

Bosnia and Herzegovina's integration challenge: From internal consolidation towards EU integration

About FRIDE

FRIDE is an independent think-tank based in Madrid, focused on issues related to democracy and human rights; peace and security; and humanitarian action and development. FRIDE attempts to influence policy-making and inform public opinion, through its research in these areas.

On 26 June 2008 FRIDE organised a roundtable on "Bosnia and Herzegovina's integration challenge: From internal consolidation towards EU integration", with the participation of the Minister of Foreign Affairs of Bosnia and Herzegovina (BiH) Sven Alkalaj, EU Institute for Security Studies researcher Judy Batt, EU Special Representative advisor Orlando Fusco and BiH's Centre for Security Studies Director Denis Hadzovic. The roundtable, which built upon developments in BiH in the past year, was divided into two sessions. The first one was introduced with a keynote speech by the Minister of Foreign Affairs as well as brief presentations by the members of the panel. The second session, which was moderated by Prof. David Chandler from the University of Westminster, included an in-depth discussion between participants and panelists on six key issues:

1. A critical evaluation of the *legacy of the Office of the High Representative (OHR)* as well as prospects and future status of the EU Special Representative (EUSR) in Bosnia and Herzegovina after the closure of the OHR.
2. An evaluation of Bosnia and Herzegovina's road to *EU membership* through the signing of the Stability and Association Process on 16 June 2008.

3. The future of the *Dayton process* and the reform of the Bosnia and Herzegovina constitution.
4. Prospects for upcoming *municipal elections*.
5. An evaluation of the role of *civil society* and the protection of human and minority rights in Bosnia and Herzegovina.
6. The impact of *Kosovo's independence* on regional developments.

The main points emerging from the presentations and the discussion included the following:

- The roundtable took stock of the **progress** made by BiH in the process of Euro-Atlantic integration in recent months. In this respect, two issues were mentioned as key benchmarks, namely the start of an Intensified Dialogue with NATO and the signing of the Stability and Association Agreement (SAA) with the EU, which was made possible following a compromise on police reform reached by domestic actors in April 2008.¹ These two events were said to have marked a key turning point in BiH's evolution.
- Notwithstanding the progress made, many challenges for the road ahead were noted, not least because of the tendency of domestic actors to resort to **nationalist rhetoric**. It is in the context of heated nationalist rhetoric that the progress made in BiH in recent months was deemed to be rather significant, especially given the political instability experienced at the beginning of the year, when the issue of Kosovo was linked to the position of the Republika Srpska (RS) in BiH.² These events raised the level of tension between the party leaders of the three constituent peoples in BiH and threatened to derail BiH's path towards European integration.
- There was a general consensus that **BiH integration into the EU** is a question of *when* rather than a

matter of *whether* it will take place. But much uncertainty is built into the process – which tends to undermine the very essence of EU incentives and soft power – as a result of the uneven application of conditions across the region and the lack of a united stand on enlargement.

- **Further, and more concrete, rewards from the EU** were thought to be needed in the near future in order to keep up the momentum and to support progress achieved thus far. It was noted that the EU needs to send a clear message and direct benefits to BiH citizens. The creation of a road map for visa liberalisation is a good example, but further benefits and clear messages are needed. With respect to the strategy of the Office of the High Representative (OHR), it was suggested that the EU agenda and the efficiency of the state remain the most pressing issues.
- On the issue of **conditionality**, a cookie-cutter approach was thought unlikely to work in the Western Balkans and therefore should not be used. Conditionality is effective when there is a clear balance between conditions and incentives. But when conditionality is used with no clear justification, it does not help the process. Quite the contrary, it makes the process more difficult for the people. What is needed is a framework to make the process move forward. Some controversial issues were also raised in light of the use of conditionality within the enlargement framework. While some participants pointed to the rather apolitical, step-by-step approach adopted by the EU in relation to BiH, others suggested that behind this piecemeal approach lies a more aggressive framework for BiH to adjust to EU standards, which has become politicized from both a domestic and external perspective.
- The problem in BiH, with regard to the process of European integration, is that **reforms are not proceeding smoothly**. It was argued, however, that after the signing of the SAA, a momentum was created. But the widely differing views on the form of

¹ The process of police reform was the last condition for BiH to sign the SAA, the first contractual relation between BiH and the EU. The signing of the SAA makes way for the process of EU accession, opening up a new stage of benchmarks and criteria that BiH will need to comply with in order to become an EU member.

