



CRS Report for Congress

Bosnia: Overview of Current Issues

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Summary

Over 12 years since the Dayton accords ended the 1992-1995 Bosnian war, Bosnia's future is still somewhat in question. Despite the country's numerous postwar achievements, political and ethnic divisions remain strong, with many of Bosnia's political leaders maintaining sharply polarized views on institutional and constitutional reforms, especially those concerning the Dayton-mandated entities (the Bosniak-Croat Federation and the Republika Srpska) and the central Bosnian government. In general, the Bosniak (or Muslim) parties have emphasized a stronger central government, while the Bosnian Serb and Bosnian Croat communities favor more decentralization.¹ Nevertheless, Bosnia recently achieved new milestones in its path toward full integration with NATO and the European Union (EU). An international High Representative continues to provide hands-on diplomatic guidance, and an EU-led military force remains deployed to provide for a secure environment in Bosnia; both international missions derive from the Dayton agreement and neither has a set end-date. This report provides an overview of prominent current issues in Bosnia that may be of interest to Members of the 110th Congress. It may be updated as events warrant.

Introduction and U.S. Policy

The Dayton peace agreement,² reached in November 1995 with U.S. leadership, ended a brutal three and one-half year ethnic and territorial conflict in Bosnia-Herzegovina that erupted after the dissolution of the state of Yugoslavia. The Dayton agreement outlined a common state of Bosnia and Herzegovina comprised of two entities, the Bosniak (Muslim)-Croat Federation and the Republika Srpska (RS), under the

¹ Bosnia's population includes 48% Bosniaks (Muslims), 37.1% Serbs, and 14.3% Croats (2000 estimate). CIA World Factbook, 2008.

² Full text of the Dayton accords can be found at [<http://www.oscebih.org>]. The constitution is in Annex 4. The accords were signed in Paris on December 14, 1995, and are sometimes referred to as the Dayton/Paris agreement.

authority of an international representative and a NATO-led peacekeeping presence. Central Bosnian governmental institutions include a three-member presidency, Prime Minister and Council of Ministers, and bicameral state Parliament. Under the Dayton constitution, central governing powers were kept weak, with many governing functions remaining at the Federation and RS entity level, which have their own governments and parliaments. Below the entity level are cantons and municipalities in the Federation and municipalities only in the RS. At the international level, Dayton mandated an Office of the High Representative (OHR) to oversee international activities in Bosnia and bear authority to impose decisions and remove officials. As the security situation improved, NATO gradually reduced its presence in Bosnia and turned over peacekeeping duties to the European Union (EU) in December 2004.

Most observers agree that Dayton was a great achievement in that it ended the war and laid the foundation for consolidating peace. However, many also believe that the Dayton agreement, as a document derived from compromises and reflecting wartime circumstances, cannot by itself insure Bosnia's future as a functioning democratic state. In particular, Bosnia's multi-layered and ethnically-defined governing structures have presented significant challenges to its efforts to integrate into the European Union and NATO. Political differences among Bosnia's leaders and vested interests in the status quo continue to hinder efforts to strengthen Bosnia's central governing institutions and administrative capacity. The pull of Euro-Atlantic integration has fostered a degree of cooperation on this front, but political consensus across ethnic lines on key governing arrangements is still elusive.

Over the years, the Bush Administration has assisted Bosnia's development as a functioning democratic state, supported its Euro-Atlantic aspirations, and encouraged Bosnia's leaders to consolidate state structures. U.S. and international officials have underscored the regional importance of progress in Bosnia, and have decried the divisive nationalist rhetoric that has dominated Bosnian politics over the past year or so. They reject initiatives by opposing Bosnian politicians that seek to undermine Bosnia's territorial integrity, such as calls for the RS to secede or for the entity structure to be eliminated.³ Some Members of the 110th Congress retain an interest in Bosnia's progress since Dayton, its path toward NATO membership and EU integration, as well as its record of cooperation on war crimes issues. For FY2009, the Administration has requested over \$37 million in bilateral foreign assistance to Bosnia, an increase from FY2008 levels (estimated \$33.3 million) that reflects U.S. concern about Bosnia's recent uneven progress in reforms.

