

Towards a New Policy on Bosnia and Herzegovina?
Challenges for the Republic of Serbia's regional policy

Proceedings of a policy roundtable organized by the Heinrich Böll Foundation Serbia, Democratization Policy Council, and the Center for Foreign Policy
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Introduction

On March 25, 2013 in Belgrade, the Heinrich Böll Foundation (HBS) in Serbia, the Center for Foreign Policy (CFP, Belgrade) and the Democratization Policy Council (DPC) held a policy roundtable entitled "Towards a new policy on Bosnia and Herzegovina?" This event represented the first in a series of roundtables on Serbia's policy towards neighboring countries which will be organized by HBS and DPC in 2013, in cooperation with other local partners (including CFP and the European Movement in Serbia). The aim of the event was to promote an open discussion between policy makers and foreign policy experts in Serbia on the country's future policy towards Bosnia and Herzegovina (BiH).

Serbia's relationship with BiH remains largely overshadowed by the Serbia-Kosovo dispute and the ongoing dialogue. Yet Bosnia's deepening political and institutional crisis has begun to affect and draw-in the neighbors.

DPC's October 2012 policy study, "Croatian and Serbian policy in Bosnia and Herzegovina: Help or hindrance? How to effectively employ Western leverage," was a foundational document for the roundtable. In the preceding decade, the international community called upon both Serbia and Croatia to play a constructive, more proactive role in facilitating the solution of BiH's internal problems. This hope for constructive intercession in BiH had a negative impact during the administration of President Boris Tadić and Prime Minister Milan Cvetković's government. The roundtable was designed to shed light on the potential direction of Serbia's Bosnia policy, which remains an open question for the year-old governing triumvirate of President Tomislav Nikolić, Prime Minister Ivica Dačić, and the powerful Deputy Prime Minister Aleksandar Vučić.

The Belgrade roundtable brought together Serbian policy makers, including representatives from ruling and opposition parties and representatives from the presidential office, foreign policy experts from academia, representatives of civil society organizations, and Belgrade-based diplomats with government officials and experts from Bosnia and Herzegovina. The meeting, in open roundtable format, was held under the Chatham House rule. This paper summarizes the proceedings, consisting of two separate but related discussions: the first on the state of political relations and future challenges in general; the second more discretely on outstanding bilateral issues and disputes.

I. Serbia and BiH - historical burdens, challenges for the future

The discussion opened with a participant's observation that Serbia has a historically fraught relationship with Bosnia and Herzegovina. Serbian policy from the 19th Century on, with Serbian autonomy and then independence from the Ottoman Empire, was determined by pretensions towards BiH and the negation of Bosnia's existence as a separate entity, starting with Serbian Interior Minister Ilija Garašanin. Only during socialist Yugoslavia, during which Muslims were recognized as a constituent people, was a different policy pursued, he added.

The deepening political crisis in Bosnia and Herzegovina provided the backdrop for the question of Serbia's contemporary relationship with its western neighbor. The origin of BiH's structural political-institutional crisis lies in the international community's abrupt shift in 2006 from using the executive instruments provided for in the Dayton Agreement to drive reforms (with a strong US lead) to a policy based on the EU's attraction and domestic "ownership." Milorad Dodik, who became Republika Srpska Premier in March 2006, came to power precisely at this time. Dodik took full advantage of the resulting power vacuum, launching an increasingly strident campaign of nationalist rhetoric and aggressive attacks on the state and perpetually testing the international community's red lines and the EU's credibility as a policy actor in its own right. His tests demonstrated that neither was serious. As a result, all ongoing reforms were halted and BiH's existing state structures began to atrophy, becoming ever more dysfunctional, stalling any meaningful progress toward EU candidacy and membership. A political culture of ignoring normative rules spread. Basic trust and willingness to compromise – barely established – disappeared among the elites. Following the 2010 general elections, the situation further degenerated into chaos over the formation of various levels of governance. BiH has become ever more ungovernable – and ungoverned.

