

Elections in Bosnia and Herzegovina

FRIDE Democracy Backgrounders

Democracy Backgrounders provide factual information relevant to topical international challenges related to democratisation, and analyse policy implications for the international community.

About FRIDE

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Bosnia and Herzegovina (BiH) has seen a year of highs and lows, with periods of intense instability and major breakthroughs such as the signing of the Stabilisation and Association Agreement (SAA) in June 2008. The arrest in July of Radan Karadzic once again shines a spotlight on the fragility of inter-ethnic politics in BiH. The country is now entering a new electoral cycle, with municipal elections on 5 October 2008. These elections will be a critical mid-term test ground for political parties ahead of state- and entity-level elections in 2010. BiH faces one of the most critical periods in its process of political reform. Numerous challenges lie ahead, including the reform of the Dayton constitutional order, the transition from the Office of the High Representative (OHR) to a strengthened EU Special Representative (EUSR) and the implementation of the SAA, which will eventually open the door to EU candidate status. The period following the elections will show the extent to which the progress achieved in the past few months represents a new phase in BiH's political scene, or rather a brief intermission in zero-sum nationalist outlooks.

The Context of BiH's Elections

- BiH's constitutional order was established in Dayton as a carefully crafted settlement to put an end to violence in 1995. The Dayton peace agreement put in place a complex system of mutual checks and balances – mostly in the form of veto points – that responded to the need to offer guarantees to the three ethnic groups, namely Bosniaks, Serbs and Croats. As a result, Dayton instituted a weak, heavily decentralised state comprised of two strongly autonomous entities – the Serb-dominated Republika Srpska (RS) and the Federation of BiH (the latter including ten additional cantonal subdivisions). The functioning of each entity was made highly dependent on the cooperative behaviour of the different ethnic groups. This system has turned into a straight-jacket, thus prompting the international community (IC) to seek to strengthen state-level institutions and make the state more functional.
- The complex institutional structure created in Dayton is also a factor at the local level. Local institutions do not generally hold significant competences in comparison with the cantonal and entity authorities, which partly explains why Bosnians are more reluctant to participate actively in local elections.¹ But municipalities in RS are rather stronger, with local elections involving higher stakes than in the Federation.² Municipalities in the federation, in contrast, are rather powerless, partly as a result of the more complex institutional structure. As a report by the ICG pointed out, 'although municipalities are guaranteed self-rule in local matters, they are often heavily dependent on financial support from the cantons'.³
- The Office of the High Representative (OHR), created to implement the civil aspects of the Dayton agreement, was granted extensive executive powers in 1999 (the so-called Bonn powers) in the face of ongoing obstructionism and pervasive ethnic divisions. This office became double-hatted with the European Union Special Representative (EUSR) in 2002 in an attempt to define and shape the state building process around the requirements of the EU integration process. The phasing out of this office, which will occur as soon as BiH complies with the objectives and conditions laid out by the PIC in June 2008,⁴ raises the question of how sustainable the BiH model is without the active presence of the IC. The agreement on police reform in April 2008, which paved the way for the signing of the SAA in June,⁵ and the start of BiH's intensified dialogue programme with NATO sent important messages to the IC. But it is still unclear whether the momentum created by these two steps will be maintained through the electoral campaign and after the elections when other critical issues such as the reform of Dayton and the implementation of SAA will need to be addressed.
- Ongoing mutual accusations and distrust do not augur well. Nationalist rhetoric and obtrusive behaviour have, in effect, remained the norm rather than the exception and have not entirely abated since the end of the war. BiH's general elections in 2006, for example, were held amidst one of the worst political climates since the war, with nationalist rhetoric and ethnic divisions reaching a new intensity. Even after the signing of the police

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. In addition to the objectives, there are two conditions, namely the signing of the SAA, which has been fulfilled and '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.

⁵ Following the signing of the SAA, an interim agreement has been put in force since July 1st, allowing for free access to EU markets for BiH goods. BiH will also open its market to the EU gradually following the approval of certain legislation in line with EU standards.