Constitutional Reform Efforts and the Post-2006 Election Political Situation

In recent years, the Bush Administration and the EU have sought to promote further constitutional reform to improve the governing effectiveness of Bosnia's political institutions and overcome some of the dysfunctional aspects of the post-Dayton legacy. In March 2005, the Council of Europe's Venice Commission concluded that Bosnia's

³ See Testimony before the House Committee on Foreign Affairs of Assistant Secretary of State Daniel Fried, "The Balkans after the independence of Kosovo and on the eve of NATO enlargement," March 12, 2008.

current constitutional arrangements were neither efficient nor rational, and that state-level institutions needed to become far more effective for Bosnia to move closer to EU integration.⁴ Several political and economic reforms have been reached over the years, often with extensive input from and pressure by the international community. For example, the Bosnian parties agreed in early 2005 to comprehensive defense and security reforms on merging the formerly rival forces into an integrated army controlled by the central government.⁵ Additional landmark agreements on intelligence and information services, state prosecution offices and justice ministry, and border and customs services, among others, further expanded central state competencies and institutions. Bosnia's economy has also achieved significant growth in recent years, although unemployment still exceeded 40% in 2007.

At a Washington meeting in November 2005 to commemorate the 10th anniversary of the Dayton accords, Bosnia's leaders signed a "Commitment to Pursue Constitutional Reform," pledging them to embark on a process of constitutional reform to create stronger and more efficient democratic institutions. Some envisioned reforms included creating a single presidency instead of the current tri-partite presidency, strengthening the Prime Minister's office, and strengthening the Bosnian parliament. Negotiations on a reform package continued through early 2006, with the intention to complete them in time for scheduled general elections in October. In March 2006, seven Bosnian parties agreed to a package of constitutional reforms, and the tri-partite Bosnian presidency likewise adopted it. Despite this broad consensus, the measure failed in Bosnia's lower house of parliament on April 24, missing the required two-thirds majority by two votes. Some Bosnian Croat and opposition Muslim deputies opposed the bill. Its failure was widely viewed as a major setback to the state consolidation process. After the vote, several parties reiterated their commitment to continue negotiations toward reaching a consensus on constitutional reforms, which many recognize to be essential for eventual integration with the European Union. Subsequent political realities, however, have severely diminished prospects for constitutional reform in the near term.

October 2006 Elections and Aftermath. On October 1, Bosnia held elections for the three-member Bosnian presidency, the Bosnian parliamentary assembly, the parliaments of the two entities, the RS presidency, and the Federation's cantonal assembly. Overall turnout was 55% and the conduct and administration of the electoral process were generally praised.⁶ While the hold on power of the wartime nationalist parties was weakened, the relatively hardline positions of the victorious parties pointed to significant new challenges to building national consensus across ethnic lines on key issues. For example, the Party for BiH (headed by former Prime Minister Haris Silajdzic), has promoted the dismantling of the entity structure in favor of greater state centralization. Conversely, Milorad Dodik, the leader of Alliance of Independent Social Democrats in the RS, has promoted greater federalism, and has on occasion threatened to call for a referendum on independence for the RS. Ethnic Croat parties are generally supportive of greater rights for the country's ethnic Croat community. After several months of

⁴ Text of the report can be found at [<http://www.venice.coe.int>].

⁵ See "Defense Reform Fact Sheet," NATO Headquarters Sarajevo, July 21, 2005, available at [<http://www.afsouth.nato.int>].

⁶ These were the first elections since Dayton to be administered entirely by Bosnian authorities.

negotiations, a new seven-party coalition government was formed in February 2007, headed by Bosnia's first ethnic Serb Prime Minister, Nikola Spiric.

