

Bosnia: Standstill despite New Strategic Significance

Twenty years after the war's end, after a long lull, Bosnia is once more making progress towards EU membership. However, the country's fundamental problems remain. At the same time, its stability continues to be threatened.

By Matthias Bieri

After years of stagnation, Bosnia is once more advancing on its path towards the EU. After the entry into force of the Stabilisation and Association Agreement in June 2015, the country submitted an application for EU membership in February 2016. However, this formal progress towards accession is due to a change of course on the part of the EU rather than successful reforms within the country. Since the end of 2014, the EU has once more been displaying greater interest in Bosnia, hoping that the reform impasse resulting from its ethnic-political divisions can be overcome through economic progress. Bosnia's leading politicians have made commitments to the EU pledging a reform agenda.

The reason for the EU's stronger engagement is that the promise of sustainable economic advantages held out to the Bosnian people has lost credibility. For many years, Bosnia has been mired in deep crisis that has also eroded support for the path towards Western democracy. In 2010, 69 per cent of the population explicitly supported EU accession; by 2015, that number had declined to only 30 per cent. At the same time, Russia, Turkey, and a number of Arab countries have gained influence. Their investments have fewer strings attached. However, their respective relations are limited to specific regional constituent parts of the country, and as such contribute to deepening the entrenched ethnic divisions.



The structural deficits of Bosnia will not disappear for the time being. Two decades after the war, however, hopes in Sarajevo for a peaceful and better future are still alive. *Dado Ruvic / Reuters*

While the EU remains unchallenged as the most important actor in the country, the plan to create a stable Western Balkans region by way of European integration is increasingly in jeopardy. Since the end of the war, the ethnic divisions have been compounded by the increasing importance of religious and ethnic affiliation in Bosnia. In this context, the growing number of Muslim extremists in the country poses a challenge.

At the same time, some only too familiar problems have resurged. The Dayton peace treaty of 1995 resulted in a sustained pacification of the armed conflict in Bosnia. However, the underlying causes of the war, which led to more than 100'000 deaths, were not resolved. The ethnic groups within Bosnia still have differing expectations regarding the future shape of their state. Recently, referenda aiming at the independence of the Serb entity were an-

nounced in the Republika Srpska, challenging the order established by the Dayton agreement. However, under strong international pressure, the proposals were shelved.

The uproar surrounding the referenda shows that Bosnia remains politically fragile. The aims of Western countries, to bring long-term stability to the country and minimize the influence of the authoritarian politics that has brought catastrophic results in the past, are under threat. However, it is questionable whether the Western European countries, distracted as they are by a plethora of other hotspots, are paying sufficient attention to the situation.

Obstacles to Bosnia's Development

Development in Bosnia suffers from numerous structural deficits. On the one hand, the constitution impedes reforms with numerous veto rights for the different population groups. Maybe even more critical, however, are the dynamics of Bosnian politics, which make compromises unattractive, but reward maximal demands. The engagement of international actors is also a factor at play here. For a long time, the EU states were in disagreement over their Bosnia policy. Moreover, many EU states still show little interest in Bosnia, since the potential accession of this "difficult" candidate is a distant prospect at best.

Bosnia's institutions are generally weak. The judicial system at all levels is subject to political influence and highly susceptible to corruption. The lack of legal security, in turn, obstructs economic development. At its core, the economy depends on international aid, which is one of the main reasons why the European financial and economic crisis caused a crisis in Bosnia, too.

For the population, the economic and social outlook is bleak. Unemployment officially stands at 28 per cent, and even at 63 per cent among young people. Overall, only 43 per cent of the working age population

Surveys show that 58 per cent of the population are considering emigration.

are gainfully employed – illicit employment is a common phenomenon in the country. One-third of all jobs are located in the oversized, inefficient public administration, which absorbs more than half of the state's budget. Politics and the economy are dominated by clientelism, nepotism, and corrup-

tion. Organized crime is enmeshed with politics and the economy. These difficult framework conditions are the reason why the poverty level has remained at a constantly high level since 2008.

