDS and the Party of Democratic Progress – PDP (themselves in opposition in RS) are parts of the coalition. The elections and their outcomes have only confirmed what Paddy Ashdown called the permanent dysfunctionality of Bosnian institutions.<sup>238</sup>

The new ‘strategic approach’ was met by the ‘old politics’. The focus on economic reforms, although approved in February 2015, was met with fundamental systemic resistance – a system of patronage and business relations based on political power. EU-promoted economic reforms posed a threat to the functioning of BiH’s system of patronage in both FBiH and RS.

### 1.1. Resistance in FBiH

The ‘breath of fresh air’ in FBiH was supposed to come with the electoral success of the Democratic Front – DF, a new political party formed by Željko Komšić, a former member of Bosnia’s state presidency. One of its key electoral promises was to address corruption and promote transparency. The post-election arithmetic in FBiH meant that the only realistic governing coalition was SDA (the biggest winner of the election), HDZ BiH and DF. This agreement fell apart relatively quickly (spring 2015) over DF’s insistence on public transparency.<sup>239</sup> This was something neither SDA (in opposition in the past 4 years, eager to regain its influence and access to public funds), nor HDZ BiH (not interested in losing control over various companies) was willing to agree on.

### 1.2. Defiance in RS

A much bigger (and more direct) blow came from Republika Srpska, where its president – Milorad Dodik refused to accept the ‘Reform Agenda 2015-2018’.<sup>240</sup>

<sup>238</sup> Bosnia and Herzegovina – new international thinking (workshop report), South East European Studies at Oxford, March 2015, p. 17.

<sup>239</sup> DF traži policijsku istragu javnih preduzeća, <http://balkans.aljazeera.net/vijesti/df-trazi-policijsku-istragu-javnih-preduzeca>

<sup>240</sup> Reformska agenda za Bosnu i Hercegovinu za period 2015-2018. godina, <http://www.fbihvlada.gov.ba/pdf/Reformska%20agenda%20.pdf>

The agenda was 'intended to respond to the call of the Foreign Affairs Council of December 2014 to develop an initial agenda for reforms in line with EU *acquis*' and it mirrored the priorities set by the Compact for Growth and Jobs, giving them a more specific shape. The document was adopted by the government of FBiH and by the Council of Ministers (Bosnia's state government) but rejected by the government in RS, as it was expected that public companies in the energy sector would be privatised.<sup>241</sup> This was something that would directly hit the SNDS system of patronage and the financial (mis)management of state assets. This decision has led to the last minute cancellation of the visit to Sarajevo by Johannes Hahn, the EU's enlargement commissioner. Eventually the RS government approved the agenda in late July 2015, a decision welcomed by Philip Hammond,<sup>242</sup> Frank-Walter Steinmeier<sup>243</sup> and the EU. Rather unsurprisingly, the privatisation of the energy sector in FBiH or in RS was not directly mentioned in the final document.<sup>244</sup>

The crisis has temporarily been averted; the 'new strategic approach' is (theoretically) still in place; at least until another part of the agenda is questioned by Banja Luka. Nevertheless, the 'new strategic approach' has suffered its first loss with the politico-economical Bosnian system of power. This episode clearly illustrated the inseparability of the political and economic systems in Bosnia-Herzegovina. Both remain strongly interconnected. Political power gives access to state funds and state enterprises, which in turn provides employment opportunities. Taking into consideration the fact that in a country of 3.28 million, 7,748 people have put their names on electoral lists, which as Jesse Hronesova calculated, means that 'almost every second family in Bosnia is somehow linked to a political subject through one of its family members'.<sup>245</sup> This not only shows why certain parties do not lose their popularity but also that the political and the economical are in fact intrinsically linked in BiH.

<sup>241</sup> Reformska agenda pred NS RS? <http://www.nezavisne.com/novosti/bih/Reformska-agenda-pred-NS-RS/310345>

<sup>242</sup> Foreign Secretary welcomes BiH adoption of Reform Agenda, <https://www.gov.uk/government/news/foreign-secretary-welcomes-bih-adoption-of-reform-agenda>

<sup>243</sup> Foreign Minister Steinmeier welcomes adoption of reform agenda in Bosnia and Herzegovina, [http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2015/150728\\_BosnienHerzegowina.html?nn=479796](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Meldungen/2015/150728_BosnienHerzegowina.html?nn=479796)

<sup>244</sup> Reform Agenda for Bosnia and Herzegovina 2015-2018, working translation, Delegation of the European Union to Bosnia and Herzegovina, <http://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>

<sup>245</sup> J. Hronesova, Bosnia - Voting for the devil you know, Balkan Insight, <http://www.balkaninsight.com/en/blog/bosnia-voting-for-the-devil-you-know-1>

Nevertheless, the challenges faced by Bosnia and Herzegovina reach beyond domestic politics.

## 2. Europe – repeating the same old mistakes

One of the bigger obstacles to BiH's progress on the European level is the EU's belief that 'this time is different'. The October 2014 elections and their aftermath, including the process of negotiations over the 'Reform Agenda 2015-2018' has shown that everything is still the same. A new Anglo-German 'strategic approach' quickly started to lose ground to Bosnian political dynamics. There is a trap that the EU will continue with the same approach as in the 1990s, trying to find solutions for the politicians themselves rather than, as a recent SEESOX report suggested,<sup>246</sup> empowering the institutions themselves, thus providing them with the necessary legitimisation. This problem was epitomised by the spat over the call for a referendum by Milorad Dodik in the summer of 2015, which was redolent of 2011. Back then the problem was resolved by the intervention of High Representative of the Union for Foreign Affairs and Security Policy Catherine Ashton. In 2015 Brussels was again addressing the problem, thus undermining BiH's sovereignty and the independence of its institutions, instead of empowering them. As Adis Merdzanovic has pointed out, discussions over internal Bosnian matters, such as the threat of a referendum in Republika Srpska, were again being sponsored by the West and held abroad.<sup>247</sup> This gives Bosnian politicians a great excuse not to take responsibility for any difficult decisions. It also undermines the EU's ambition to strengthen the rule of law in BiH. In previous years the Office of the High Representative (OHR) played the role of the scapegoat. Now Brussels has started to wear the same hat. This only strengthens the perception that the EU's priority is to stabilise no to reform the Western Balkans, which is why the EU might seem eager to prioritise the status quo. As Dimitar Bechev has argued: 'the message Western Balkans politicians hear in Brussels, Berlin or Paris is: sort out your internal mess, demonstrate you are ready, and then come and talk to us'.<sup>248</sup> And if there are delays or complications, the EU always refrains from naming and shaming, as the history of the EU's relationship with a number of Balkan officials have

<sup>246</sup> Bosnia and Herzegovina – new international thinking..., *op. cit.*

<sup>247</sup> A. Merdzanovic, Structured Dialogue in Brussels: the return of 1990s international strategy?, <https://adismerdzanovic.wordpress.com/2015/09/12/structured-dialogue-in-brussels-the-return-of-1990s-international-strategy/>

<sup>248</sup> D. Bechev, The Periphery of the Periphery: The Western Balkans and the Euro Crisis, ECFR Policy Brief, p. 7.

shown, e.g. Nikola Gruevski and the snooping scandal, or Hashim Thaçi and the accusations of corruption and human trafficking. And the vicious circle continues.

### 3. Keys to BiH – managing regional dynamics

The most important keys to Bosnia-Herzegovina lie in Belgrade and in Zagreb. The ethnic, national and historical links are with Croatia and with Serbia, which means Bosnia's progress (or regress) is dependent on the political dynamics in both neighbouring countries. FBiH is directly exposed to an extended election campaign in Croatia, which started from the presidential race in 2014-15, and finished with the November 2015 parliamentary election. This was already seen in the recent ban on exports of Bosnian dairy products to Croatia (late August 2015) which was criticised by the European Commission's Standing Committee on Food and Animal Health.<sup>249</sup> But Croatian President Kolinda Grabar-Kitarović (herself an ex-HDZ politician) has provided a more visible example. During her trip to Sarajevo in September 2015, she stated that she would continue to insist on the equality of all the constituent peoples in Bosnia and Herzegovina.<sup>250</sup> This sent a clear signal of support for HDZ BiH in their pursuit of a third, Croat-dominated, entity within BiH (a key electoral promise of its leader and now member of the Bosnian presidency, Dragan Čović). It clearly undermined the DPA and the current constitutional arrangements in BiH. The relationship between HDZ in Croatia and in BiH is not one of equals, even though a large part of Grabar-Kitarović's electoral success stemmed from Croatian votes in BiH (up to 90% of the Croatian diaspora, primarily living in FBiH, voted for her).<sup>251</sup> Still, Zagreb remains the more influential actor.