Bosnia's new leading politicians retained much of their hardline and uncompromising positions throughout 2007, contributing to a deteriorating political environment and provoking intermittent political crises. Some speculated that the international High Representative would use his authority to remove Silajdzic and Dodik from power. Bosnia Prime Minister Spiric actually did resign late in the year in protest of the High Representative's decision to streamline central Bosnian decision-making processes, but was later reinstated.

Above all, the issue of police reform and restructuring took over as a proxy for the earlier (and still ongoing) debate over constitutional reforms, and became tied up with Bosnia's efforts to secure an association agreement with the EU (see below). Police reforms have been a particularly thorny area of security sector reform because they relate to the power relationship between the entities and the central government. The governing parties reached a major milestone in this area in October-November 2007 by agreeing on a set of principles and action plan on police reforms that appeared to meet EU conditions on police consolidation; further progress, however, would still take several additional months. Despite this sign of compromise, Bosnia's leaders have been challenged in 2008 to implement their commitments on the police as well as search for areas of consensus in revived efforts to achieve constitutional reforms.

International officials have decried the increased nationalist rhetoric and "destructive tendencies" of leading politicians in Bosnia.⁷ Inter-ethnic tensions threatened to spike after Kosovo declared independence from Serbia in February 2008. U.S. recognition of Kosovo prompted several protest rallies in Banja Luka in the RS. RS President Milorad Dodik appears to have stepped back from earlier hints about calling for the RS to secede from Bosnia, but has rigorously defended the continued existence and prerogatives of the RS entity. Leaders from all three major Bosnian communities may cater to nationalist sentiments in the run-up to local elections scheduled for October 2008.

Euro-Atlantic Integration

Along with the other western Balkan states, Bosnia and Herzegovina seeks eventual full membership in the European Union and NATO. Both institutions have committed to the region's full integration, once various conditions have been met. For a variety of reasons, Bosnia has encountered a greater degree of difficulty in meeting some of the conditions compared to other western Balkan countries.

European Union. At its June 2003 Thessaloniki summit, the EU committed to integrate all of the countries of the western Balkans and created new instruments to foster closer ties to the EU, including the Stabilization and Association Agreement (SAA), the first step toward eventual EU accession. Numerous hurdles slowed Bosnia's progress in negotiating and concluding a SAA. Progress in defense and security sector reforms, including the latest breakthrough commitments on police reforms, paved the way for the

⁷ Joint press conference, February 26, 2008. Office of the High Representative, [<http://www.ohr.int>].

EU to “initial” a SAA with Bosnia in December 2007. Bosnia’s governing institutions finally approved a compromise agreement in April 2008 on new police laws to establish greater coordinating mechanisms for, rather than the unification of, the country’s police forces. Brussels viewed this more limited achievement as sufficient to meet SAA conditions. Bosnia signed the SAA agreement in Brussels on June 16, the last country in the western Balkans to do so. On several occasions, the EU has recommitted to the vision of full EU membership for all of the western Balkan states; many observers, however, have been concerned about growing “enlargement fatigue” among EU member states.

Beyond the defense and police reform issue, the EU has also prioritized the need for further reforms in Bosnia’s public administration and public broadcasting. Bosnia’s level of cooperation with the international war crimes tribunal has also been of concern. While the RS has dramatically improved its cooperation with The Hague in recent years, the ongoing ability of wartime Bosnian Serb leaders Radovan Karadzic and Ratko Mladic to elude capture has kept international attention on this issue.

NATO. For several years, Bosnia lagged behind some other western Balkan states in forming closer relations with NATO. NATO leaders at the November 2006 Riga summit invited Bosnia, Serbia, and Montenegro to join its Partnership for Peace (PfP) program, despite still incomplete cooperation with The Hague war crimes tribunal. At its Bucharest summit on April 2-4, 2008, NATO took several actions related to enlargement, including inviting Albania and Croatia to join the alliance. NATO also agreed to begin with Montenegro and Bosnia-Herzegovina an Intensified Dialogue, a possible step closer to a Membership Action Plan. A small, residual NATO presence in Sarajevo has provided the Bosnian government with advice and assistance on defense reform issues, and is also engaged in efforts to capture and detain remaining war criminals.