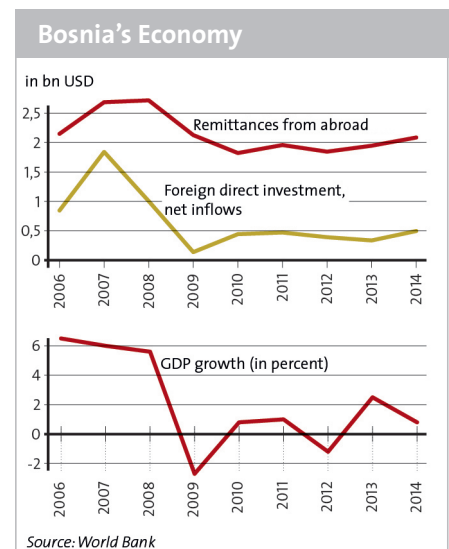
The mass protests of 2014, which were not ethnically motivated, but related to social issues, were thus a logical outcome of the situation in the country. The prevailing conditions and the established order were not fundamentally shaken up by these events, however. The population has become disillusioned, and frustration concerning the political class is enormous. The political parties with their largely ethnic agendas are primarily interested in securing their own power. Their focuses are not on the concerns of citizens, but on those of their own clientele. Politics is marked by a mix of democratic and authoritarian elements. The principles introduced by Western governments are selectively observed, but it is the façade, not substance, that constitutes the essence of politics. One consequence is that all decisions taken at the highest state level are politicized. The representatives of the ethnic groups emphasize their own victimhood and show no willingness to compromise. This ultimately results in a zero-sum game for all three ethnic groups. There are no political alternatives that hold the promise of fundamental change. Most recently, the intra-ethnic disputes among various parties have become more acute.

Young Bosnians, meanwhile, increasingly seek better fortunes abroad. Surveys show that 58 per cent of the population are considering emigration. This applies particularly to Serbs and Croats. Since most Bosnian Croats also hold a Croatian passport, they have had unlimited access to the EU-wide labor market since Croatia's accession in 2013.

The economic situation has become even more grave in the wake of the 2014 floods.

The country continues to suffer from the effects of the catastrophe, which caused an estimated 2 billion Euro of damage. By comparison, implementation of the ambitious reform agenda to which Bosnian politicians have committed themselves is funded by international donors to the tune of 1 billion Euro Euro.

The chronic reform-averseness of Bosnian politics can be traced to the particular interests of the various population groups.



The Bosnian War severely aggravated the segregation between ethnic and religious groups. Their respective interests continue to be oriented along much the same lines as they were during the war: Generally speaking, the Serbs in the Republika Srpska want to secure as much power as they can for their constituent republic, up to and including secession; the Croats in the Croat-dominated cantons are aiming for an entity of their own and are therefore allied with the Serbs when it comes to weakening the central government; and the Bosniaks, who constitute the largest population group, want the central state authorities to be as strong as possible and dominated by their own representatives. All three population groups are instrumentalizing the long-overdue constitutional reform for their own goals and show little inclination towards compromise.

The effectiveness of the constitution is today viewed in terms of two distinct phases: The first ten years from 1995 onwards are seen as a successful period. The basis for peaceful coexistence had been laid, and an efficient peace process was brought underway. In the past decade, however, the constitution has proven to be an obstacle to the country's development. The stance adopted by the international community also played a role: More and more responsibility was transferred to local politicians, and the office of the High Representative made less use of its authority over time. The politicians of the various population groups were unable to reach compromises, however, and failed both to pass and to implement laws. Often, no reforms were introduced at all.

From 2008 on, the EU made constitutional reform a precondition for further steps towards EU membership. As part of a new strategy for Bosnia and a focus on reforms geared towards economic development, this condition has now been placed on the backburner. The transformative allure of membership has proven less forceful than had been hoped. One reason is the diminishing credibility of the EU. Starting with the 2008 police reform, the EU demonstrated that it is prepared under certain conditions to soften its strict conditions. The danger is that with the latest initiative, too, Bosnian politicians are banking on the EU to make concessions even without progress at the local level.

New Geopolitical Significance?

The EU's about-face also indicates that Bosnia is to be kept on course towards EU membership, since other actors have also deepened their engagement in Bosnia. Since 2014, Russia has been strengthening its ties to the Republika Srpska (RS), as shown by their mutual political support. The president of the RS welcomed the 2014 Crimea referendum. In return, in the UN Security Council, Russia staunchly backs the RS's stance and policies, which are criticized by the US as well as the European members of the Council.