A similar game is being played between Banja Luka and Belgrade. It seemed that the close relationship between Milorad Dodik and Boris Tadić, the former Serbian president, would negatively affect the former's contacts with Tadić's successor, Tomislav Nikolić, and with Aleksandar Vučić, the prime minister of Serbia. This however, according to Banja Luka-based experts Ivan Šijaković

<sup>249</sup> Jakovina zahtjeva od EK da riješi problem trgovine Hrvatske i BiH, <http://www.jutarnji.hr/jakovina-zahtjeva-od-ek-da-rijesi-problem-trgovine-hrvatske-i-bih-ne-mogu-se-traziti-nova-prava-i-nova-privilegije-u-odnosu-s-trzistem-eu--a-s-druge-strane-odbijati-obveze-/1413774/>

<sup>250</sup> E. M. Jukić, Bosnian academics honour Croatian president, <http://www.balkaninsight.com/en/article/bosnian-academics-honor-croatian-president-in-sarajevo-09-11-2015>

<sup>251</sup> D. Bechev, 6 key observations after Croatia's presidential elections, <http://blogs.lse.ac.uk/lsee/2015/01/13/6-key-observations-after-croatias-presidential-election/>

and Mladen Mirosavljević has not happened. In an interview for Radio Free Europe,<sup>252</sup> they both agreed that the relationship between Dodik and Vučić is indeed very close, though one should not underestimate Mladen Ivanić, a Serbian member of the state's presidency and a politician of Party of Democratic Progress (PDP), an opposition force at the entity level in RS. Nevertheless, Milorad Dodik is very well aware that his political survival, significantly weakened by his own slim victory over Ognjen Tadić in last year's presidential elections in RS, is dependent on his cooperation with Belgrade. But even weakened, he still remains a very pragmatic politician. RS's economy is less dependent on Belgrade than before, and the biggest investor in RS, the energy company Comsar, is Russian, not Serbian. Aleksandar Vučić, on the other hand, may wish to be seen as less partisan (also, reportedly, he is influenced by Germany<sup>253</sup>), hence his contacts with Mladen Ivanić. In the end, as Ivan Šijaković concludes,<sup>254</sup> no politician in RS could achieve success by criticising the Serbian government. Just as in the case of the relationship between HDZ in Croatia and HDZ in BiH, the relationship between Serbia and RS is not one of equals. Both Zagreb and Belgrade are the more influential partners. And their role in BiH's future should be neither forgotten nor underestimated.

The biggest potential for improvements in BiH lies in regional cooperation. This is where the Berlin process has a chance to inject new hope and a more sustainable strategic approach.

#### **4. Berlin process - focus on regional cooperation**

In an interview posted on her website in June 2014<sup>255</sup> Angela Merkel praised the Belgrade-Pristina dialogue facilitated by the EU, but also reminded everyone of European support for future EU enlargement in South East Europe, underlining three key aspects which have to be tackled there: the rule of law, the development of civil society, and the development of economic transparency. The most important element of her initiative was the recognition of the most important game-changer: regional cooperation.

<sup>252</sup> Da li će Dodik poslušati Vučića i odustati od referenduma, <http://www.slobodnaevropa.org/content/da-li-ce-dodik-poslusati-vcica-i-odustati-od-referenduma/27215978.html>

<sup>253</sup> Angela Merkel će tražiti od Vučića da se distancira od Dodika, <http://www.klix.ba/vijesti/bih/angela-merkel-ce-traziti-od-vucica-da-se-distancira-od-dodika/140827051>

<sup>254</sup> Da li će Dodik poslušati Vučića i odustati od referenduma, *op. cit.*

<sup>255</sup> Klare EU-Perspektive für Balkanstaaten, [http://www.bundeskanzlerin.de/Content/DE/Podcast/2014/2014-06-07-Video-Podcast/links/download-PDF.pdf;jsessionid=00631809DE5BAF5A1E35DA7A401D08BA.s3t2?\\_\\_blob=publicationFile&v=3](http://www.bundeskanzlerin.de/Content/DE/Podcast/2014/2014-06-07-Video-Podcast/links/download-PDF.pdf;jsessionid=00631809DE5BAF5A1E35DA7A401D08BA.s3t2?__blob=publicationFile&v=3)

The conference in Berlin which followed in August 2014 was seen in the Balkans primarily through the economic prisms; as an opportunity to attract German investment and to obtain support for cross-border infrastructure projects.<sup>256</sup> Berlin made sure that the conference had a European dimension – José Manuel Barroso, the president of the European Commission, accompanied Merkel in all of the meetings with the heads of states of all involved parties – Albania, Bosnia, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Slovenia. The ministers for the economy met with the German minister for the economy Sigmar Gabriel, who was accompanied by Günther Oettinger, commissioner for energy. All foreign ministers met Frank-Walter Steinmeier, minister of foreign affairs and Štefan Füle, the enlargement commissioner.

The meeting in Berlin, built on the success of the Serbia-Kosovo dialogue, provided a more comprehensive approach to the Western Balkans, by focusing on the most pressing issue – the economy – but also by trying to keep momentum and to facilitate dialogue in other areas, primarily between heads of states. It has also demonstrated that Germany clearly understands that neither the enlargement process nor any country-specific initiative can be detached from a wider regional approach. It was also a much-needed shot in the arm for the Western Balkan states, which received<sup>257</sup> the announcement by Jean-Claude Juncker not to expect further EU enlargement by 2020 as a blow. The conference's aim was to give fresh impetus to the process of reform by creating a narrative (though not a commitment) that future EU enlargement might be possible after 2020. The conference has led to a number of regional activities. Some of them were initiated prior to the conference itself, e.g. joint infrastructure projects between Bosnia and Herzegovina and Serbia,<sup>258</sup> or modernisation of the Belgrade-Bar railway.<sup>259</sup> Others were initiated already in Berlin, with the most salient one being renewed Belgrade-Tirana dialogue. The meetings between Albania and Serbia's prime ministers in the following months caught the eye of almost all of the European media (not only because of the context of the brawl during a Serbia-Albania football match).<sup>260</sup> The conference has also initiated what was later dubbed the 'Berlin process'

<sup>256</sup> F. Franze, D. Tomovic, Balkan leaders have high hopes of Berlin Summit, <http://www.balkaninsight.com/en/article/berlin-hosts-top-tier-western-balkans-conference>

<sup>257</sup> M. Poznatov, Serbia grudgingly accepts Juncker's enlargement pause, <http://www.euractiv.com/sections/enlargement/serbia-grudgingly-accepts-junckers-enlargement-pause-308481>

<sup>258</sup> Serbia, Bosnia to have joint projects in Berlin, [http://www.b92.net/eng/news/politics.php?yyyy=2014&mm=08&dd=20&nav\\_id=91354](http://www.b92.net/eng/news/politics.php?yyyy=2014&mm=08&dd=20&nav_id=91354)

<sup>259</sup> PM travels to Berlin to attend conference, B92, [http://www.b92.net/eng/news/politics.php?yyyy=2014&mm=08&dd=27&nav\\_id=91417](http://www.b92.net/eng/news/politics.php?yyyy=2014&mm=08&dd=27&nav_id=91417)

<sup>260</sup> N. Ames, S. Ibrulj, Serbia v Albania abandoned after players and fans brawl on pitch, <http://www.theguardian.com/football/2014/oct/14/serbia-albania-euro-2016-flag-halted>

- annual meetings between EU and Western Balkan politicians. A second summit took place in August 2015 in Vienna, and a third and fourth are scheduled to take place in France and Italy. The second conference led to the announcement of more specific projects: a possible motorway linking Niš (Serbia) with Dürres (Albania) passing through Pristina (Kosovo); the announcement that the Belgrade-Sarajevo railway line would be co-funded by the EU. Overall, according to the Austrian Vice Chancellor Reinhold Mitterlehner, 24 different infrastructure projects, worth about 7 billion euros, were confirmed during the conference. There are projections that they could stimulate the 1% of GDP growth in each country, and could possibly lead to the creation of 200,000 new jobs.<sup>261</sup> The Vienna conference has also shown that these summits can facilitate not only economic reforms, but also be a platform for discussions of the most salient topics, such as the refugee crisis in the Balkans.

The Berlin process created a new atmosphere, where regional cooperation was to be promoted. It looked at the overall picture, and any gaps were supposed to be filled by supplementary, specific nation-tailored initiatives (the Hammond - Steinmeier initiative, the Reform Agenda, etc.).

## 5. New hope? - Lessons for the future

However *naïve* it may sound, the Berlin process may well be the biggest hope for genuine change in the Western Balkans. This may be the only way out of the situation where the EU countries ‘pretend that they still want the Western Balkans to join, and that the elites in the region pretend that they are seriously tackling their multiple and chronic economic and political problems’,<sup>262</sup> even despite the hiccups experienced by the Anglo-German initiative.