¹ The elections in 2004 marked the lowest point in voter turnout with only 45 percent. See Dragan Stanimirovic, 'little change' *Transitions Online*, October 4, 2004.

² As a case in point, Banja Luka receives more than 35 percent of the total RS budget.

³ International Crisis Group, 'Bosnia's Municipal Elections 2000: Winners and Losers,' *Europe Report*, N. 91, 28 April 2000.

reform package and the signing of SAA in June 2008, nationalist rhetoric has not faded away and is likely to increase as a result of Karadzic's arrest. As a case in point, following the arrest in July SDA leader Sulejman Tihic suggested that RS was Karadzic's work.⁶ Similarly, SBiH leader Silajdzic asserted that although 'Karadzic was arrested and Slobodan Milosevic [had] died, their project still lives in BiH.'⁷ Former HR Ashdown has warned that the level of divisions in BiH has never been so intense and encouraged European officials to firmly tie Bosnia's future to the process of EU integration.⁸

- While radical nationalism is still a pervasive problem, internal squabbles within the three ethnic groups – especially within the Croat and Bosniak communities – and the weakness of political parties remain serious challenges for the post-election period. For example, relations between the two main Bosniak parties, namely the Democratic Action Party (SDA) and the party for BiH (SBiH), have remained fractious, with personal animosity between the two leaders running high. SDA's leader Sulejman Tihic, who was a constructive force during the process of constitutional reform in 2006, has adopted a less moderate stance since his loss to Silajdzic in the 2006 elections.⁹ Divisions within ethnic groups still encourage leaders to seek to outbid their rivals by adopting more nationalist rhetoric.
- Two key changes will take place during the October elections.¹⁰ First, representatives of national

minorities will be elected for local assemblies for the first time. Second, as a result of a controversial piece of legislation passed in early May, all residents in Srebrenica, including those who lived there prior to 1991, will be able to vote in that municipality, hinting at the prospect of granting Srebrenica a special status outside RS in the near future.¹¹

Contenders and Issues at Stake

- The party system in BiH is personality-driven and highly fragmented, not only across ethnic lines, but also - and most significantly - within each ethnic segment, featuring an inordinately low level of political trust between ethnic groups.
- Parties in BiH can be defined along three main divides:¹² 1) the ethnic divide - the most prominent of the three divisions - which defines parties as Serb, Bosniak or Croat, except for the multiethnic Socialist Democratic Party of BiH (SDP);¹³ 2) the nationalist divide, which places parties along a continuum between moderate and radical ethnic-nationalism, except again for the self-declared non-nationalist SDP; 3) the ideological divide, which defines parties as either right-wing or left-wing. While in other contexts leftist parties have tended to be moderate in their nationalistic approach, the reverse is the case in BiH.
- The Bosniak grouping (comprised of SDA, SBiH and SDP) is the most fragmented and divided, despite the fact that both SDA and SBiH are

⁶ 'Tihic: RS is Work of R. Karadzic,' *Onasa*, 22 July 2008.

⁷ 'Silajdzic: Project of R. Karadzic and S. Milosevic still lives in BiH,' *Onasa*, 22 July 2008.

⁸ Paddy Ashdown, 'Europe Needs a Wake-up Call. Bosnia is on the Edge Again,' *The Observer*, 27 July 2008.

⁹ The deal on police reform was finally approved without the support of SDA. The rejection of the reform would have put BiH in an awkward regional situation, being the only country without contractual relations with the EU, especially following Karadzic's arrest, which will most likely pave the way for Serbia to formally sign the SAA.

¹⁰ The municipal elections in 2004 also introduced changes, including the direct election of Mayors, allowing for situations where the Mayor and the majority in the assembly are from different political forces. See 'little change,' *op.cit.*

¹¹ Some have argued that this is the first step into granting Srebrenica a special status outside RS. See, 'BiH Local Elections Scheduled for October 5th,' *Southeast European Times*, May 9, 2008.

¹² See Sofia Sebastian, 'Leaving Dayton Behind: Constitutional Reform in Bosnia and Herzegovina,' FRIDE working Paper, N. 46, November 2007.