One participant observed that there had never been an international strategy for BiH; policies had always been reactive, *ad hoc*, and governed by the lowest common denominator among the Peace Implementation Council (PIC) Steering Board and later within the EU. "The problem is that the EU thinks it has a strategy called enlargement," he commented. He added that divisions among makers of international policy toward BiH became evident when the 2006 shift hit the difficult shoals of reality. Instead of defining the problem, frictions emerged over which policy instruments were best suited to the task of BiH's integration into the EU and NATO. The future of the Dayton-mandated instruments – the Office of the High Representative (OHR) and the EU military mission, EUFOR – became the perennial friction point. By now, Germany has long since joined a group including the European Commission, the "Club Med" countries (France, Italy, Spain) and Russia, which insists on abolishing these instruments. Another group in the PIC Steering Board, including the US, UK, Turkey, Canada, Japan and the Netherlands wants to keep the instruments until they are convinced BiH is no longer in danger. There is very little high-level political will to engage on BiH; what little there has been has been sporadic. As a result, the policy is on bureaucratic autopilot, despite the descending trajectory of BiH. This speaker concluded that in his view, adopting a policy that could succeed would come at no political cost to external peace guarantors; the mechanics of such a shift would be simple and require little in the way of new resources. Germany is pivot point around which a shift international policy toward BiH would have to

turn. Its ability to engage at the highest level was demonstrated in the case of the Kosovo-Serbia dialogue.¹ Another participant added that Bosnia and Herzegovina is a “generator of instability in the region” in its current condition.

The discussion then moved on to the development of Serbia’s policy towards BiH since the fall of the Milošević regime in October 2000. One participant opined that Serbia lacks clearly defined policies toward any of its neighbors. Yet while relations with neighboring countries have generally evolved and improved since 2000, the case of Bosnia and Herzegovina shows the least development. Serbia’s policy remains focused on Republika Srpska rather than with BiH as a state. Only Prime Minister Zoran Đinđić (who served from 2001 until his death in early 2003) attempted to change Serbia’s Bosnia policy. But Đinđić lacked a foreign ministry (this was the purview of the Federal Republic of Yugoslavia, which in 2001 was recast as “Serbia and Montenegro” after EU-brokered marriage counseling, or rather a shotgun remarriage)) backing him he had to pursue this policy on his own. He visited Sarajevo on his own initiative and tried to change bilateral relations through emphasis of economic cooperation issues. In contrast, following Đinđić’s assassination, Prime Minister Vojislav Koštunica once again pursued privileged relations with the RS. This policy long predated Milorad Dodik’s taking the helm in the RS, this participant pointedly noted.

President Boris Tadić pursued Serbia’s “most homogenous policy towards BiH” since 2000, according to one speaker, resulting in a political symbiosis between Tadić and Dodik. He viewed this policy as having been “catastrophic;” other participants vocally shared his view. Tadić played a kind of double game on Bosnia, another participant stated, with President Tadić and Foreign Minister Vuk Jeremić acting in a good cop-bad cop dynamic. Belgrade stated its firm commitment to BiH’s sovereignty and territorial integrity for the international community. At the same time, Tadić and Jeremić gave public and unstinting support to Dodik, who continued to pursue a provocative and aggressive policy which aimed to undercut and ultimately break BiH sovereignty and territorial integrity. To underpin his assessment, the participant noted that Tadić had met with Dodik in the RS and Serbia 23 times during his time in office, while he visited the BiH capital Sarajevo only once. A second example he mentioned was the case of the RS National Assembly’s (RSNA) April 2011 decision to call a referendum on the constitutionality of the BiH judicial system, when Dodik set a collision course with the PIC. At least one of the 29 accompanying RSNA conclusions put BiH’s constitutional order into question (namely, the Constitutional Court of BiH, which is specified in Dayton). Tadić declared the conflict to be a BiH “internal matter.” Meanwhile, Foreign Minister Jeremić traveled to Banja Luka to support Dodik, himself attacking international community structures in BiH and thereby meddling in what his president called an “internal matter.” One discussant characterized this policy approach as “hypocritical.”

