

Seizing momentum in Bosnia

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>> Following the collapse of the so-called Butmir process, an initiative led by the US and the EU to change the Dayton constitution in autumn 2009, the EU's policy in Bosnia and Herzegovina (hereafter Bosnia) has stagnated. This atrophy is the result of confusion surrounding the implementation of the Lisbon Treaty and fragmented institutional and political interests within the EU. However, recent statements by European officials indicate a resurgent interest in enhancing the EU's presence in Bosnia.

While this is an encouraging development, the degree to which EU policy in Bosnia will substantively change is uncertain. Nor is it clear whether the EU will be able to regain a leadership role in the country. An institutional overhaul might create new dynamics and mitigate conflicting interests within the EU. But it is unlikely to make a significant difference on the ground unless the EU seizes the opportunity to learn from past mistakes. EU policy-makers must carefully consider the key challenges at a more profound level; evaluate potential risks and opportunities; and develop a new strategic plan in conjunction with the US and other international actors. The Bosnian elections in October provide an important opportunity to build momentum.

REALITY CHECK

While many view EU integration as *the* solution to stabilisation in the Balkans, few now believe the EU capable of delivering tangible results. It has become evident that prevailing sticks and carrots are largely ineffective, leading many protagonists to express increasing frustration. Furthermore, there seems to be a lack of cohesion on how to move the EU reform agen-

HIGHLIGHTS

- While many view EU integration as a precondition for stability in Bosnia; internal divisions and a lack of cohesion within the EU continue to undermine the pace of reform.
- The EU has expressed a willingness to enhance its presence on the ground as part of the Lisbon reform. A mere institutional transformation will not galvanise the necessary changes to promote the EU agenda, however.
- While the October elections are unlikely radically to alter the political landscape in Bosnia, they do provide an important opportunity to build momentum.

»»»»» da forward in light of local obstructions. The process for visa liberalisation did yield a positive outcome and proved that Bosnia can effectively deliver on its promises when EU conditions are clearly outlined. This reform, however, was somewhat unique in that it centred on rather technical issues, and because the parties in power have committed to delivering this reform prior to the October elections.

Various challenges are confronting the EU led reform process in Bosnia. The EU has lost significant credibility among locals. This is primarily due to the lack of consistent strategy and a lengthened accession process involving multiple stages – each lacking clear benefits. Enlargement fatigue, aggravated by the financial crisis and confusion over the implementation of the Lisbon Treaty, have added further uncertainty and engendered scepticism among locals. Party leaders have also grown more intransigent and have demonstrated that they are unwilling to cede their ethnic-based spheres of influence based on a remote, wavering EU perspective.

Divisions, indecision and wavering on key decisions have all undermined the pace of reform. EU-stipulated conditions are no longer taken seriously by local actors. Furthermore, party leaders continue to exploit divisions among external actors in order to delay any reform that fundamentally threatens the status quo. Local leaders seem to have heard all the EU's promises of 'new starts' before.

Local dynamics are also partly responsible for the current state of affairs. The system created by Dayton rewards zero-sum politics and nationalist rhetoric. It promotes a system based on the exploitation of ethnicity. There is a pervasive and deepening distrust amidst the political leadership. This lack of trust has undermined the reform process at almost every stage.

The EU demands that Bosnian authorities be able to speak with a cohesive voice on EU related matters. But the political system is solidly

divided along ethnic lines. There is divergence between those in favour of a strong state (generally the majority Bosniaks) and those who challenge the very existence of the state, or at least envision a weakened state with strong federal units (generally the Serbs). Serb parties, in particular, have expressed concern that the EU agenda in Bosnia is a pretext for undermining the status of the highly autonomous Republika Srpska (RS). They refuse to engage in the EU accession process at the expense of their territorial and political autonomy.

As a result, while the elusive goal of EU integration continues to engage local actors, the substance and process of EU integration has become a divisive factor. Outwardly, all ethnic groups claim to adhere to this objective; but the process has been subjugated to parochial interests.