² BiH is comprised of two rather autonomous entities, the Serb-dominated Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH).

the state remain a central challenge for BiH's reform process. Furthermore, the failure of constitutional reform in 2006,³ which was intended to make BiH a more functional state for EU entry, had the effect of hardening positions across ethnic communities. As a result, nationalist rhetoric is pervasive, and zero sum politics are still the rule rather than the exception. In a political system based on a delicate balance between the different ethnic groups, this lack of political will becomes an insurmountable obstacle to further progress on the reform agenda. But in the end it was argued that it is not the quality of the Constitution that is essential for effective governance, but the willingness of politicians to use the document and act on it efficiently.

- In addition to these problems, it was also highlighted that there exist **two different forms of local ownership** in BiH: a locally owned political entity (RS), which is often more a problem than an advantage; and a highly dependent entity (FBiH), where the role of the international community (IC) is more generally accepted, but whose dependence on recurrent external intervention has posed challenges to the reform process. The case of RS is deemed more problematic, however, given Dodik's comfortable position within the political arrangements established by Dayton, with a rather autonomous statelet free from direct control of either BiH or Serbia and with extensive powers and leverage over the overall reform process in BiH.
- In addition to the broad framework of EU integration and the uncertainties built into the process, there are additional issues that are specific to the case of BiH – especially **the role of the OHR** and the uncertainty around its closure. It was argued by some participants that the Peace Implementation Council (PIC) was right not to set a date for closing

the OHR, but to instead draw up a list of objectives and conditions (one of which has already been achieved with the signing of the SAA) for the transfer of ownership from OHR to BiH authorities.⁴ The ongoing presence of the OHR provokes further questions for discussion, however, including whether the OHR has turned into an impediment to the reform process (as the case of police reform suggests), along with issues such as what constitutes readiness for the transformation of the OHR into the already present EUSR (BiH needs to prove it is fit for integration and self-rule). There is a general sense that the OHR has stayed too long and there is an additional problem of democratic accountability.

- **Kosovo** has also exposed divisions within the EU and shown up the EU's inability to send clear messages to the region. The EU's failure to develop consensus has also undermined its credibility, giving RS and Serbia the basis to continue with their nationalist agenda. It was said that all these issues have allowed RS politicians to put their entity before BiH's EU integration process.
- The conditions for **civil society** to flourish were said to have improved, although many challenges lie ahead in this area. The first challenge is the disconnection between society and the government. While citizens support the process of Euro-Atlantic integration (around 85 percent of the population supports EU integration and 62 percent is in favour of becoming a NATO member), parties are not always responsive to such calls. In relation to cooperation between the government and the civil sector, some mechanisms have been put in place recently, including a Memorandum of Partnership between the Council of Ministers and the NGO sector that was signed last year, and increased attention

³ The introduction of a set of amendments to the Dayton constitution, related to state-level institutions, was reached by party leaders in March 2006. The reform project, however, failed to get the support of a two-thirds majority in the parliament in April 2006. The process of CR encouraged dialogue and frequent communications between key party leaders across ethnic groups but its failure led to one of the most heated political campaigns.

⁴ The objectives include: (1) Acceptable and sustainable resolution of the issue of apportionment of property between state and other levels of government. (2) Acceptable and sustainable resolution of defence property; (3) Completion of the Brcko Final Award; (4) Fiscal sustainability; and (5) Entrenchment of the rule of law. Fulfillment of the second condition is "a positive assessment of the situation in BiH by the PIC SB based on full compliance with the Dayton Peace Agreement," which requires that BiH political leaders avoid any inflammatory rhetoric.

given to NGOs in the framework of municipalities (municipalities are required to allocate a part of their budget to the NGO sector and some municipalities even have representatives from the NGO sector involved in the decision-making process). Though communications with the government are not yet satisfactory, they have also improved. On the whole, it was suggested that there are still some gaps that need to be filled in order to have a greater impact on the development of civil society in BiH. Moreover, it is still difficult for the small NGOs of BiH to apply for EU funds due to the complexity and bureaucratic character of EU calls for proposals. Most EU funds for civil society are being spent by external NGOs.