Another participant added that Belgrade’s policy at that time also included a campaign for the relativization of the historical responsibility for the Bosnian war. This policy was supported by the work of the Serbian Prosecutor’s Office, which issued international arrest warrants against two former members of the wartime leadership of the Republic of Bosnia and Herzegovina, former Vice President Ejup Ganić and former deputy Army Commander

¹ The authors of this summary believe, as did many participants at the roundtable, that Chancellor Angela Merkel’s 2011 blunt admonition to then-President Tadić to resolve the Kosovo question made the renewed Kosovo-Serbia talks possible. Since the roundtable, these talks have finally produced an agreement between Belgrade and Prishtina.

General Jovan Divjak. It also filed indictments in the so-called Dobrovoljačka ulica and Tuzla column cases. The participant also mentioned a January 2012 incident in which weapons were found at the venue where a commemoration of the 20th anniversary of the foundation of the Republika Srpska was to take place. As President Tadić, among other guests from Belgrade, was scheduled to participate alongside with the RS leadership, the incident was instrumentalized and presented as a plot aimed to kill the complete RS and Serbian leaderships. Dodik and others insinuated that Islamist (“vehabi”) terrorism linked to the Bosniak political elite stood behind the supposed attack plan. Both the Islamist element and even the very thesis that there had been a terror plot at all were proven baseless in later investigations.²

This speaker also raised the issue of BiH’s potential NATO membership. By refusing to agree on the allocation of defense property and through other means (such as regularly questioning the need for the Armed Forces of BiH), Dodik, first as Prime Minister and then as RS President, prevented BiH from getting a NATO Membership Action Plan. He also insists that BiH cannot move towards membership unless Serbia does the same. Dodik’s policy is supported by Serbia (and Russia), she asserted.

Another participant explained the rationale behind Belgrade’s policy towards the RS as being personality-centered, with Tadić and Dodik fixated on lending political legitimacy to one another. Tadić could vicariously gain the nationalist credentials he lacked, while Dodik could demonstrate to RS citizens that his policy was supported by the motherland. Yet while this policy may have delivered benefits to Tadić domestically, it compounded the damage to his reputation in Western capitals which was by his political maneuvering on the Kosovo issue.

The current leadership in Belgrade’s BiH policy was a topic raised by many around the table. One participant believed that former President Tadić’s policy effectively expired with his departure; it held no allure for either Belgrade or Banja Luka under current circumstances. President Tomislav Nikolić’s recent visit to Banja Luka displayed new policy nuances, though he also demonstrated continuity of his nationalistic ideological attitudes in various public statements in which he referred to Bosnia and Herzegovina. Despite this ambiguity, what really dominates in Belgrade, this participant insisted, is the absence of *any* defined policy towards BiH. Banja Luka is much more energetic than Belgrade in its quest for intensive RS-Serbia relations, and far more likely to take the initiative.

One discussant noted that Serbia and Bosnia and Herzegovina both suffer from similar structural problems: the role of the political elites in both countries is determined by nepotism and kleptocracy. Neo-patrimonial regimes produce a democratic façade, while there is a lack of real democracy – a “post-democratic state before democracy” in which decision-making processes remain largely informalized. Such a state, he insisted, provokes a “right to democratic revolt.” New social movements that have developed under these circumstances in his opinion appear as being genuinely democratic.

² A Serb citizen of Banja Luka was arrested days after the commemoration. The man confessed he had stored the weapons at the venue long before the commemoration took place, in order to sell them at some point in time. He insisted there was no link with the commemoration. No evidence of violent intent emerged in the course of the investigation.

A representative from the office of President Nikolić briefly presented the framework of official views on Serbia's Bosnia policy. The Dayton state, it had to be recognized, created the conditions for peace. Serbia doesn't want an unstable BiH in its neighborhood and President Nikolić fully recognizes the sovereignty of BiH. This speaker noted that the Federation of BiH, and not merely the RS, is problematic – and suffers from serious dysfunctionality. He questioned whether all the state institutions established in the post-Dayton era were reasonable or necessary, though none were named. He added that any modification to Bosnia's constitutional structure must be based on agreement among the three peoples and two entities in Bosnia and Herzegovina. He pointed out that Belgrade does not favor Dodik and that President Nikolić was prepared to meet with the full BiH Presidency. He confirmed that a trilateral meeting of the heads of state of Serbia, BiH and Turkey was scheduled to take place in May in Ankara³.