POTENTIAL SCENARIOS

The EU and the US have managed to bridge many divides in the past few months – they share a common sense of frustration relating to the state of the reform process and are eager to divert resources elsewhere. But they maintain differing perspectives concerning the future role of the international community in Bosnia. The EU would like to eliminate the Office of the High Representative (OHR) as a pre-requisite for EU accession. The US has yet to be persuaded of the benefits of such policy. In the interim, while the EU and US ponder a common strategy, the OHR is in limbo and grows increasingly impotent in the eyes of the international community. Local leaders have used the confusion to consolidate power, enforce the status quo and disregard the Euro-Atlantic reform agenda.

Currently, there are three possible options for a revised international presence that could help promote the reform agenda in Bosnia. The first entails reinforcing the OHR while keeping the OHR and the EUSR under the same roof. This

option is both unrealistic and impractical. This is mostly because the OHR no longer enjoys the support of local or international actors (particularly Russia and Serb parties) and lacks the credibility effectively to use the so-called Bonn (executive) powers. A reinforced OHR could serve further to undermine the fragile process of democratic consolidation in Bosnia, given that international guardianship has promoted a system in which party leaders have grown increasingly irresponsible. The existing system has promoted an inverted political hierarchy, in which domestic politicians are largely accountable to the international community, in lieu of their constituencies. The Bonn powers have also created a sense of inter-dependency between the international community and local leaders, which is considered by many EU policy makers to be antithetical to the process of EU accession.

The second potential option would be to close the OHR and merge the EU Delegation with the EU Special Representative. This is also an unlikely scenario in the short term – unless negotiations between the EU and the US produce results prior to the PIC meeting in November of this year. US concerns relating to the EU's

ability effectively to lead the reform process and the capacity of Bosnia to function as a self-sustaining state have slowed negotiations. In the absence of consensus around these issues, the US will continue to favour maintaining the OHR for as long as it is required. In fact, international withdrawal could have disastrous consequences in the absence of a well-planned strategy for the post-OHR period and a fruitful debate among key local stakeholders over the future of the Bosnian state. Softening the conditions for international withdrawal could also send the wrong message to Bosnian authorities.

Another potential concern under this scenario centres on the concession of special powers to the EU Special Representative in cases where the Dayton agreement has been violated. These powers could include the ability to freeze assets in the EU and to impose travel bans. But the US needs to be convinced that such powers will be adequate to confront serious breaches to Dayton. In light of the deteriorating political climate of the past four years, the US administration fears a situation in which the Serb leader, Milorad Dodik, will pursue a policy of secession once the international community is no longer capable of responding in a timely manner. In addition, the fact that the EU does not speak with a unified voice raises concerns as to whether it will be able effectively to utilise these special powers should the need arise. While NATO membership for Bosnia could help to assuage such concerns, it is still unclear as to when this will happen, given that Bosnian authorities have been very slow in complying with the basic conditionality for the Membership Action Plan.

The third option involves decoupling the EUSR and OHR as part of a transitional phase – in the event that both local and international actors fail to put in place the requisite conditions for closure of the OHR. Under this scenario, the special powers of the OHR would become a measure of last resort (similar to the option for military action under Chapter 7 of the UN Charter), to be used only in the event of a direct challenge to Dayton.

The problem with this option is that it illuminates certain critical issues that currently divide US and EU positions. While most Europeans would prefer to close the OHR, this solution represents a viable alternative. In contrast, the US remains undecided about this approach. It fears a scenario in which international coordination will be seriously undermined. Furthermore, the US is reluctant to subjugate its policy to the EU, and has expressed a preference to keep the OHR and the EUSR under the same roof for as long as necessary.

The substance and process of EU integration has become a divisive factor.