¹³ The IV SDA convention in 2005 also defined the party as multi-ethnic although in reality both the SDA and SDP's basis of support are Bosniaks.

coalition partners at the state and entity levels. Though all parties are committed to the EU accession process and defend a functional citizen-based state government with no power vested in the entities – which stands in stark opposition to Serb’s decentralised vision of the state – SDA and SBiH have remained divided over tactics.¹⁴ Whichever party holds power follows a moderate, pragmatic approach, while the party in opposition accuses the one in power of selling out Bosniak interests. This flip-flop approach towards the reform agenda, depending on who holds the strings of power at any given time, has been terribly damaging when it comes to defending Bosniak interests. The Islamic community – which still holds significant leverage over Bosniak politics – has called for unity on repeated occasions.¹⁵

- The Party for Democratic Action (SDA) of former Alija Izetbegovic, currently led by former member of the Presidency Sulejman Tihic, is mired in crisis and remains deeply divided.¹⁶ Though the poor electoral results in 2006¹⁷ forced the party into a period of reflection, it has been immersed in a long-term crisis since Izetbegovic stepped down in 2001 and then died in 2003. The process of de-radicalisation and de-secularisation heralded by the new leader Tihic has engendered strong internal tensions between a moderate wing and a more radical group that is closer in ideology to SBiH’s Haris Silajdzic. Though Tihic has managed to keep the party behind him, new divisions have arisen in

light of the upcoming elections. This time, Tihic appears weaker than ever, partly as a result of the sidelining of SDA from key areas such as police reform. Tihic’s expressed preference to join forces with the SDP after the elections – rather than with SBiH – has also widened the divide between him and other key SDA party officials, such as Izetbegovic’s son Bakir, whom some officials envision as Tihic’s successor.

- The 2006 elections have turned SBiH – which up until that point had only been a minor coalition partner at both entity and state levels – into one of the leading parties at the state level. The radical nationalist campaign around the failed constitutional reform package – the so-called April Package –, that dominated the run-up to the 2006 elections, helped SBiH’s leader Silajdzic establish the SDA as the spiritual leader of the Bosniak community. SBiH’s goal in the municipal elections is to gain ground on the SDA at the local level, where SDA is still the dominant force. Despite personal animosities between the leaders, the two parties have decided to run on a joint ticket for the local assemblies in RS. There is a fear that disunity within the Bosniak vote and other process-related factors such as problems with the electoral lists and absenteeism – given the large number of Bosniaks registered in RS who do not live there – may result in no Bosniak delegates gaining seats in the assemblies where Bosniaks remain a minority.¹⁸ Only SBiH responded to the SDA call for Bosniaks to run together in RS.

- Aside from the two major Bosniak parties, the SDP has remained the only moderate and non-nationalist force. However, the weak structure of the party, which revolves almost exclusively around its leader Slatko Lagumdžija, and its disappointing performance in government with the ‘Alliance of Change’ in 2001–2002, have prevented this party from playing a bigger role in BiH’s politics. Though

¹⁴ In the case of the constitutional reform process in 2005–2006, SDA’s leader Tihic pursued a moderate, step-by-step approach while SBiH, in the opposition, based its opposition to the package on maximalist claims that ultimately led to the failure of the whole process and the raising of Silajdzic as the Bosniak member of the presidency in 2006. In the case of police reform, cards were reversed. SBiH, this time in power, signed a rather water-down police agreement while SDA opposed it on grounds that it run counter to the spirit of the original reform package.

¹⁵ ‘Bosnia Muslim Leaders Urge Unity,’ *Balkan Insight*, 7 April 2008.

¹⁶ In February 2008, for example, a split within SDA in North-west Bosnia created a new party, the ASDA, with the goal to go back to Izetbegovic’s ideology. See Srecko Latal, ‘Bosniak Splits Block Path to Brussels,’ *Balkan Insight*, 27 March 2008.