Another participant criticized the fact that presidential advisor Oliver Antić was preparing a UN General Assembly discussion on international criminal tribunals (including the ICTY) in cooperation with UN General Assembly President Vuk Jeremić, the aim of which was to question the ICTY's rulings and promote Serb nationalist interpretations of the 1990s Balkan wars. Another discussant expressed the view that Serbia's policy towards BiH was led not from office holders, but rather from "invisible power centers" and certain structures within the security forces. There was a broad agreement that Serbia's current leadership had not developed a coherent policy toward BiH.

Towards the end of the session, participants discussed the potential development of Serbian Bosnia policy. One discussant opined that although Bosnia remains a rather marginal issue in today's Serbia, Belgrade cannot avoid dealing with the issue. Should the current trajectory of BiH continue, the country's decline will inject itself into Serbian politics. He raised the question of Belgrade's potential influence on BiH and especially on the RS. This influence today is far less than it was in the 1990s, but still considerable. Opting for a so-called "principled policy approach," based on the boilerplate insistence that any constitutional reform in BiH to be based on the agreement of the country's three peoples and two entities, would not help solve the dilemmas Serbia is facing in defining its relationship with BiH/the RS, he asserted. He recommended that the best Belgrade could do to exert a positive influence was for the political leadership to clearly and publicly state it will resist any attempts within BiH towards secession, especially those originating in the RS. Another participant added the improvement of Serbia's relations with the Federation of BiH and its balancing of its relationships with both entities to this list of recommendations.

II. Bilateral relations and disputes between Serbia and Bosnia and Herzegovina

³ The first such meeting, an official state visit of BiH Presidency members to Belgrade, occurred one month after the roundtable, on April 23rd 2013. President Nikolić gave an interview to Bosnian television on that occasion that drew wide attention. On behalf of Serbia and the Serb people he apologized "for the crime committed in Srebrenica" and asked for forgiveness. In addition, he stated he considered Serbs living in the Republika Srpska to be Bosnians. On May 14 Nikolić attended a trilateral meeting with Turkish president Abdullah Gül and the three members of the BH Presidency, another important step towards normalizing relationships between Serbia and Bosnia-Herzegovina.

The second discussion focused mostly on classical bilateral issues and disputes in Serbia-Bosnia and Herzegovinian inter-state relations. In addition to *de facto* continuity in Belgrade's policy towards BiH and its complicated internal political situation, there has been practically no progress toward resolving any of the open bilateral questions since Serbia's democratic breakthrough in 2000.

The discussion identified the most important of these disputes:

- 1) No comprehensive border demarcation agreement
- 2) The Belgrade-Bar railway crosses a narrow band of BiH territory
- 3) There are disagreements over potential exploitation of hydroelectric potential on the Drina River, which forms part of the interstate border
- 4) Serbia has refused to implement Annex G of an UN-brokered agreement on succession signed by the post-Yugoslav states in 2001 – the Annex regulates the restitution of property of individuals and legal entities from one ex-Yugoslav state located in another,
- 5) Finding and identifying missing persons from the 1990s wars remains ongoing and incomplete.

Discussants were asked which issues were not matters of dispute in the Serbia-BiH bilateral relationship. One participant opined that BiH's sovereignty is basically undisputed. Another observed that both countries suffered from poorly devised, incoherent foreign policies. Both countries were stuck in the past and belonged to the ranks of the poorest states in Europe. For that reason, he asserted, some kind of catharsis remained inevitable.

