



Policy Recommendations

of the PFP-Consortium Study Group “Regional Stability in South East Europe”

“2009 – Bosnia’s Year? The Challenge of Reaching Self-Sustainability in a Post-War Environment”¹

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Overview of the peace- and state-building process in Bosnia and Herzegovina

Progress has been lacking for more than three years in the peace-building process, since the Bosnian and Herzegovine (BiH) parliament failed in April 2006 to decide on a new constitution which would make “Dayton-Bosnia” a more viable state, with rational institutions compatible with future EU and NATO membership. As a consequence, BiH remains a dysfunctional state, with frequently blocked decision-making mechanisms, nationalistic rhetoric and policies, as well as a lack of cross-entity and cross-ethnic cooperation.

The “Prud Process” – a political dialogue started on the future of BiH in 2008 between the heads of the leading Serb, Bosniac and Croat parties – raised hope that a political culture of compromise could be developed in this post-war country and that the local actors in BiH could finally become the “owners” of their state as well as of the peace-building process. Apart from the common decision in the parliament of BiH to amend the Dayton constitution by anchoring the status of the Brčko District, concrete political results are missing. The Prud Process itself has shown contradictory signals, being partly discredited by the anti-state and separatist rhetoric of its Serb member, Milorad Dodik, the Prime Minister of the Serb dominated entity, Republika Srpska (RS). Obviously clientelistic interests of the leading politicians in both entities, above all in the RS, prevent BiH from functioning as a “normal” state.

Further reforms in the security sector have been hindered as a consequence of continuing nationalistic rhetoric, despite having shown some successes in the past. This is primarily evident in the police sector, which is still subject to strong political influence and manipulation. In order to prevent BiH from becoming a failed state, which could again

¹ This paper sums up the policy recommendations from the study group meeting on the peace- and state-building process in Bosnia and Herzegovina and its regional implications, held in Reichenau/Lower Austria, 24-26 April 2009. A comprehensive publication is in preparation, which will appear in the study group information series of the Austrian National Defence Academy.

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become a considerable security risk inside Europe, effective measures supported by the international actors present in BiH are necessary in all fields of reform.

The appointment in March of this year of a new High Representative (HR) and EU Special Representative (EUSR) for BiH, the Austrian diplomat Valentin Inzko, could be used as a catalyst for a more pro-active international policy towards BiH. On the other hand the time available for inducing such a policy is short, bearing in mind that the 2010 parliamentary elections will forestall any constructive way out of BiH's bleak situation, causing it to fall behind the other countries in the region as far as integration in Euro-Atlantic organizations is concerned.

Recommendations on political development

The leading politicians in BiH seem neither willing nor able to achieve agreement on a proper constitutional framework for this country, which – beside other factors – is a precondition for peaceful interethnic relations and normally functioning state institutions. What is needed is a new *contrat social* which enables civil society to contribute more than it has so far to positive changes.

Concretely, a constitutional task force could be established by the HR/EUSR, comprised of delegates of political parties, legal experts, and civil society representatives. Input from civil society groups would reduce the danger of political manipulation in vital fields and could ensure that reforms really meet the interests of the citizens of BiH.

Extended involvement of civil society groups from different parts of BiH in relevant reform processes could enhance solidarity between the different ethnic groups. This would be helpful for delegitimizing nationalistic politics in BiH. As a consequence a genuine truth and reconciliation process could begin.

The initiative for an action plan for BiH has to be launched by the HR/EUSR. His role as a protectorate power with far reaching competencies – the so called Bonn Powers – was terminated *de facto* during Christian Schwarz Schilling's mandate.³ What remains is the necessity for the HR/EUSR to act as a driving force in the state- and peace-building process. This demands a substantial mandate for the future EUSR and close cooperation between the EU and the U.S. government as the most influential international actors in BiH.

There should be a strong single leader for international assistance and influence in BiH. This has to be the HR/EUSR. All international partners need to agree not to pull in different directions and give contradictory signals. Otherwise the local politicians will take full advantage of such situations and play international actors off against each other.