The offer of a more pragmatic approach presented by Philip Hammond and Frank-Walter Steinmeier seems to be the only viable one. It has to be consistent and cannot get lost in the existing mechanisms of the EU’s approach towards BiH. The mechanism of the European Commission providing tutelage in Brussels whenever there is an internal dispute should be abandoned. If the rule of

<sup>261</sup> I. Jovanovic, Merkel: summit has shown EU commitment to Balkans, <http://www.balkaninsight.com/en/article/western-balkans-to-have-clear-european-future-merkel-says-08-27-2015>

<sup>262</sup> P. van Ham, Gridlock, Corruption and crime in the Western Balkans. Why the EU must acknowledge its limits, <http://www.clingendael.nl/sites/default/files/Gridlock%20Corruption%20and%20Crime%20in%20the%20Western%20Balkans.pdf>

law and the strength of state institutions is in the EU's interest, words should be backed up by actions.

The UK - German proposal had several highly significant elements and these should now be consistently pursued. It has shown that the EU can be flexible in terms of conditionality, which might work to the advantage of BiH. It has also shown it is willing to focus on the most urgent needs (stimulating the economy, creating jobs, strengthening the rule of law, reducing bureaucracy), moving the controversial ones (e.g. constitutional changes) to a later stage.

An innovative SEESOX workshop report on new international thinking on Bosnia and Herzegovina adds a few relatively inexpensive and potentially highly impactful recommendations. The key one involves the international community needing to be ready to name and shame those public figures who are responsible for any backlogs in BiH's EU integration process.<sup>263</sup> Although many might dismiss it as interfering in Bosnian domestic affairs (which Western institutions do regularly anyway), this might be a very practical tool for informing Bosnian society about the realities of BiH's European path.

European Union support cannot be limited only to providing funds - Bosnian politicians may be very eager to accept them, without giving much in return. The same applies to other countries in the region covered by the Berlin process. Ultimately the only way Bosnia's political system can be changed is through public pressure. Bosnia needs a 'constituency for change'.<sup>264</sup> More efficient investments in civil society (e.g. through the Erasmus Plus programme) combined with the pressure for transparency and the naming and shaming of all those who create backlogs might be the cheapest and most effective way of changing Bosnia's political culture. The EU has to stop thinking in terms of 'this time is different'. It is not and will not be. Twenty years of cementing of Bosnia's political system after the Dayton Peace Agreement has made it highly resilient to conventional changes. Supporting institutions, not politicians, and strengthening civil society (especially in terms of requesting transparency and accountability from their elected representatives) may well be the only way to create a 'constituency for change'. In the end it is the Bosnians themselves who should feel the need for change and be willing to join the EU.

<sup>263</sup> Bosnia and Herzegovina - new international..., *op. cit.*, p. 14.

<sup>264</sup> F. de Borja Lasheras, Can Steinmeier and Hammond reset Bosnia?, [http://www.ecfr.eu/article/commentary\\_can\\_steinmeier\\_and\\_hammond\\_reset\\_bosnia371](http://www.ecfr.eu/article/commentary_can_steinmeier_and_hammond_reset_bosnia371)

Bosnia and Herzegovina cannot be 'fixed' without 'fixing' the whole Western Balkans. The Berlin process creates a specific context of regional cooperation, supported by the EU. Belgrade and Zagreb may be only too eager to explore and exploit their influence in BiH (as could be vividly seen in the Croatian presidential and parliamentary campaigns), which makes the EU's role even more important. Getting Belgrade and Zagreb on the same page with Brussels would be bring added value, and this is something the Berlin process should be able to facilitate. The biggest advantage of the Berlin process lies in its flexibility (no one in Berlin a year ago would have thought that discussions in Vienna would focus on cooperation in the face of a refugee crisis in the Balkans). Ultimately, the closer Serbia and the other Western Balkan countries are to the EU, the better for BiH's European path.

## **VISEGRAD COOPERATION ON BOSNIA AND HERZEGOVINA: CHALLENGES AND OPPORTUNITIES**

Whenever the crises and internal problems of the EU diverted attention away from enlargement policy, the Visegrad Group (V4) countries have stressed that this EU policy is the most efficient and effective tool for the transformation of the EU's southern and eastern neighbourhood. The progress in the Balkan countries' EU accession and the support of their European aspirations was among the priorities of the Czech, Hungarian and Polish EU Presidencies. The accession negotiations with Croatia were finalised during the Hungarian Presidency and Zagreb signed an Accession Treaty during the Polish Presidency (2011). The V4 countries have also recognised that the success of Croatia's EU membership will foster the reform implementation and EU integration of other countries in the region. Bosnia and Herzegovina (BiH) – for whose stability the EU has a special responsibility – counts among them. It may be expected that also during the Slovak Presidency of the EU Council in the second half of 2016 the Western Balkans and EU enlargement will be duly considered.

The programs of the V4 Annual Presidency has included cooperation in support of the Western Balkans for years. The common goal of the V4 is to support NATO and the of 'open doors' policy of the EU. The V4 countries encourage countries in the Western Balkans region to intensify their reform efforts and assist them with their experience of the transition period and accession. V4 cooperation on BiH is an element of cooperation between Central European countries in the whole Western Balkans. This in turn is also the result of the role the region plays in the foreign policy of the V4 countries.

To understand the potential of V4 cooperation in the Balkans and particularly in BiH, it is worth briefly looking at the determinants of the national policies of the V4 countries. Hungary borders the region but Slovakia and the Czech Republic also explicitly declare that the area of the Western Balkans is a priority for their foreign policies. The largest of the V4 countries – Poland – does not emphasise the Western Balkan countries on their list of priorities so clearly

but is devoting more and more attention to this region, both in the context of the broader policy issues in the EU and NATO, and also in the bilateral and regional dimension.

## 1. Bosnia and Herzegovina in the policies of the V4 countries

The Western Balkans is an important strategic region of the foreign policy of **Hungary** and, due to its proximity, it is usually associated with greater challenges than is the case with the other V4 countries. Within the region it is not BiH which has the most importance, but Serbia and Croatia. The baggage of historical relations and the problems of national minorities resound in the Hungarian policy towards the region. In the XX century Hungary (as part of the Austro-Hungarian Empire or as an independent country, as well as a NATO member) were in conflict with the Serbs three times: in World War I, World War II, and – indirectly – during the Kosovo crisis in 1999, when it became a NATO member shortly before NATO bombed in Yugoslavia and it made its airspace available to its new allies. Hungary endorsed Slovenia and Croatia when Yugoslavia began to collapse, fearing the emergence of a very strong Serbia with nationalist tendencies. During the fighting in 1991-95 Hungary remained neutral and accepted many refugees from the former Yugoslavia, including Hungarians from Vojvodina. Hungary's contribution to the peacekeeping operation in BiH also included providing the military base and airport in Tazár for US armed forces.

Bosnia and Herzegovina does not share a border with Hungary and there is no significant Hungarian community there. Budapest has thus pursued a policy for this country similar to that for other Central European countries. Nevertheless, in some government documents BiH is named an honorary neighbour to Hungary. The Hungarian government is well aware of the fact that long term stability and steady economic growth in BiH is a prerequisite of enduring stability and growth of whole region. Furthermore, Serbia and Croatia, which are highly involved in Bosnian issues, are the most important Western Balkans states for Hungary.

Under pressure from the United States, Hungary joined the Southeast European Cooperative Initiative (SECI) in 1996, being the only V4 country to do so. Hungarian soldiers have participated in the IFOR operation and in SFOR (mainly engineering troops stationed in Okučani) since 1996 and currently are part of the EUFOR Multinational Battalion.

Bosnia and Herzegovina is the strategic partner of the Hungarian International Development Cooperation. Hungary's main goals in BiH are: keeping the peace

and avoiding armed hostilities (including low scale violence and terrorist actions), increasing political and social stability, supporting economic development, assistance in meeting the criteria of accession to Euro-Atlantic structures, and (re)vitalizing bilateral economic, civil and cultural-academic relations. In order to achieve these goals, Hungary is focused on: motivating and supporting Hungarian exports and direct investment to BiH through Eximbank Hungary; providing higher education grants to Bosnian citizens (Stipendium Hungaricum, 50 students for 2015); project based capacity building, education and human resource development in the fields of sustainability, rural development, agriculture, flood protection (training programme in the framework of EU strategy for Danube Region) etc. and on improving transportation ties.<sup>265</sup>

The Western Balkans was declared as one of the post-accession priorities of the foreign policy of **Slovakia** by the then Prime Minister Mikuláš Dzurinda in March 2004.<sup>266</sup> This may be considered as a natural step, despite the lack of common borders, especially due to historical reasons (strong ties between Czechoslovakia and Yugoslavia, numerous Slovak minorities in Vojvodina and Croatia), cultural and linguistic closeness (with the exception of Albanians) and economic interest. The Western Balkans has also played a crucial role in the EU enlargement policy, which Slovakia supports.