International Role

The international community has long played a dominant role in postwar Bosnian affairs. The international community’s role has been in a state of transition for some time, moving toward shifting greater responsibility for governance and security to Bosnian authorities. Both the Office of the High Representative, which wielded extensive political authority for many years, and the international security presence have evolved considerably since the end of the war.

Office of the High Representative (OHR). Successive High Representatives have frequently exercised considerable executive power, under the so-called “Bonn powers” authority, to push difficult reforms forward and even remove obstructionist leaders.⁸ An earlier High Representative, Lord Paddy Ashdown, freely wielded his powers during his tenure, making binding decisions and taking action against or removing officials thought to support Radovan Karadzic. While an effective mechanism, the High Representative’s office came under increasing criticism for allegedly stymieing Bosnia’s political development. Ashdown’s successor, German politician Christian Schwartz-Schilling, emphasized a more “hands off” approach, but did not stay in the post for long;

⁸ At its December 1997 conference in Bonn, the Peace Implementation Council (PIC), the international oversight body for the OHR, extended the High Representative’s mandate to include imposing laws and removing officials.

he was succeeded in July 2007 by the current High Representative, Slovak diplomat Miroslav Lajcak.⁹

In June 2006, the Peace Implementation Council (PIC), which oversees the OHR, decided to “immediately begin preparations to close” (OHR) by June 30, 2007, in “the interest of all for Bosnia to take full responsibility for its own affairs.”¹⁰ Instead, the Office of the EU Special Representative was to be enhanced but without the OHR’s Bonn powers. Behind the rationale of the planned OHR closure was the belief the EU accession process could provide sufficient impetus for Bosnia’s political leaders to carry out sustainable reforms. Critics have been concerned that Bosnia’s prospects for EU membership remain distant and may not provide enough of an incentive for competing political leaders to pursue reforms. Perhaps in recognition of Bosnia’s stalled progress, the PIC decided in late February 2007 to extend the OHR until mid-2008, without reducing its powers. The PIC meeting on February 26-27, 2008, indefinitely extended the mandate for the High Representative “to help counter destructive tendencies.”¹¹

EUFOR/NATO. At the end of 2004, NATO concluded its SFOR mission in Bosnia and turned over peacekeeping duties to a European Union military force, EUFOR, to ensure continued compliance with Dayton and contribute to a secure environment in Bosnia. Initially at a strength of over 6,000 multinational troops, EUFOR was reconfigured in 2007 and reduced to about 2,500 troops backed up by over-the-horizon reserves (its strength in mid-2008 was about 2,100). NATO maintains a small headquarters presence in Sarajevo that provides assistance to the Bosnian government and undertakes counter-terrorism and intelligence operations and missions to detain indicted war criminals. On November 21, 2007, the U.N. Security Council extended the authorization for the EU and NATO presence in Bosnia for another year (Resolution 1785).

The EU also took over the U.N. police monitoring and advisory mission in Bosnia in 2003. The EU Police Mission (EUPM) in Bosnia currently comprises about 150 international police officers and its mandate runs through 2009 (as requested by the Bosnian presidency). The mission of the EUPM is to assist Bosnia achieve a sustainable, professional, and multi-ethnic police service. A major focus of EUPM activity has been on combating organized crime and corruption.

⁹ In October, Lajcak became embroiled in controversy following his decision to streamline decision-making in Bosnia’s Council of Ministers in an effort to break the deadlock over difficult police reforms. The measure briefly precipitated another political crisis with the RS that was quickly smoothed over with a negotiated agreement with all three ethnic community parties on reformed voting rules in the central government and parliament. Lajcak did not resort to taking action to remove politicians, as some thought he might.

¹⁰ Communiqué by the PIC Steering Board, June 23, 2006, available at [<http://www.ohr.int>].

¹¹ Joint press conference, February 26, 2008. Office of the High Representative.