An action plan for BiH, aside from the constitutional task force mentioned, should include the launching of a broad task force responsible for the social and economic challenges that BiH faces. It should change the partly discriminatory electoral law to guarantee equality of citizens regardless of where they live and which ethnic group they belong to in BiH, as well as push for youth programmes. The latter is closely connected to visa liberalisation.

³ Although formally still in force, the Bonn Powers are not used anymore by the HR as an instrument for influencing the peace- and state-building process in BiH. They are regarded as a "last ditch means" to prevent political radicalization, as demonstrated by the HR's Inzkos decision in June 2009 against a declaration of Republika Srpska's parliament which was considered as "anti-Dayton".

BiH's progress towards EU accession needs to be assessed based on the implementation of effective measures, not promises, treaties, laws or agreements, as the politicians in BiH have demonstrated a willingness to delay concrete progress through such means. Otherwise EU credibility will drop even lower and future progress will be even slower.

Recommendations on economic development

In BiH the interplay of a criminalised economy, a weak state, informal security networks and ethno-nationalistic political elites produces a vicious circle. Corruption represents a huge obstacle for economic recovery. The privatisation process is not transparent; companies directly linked to the political sphere are privileged.

In order to break this vicious circle the international actors have to change their strategy towards corrupt politicians in BiH. So far, documented corruption was used by the international actors to put political pressure on them to be more constructive in the peace- and state-building process. This strategy has not proven successful. Instead, the strengthening of law enforcement agencies is imperative in order to prosecute criminal politicians in BiH for their illegal activities. Bringing criminal politicians from BiH to trial could increase the chances to normalize political relations in this post-war country. Nationalistic mobilization would probably lose its usefulness in securing special zones of interest and maintaining clientelistic relations.

Recommendations regarding regional factors of influence

Croatia and Serbia substantially influence ethnic Croat and Serb politicians in BiH. The EU, the US government and NATO should use their influence on the governments in Zagreb and Belgrade to gain their support for the peace-building process in BiH. The EU especially could promote constructive policies of neighbouring countries (above all of Serbia) towards BiH by making them a core condition for future membership. Due to the fact that the successor of the Stability Pact for South East Europe, the Regional Cooperation Council, is situated in Sarajevo, the position of BiH as a centre for regional cooperation should be promoted more effectively.

Recommendations on defence reform⁴

Generally, defence reform in BiH can be regarded a success. NATO's support for this reform, the setting of clear, non-negotiable standards, as well as the prospect of future membership in the Alliance has contributed significantly to the formation of a single armed force out of the three previously antagonistic armies. However, some important tasks remain:

- The acceptance of BiH's application to NATO's Membership Action Plan (MAP) by the end of this year would be an additional reward for the successful implementation of reforms. It could also be an important signal for some nationalistic BiH political leaders that the process of state-building is irreversible. BiH's entering into the MAP process would probably silence those politicians who demand the dissolution of the Armed Forces of BiH (AFBiH).

⁴ With special contribution of Mr. Denis Hadžović, Secretary General of the Sarajevo based Centre for Security Studies.

- NATO must support the MoD in rearranging a very negative budgetary distribution. At present, personnel costs approach 84% of the total defence budget. Almost no money remains for the modernization, appropriate education and training of the AFBiH. Furthermore, a strengthening of the NATO Trust Fund to support BiH seems to be appropriate, bearing in mind the forthcoming demobilization of 2,400 AFBiH officials who will reach their age limit next year.
- Increasing pressure on local politicians to adopt the law on fixed and mobile arms property would enable the AFBiH to reduce the financial and human resources which are presently needed for securing surplus weapons and storage locations.
- Recognizing NATO's important role in the defence reform process, it seems reasonable to induce AFBiH cooperation with the European Security and Defence Policy as well. This could send a very positive signal to the BiH public that the defence reform is doubly contributing – to NATO and to EU integration.
- Joint Armed Forces in BiH require a joint system of military education. In strengthening the state's role in the field of higher education there is a greater chance for an *esprit de corps* to develop within the AFBiH. Combined AFBiH operations abroad with the UN, EU or NATO could also gain efficiency.