The importance of the region for Slovakia can be demonstrated by the growing number of embassies. While in 2004 Slovakia had only two embassies in the region – in Belgrade and Zagreb – ten years later they can be found in all Western Balkans countries.<sup>267</sup> The embassy in Sarajevo was opened already in the year 2004, as the third Slovak embassy in the region.

Both the direct and indirect involvement of Slovak diplomats in the stabilisation of the region can be considered as further visible proof of Slovakia's interest in the region. Their activities were closely connected with the EU and other international organisations. This especially applies to Miroslav Lajčák, who currently serves as the minister of foreign and European affairs of the Slovak Republic. In 2007 Lajčák was appointed the High Representative and

<sup>265</sup> A promise to continue the M6 motorway – part of the TEN Vc corridor – as a motorway from Mohács to the Croatian border, lobbying to restart rail traffic between Budapest and Sarajevo.

<sup>266</sup> Appearance of Prime Minister of Slovak Republic Mikuláš Dzurinda, [In:] P. Brezáni (ed.), Foreign policy of Slovakia after NATO and EU accession. Starting points and strategies, Bratislava 2004.

<sup>267</sup> Slovakia does not recognize the declaration of Kosovo's independence thus it only has a representation office in Pristina.

EU Special Representative in BiH. Though he remained in the office only a little over one year, he developed a reputation for being a skilled expert on the entire region. He was appointed to one of the most important positions in the European External Action Service, as an EEAS managing director for Russia, the Eastern neighbourhood and the Western Balkans. Another Slovak foreign minister – Eduard Kukan – was engaged as a special envoy of the UN Secretary General for the Balkans in 1999-2001. After having been elected to the European Parliament in 2009, he became a rapporteur for the Western Balkans.<sup>268</sup> In relation to BiH it is worth mentioning that a European Economic and Social Committee member, Patrik Zoltvány, was the rapporteur on EU-Bosnia and Herzegovina relations.

The Western Balkan countries have been the recipient of the Slovak Official Development Assistance since its establishment in 2003. Though Bosnia and Herzegovina – unlike Serbia and Montenegro – has never become a programme country of the Slovak ODA after 2004, it has appeared on the list of project countries. In 2008, BiH even became the priority project country of Slovak official development assistance.<sup>269</sup> Other instruments aimed at developing cooperation with the region include the Centre for Experience Transfer in Integration and Reforms (CETIR), which focuses primarily on the training of civil servants and twinning projects, aimed at the transfer of know-how and experience, especially in sectoral cooperation.

Slovakia continues to support EUFOR in its mandate and objectives, which means support capability building of the AFBiH and personnel in key HQ roles, such as Chief of the Liaison and Observation Team (LOT) Coordination Centre (LCC) in Camp Butmir and through three Slovakian LOT Houses based in Višegrad, Novo Sarajevo and Foča.<sup>270</sup>

<sup>268</sup> The participation of both Miroslav Lajčák and František Lipka in the process of the dissolution of the Serbia-Montenegro Union may be considered as another large contribution of the Slovak diplomacy to the stabilisation of the Western Balkans. While Lajčák served as an envoy of the EU High Representative for Common Foreign and Security Policy for the whole process of the referendum, František Lipka was appointed the chair of the referendum commission.

<sup>269</sup> Uznesenie vlády Slovenskej republiky č. 208 z 2. apríla 2008 k Národnému programu oficiálnej rozvojovej pomoci na rok 2008, [http://www.mvro.sk/attachments/article/293/NP\\_ODA\\_2008.pdf](http://www.mvro.sk/attachments/article/293/NP_ODA_2008.pdf)

<sup>270</sup> Chief of Defense – Slovak Republic, General Milan Maxim visits EUFOR, [http://www.eufor-bih.org/index.php?option=com\\_content&view=article&id=2878:chief-of-defense-slovak-republic-lieutenant-general-milan-maxim-visits-eufor&catid=217:latest-news](http://www.eufor-bih.org/index.php?option=com_content&view=article&id=2878:chief-of-defense-slovak-republic-lieutenant-general-milan-maxim-visits-eufor&catid=217:latest-news)

On the other hand, the economic performance of Slovakia in the entire Western Balkan region remains relatively low. Slovakia has become neither a major investor nor an important trade partner for the Western Balkan countries. As regards BiH, both exports and imports have remained low – in 2014 exports reached only €76.5 million, and imports €57.6 million.<sup>271</sup>

The Western Balkan countries are also priority areas of the foreign policy of the **Czech Republic**. This translates into the development of cooperation programmes with BiH, Kosovo, and Serbia, as well as relatively large – when compared to other V4 countries – economic interests; though their balance sheet is not the best. Czech companies had larger operations in the Western Balkans, such as the Škoda Auto construction plant in Vogošća until 2008 and the Mitas tyre production plant in Ruma (Serbia). The Czech electricity production and distribution company ČEZ (70% state-owned) began its Western Balkans expansion in 2005. In 2006 ČEZ entered into an agreement with Republika Srpska (BiH) on the modernisation and expansion of coal-fired power plants in Gacko.<sup>272</sup> The project was supposed to be for a record €1.4 billion, but was unsuccessful and ended in international arbitration. ČEZ's €102 million investment in Albania in the only electricity distribution from 2009 turned into a serious bilateral dispute between the countries. This received wide coverage in the media, meaning that these markets began to be associated with high risk in the Czech business community. Despite these problems, Czech exporters and companies are active in the Balkan markets, and the development cooperation programmes of the government often serve as outposts of economic cooperation and are correlated with Czech economic interests.

For the Czechs, cooperation in the security field is also important. Although the Czech participation is now significant only in EULEX in Kosovo (32 officers) and it is rather symbolic in EUFOR-Althea (two officers) and KFOR (eleven soldiers), Prague believes that the stability of the Western Balkans has a direct impact on the internal security of the Czech Republic. This belief is further strengthened by the migration crisis, which is having a strong influence

<sup>271</sup> Ekonomická informácia o teritóriu – Bosna a Hercegovina, [https://www.mzv.sk/documents/745948/783206/120915\\_EIT\\_BosnaHercegovina.pdf/d29e549d-69fc-40a6-9285-63fa7fb81581](https://www.mzv.sk/documents/745948/783206/120915_EIT_BosnaHercegovina.pdf/d29e549d-69fc-40a6-9285-63fa7fb81581)

<sup>272</sup> Internal Information: CEZ has today signed implementation agreement under largest-ever foreign investment of Czech firm, <http://www.cez.cz/edee/content/file/investors/inside-information/2007-05/cez-061-2007-en.pdf>

on Czech politics and public opinion. An important role in the Czech BiH approach is the police cooperation focused on the fight against organised crime.

Although the region does not feature so prominently in the foreign policy agenda documents in **Poland** as it does in the case of its V4 partners, the stabilisation and integration of the Western Balkan countries with the EU has repeatedly been the subject of reflection due to its implications for Polish interests.<sup>273</sup> Discussion is usually dominated by the conviction that it will primarily affect Poland indirectly – by acting on the political dimension of European integration and security issues.<sup>274</sup> This process, was also considered as one of the aspects of regional cooperation pursued by Poland, also in the V4.<sup>275</sup> There is a conviction in Poland that the possible destabilisation of the Balkans would result in disastrous consequences for European and Polish security and for NATO and the EU – institutions which Poland considers to be the pillars of its security. That is why the international community must remain strongly engaged in BiH, particularly as political, economic and social tensions mount. It is often stressed that no amount of international support can substitute the political will of Bosnian politicians and if politicians in Bosnia and Herzegovina are serious about their stated goal of joining the Euro-Atlantic community, they must be prepared to revisit their entrenched positions.<sup>276</sup> Poland, like the other V4 countries, supported the integration ambitions of BiH in the international arena, including support for BiH's candidacy for non-permanent membership of the UN Security Council for 2010–2011.<sup>277</sup>

The Polish military presence in the missions in the region was relatively high (and still is in KFOR and EULEX). Although the security situation in BiH has

<sup>273</sup> See at R. Sadowski, J. Muś (ed.), *Bałkany Zachodnie a integracja europejska. Perspektywy i implikacje*, Warszawa 2008, pp. 48–49.

<sup>274</sup> K. Smyk: *Konsekwencje polityczne i w obszarze bezpieczeństwa. Bałkany Zachodnie a integracja europejska*, *op. cit.*, p. 80.

<sup>275</sup> M. Gniazdowski: *Western Balkans: A Matter of Central European Solidarity. The Polish Quarterly of International Affairs* 2008, no 2, p. 74–78; T. Żornaczuk, *Western Balkans in Poland's Foreign Policy*. [In:] *Panorama of Global Security Environment* 2009. Bratislava 2009, p. 237–248.

