

## BOSNIA-HERZEGOVINA

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# State Collapse Threatens

Fifteen years after the Dayton Peace Accords ended the war in Bosnia-Herzegovina, political tensions have reached a level where the collapse of the state is a real risk. Serb threats to cut loose are intensifying; the cost of running the oversized and reform-resistant government sector is reaching breaking point. As the country prepares for parliamentary and presidential elections on October 3, the international community finds itself with little power to enforce the Dayton peace.

**O**NLY A FEW YEARS AGO BOSNIA WAS HUMMING. Reforms to improve government and encourage integration in the Euro-Atlantic community were being implemented at a pace, refugees were returning, the economy growing, and the country and region stabilising. With Bosnia seemingly on track to a bright, European future, the international community began to scale-down its engagement.

But things turned with the 2006 parliamentary election. The main reason was the victory then of the Alliance of Independent Social Democrats (SNSD) in Republika Srpska, one of Bosnia's two sub-state 'entities'. The other entity is the Bosniak (Muslim) and Croat-dominated Federation of Bosnia-Herzegovina. The Republika Srpska election secured party leader Milorad Dodik the premiership, full control of the entity's assembly, and the power to obstruct the legislative process on a national level.

## SRPSKA SEPARATISM

Bosnia's constitution – an annex to the November 1995 Dayton Peace Accords – created a complex system of institutions and mechanisms to keep the peace after the 1992-1995 war, in which some one hundred thousand people were killed. Among the mechanisms is the right of each of the three 'constituent peoples' – Bosniaks (Muslims), Serbs, and Croats – to veto legislation on issues they see as in their vital interest. Bosnian Serb leader Dodik has utilised this and other opportunities over the last four years to operate as a Trojan horse inside the Bosnian state.

Dodik makes no secret of his dislike of Bosnia-Herzegovina. He made his first threats to hold a referendum on independence for Republika Srpska during the 2006 campaign, inspired by Montenegro's separation from Serbia. At the time Dodik was seen as a moderate pragmatist by the west and non-Serb Bosnians. Today the same people are

likely to consider him an extreme opportunist, thriving on virulent nationalism.

Dodik's persistent assertiveness has produced a new belief among Bosnian Serbs that independence is possible, and that Republika Srpska would be a viable state. This faith also feeds an expectation that Dodik – or somebody else – will pursue that cause.

After more than four years of threats, Dodik has still not moved decisively to hold a referendum. That could change after these elections, when his party is likely again to be the entity's largest.

Dodik has been emboldened by the International Court of Justice's July ruling in support of Kosovo's 2008 declaration of independence. However, his main ally Serbia, under President Boris Tadic, still has too much to lose internationally to support Republika Srpska separatism fully.

At present, Dodik's preferred strategy appears to be to suffocate the Bosnian state slowly. If however he were to push harder for independence, he would dangerously miscalculate to think it would go unpunished. 'The Bosniaks would oppose it, and I know they are willing to fight for the state', remarks one senior international diplomat in Sarajevo. 'There is no way secession could take place peacefully', says another.

## DIVIDED AND DYSFUNCTIONAL

Whereas Serb separatism is the main threat to Bosnia's integrity, all else is not well. The other main problem is a notoriously inefficient and oversized government sector.

The upkeep of the multitude of ministries, assemblies and more consumes some sixty percent of the state budget. To illustrate, on October 3 voters will elect the three members – Bosniak, Serb and Croat – of the rotating state presidency; members of the national parliament, the two entity parliaments, and ten canton assemblies; and Republika Srpska president and vice-president. The Federation does not have a presidency; Republika Srpska does not have the canton level. Municipal elections are held separately.

Besides being costly, the country's massive organisational complexity leads to problems of inefficiency, lack of transparency, and the fragmentation of responsibility. Business owners, for instance, answer to a crowd of agencies, often operating with contradictory laws.

Assemblies take on economic obligations without considering overall feasibility: the Federation is practically bankrupt, in large part because of hefty pension and benefit payments to war veterans. Republika Srpska is in somewhat better shape, covering expenditures with revenue from major – often controversial – privatisations.

The complex institutional framework has maintained an ethnic dimension in everything political, above all the main parties. This is a particular problem in a country trying to put an ethnic war behind it. Civic parties are insignificant and civil society weak.

In terms of ethnic reconciliation, optimists point out that Bosnia now has one single army, of only ten thousand troops. But pessimists counter that the army's three regiments each

consist of three ethnically homogeneous battalions. And, in spite of sustained international pressure to integrate, Bosnia still has one Serb and one Bosniak-Croat Muslim police force.

## RESISTANCE TO REFORM

It would take a shock to the political system to shake it out of today's deadlock. Far-reaching structural reform is necessary to cut costs and make government effective, and to make the Serbs, too, feel at home in Bosnia. At present, though, local leaders are very unlikely to agree between themselves on such reform.

Members of the political class are resisting reform at all levels of government that would cut off the particular branch they are sitting on. A shared vision for the country is lacking between the three main ethnic groups. For instance, most Bosniaks want more centralisation and the abolition of the entities. Serbs on the other hand would like Republika Srpska to stand on its own as much as possible. European Union and NATO integration, while still crucial national goals, face increasing scepticism on the Bosnian Serb side.

Formally, the Office of the High Representative – the international executive presence that oversees adherence to the Dayton Accords – remains Bosnia's highest authority. In reality, however, international leverage has weakened as the High Representative has found itself with only reluctant backing from home.

Meanwhile, the European Union peacekeeping force, the one international deterrent on the ground, is being scaled down to below two thousand troops. While the international whip is disappearing, the one, big carrot – EU integration – has limited power to make the Bosnian leaders act constructively.

Both Bosnians and the international community are unsatisfied with the current international presence, but where it will go next is not yet clear. The Office of the High Representative may be closed, leaving only a softer EU special representative. One person, Austrian diplomat Valentin Inzko, wears both hats at present.

Some EU decision makers, among them the Union's foreign affairs chief Catherine Ashton, would prefer to go in the opposite direction, creating an EU representative with more muscle to intervene in Bosnian affairs. But international attempts to take back lost leverage could easily backfire, if going against the interests of local leaders.

There is little reason to expect these elections to alleviate Bosnia's great problems. Even though his SNSD party will probably win fewer votes than in 2006, Dodik looks set to keep a firm grip on Republika Srpska. The Bosniak side, on the other hand, will most likely come out as a more fragmented and less unified counterpart for Dodik.

As Dodik is likely to continue his efforts to undermine the Bosnian state, and because the resistance to reform is so great in the governing institutions, the country will most likely remain locked in political conflict and economic stagnation. Sadly, more of the same for Bosnia entails not stability, but a drift towards disintegration.