- The issue of **constitutional reform** (CR) was also discussed. It was said that the EU could be used as a vehicle in this process by pointing out key issues such as human rights and other incremental reforms conducive to strengthening state-level institutions. It was pointed out that even though CR is not a condition for European integration, something had to be done. The constitutional dysfunctionality of BiH has been widely acknowledged but there is no agreement on what changes are necessary. The prospects are very weak because the will for reform among domestic politicians is selective. Furthermore, the timing is now bad because of the municipal elections – both political leaders and the PIC understood that constitutional reform should take place after the elections – but leaders need to sit down and accept some of the issues that have already been agreed. Though BiH only seems able to move incrementally, it was also said that the momentum created by the signing of the SAA should be used within 18 months after the municipal elections, and before the next election period in 2010. The key issue in this respect is how (and whether) the SAA will change the dynamics that currently exist. It is also important to assess whether there is enough political maturity domestically and regionally, as CR could turn into a risky business with the Kosovo front still open.
- The **economy** was said to be doing well. Growth is

6.5 percent, foreign investment is flowing in, and employment has dropped from 40 to 25 percent. There seems to be more confidence, though big challenges lie ahead in relation to the fiscal sustainability of the state, as has been recognised by BiH authorities in the past months.

- As for the role of political dynamics in **the region**, mixed remarks were made. On the one hand, the region is leaning towards increased stability, which helps BiH's progress towards EU integration. On the other hand, regional powers continue to meddle in BiH politics. Serbia, for example, can be a factor here, given that the Socialist Party has expressed interest in developing a more intervening role in the multi-ethnic country as a way to support RS. Furthermore, the role of Russia has also created some tension in the past year, as it refuses to align with other IC actors in the use of the Bonn powers. At the present time, there is consensus on the five objectives and two conditions laid out by the IC, but Russia insists on closure and this factor will create challenges in the short and medium terms.
- With respect to **regional cooperation**, it was indicated that there had been some resistance in the past but Croatia had done better in achieving regional cooperation, especially after making significant progress on its path towards Europe while also gaining confidence that regional cooperation would not undermine its bids for integration. Regional cooperation, however, seems not to be self-sustaining, especially with the Kosovo issue in mind. Kosovo is overshadowing politics in the region and affecting BiH's participation in regional cooperation. Given the need to have RS's connivance for recognition of Kosovo, BiH is not likely to recognise it, and this will negatively affect BiH's role in the region.
- In sum, big challenges lie ahead for BiH's future. The signing of the SAA was said to represent a test for Bosnian authorities in this respect. The big question is whether the SAA will work or will remain hostage to political infighting, as has been the norm in past

EU-related reforms. BiH is a test for EU just as the EU is a test for BiH. The EU is necessary but not sufficient. Also, there is no alternative to Europe for BiH authorities.

- With respect to the **challenges facing the EU in BiH**, the key question is whether the EU will be able to push for reforms and keep actors engaged in the reform process. Some participants also wondered

whether the EU will be able to muster the political will in BiH when there are conflicting views on the state. This is the key challenge for implementation. In addition to this, the Irish “No” was also mentioned as a key challenge for the EU’s voice in the region. These developments send the message that there will be no further enlargement until the EU problem is solved.

© Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE) 2007. All FRIDE publications are available at the FRIDE website: www.fride.org

This document is the property of FRIDE. If you would like to copy, reprint or in any way reproduce all or any part, you must request permission. The views expressed by the author do not necessarily reflect the opinion of FRIDE. If you have any comments on this document or any other suggestions, please email us at comments@fride.org

www.fride.org

Goya, 5-7, Pasaje 2º. 28001 Madrid — SPAIN. Tel.: +34 912 44 47 40 — Fax: +34 912 44 47 41. Email: fride@fride.org