<sup>276</sup> *The Western Balkans: Securing a Stable Future. Special Report by Witold Waszczykowski*. NATO Parliamentary Assembly, 12 October 2013, <http://www.nato-pa.int/shortcut.asp?FILE=3301>, p. 5.

<sup>277</sup> Poland initially competed in the Eastern European regional group for this position, but later gave support to BiH. *Poparcie dla Bośni i Hercegowiny*, <http://e-prawnik.pl/artykuly/prawo-administracyjne-1/poparcie-polski-dla-kandydatury-bosni-i-hercegowiny-na-niestalego-czlonka-rady-bezpieczenstwa-nz.html>

been stable for a long time, the Polish government recognises the danger that social unrest could break out. Poland supported the maintenance of the EUFOR Althea operation with an executive mandate<sup>278</sup> although before 2014 in the EU (and V4) there were divergent opinions on that. Originally, the Polish contingent in BiH was about 660-strong, now it has been reduced to 50 soldiers. In practice it is about 35 soldiers, including the Polish Liaison and Observation Team (LOT) in Doboj.

Trade and investment cooperation between Poland and BiH remains at a relatively low level.<sup>279</sup> The biggest Polish investor in BiH is Organika Group (approx. €9.4 mln) – one of the leading producers of flexible PU foam, but its presence in the Bosnian chemical sector cannot be considered a resounding success because of the controversy related to that sector's privatisation and redundancies. Boiler engineering company Rafako implemented modernisation projects in the Tuzla thermal power plant, but failed to win a major contract for its expansion<sup>280</sup> and to participate in the modernisation of the power plants in Ugljevik and Gacko.<sup>281</sup> There was also an unsuccessful attempt to relaunch the Ursus tractor producer on the Bosnian market.<sup>282</sup> In 2010 the Polish government gave Republika Srpska tied aid loan (€20 million) for the purchase of 200 carriages and equipment for RS Railways from Polish companies EKK Wagon and RAFAMET.

In June 2014 the Polish government adopted a special document – Guidelines of the Government of the Republic of Poland towards the Western Balkans – whose implementation by individual ministries aims to strengthen the reputation of Poland as a valuable partner in the process of integration with the EU (including the expansion of the grid cooperation in sharing experience from accession negotiations), to strengthen economic exchange, public diplomacy,

<sup>278</sup> See at Operacje i Misje UE, [https://www.msz.gov.pl/pl/polityka\\_zagraniczna/polityka\\_bezpieczenstwa/operacje\\_nato\\_i\\_ue/operacje\\_ue/](https://www.msz.gov.pl/pl/polityka_zagraniczna/polityka_bezpieczenstwa/operacje_nato_i_ue/operacje_ue/)

<sup>279</sup> In 2014 Polish exports to BiH amounted to EUR 172 million, and imports to €44 million. The total value of Polish investments totaled €26.9 million (December 2013), representing 0.5% of total FDI in BiH. Bośnia i Hercegowina, [http://www.informatorekonomiczny.msz.gov.pl/pl/europa/bosnia\\_hercegowina/bosnia\\_i\\_hercegowina](http://www.informatorekonomiczny.msz.gov.pl/pl/europa/bosnia_hercegowina/bosnia_i_hercegowina)

<sup>280</sup> Rafako już poza przetargiem na blok 450-480 MW w Tuzli, [http://budownictwo.wnp.pl/rafako-juz-pozza-przetargiem-na-blok-450-480-mw-w-tuzli,207020\\_1\\_o\\_o.html](http://budownictwo.wnp.pl/rafako-juz-pozza-przetargiem-na-blok-450-480-mw-w-tuzli,207020_1_o_o.html)

<sup>281</sup> Poljska kreditira obnovu TE Ugljevik i Gacko, <http://swot.ba/wordpress/poljska-kreditira-obnovu-te-ugljevik-i-gacko/>

<sup>282</sup> Ursus wychodzi z Bośni i Hercegowiny. Sprzedali Fabrika Traktora za markę, [http://wyborcza.biz/biznes/1,100896,16685008,Ursus\\_wychodzi\\_z\\_Bosni\\_i\\_Hercegowiny\\_\\_Sprzedali\\_Fabrika.html?disableRedirects=true](http://wyborcza.biz/biznes/1,100896,16685008,Ursus_wychodzi_z_Bosni_i_Hercegowiny__Sprzedali_Fabrika.html?disableRedirects=true)

the development of transport links, the implementation of Polish interests in the area of energy security and risks related to organised crime, terrorism and illegal migration.<sup>283</sup> While the Western Balkans does not receive significant Polish ODA, in case of emergencies – such as flooding – Polish humanitarian aid is provided. There are also new initiatives related to the transfer of the Polish experience of transformation, such as a series of study visits for Western Balkans civil servants – the Enlargement Academy, organised jointly by the Polish MFA, Ministry of Agriculture and Ministry of Development.<sup>284</sup>

## **2. The Western Balkans, Bosnia & Herzegovina and V4 cooperation**

The V4 activity in the whole Western Balkans can support the region's integration into the EU, its successful transformation, and closer ties with Central Europe. This will have a positive effect on BiH and thus the processes occurring in the immediate neighbourhood have key importance for the stability of the country. This includes above all progress on Serbia's road to the EU and the normalisation of its relations with Kosovo, and the economic recovery of Croatia. From the point of view of geopolitical calculations, Montenegro's invitation to NATO submitted in December 2015 is also important. On the other hand, the situation in BiH is also particularly important for the stability of whole region due to the aspirations of national minorities. The possible disintegration of BiH would probably escalate demands for a correction of borders along ethnic lines or attempts to obtain a very high degree of autonomy. This is also why both the EU and the V4 countries see BiH as an important element of political stability in the entire Balkan region.

The element of rivalry for influence with countries outside the EU – mainly Russia – as well as the necessity to revise the Balkan 'buffer' in the context of security challenges (mainly the fight against terrorism) and uncontrolled migration via the Western Balkans trail to Western Europe (especially Germany) all underline the problem of 'geopolitical gaps' on the map of Europe in the region. The role of strategic and geopolitical factors due to the involvement of actors outside the region and the EU has significantly increased in recent years. With the

<sup>283</sup> Komunikat nr 22/2014 nt. prac Komitetu ds. Europejskich w okresie 2.06 – 6.06.2014 r., <https://www.msz.gov.pl/resource/4047ff09-f318-4c84-97c6-66e34ec7dbb3:JCR>; Odpowiedź sekretarza stanu w Ministerstwie Spraw Zagranicznych – z upoważnienia ministra – na interpelację nr 29291 w sprawie korekty wyzwań dla polskiej polityki europejskiej na lata 2015-2025, <http://sis.sejm.gov.pl/Sejm7.nsf/InterpelacjaTresc.xsp?key=722B5928>

<sup>284</sup> The representatives of the Western Balkan countries become the participants of the Enlargement Academy, [http://www.mfa.gov.pl/en/c/MOBILE/news/the\\_representatives\\_of\\_the\\_western\\_balkan\\_countries\\_become\\_the\\_participants\\_of\\_the\\_enlargement\\_academy](http://www.mfa.gov.pl/en/c/MOBILE/news/the_representatives_of_the_western_balkan_countries_become_the_participants_of_the_enlargement_academy)

escalation of tensions between Russia and the West after the invasions of Georgia and Ukraine, the Balkans became an arena of struggle for the influence and credibility of Western integration processes. An accelerated integration of the Balkans into the EU is an opportunity to confirm the EU's role as a key (along with the US and Russia) actor in this part of the continent and to improve its prestige in the international arena. Moreover, if it turns out that the EU cannot stabilise a small country in its immediate neighbourhood, it would not be credible in its ambitions to wield effective influence in more distant surroundings.<sup>285</sup>

As Matteo Tacconi noted if the Western Balkans look carefully at V4 involvement, the V4 agenda is much more focused on the Western Balkans than it used to be years ago. In Warsaw, Prague, Bratislava and Budapest, policy makers have realised that the Balkans matter.<sup>286</sup> The interest of V4 in the Western Balkans is underpinned by a number of factors. The Visegrad countries consider their experience of the transition to democracy and a free-market economy and EU accession as unique and easily transferable to Western Balkans. Another reason is the complementarity of V4 and EU priorities – both consider the Western Balkans to be an important foreign policy priority. The Western Balkans has been one of the priority regions of ODA for three V4 countries.<sup>287</sup> The economic dimension is also worth mentioning – the developing markets of the Western Balkans countries and the ongoing processes of privatisation provide an opportunity to play a more active role in the region. Furthermore, there is an assumption that the Visegrad model of regional cooperation may serve as inspiration for the Western Balkans. Last but not least, cultural, historical and to a large extent also linguistic proximity makes the V4 a natural advocate of the Western Balkans countries aspiring for EU membership.<sup>288</sup>

<sup>285</sup> See more L.Hladký, *Dwanaście lat po Dayton – rzeczywistość i iluzje*. [In:] M.Gniazdowski (ed.): *Europejski protektorat? Bośnia i Hercegowina w perspektywie środkowoeuropejskiej*, Warszawa 2008, p. 30.