Economically, too, ties have grown close. Russia dominates the Bosnian Energy sector; the country is dependent on Russian gas. The RS, operating on a very tight budget, as of late enjoys perceptibly increased financial support from Russia in the form of loans and investment. This engagement is particularly welcome, as negotiations with the International Monetary Fund over new loans are moving slow since 2014.

Russia's enhanced presence is also seen in the increasing challenge to Bosnia's integration into Euro-Atlantic structures. In 2014, Russia abstained for the first time in a vote on the extension of the mandate for the EU's EUFOR Military mission, which still consists of about 600 soldiers. However, it is unlikely that Russia will veto the annual extension of the UN mandate for EUFOR in the near future, since Moscow is worried that it might be replaced by a NATO mission upon withdrawal. In coordination with the RS, the weakening of the UN High Representative has been promoted for years. The office and its "dictatorial" authorities, are no longer necessary, according to Moscow, which believes Bosnians themselves should take on responsibility for their own country.

Structure of the Bosnian State

The constitution of Bosnia-Herzegovina was introduced by the **Dayton peace agreement**, which ended the Bosnian War in December 1995. It stipulates a federalist state designed to prevent the largest population group, the Bosniaks (roughly 48 per cent today), from politically dominating the Serb (33 per cent) and Croat (about 15 per cent) minorities. The two smaller population groups had to accept the multi-ethnic state, but received varying degrees of autonomy rights. The central government only has limited jurisdiction in certain domains. The state presidency is held jointly by one Bosniak, one Serb, and one Croat. Moreover, the state is divided into two largely autonomous entities, the **Federation of Bosnia and Herzegovina** and the **Republika Srpska (RS)** as well as the **Brčko district**, which is de facto directly subordinate to the central government. The Federation, in turn, is subdivided into ten cantons that also enjoy far-reaching autonomy. A **High Representative of the UN** monitors the implementation of the Dayton agreement and holds extensive powers. An amendment to the constitution was already debated in the early 2000s. However, it could only be achieved with the agreement of all three population groups. No compromise has been reached so far.



■ Republika Srpska
 ■ Federation of Bosnia-Herzegovina
 ■ majority Croat cantons
 ■ majority Bosniak cantons
 ■ ethnically mixed cantons
 Total population: 3,8 million (1991: 4,4 million)

The increasing influence on the RS will achieve at least one of Russia's goals: Bosnia's NATO integration will not move ahead. Without the agreement of the RS, where NATO is extremely unpopular due to its intervention in the post-Yugoslavia conflict, no NATO membership will be possible. Overall it can be assumed that Bosnia is seen by Russia as a place where it can trouble the EU with relatively little effort. This is a way of securing leverage for negotiations, with an instable Bosnia serving as a collateral.

In addition to Russia, other powers have also become important actors in Bosnia over the past years. Saudi Arabia, Qatar, and the United Arab Emirates have expanded their economic and cultural engagement. Investments in shopping malls and tourism resorts are accompanied by funding for Muslim cultural centers. While investment in the crisis-torn country is naturally welcomed, the cultural engagement is viewed with skepticism, and not just by ethnic Croats and Serbs. Even for the Bosnian Muslims, Arab culture is alien and difficult to reconcile with the local variant of Islam.

Moreover, Turkey is extremely active in funding cultural activities in the mainly

Bosniak regions, with frequent references to Bosnia's history as part of the Ottoman Empire. Since 2009, these efforts have been noticeably stepped up. Turkey regards its advocacy for the interests of Muslims on the Balkans as one of its foreign-policy priorities. The Western Balkans are a bridge to Europe, with Bosnia in the focus of Ankara's regional engagement. Synergies are also seen with respect to the two countries' respective paths to EU membership. Moreover, Turkey is trying to play a constructive role as a regional actor, and has always been engaged in peace support activities on the Western Balkans. While economic relations are being expanded, the total trade volume with Turkey still only accounts for 3.7 per cent of Bosnia's overall trade. However, in the areas of education and health-care, Turkey occupies important niches. It enjoys broad support among Bosniaks, reinforced by cultural proximity. Among Bosnian Serbs, however, Turkey is regarded as the enemy, as the experience of the Ottoman yoke is deeply rooted in the collective consciousness.