»»»» **SQUARING THE CIRCLE**

While the upcoming Bosnian elections in October might serve to help revive a stagnated reform process, it is critical that the EU (and the broader international community) seize the opportunity to implement a new strategy that is more in line with conditions on the ground. First and foremost, this strategy needs to address the future presence of the international community in Bosnia, as the status quo is not sustainable. The lack of consensus surrounding the status of the OHR has undermined the authority of this institution and, in turn, has potentially damaging implications vis-à-vis the reform process. Failure to bridge these divisions will likely keep the reform process in a state of limbo, offering party leaders the opportunity to shift the agenda to the future of Dayton as opposed to much needed social and economic reforms.

The definition of this new framework should centre on the provision of security guarantees, specifically in reference to both Bosnia's territorial integrity and the status of the entities, in order to avoid further instability in a post-OHR Bosnia. Locals continue to view the international community, and particularly the US, as the only guarantor of peace and stability. Any strategy that neglects this reality is likely to generate uncertainty and create further delays in the reform process.

The second component of the EU strategy in Bosnia needs to revitalise the EU accession process. Some analysts have supported immediate acceptance of Bosnia as a candidate for EU membership in hopes that a clear EU integration roadmap will be a catalyst for the necessary structural reforms required for EU membership. This approach is fundamentally flawed, as it presupposes that local leaders will be inspired to act by the lure of EU-based rewards. The ground-level reality is that nationalist rhetoric yields better short-term political results, especially in an election cycle, than an EU-based platform. The EU incentive-based approach is thus unlikely to drive the reform process without a new, more effective

international strategy on the ground. In this vein, finding a balance between OHR's intrusive methods and the EU's 'hands off' tactics will be critical, especially in a volatility-prone political climate.

Other political conditions could also facilitate this process. Along these lines, a revision of the Dayton Constitution could set in motion a new political dynamic, but this issue carries with it a new set of challenges. Firstly, ethnic groups are strongly divided over the issue of constitutional reform. Serb parties are only willing to concede minor alterations, in order to comply with the ruling of the European Court of Human Rights. Bosniaks and Croats advocate far-reaching changes. Secondly, in spite of strong external support, all constitutional reform initiatives to date have failed. Thirdly, constitutional changes have tended to centre on rather technical issues, in light of the widely differing positions concerning more substantive changes. This has limited the nature and scope of reform. A concerted effort by the EU and US, with the participation of other international actors such as Turkey and Russia, could yield significant results if timed properly – after a new government is formed following the October elections and prior to the 2012 electoral cycle.

The role of new international actors on the ground such as Russia and Turkey needs to be considered. The launch of the stabilisation and association process in 2000 pushed the EU into a position of leadership in terms of the pace and substance of the reform agenda in Bosnia. But the emergence of new actors – in a trend that paralleled the OHR's progressive loss of power – has somewhat undermined the EU's ability to dictate the terms of the process without their involvement. Enhanced coordination with these new international actors is thus necessary to the successful implementation of the reform agenda.

Turkey's initiative to bring the current President of Bosnia, Haris Silajdzic, and Serbian President Boris Tadic together in April of 2010 to address regional disputes demonstrated the

capacity of new actors to promote good neighbourly relations – in this case, usurping the EU's role in the process. While reform will ultimately hinge on the ability and willingness of Bosnian politicians to accept the required changes, a clear and resolute international strategy, recognising a role for new actors, represents the only viable way out of this political quagmire.

Regional issues also need to be considered, as these have the potential to act as both positive and negative catalysts. The ICJ ruling on Kosovo's independence, for example, has infused Bosnia's elections with nationalist rhetoric. While use of Kosovo for nationalist purposes is likely to abate following the elections, this issue remains a potent weapon that could be deployed for purposes of destabilisation. How the EU manages this issue, and its conflicting agenda in the Balkans, will determine its leadership potential in Bosnia. From a broader regional perspective, progress by neighbouring countries towards EU membership is likely to introduce a greater sense of urgency in the Bosnian reform process. Whereas the EU could (and should) remind Bosnian leaders of the inherent risks of stagnation, it is up to Bosnian authorities to undertake the required steps before international attention and resources shift away from this region.

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