Recommendations on police reform⁵

Constitutional reform is urgent to promote, in sense of the EU integration, further police reform; the current system is dysfunctional and allows small minorities to block effective reforms, including those suggested below.

State police institutions that are dealing with border control, and fighting organized crime and terrorism, must be strengthened. Compared to the entity police forces, who offer better conditions for officials, they are disadvantaged. The state police institutions need more staff, better equipment and adequate training. The existing structure needs better legal regulation, as some of the tasks and authorities overlap and are not clearly defined in the current regulations.

Threat assessments of Organised Crime and Corruption (OCC) in BiH are characterized by huge information gaps that result from political influence on police and prosecutors. No ministry or agency at present has the capacity to formulate an accurate OCC threat assessment for BiH. To improve the situation:

- Properly defined lines of responsibility and accountability between the Ministry of Security and police agencies are required and new OCC strategies with action plans need to be implemented.
- The State Investigation and Protection Agency (SIPA) needs improved capacity to deal with OCC cases where high level corruption is suspected; the SIPA (especially those individuals who resist political interference) needs strong and visible international political support. Outreach is required to combat the potent voice of the

⁵ With special contribution of Mr. Stephen Goddard, Head of the Anti Organised Crime Department of the European Police Mission in BiH.

political parties in the local media in this regard. The citizens put great stock in media reporting and some balance needs to be restored.

- Financial independence of the police agencies would limit political (corrupt) interference into operational matters.
- The state-level law enforcement agencies need to be strengthened and brought to full capacity by providing adequate budgets.
- Professional functioning of chains of command should be encouraged (through outreach for public accountability), and ethnic bypassing of the chain discouraged. Reform of the appointment process to eliminate politically motivated appointments, as well as the huge conflicts of interest they promote, is required.
- Laws on the seizure of criminally gained assets need to be strengthened, to include placing some of the burden of proof on the defence, and making an assets investigation a requirement in all OCC cases.
- OCC corruption investigation teams need more training and mentoring by collocated international experts, in particular for non-executive personnel such as prosecutors, financial investigators and intelligence analysts.
- Strong international pressure is needed to unblock the establishment of police reform bodies, in particular the appointment of the Independent Board, currently held hostage to political manoeuvring since a new law was passed in 2008.

Recommendations on religious radicalism

BiH's weakness as a state maintains and partly extends the influence of radical religious representatives and groups that interfere in the political sphere. This interference must be curbed. Curbing undue influence by radical religious groups will be accomplished by improving BiH's "state functionality," i.e. fighting criminal politicians, strengthening tolerant civil society groups, inducing positive economic development and aligning with the EU.

Recommendations on the media and the educational system as important factors in the process of peace-building

The media play a significant role in the BiH peace process. They can either contribute to a relaxation of inter-state relations or can be used by nationalistic politicians for negative purposes. Shortly after the Dayton Accord, international actors paid close attention to media development, but this important sector has been neglected since the removal of the most nationalistic politicians from the political scene. About 75% of Bosnia's media depend on financial support from state or entity institutions. This dependency causes most journalists to self-censor, especially in the Serb-dominated entity, where huge pressure is exerted on the media.

Western donors should once again be more active in supporting independent media in BiH. Unprofessional media reporting has led to apathy about the criminal activities of local politicians.

The role of education in the peace-building process in BiH has been generally underestimated by international actors. Various curricula present in the educational sector, as well as nationalistic political interference, hamper initiatives for educational cooperation inside BiH.

Conceptualizing a strategy of “brain gain” instead of accepting a situation of “brain drain” is of high importance. Educational institutions that contribute to the formation of new elites who strive for interethnic tolerance and cooperation need much more support. Examples for this are the human rights centres that have been established at universities in Sarajevo, Banja Luka and Mostar.

Projects for primary and secondary education supported by the EU Commission and targeting a common approach to history should be extended to the field of higher education. In the course of approaching the EU in BiH, educational policies aiming to solidify ethnic division should be resisted as far as possible, or new generations will not be able to define a common vision for their future. Moreover, internal reforms should enable young people to gain new experience abroad in order to overcome isolation.