¹⁷ The party was severely vilified in the press prior to the 2006 elections as a result of its support to the constitutional reform in 2006. While SDA kept the majority of the Bosniak vote in the Parliament, SDA’s leader Tihic lost the presidential lot over SBiH’s Haris Silajdzic.

¹⁸ ‘SDA worried over possible results at incoming local elctions,’ *Onasa*, 2 April 2008.

new moderate alternatives have emerged in the past few months, including *No Man Land's* director Danis Tanovic's 'Our Party', it is unlikely that these forces will challenge any of the well-established parties.

- The Croats have also remained in deep disarray. Three key problems afflict the situation of the Croat community in BiH: 1) a heavy centralisation of power in the figure of Dragan Covic, leader of the main Croat party, the Croatian Democratic Union in BiH (HDZ BiH); 2) The prominent role played by the Catholic Church in politics, often to the detriment of the reform process; and 3) the sense of misdirection as to how to defend the Croat position in an institutional arrangement that is perceived as damaging for Croat interests. Demands for a third entity have been repeated in recent months, although they are not considered to be realistic by the IC.
- Divisions within this community have also run deep with the emergence of a HDZ shoot-off party, namely HDZ 1990, in April 2006. Both parties managed to win support in the 2006 elections – with the HDZ 1990 coming a close second to HDZ BiH. However, the elections resulted in the division of the Croat vote, which paved the way for the SDP presidential candidate to take office as the Croat member of the presidency. The Catholic Church, which supported HDZ 1990, has called for unity this time around.
- The Serb party system has remained less fragmented than its counterparts at the state level. The Alliance of Independent Social Democrats (SNSD) remains the strongest party, and though recent polls suggest that its social support has somewhat receded in the past few months, it is likely that SNSD will further consolidate its position at the local level where former chief Serb party SDS (Serb Democratic Party) still dominates. The local elections are thus likely to consolidate Dodik's position, with everything in his favour, including an IC that holds fewer sticks and

carrots than ever before and almost absolute control at the entity level.

- The Party of Democratic Progress (PDP), under Mladen Ivanic, remains a minority party. Though in coalition with SNSD since early 2006, the party announced in April 2008 that it would go solo in the upcoming elections. Furthermore, the PDP presidency left the door open for potential post-election arrangements with other forces when deemed appropriate for the interest of the party. This move suggests a worsening of the relations between PDP and SNSD, but also indicates the PDP's interest in placing itself in a better post-election bargaining position, provided that SDS manages to keep some strategic key local governments. This move might also respond to lessons learned in the past. While the PDP made significant progress in the 2000 local elections, it lost major ground in 2004 when in coalition with the SDS, its partner in the government for four years prior to the local contest.
- The SDS has traditionally been the strongest, centre-oriented nationalist party in RS, but it has lost much of its clout to Dodik's SNSD, which has emerged as the leading party at the entity and state levels since the 2006 elections. At the local level, however, SDS still governs with ample margin, though the 2008 elections is likely to reflect the new distribution of political forces in RS. While in the 2000 local elections, SDS held 55 out of the 62 municipalities in RS, the 2004 electoral contest – the prelude to SDS' fall in 2006 – placed more than 12 local authorities previously under SDS rule in the hands of SNSD,¹⁹ including key SDS strongholds in eastern RS such as Trebinje.²⁰
- SDS has thus remained stuck in a deep crisis, especially after the 2006 elections. Following the resignation of its leader, Dragan Covic, in November

¹⁹ SDS held majorities in around 42 municipal while only 39 municipalities had an SDS mayor. See 'Little change' op. cit.

²⁰ SDS also suffered an important blow by losing again in Banja luka to SNSD. Both broad social discontent and IC's dismissal of SDS personnel account for its poor results in the 2004 local elections. See 'Little change,' op. cit.

2006, the SDS convention confirmed Mladen Basic as President on a right-wing platform.²¹ But a further turn to the right may not help SDS recover the political space lost in RS given that SNSD – which came into existence in 1996 as a moderate social-democratic force – has become the primary nationalist force. SDS's goal in the upcoming election is thus to keep its hold at the local level so that it can place itself in a better position for the elections in 2010. As Basic has stated, 'we expect the political balance to be restored ... such monopoly of the authority in the hands of one man [namely Dodik] can never have a good outcome.' Achieving such goal, however, proves particularly challenging given the weakening of SDS.