<sup>286</sup> M. Tacconi, *V4 and the Balkans*. *Visegrad Insight*, no 2(8), 2015, p. 77.

<sup>287</sup> In this regard Poland is an exception – none of the Western Balkans countries is on the list of priority recipients of Polish Development Assistance. Multiannual Development Cooperation Programme 2012 – 2015, [https://www.polskapomoc.gov.pl/download/files/dokumenty\\_publicacje/PW\\_EN-po\\_reas.pdf](https://www.polskapomoc.gov.pl/download/files/dokumenty_publicacje/PW_EN-po_reas.pdf)

<sup>288</sup> The ability of the V4 countries (and the Visegrad Group as such) to serve as role models in the process of the European integration of the Western Balkans is also discussed in the comparative study published by the European Movement in Serbia and four Visegrad think tanks (Institute for European Policy EUROPEUM – Prague, CEU Center for Enlargement Studies – Budapest, Centre for Eastern Studies – Warsaw and Slovak Foreign Policy Association – Bratislava) in May 2015. See J. Minić (ed.), *European Integration of the Western Balkans – Can the Visegrad Group Countries Serve as Role Models*, <http://www.emins.org/uploads/useruploads/forum-it/02-PA-V4Studija.pdf>

Alongside Kosovo, BiH is the least advanced country in the region as regards integration to the EU, but with the Stabilisation and Association Agreement (SAA) coming into force in June 2015, the country made a significant step on the way to the EU membership. Nevertheless, the country's unstable political climate and divisions along ethnic lines are still hampering the overall progress of accession-related reforms. The European Commission's Bosnia and Herzegovina 2015 Report underlines the limited results achieved in complying with Bosnia's EU-reform agenda due to the political stalemate, which is manifested through the lack of political dialogue and coordination between the entities.<sup>289</sup> On the other hand, it is worth underlining that all parties in BiH recognise the absence of alternatives to EU accession: there is no competing long-term perspective but the European one, no consistent ideological approach except the market approach, and no feasible model that can bring prosperity to broader segments of the population.<sup>290</sup>

Bosnia and Herzegovina represents a challenge both for the EU and V4. The latter is yet to develop an intensive cooperation with the country, which is considered as a part of the 'regional approach'. In order to assess the current status quo and prospects for cooperation between the Visegrad Group and the Western Balkans, three levels of cooperation are considered: political, institutional and procedural know-how sharing, and the sectoral aspects of cooperation.<sup>291</sup>

**Political Cooperation.** Support for the integration of the Western Balkans is embodied in a number of Visegrad Group documents, including the Kroměříž and Bratislava Declarations, Presidency programmes and ministerial statements<sup>292</sup> and the joint declaration of the V4 and Croatian foreign ministers, which was adopted on the occasion of Croatia's accession to the EU.<sup>293</sup> Regular summits of the foreign ministers of the Visegrad countries and their counterparts from the Western Balkans countries have been taking place in the au-

<sup>289</sup> Bosnia and Herzegovina 2015 Report. November 2015, [http://ec.europa.eu/enlargement/pdf/key\\_documents/2015/20151110\\_report\\_bosnia\\_and\\_herzegovina.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_bosnia_and_herzegovina.pdf)

<sup>290</sup> Based on Haris Mašinović comments.

<sup>291</sup> See also T. Strážay, *Visegrad Four and the Western Balkans: A Group Perspective*. *Polish Quarterly of International Affairs*, 21, 4 (2012), p. 52-64.

<sup>292</sup> For example: The Bratislava Declaration of the Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on the occasion of the 20th anniversary of the Visegrad Group, <http://www.visegradgroup.eu/2011/the-bratislava>

<sup>293</sup> Joint Declaration of the Foreign Ministers of the Visegrad Countries and Croatia on the Occasion of the Croatian Accession to the EU, <https://www.msz.gov.pl/resource/d5cad1e9-adea-43ab-85b9-99ae6ad2460b:JCR>

tumn since 2009, when the Hungarian V4 presidency introduced this informal procedure. It is also worth mentioning that representatives of the European Commission take part in these summits.<sup>294</sup> Besides that, the meetings of the political directors and heads of analytical departments are also worth highlighting. During the Polish Presidency of the V4 in October 2008 there was a meeting of the foreign ministry political directors of the V4 countries with a representative of the British Foreign Office, the BiH authorities and the High Representative/EUSR for BiH Miroslav Lajčák. The meeting aroused interest in the experience of V4 and indirectly supported Lajčák in his efforts to stabilise and reform BiH. Similar meetings were later repeated.

Such meetings, in the V4+Western Balkans and V4+BiH format, allow political issues to be discussed in a detailed perspective. In addition, although the parliamentary dimension of cooperation between the V4 and the Western Balkans has not so far been very intensive, the joint meeting of the committees on public administration and regional policy<sup>295</sup> and the European affairs committees of the parliaments of the Visegrad countries and Croatia might serve as an inspiration.<sup>296</sup> V4's political commitment to BiH has already been appreciated by the BiH government, which especially thanked V4 for its contribution to the liberalisation of the visa regime as the most powerful instrument of soft power of the EU, promoting the integration process, especially among young people.<sup>297</sup>

**Institutional and Procedural Know-How Sharing.** It can be argued that the Visegrad cooperation has already become an inspiration for developing serious regional projects in the Western Balkans. The extension of Central European Free Trade Agreement (CEFTA) in 2006 in the region proves that a model that was born in V4 countries can also be implemented in the Balkans.<sup>298</sup> CEFTA enabled the Visegrad countries (and other countries of a 'wid-

<sup>294</sup> See at Visegrad Group Joint Statement on the Western Balkans, 31 October 2014, <https://www.ms.gov.pl/resource/206a981e-08de-4fb6-boab-56f911eda333:JCR>

<sup>295</sup> Joint Statement from the 5<sup>th</sup> Meeting of the Committees on Public Administration and Regional Policy of the Parliaments of the Visegrad Group Countries and Croatia, <http://www.visegradgroup.eu/download.php?docID=206>

<sup>296</sup> Calendar of Events of the Polish V4 Presidency (July 2012-June 2013), <https://www.ms.gov.pl/resource/ca6d9527-3019-4953-9bf4-d52c9ce42ab1:JCR>

<sup>297</sup> Deputy Minister of Foreign Affairs of BiH Ana Trsic-Babic Visited Warsaw, <http://ambasadabih.pl/en/10/zamjenica-ministra-inostranijh-poslova-bih-ana-trisic-babic-u-varsavi/>

<sup>298</sup> The signatories of the Agreement CEFTA 2006 are Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova, Montenegro, Serbia and UNMIK (on behalf of Kosovo). The main

er' central Europe – Bulgaria, Romania and Slovenia) to prepare to enter the EU single market, while the region's countries have exactly the same goal. It was also important because the EU considers regional cooperation to be proof that the Balkan states are capable of sustaining economic relations with each other and with the rest of the Europe.<sup>299</sup> CEFTA can therefore be considered as perhaps the most efficient example of the export of V4 know-how in the Western Balkans.

The V4 countries have a unique and valuable experience for the Balkan states associated with the process of transformation, building a free-market economy, adapting to EU and NATO requirements and membership negotiations with the EU. The platform for cooperation is to provide expertise in the framework of twinning projects, support for the use of pre-accession funds, the cooperation of non-governmental organisations, and scholarships for students. In this area the International Visegrad Fund (IVF) plays an important role, given that it supports contact between NGOs and public entities between the V4 countries and the Western Balkan countries under the programme framework 'Visegrad+' and enables the exchange of students between two regions. The establishment of the V4 – Western Balkans Expert Network on the Rule of Law and Fundamental Rights, which came out of the 2012-2013 Polish V4 Presidency also aimed to strengthen the exchange of ideas and know-how by creating a pool of experts from both regions.<sup>300</sup>

Cooperation within the V4 as well as the IVF has also become a model for regional cooperation for the Balkan states. After more than four years of negotiations the establishment of the Western Balkan Fund, based in Tirana, seems to be an irreversible project. The idea of establishing such a fund in the Western Balkans was initially developed by the International Centre for Democratic Transition (ICDT) in Budapest. An international group of experts on civil

goal of CEFTA has been to expand trade in goods and services, eliminate barriers to trade among the countries involved, as well as to foster investment. It also aims to harmonise provisions on modern trade policy issues, such as competition rules and state aid. The signatories the tradition of the original CEFTA, whose founding members are already EU members. For more details see <http://www.cefta.int>; T. Strážay, *Grupa Wyszehradzka i Bałkany Zachodnie – współpraca czy uprzywilejowane partnerstwo?* [In:] M. Gniazdowski, *op. cit.*, p. 148.