The roles of Serbia and Croatia, fraternal countries of the Serbian and Croat minorities in Bosnia, should not be forgotten. It is true that the influence of both countries on the political leaders of the respective ethnic

groups in Bosnia has diminished over time; for instance, it was Serbia's intervention that ultimately brought the RS to reason on the matter of its referendum plans. The EU's influence on member state Croatia and candidate state Serbia appears to be having an effect.

Overall, the activities of foreign powers are deepening the entrenched divisions between the ethnic groups, since each concentrates on one of the populations. The "dark forces" standing behind the various groups sharing a single country give rise to fears. The EU has the big advantage of being able to hold out attractive economic proposals and offering a future for all parts of the country. If this advantage is played out skillfully, European integration will not lose its attractiveness.

However, Russia's involvement in particular has startled the EU. Since the US relinquished the political leadership role in the international presence in Bosnia in the mid-2000s, the EU has held responsibility for the country's Euro-Atlantic integration. As such, the EU is mainly intent on working with the president of the state at the highest level while avoiding politics in the two constituent republics. However, in the RS especially, this creates an even greater incentive to resist this EU approach and makes it easier for other countries to influence the governments of the two entities.

Islamism in Bosnia

Today, Bosnian youths are considerably more religious than earlier generations. Religion has become an important identity marker, which reinforces the ongoing rifts in the country, as religious divides coincide with ethnic distinctions. Increasingly, the role of Islam is also becoming an issue in Bosnia. On the one hand, political Islam

has taken root in Bosnia and touched off new conflicts. On the other hand, however, radical interpretations of Islam have gained ground in Bosnia in an environment traditionally marked by a secular form of Islam. Conditions are favorable, as the socioeconomic realities push many young people towards the radical and simple answers of radical Islam.

In recent years, many Bosnian Muslims have moved to Syria to join the so-called Islamic State (IS). Bosnia today has the highest percentage of IS fighters per capita in Europe.

Radical religious thought first reached the country during the war in the 1990s, as Arab volunteers went to Bosnia to support their coreligionists in the conflict. Some of them remained in the country after the war and joined up with locals who had been

Bosnia today has the highest percentage of IS fighters per capita in Europe.

radicalized by the experience of war. Together, they began to proselytize and spread their version of Islam.

In doing so, they were supported financially by donors from the Arab world. Arab funding also reached the officially organized Islam of Bosnia and was used, for example, to restore mosques. Initially, radical groups attempted to secure influence on official religious structures. These efforts only met with limited success, however, even though Islam in Bosnia has become more political in nature in recent years. As a result, the Salafist circles have increasingly isolated themselves. To this day, this remains the milieu for those who made Bos-

nia a transit country for Europeans seeking to join the IS. There are also ties to EU countries including Austria, where a community of radicalized Bosniaks has formed. For returning jihadi fighters, too, these circles are points of connection. As in other European countries, they constitute a particular kind of danger. Battle-hardened and also ideologically radicalized, some of them serve as recruiters for armed combat – occasionally with success, as evidenced by individual acts of terrorism and several arrests of terrorism suspects in Bosnia. Moreover, there is a handful of villages in Bosnia where life is governed by sharia law. These institutions, too, are reportedly funded by foreign money.

However, despite the presence of Bosnian Muslim extremists, the fact is that the overwhelming majority of Muslims in Bosnia follow a secular tradition of Islam.

While many of them are attached to the world of Islam, they are economically and socially oriented towards the West, which moreover is the political guarantor of Bosnia's territorial integrity. Bosnia's religious leaders have repeatedly distanced themselves clearly and explicitly from Muslim extremism and religious violence. Nevertheless, the Islamists continue to promote ethno-political divisions in the country, not least by reinforcing ethnic stereotypes. Additionally, they threaten to bring back violence to everyday life in Bosnia.

Matthias Bieri is a researcher at the Center for Security Studies (CSS) at ETH Zurich. As a Balkan expert, he has authored several studies including ["The Western Balkans between Europe and Russia"](#) (2015) and ["Kosovo between Stagnation and Transformation"](#) (2014).