- While the 2004 elections did not bring many surprises to the distribution of local authorities in the Federation, with both SDA and HDZ keeping their respective strongholds – unlike in the RS, where SNSD started to undermine SDS' local base –, the upcoming elections may redraw the political map as a result of the changing political distribution of forces at the state level.
- There are two potential scenarios for the Bosniak parties: one in which SDA keeps most of its local support, given the weakness of SBiH as a party. The second scenario is one in which SBiH is able to challenge and further destabilise SDA's local bases of support. The latter scenario may be counterbalanced by SDA's ability to build coalitions with SDP forces provided that Tihic manages to gain the support of the party for such a move – given that key officials strongly oppose such rapprochement – and that SDP gains enough electoral support.
- As for the Croat community, the municipal elections are likely to determine which party will survive in the event that a clear winner emerges from the

contest. HDZ 1990 needs to gain significant headway in order to consolidate its grip at the local level, which is still under HDZ's control. HDZ 1990's leader Bozo Ljubic has announced that he will resign from his position if the party suffers poor electoral results.

- As for the results in RS, though the support for SNSD has decreased in recent months, Dodik is likely to consolidate his grip at the local level. SNSD's officials have already expressed the party's goal to win 50 municipalities,²² which would severely undermine SDS. The extent of SNSD's takeover will thus determine the future of the SDS as a party.

The European Perspective and the Challenges Ahead

- Irrespective of the results of the upcoming elections, there are three critical issues BiH must confront in the post-election period in order to move closer to the Euro-Atlantic community and away from supervised sovereignty: the implementation of the SAA; key reforms areas such as police and constitutional reforms; and the restructuring of the economy.
- The implementation of the SAA and honouring the commitments made to the EU will remain the most critical challenge for BiH prior to the next election round in 2010. By September, BiH will have to present the EU with a plan of action for the implementation of the reforms that are needed:²³ Furthermore, more than 1000 regulations will need to be in place prior to the full implementation of the SAA. In order to follow through the implementation

²¹ 'We have concluded that we have turned towards the left after some time which has not been recognized by our voters and membership,' SDS leader Basic stated. See 'SDS Party goes right center,' *Bosnia Daily*, N. 1538, 2 July 2007.

²² 'SNSD Expects Good Results at Local Elections,' *Bosnia Daily*, N. 1810, 28 July 2008, p. 2.

²³ 'Topcagic: BiH's goal is to win EU candidate status by 2010,' *Onasa*, 11 July 2008

plan and be in a good position to apply for official candidacy before 2010, BiH politicians need to refrain from using nationalist rhetoric and make sure the reform agenda is not held hostage to party interests. BiH thus needs to show the EU as soon as possible that there is a political will to address the reforms needed.

- Related to this is the need to continue with the reform agenda, including police and constitutional changes. The EU Special Representative (EUSR), Laycak, has declared that constitutional reform (CR) will be the number one priority on the reform agenda after the elections. Furthermore, the restructuring of the Dayton constitution is viewed by many Europeans as crucial for a successful implementation of the SAA and the furthering of the European integration process. It is uncertain how committed Serb parties will be to this reform agenda in the post-election period. The spokesman for the RSNA, Igor Radojicic, declared in mid-June that BiH's constitution was not an obstacle for EU integration, and that the centralisation of the state was inadvisable.²⁴ Following similar lines, Dodik stated that no further transfer of competences from the entities to the state would take place in the future – in addition to the 50 transfers already in place, which Dodik has already announced will also be revised. In addition to the challenges associated with the Serbs' reluctance to engage actively in the reform of Dayton, divisions within both the Croat and Bosniak groups do not augur well for building the political climate that is deemed appropriate for addressing such critical negotiations less than two years away from the next electoral contest in 2010.
- Finally, BiH will need to pay greater attention to some of the key structural economic problems that it faces, including current account deficits; the burden of social payments²⁵ upon the fiscal

sustainability of the state; structural imbalances between the two entities²⁶ which complicates the aim of achieving a unified economic space in BiH;²⁷ and high unemployment, the concern ranked second among citizens of BiH. In addition to these problems, BiH's economy faces more immediate challenges including the increase of food and oil international prices, which could impact negatively on current accounts, inflation, and the deceleration of industrial growth.²⁸