<sup>299</sup> P. Biernacka, *Review of the Economic Development in the Western Balkan States*, *CES Studies*, no. 19, Warsaw, 2005, p. 15-16.

<sup>300</sup> Report of the Polish Presidency of the Visegrad Group July 2012 – June 2013, [http://www.msz.gov.pl/en/news/report\\_of\\_the\\_polish\\_presidency\\_of\\_the\\_visegrad\\_group\\_sums\\_up\\_polish\\_achievements\\_?printMode=true](http://www.msz.gov.pl/en/news/report_of_the_polish_presidency_of_the_visegrad_group_sums_up_polish_achievements_?printMode=true); *Partnerstwo V4-Bałkany Zachodnie*, <https://www.rpo.gov.pl/pl/content/partnerstwo-v4-ba%C5%82kany-zachodnie>

society and regional cooperation developed it in the first half of 2011.<sup>301</sup> The foreign ministers of the V4 and six Balkan states signed an agreement in Prague on November 2015.<sup>302</sup> Being built on the institutional and procedural know-how of the International Visegrad Fund, the Western Balkan Fund could be an important instrument for enhancing regional cooperation in the Western Balkans. Similarly to the IVF, the Western Balkans Fund is expected to be created by the governments of interested Western Balkans countries and should mainly support people-to-people contacts, cooperation among civil society organisations, and also cross-border cooperation. The contributors are to be the governments of the involved Western Balkans countries, though the feasibility study also calls on the V4 governments and other state and non-state actors to match the Western Balkans countries' contributions.

**Sectoral Cooperation.** As regards sectoral cooperation, only a few achievements can be highlighted. Though the V4+ Western Balkans format has been used regularly on the political level, the analysis of Presidency Programmes and Annual Reports<sup>303</sup> provide us with quite a short list of examples of sectoral cooperation. Among Western Balkans countries, Croatia was the most frequent partner of V4.

One of the examples is defence. The meeting of the V4 ministers of defence and their counterparts from Bosnia and Herzegovina, Macedonia, Montenegro and Serbia took place during the Hungarian V4 presidency in October 2009. The main purpose of this meeting was to discuss the NATO and EU integration process of the Western Balkans countries in detail, as well as a possible V4 contribution.<sup>304</sup>

V4 – Western Balkans cooperation was visible in the energy sector. In 2006 the extended V4 meeting of energy sector executives included Croatia, and Austria,

<sup>301</sup> Non-paper on the feasibility study on the possible creation of a 'Western Balkan Fund' for regional cooperation based on the International Visegrad Fund model, [http://www.icdt.hu/documents/events/WB\\_Fund\\_nonpaper.pdf](http://www.icdt.hu/documents/events/WB_Fund_nonpaper.pdf)

<sup>302</sup> Agreement on the Establishment of Western Balkans Fund in Tirana, 16 November 2015, <http://www.punetejashtme.gov.al/en/press-office/news/agreement-on-the-establishment-in-tirana-of-western-balkans-fund>

<sup>303</sup> All Presidency Programmes and Annual Reports are available on the official website of the Visegrad Group: <http://www.visegradgroup.eu/documents/annual-reports>

<sup>304</sup> The national positions on the new NATO Strategic Concept were also exchanged during the meeting. It was also decided that a Strategic Concept working group was to be set up based on V4 delegations to NATO. Hungarian Presidency – Annual Report (2009/2010), <http://www.visegradgroup.eu/documents/annual-reports>

Romania and Slovenia. In January 2010 BiH, Croatia and Serbia together with the Visegrad countries and Austria, Bulgaria and Romania were co-signatories of the Declaration of the V4+ Energy Summit held in Budapest. The summit initiated the creation of several working groups, including one on the north-south interconnection. The extended meeting of this working group plus Croatia was held during the Slovak V4 presidency in September 2010. The Czech V4 presidency (2011-2012) succeeded in the preparation of a Memorandum of Understanding on North-South Interconnections in Central-Eastern Europe, which was signed by the V4 countries, Austria, Bulgaria, Croatia, Germany, Romania, Slovenia, and the European Commission.<sup>305</sup> The more intensive inclusion of Croatia in the meetings on energy security results from its importance in the north-south interconnection.

Other cooperation initiatives in the V4+ Western Balkans format included the justice and home affairs sectors. The issues discussed included the fight against corruption<sup>306</sup> and judicial training.<sup>307</sup> A meeting of V4 justice ministers + Croatia and Slovenia was held during the Czech presidency.<sup>308</sup> The Czech presidency also managed to organise the 2<sup>nd</sup> Ministerial Conference of the Prague Process, which focused primarily on issues related to asylum and migration.<sup>309</sup> The joint declaration was signed by ministers from EU countries, the Commonwealth of Independent States, the Western Balkans and Turkey. The 2013-2014 Hungarian Presidency was able to organise a meeting of experts on IPA funds, with a specific focus on IPA II. The Hungarian Presidency also initiated the first V4 Good Governance Forum, in which the representatives of the Western Balkan countries took part. A second one was organised in June 2015 during the Slovak V4 Presidency.<sup>310</sup>

<sup>305</sup> Memorandum of Understanding on North-South Interconnections in Central-Eastern Europe, [https://ec.europa.eu/energy/sites/ener/files/documents/2011\\_north\\_south\\_east\\_mou.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/2011_north_south_east_mou.pdf)

<sup>306</sup> The seminar on the experiences of the fight against corruption among experts of V4 and Western Balkans justice ministries was organised during the Hungarian V4 presidency in 2006.

<sup>307</sup> The meeting of V4+ Croatia justice ministers (plus Slovenia and Germany), at which a memorandum of cooperation regarding judicial training was signed, was organised by the Slovak Presidency (2010-2011).

<sup>308</sup> Among other topics the meeting discussed ways to reduce the prison population, patents courts, and the enforcement of execution orders.

<sup>309</sup> The first Ministerial Conference of the Prague Process was held in Prague in April 2009. The ministers responsible for migration issues then adopted a Joint Declaration, which set long-term priorities for cooperation in the field of migration management. See: <http://www.pragueprocess.eu>

<sup>310</sup> V Bratislave sa konala medzinárodná konferencia V4 Good Governance Forum, <http://www.minv.sk/?tlacove-spravy&sprava=v-bratislava-sa-konala-medzinarodna-konferencia-v4-good-governance-forum>

In connection to educational, research, culture and mobility projects, it is important to mention the role of the International Visegrad Fund. The IVF began opening up to non-V4 applicants in 2004, after the adoption of the Kroměříž Declaration and Guidelines on the Future Areas of Visegrad Cooperation by the V4 governments. The Western Balkans soon became one of the long-term priority regions, with Serbia, Albania and Macedonia being the major recipients. Currently, the whole Visegrad+ grant scheme is dedicated to the Western Balkan region.

Certain restrictions of the development of the sectoral cooperation of the V4 countries with BiH and common projects are caused by the structure of the EU's territorial cooperation. Poland is not directly covered by the EU Strategy for the Danube Region (EUSDR), which includes the Czech Republic, Slovakia and Hungary, and BiH. This makes it difficult to build project consortia with the participation of Polish stakeholders. BiH is also a partner state of the Inter-reg Danube Transnational Programme (DTP) – but this also does not include Poland. To overcome this gap, the V4 could facilitate for stakeholders from Poland to take part in the DTP, using the 20% ERDF flexibility rule (according to this rule entities from countries not taking part in the programme area can participate in projects as partners). Using the same rule, V4 could try to allow operators from BiH to participate in joint consortia applying for funding from Central Europe Interreg programmes, which cover all the V4 countries.

### **3. #V4BiH: Future challenges and opportunities**

In November 2015, the foreign ministers of the V4 countries wrote a joint article for the major newspapers of the Balkan states (including the *Oslobođenje daily* in BiH), which emphasised the close relationship of the Visegrad Group with the countries of the Western Balkans. They support the European aspirations of countries in the region and underline that the crises the EU is facing at the moment, the migration and refugee crisis being one of the most challenging, will not be a cause for hesitation on our side with regard to our support for further EU enlargement.<sup>311</sup> Similar assurances were heard at a meeting of ministers of V4 and the Balkans in Prague. These were important statements after a series of disagreements, which highlighted the divisions in Europe on refugee issues, manifested also in disputes between Hungary and Croatia and Serbia. The V4 emphasising the importance of considering the needs of EU

<sup>311</sup> Joint article by Visegrad Group foreign ministers, [http://www.mfa.gov.pl/en/news/joint\\_article\\_by\\_visegrad\\_group\\_foreign\\_ministers](http://www.mfa.gov.pl/en/news/joint_article_by_visegrad_group_foreign_ministers)

transit countries and providing an assistance programme for the protection of their borders, signals a 'positive agenda' to the partners in Western Balkans to cope with the problem of massive migration.

On the political level the Visegrad Group has proved to be a committed advocate of the region in the EU and a supporter of the integration ambitions of the countries of the Western Balkans. As noted by the Serbian expert Jelica Minić, "the V4 can be a bridge for the Western Balkans. Maybe the Visegrad Group could not play the role of top driver, but it can better understand problem of the Western Balkans and approach them on a more equal footing than other big European countries"<sup>312</sup>

The Visegrad Group may affect a number of factors which are important for the stabilisation and Euro-Atlantic integration of BiH including by strengthening the commitment of the international community – especially the EU – to the reform process in BiH, increasing the determination required to impose specific legal, political and administrative actions. Using good examples and the transfer of know-how, particularly in sectoral areas, V4 can influence BiH's political elite and explain the consequences of their inaction.

Examples and encouragement from Central Europe, including successful models of reconciliation and interethnic cooperation, may be useful in shaping the attitudes of local communities in BiH, who are predominantly interested in EU membership, but also emotionally involved in internal conflicts. The citizens of BiH expect reforms, but often do not understand the benefits of the implementation of the EU's requirements and without clearly formulated conditions in EU agenda, they have a problem with identifying politicians guilty of failures.

It is in terms of widening public support for reforms that V4 can find its niche specialisation, by extending cooperation with local authorities, as well as with groups that could be directly affected by integration, such as farmers and small entrepreneurs. According to Bosnian expert Haris Mašinović, the bottom-up approach has already been tried and is yielding some results, but its present form is not sufficient. NGOs generally remain fragmented and typically suffer from the legacy of 'donor mentality'. Various donor programmes sought to work with either the local levels of authority, i.e. municipalities on relevant

<sup>312</sup> Quoted after M. Tacconi, *op. cit.* See also J. Minić, *op. cit.*

reforms, or with low-level actors, such as local business/farmers communities/associations, generally on capacity building and on some institutional/procedural reform. There are successes, and interest for them to be replicated in other municipalities, but the ability of those changes to filter up has so far been limited. The municipal elections in Bosnia and Herzegovina scheduled for autumn 2016 should be considered as an opportunity to boost the implementation of the Reform Agenda at the level of municipalities.

In the coming years the initiative of strengthening the stability and pro-Western orientation of BiH will arouse the interest of the EU and NATO. This is due to growing concern about the whole region, migration pressures, the development of the so-called Berlin Process initiated in August 2014 by Chancellor Angela Merkel, and also the entry into force of the SAA and the implementation of the new EU strategy towards BiH.

The Czech V4 Presidency in the V4 (2015/2016) also included the Western Balkans in the foreign policy priorities and the presidency is focused intensively on the development of the Western Balkan Fund. In sectoral cooperation the Czech presidency prioritises the areas of environment and justice.<sup>313</sup> New V4 activities concerning BiH during the Polish Presidency of the V4 (2016/2017) could strengthen the position of Poland as a country that does not focus only on the eastern flank of the EU and NATO, but as one which is ready to extend partnerships also in South-Eastern Europe. Preparations for the Polish Presidency of the V4 in the area of the Western Balkans should also include an attempt to strengthen political cooperation in the V4, including the exchange of views and to synchronise positions on the EU's involvement in BiH, including the future of EUFOR Althea and international institutions in BiH and how to boost reform efforts. In terms of sectoral cooperation the Polish V4 Presidency should consider dividing responsibilities among the V4 countries, as was the case with Ukraine in 2014. A division of thematic/sectoral priorities would contribute to the dynamisation of the EU integration process of BiH and at the same time it would increase the reputation of the V4 in terms of know-how transfer.

Transport and the development of infrastructure connections between BiH and the EU seems to be a promising area for V4+BiH cooperation, though so far only Croatia has taken part in the extended summit of V4 transport

<sup>313</sup> V4 Trust - Programme for the Czech Presidency of the Visegrad Group (July 2015-June 2016), <http://www.visegradgroup.eu/documents/presidency-programs/20152016-czech>

ministers.<sup>314</sup> BiH remains on the margins of the European transport network, which hinders the development of trade and tourism. There is potential for the development of the Vc transport corridor, connecting the countries of Central Europe and BiH and which is the shortest route to BiH (and – onwards to the Dalmatian coast) from the Eastern part of the V4 and Baltic countries. It represents the continuation of the North-South axis, crucial for V4 cooperation. In the years 2011-2015 102 km of motorways were built in BiH (35% of the length of the Vc corridor) and further investments are planned.<sup>315</sup>

Energy policy is also a potentially important aspect of V4 and BiH cooperation. In this area, both BiH and the V4 countries cooperate in the Energy Community. The integration of energy infrastructure within the North-South energy project corridor would help diversify supply routes and sources of gas to the Balkans. The key project of this cooperation is the construction of LNG terminals in Poland and Croatia.

Poland, alongside its V4 partners provides an example of a relatively successful transformation and the benefits of integration (especially for the agricultural sector). Meanwhile, the lack of funds for Polish development aid in the Western Balkans significantly reduces the influence of Polish public diplomacy. The synergistic action of the V4 countries, even with scant resources, may serve to build public support for reforms in BiH and European integration. The BiH embassy V4 countries already implementing joint actions: joint celebration of national holidays or annual V4 film festival.

There is an urgent need to develop a new V4 public diplomacy strategy carefully tailored to BiH. Despite its impact, described above, there is a limited awareness among the general population of BiH about the V4 and its activities. It was further weakened by the negative image created by the coverage of the refugee crisis (Hungary raising a border fence, etc.). This strategy would not have to be a grand scheme, it would suffice if it focused on activities at the local level – especially outside of Sarajevo, and if it centred on young people. One of the greatest strengths of V4 is cooperation beyond borders, a model acutely applicable

<sup>314</sup> The topic of the meeting was ‘At the beginning of the new financial framework: exchange of experience in the implementation of infrastructure projects using EU funds’ so the participation of Croatia – as a soon-to-be EU member – can be considered a natural step. The other participants were: the three Baltic countries, and Bulgaria, Romania and Slovenia.

<sup>315</sup> Modernizace dopravní infrastruktury ve Federaci Bosny a Hercegoviny, <http://www.businessinfo.cz/cs/clanky/modernizace-dopravni-infrastruktury-ve-federaci-bosny-a-hercegoviny-70964.html>

to an ethnically and politically divided BiH. This could be the backbone of any public diplomacy approach. The implementation of such a strategy would not have to involve major financial backing. On the most basic level, elements of V4 promotion could be done by the diplomatic representatives of V4 countries in BiH, who already receive funding for public diplomacy from their respective ministries. Here V4 could address young people by e.g. promoting university opportunities in each of the four Visegrad countries (which in any case falls under the responsibilities of diplomats) or by the promotion of cultural events which are organised (anyway) by all four embassies in Sarajevo (and culture tends to be the main barrier-breaking area in the Balkans). A strategy of this kind should also have its social media component. It would not have to be significant.<sup>316</sup> With unemployment being arguably the biggest challenge for young people in BiH, development of common initiatives (organised by all four embassies) outside of Sarajevo addressing various aspects of entrepreneurship, linked with the advertisement of available funds (from the IVF) could potentially have an observable impact. The biggest potential challenge is in identifying local partners, as these initiatives should go beyond cooperation with local governments and civil society institutions, with educational institutions possibly the best partners to reach young people directly. Should there be the will to develop a grander pan-V4 public diplomacy strategy for BiH, moving beyond the day-to-day cooperation of embassies, this impact could be even bigger.

<sup>316</sup> For example, the establishment of a common hashtag, like #V4BiH, for all social media would help in maintaining a very basic virtual database listing all initiatives/ideas/endeavours developed under the common umbrella of V4. Special thanks to Jarosław Wiśniewski for the comments about public diplomacy.

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On 15 February 2016 Bosnia and Herzegovina applied for membership of the European Union. This was the result of the new policy strategy which the EU introduced in 2014, aimed at unblocking BiH's integration process and encouraging local elites to accelerate the reform process. Despite a formal application to the EU, the main internal problems of BiH remain the same – local politicians focus more on the power struggle and enhancing ethnic division than on reform and this is hampering the economic development of one of the poorest countries in Europe. For these reasons this report is devoted to analysing the internal challenges to the stability, coherence and unity of the country. Special attention was also placed on examining the interest and strategies of the various international actors since they can hinder or support the reform process.

The Western Balkans, including Bosnia and Herzegovina, is playing a prominent role in the framework of V4 cooperation. The stability of this region and its integration with the EU is of vital interest to the V4 countries. It was for this reason that the Centre for Eastern Studies (OSW), alongside partner institutions from the V4 countries – the Research Centre of the Slovak Foreign Policy Association (RC SFPA), the Institute of International Relations (IIR) from the Czech Republic, and GEO Research from Hungary – and supported by the International Visegrad Fund, decided to develop a joint research project focused on BiH.