- While the EU interim trade agreement will bring overall economic benefits to the multi-ethnic country,²⁹ BiH needs to address these structural problems in the post-election period in order to be better prepared for the adjustment process lying ahead with the implementation of the SAA. Furthermore, though the overall impact of the SAA is reported to be positive, the director of the WB office in BiH warns that the process needs to be carefully managed through a well thought-out implementation plan that takes into consideration those areas of the economy that will be challenged by the opening of BiH to the EU market.
- Regional developments will provide both constructive and obstructive opportunities for BiH's ability to address these challenges. While Karadzic's arrest will instil the region with further confidence, it is likely to remain a source of instability in BiH if politicians do not refrain from

²⁶ The economic situation in the Federation is far more problematic than in RS as a result of three factors: (1) the administrative structure is more complex and costly; (2) social spending is more pervasive and damaging to the overall fiscal sustainability. (3) The federation government has proven unwilling to proceed with the privatisation of lucrative companies such as BH Telecom. See 'Reform will get harder as EU goal gets closer,' *Oxford Analytica*, 28 April 2008.

²⁷ This factor may also provide RS with arguments for demanding a twin track EU accession process for rhetorical purposes. In fact, Dodik has already suggested that RS is in a position to proceed with the EU integration at a faster pace than BiH, citing a stronger macro-economic situation and faster privatization. See 'Bosnian Serb Entity "Would Join EU Faster,"' *Balkan Insight*, 30 June 2008

²⁸ See 'Reform will get harder', op. cit.

²⁹ 'In 2007, imports coming from the EU made up 66.7 percent of total imports, while exports to the EU amounted to 71.4 percent of total exports. See 'EU trade with Bosnia and Herzegovina enters new phase,' Onasa, 1 July 2008

²⁴ 'EU deal triggers first bosnia disputes,' *Balkan Insight*, 17 June 2008.

²⁵ The elimination of social payments to war veterans – which amounts to almost half the budget for the federation – has proven rather controversial because of electoral reasons. Payments in the RS are also widespread but they are not as pervasive as in the Federation.

using nationalist rhetoric. Furthermore, the situation in Kosovo will continue to be a source of instability with special echoes in BiH's politics. The emergence of a pro-Western government in Serbia, as well as Croatia's expected accession to the EU by 2010, will help counterbalance such sources of instability. Croatia's accession to the EU in particular will have important resonances in BiH. As pointed out by one Balkan analyst, Croatia's accession will not only bring EU standards closer to the region, but will also step up the rather low level of regional cooperation thus far.³⁰

- IC unity and the EU's resolute action in BiH are thus critical not only to assist BiH in facing the upcoming challenges, but also to confront the challenges associated with the phasing out of the OHR. The EU has recently sought to send clear and tangible messages in order to imbue the EU's soft

power with further leverage, such as the launch of the visa liberalisation roadmap and the public campaign heralded by the EUSR office to inform citizens about the EU integration process. But other challenges will require further action. Some of these challenges include divisions within the IC as Russia's role becomes increasingly confrontational in relation to the PIC; further ambivalences inherent in the EU accession process as a result of the recent referendums on the Lisbon treaty; and the transition process from OHR to EUSR. The EU will thus need to find the right formula to entice BiH politicians to embrace the EU-shaped reform process without the backing of the Bonn powers, and to provide a rational, realistic plan of action for BiH to comply with so that it can move closer to the EU in the near future.

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³⁰ See Lidija Topic, 'Bosnia: Fast or Slow Speed to the EU' Transitions Online, 1 July 2008.