Several participants devoted specific attention to the special parallel relations between Serbia and the RS, provided for in the Dayton Agreement.⁴ RS Premier Milorad Dodik and Serbian President Boris Tadić both claimed to have developed these intensively in previous years. One discussant asserted that in reality these policies had yielded no concrete, practical benefits to either polity. The only beneficiaries, he noted, were those engaged for crime and corruption. He pointed to the fact that out of the 24 so-called "criminal privatizations" in Serbia currently mentioned in the public, seven were directly linked to the RS. Another participant concurred that there were no palpable effects to this proclaimed special relationship. However, he observed that RS authorities had devoted considerable effort toward copying Serbian laws into the entity's legislation, particularly in the economic field. This deepens the widening fragmentation of BiH's internal market. It remained unclear among roundtable participants whether the RS did this in coordination with Belgrade authorities or completely on its own. The immediate effects were questionable, raising issues of legal harmonization, one discussant noted.

The Serbian-BiH trade and economic relationship, and particularly economic relations between Serbia and the Republika Srpska, were discussed. One participant noted that Serbia's economic relations were almost completely confined to the RS. Serbia is the RS' number one foreign trade partner. Despite this, Serbian firms have not made major

⁴ This was essentially an import from the 1994 Washington Agreement, which created the Federation of BiH. Croatia was given specific privileges in its relationship with the Federation; Serbia was given a parallel privilege in the subsequent Dayton Agreement. However, these had fallen largely into disuse until the middle of the last decade, when both Vojislav Koštunica and then Milorad Dodik devoted joint and separate energies into developing them.

investments in the RS. Politically motivated investments or investments linked to corruption seem to predominate. Four such specific investments were mentioned:

- the purchase of Telekom Srpske by Serbia's public telecommunication company that had been facilitated by then Prime Minister Koštunica – the company was sold for €700 million; it had been independently valuated at €400 million prior to the sale.
- the sale of the pharmaceutical company, Hemofarm,
- the sale of supermarket chains to Serbian tycoon Miroslav Miškovic and his Delta Group, and
- the sale of one RS company linked to the prominent Serbian drug dealer Duško Šarić.

Development of bilateral relations since Prime Minister Ivica Dačić took office was raised. One observer saw a more positive bilateral dynamic, pointing out that Dačić had already paid three official visits to Sarajevo in less than a year, in stark contrast to the Tadić-Jeremić practice. Another stated that Serbian government policy on Bosnia and Herzegovina was moving towards the normalization of relations.

A number of participants raised Turkey's role in the Western Balkans and its stated intent to promote good neighborly relations in the region. One speaker critically noted that accepting Turkey's role as a moderator between Serbia and BiH meant accepting a mediation between Serbs and Bosniaks as *ethnic groups*. Other participants disagreed. One asserted that Turkey was playing a positive role and was not pursuing a partisan approach. Thus far, Turkish economic relations in BiH had concentrated in the Federation, but Ankara and Turkish firms had also begun to reach out to the RS, he added. Another discussant noted that at current Turkish trade with Serbia dwarfs that with Bosnia and Herzegovina – and that this reality is reflected in Ankara's policies.

Several participants, especially those coming from Bosnia and Herzegovina, returned to the first theme of the roundtable: the nature and origin of BiH's deep structural crisis. One stressed that the current nationalistic conflicts are conflicts between the country's political elites, not a conflict among its citizens. Those originated in an interest-based policy, the production of enemies and conflict by the political elites which profit politically and financially from this polarization. Another mentioned the influence of the decentralized educational system on society that indoctrinated future generations. He characterized the physical-territorial and ethnic segregation of education, as well as its low quality, as "catastrophic." He also noted the impact of ethnic and party division on the media in BiH. Another participant highlighted the negative influence of religious communities on society and politics.

Referring to recurrent threats of RS secession, one speaker stated that this was not a realistic prospect. In his view, any serious economic assessment would demonstrate that an independent RS is not economically viable. Far from posing a threat, the Republika Srpska, is seriously threatened by demographic collapse in the medium term, in his view. To underpin this thesis, he mentioned the example of the town of Višegrad in Eastern RS. Immediately after the war in 1996 (full of Serbs from elsewhere in BiH and Croatia), it still had 15,000 inhabitants. Today, it can boast no more than 6,000 citizens.

In seeking to identify avenues to resolve bilateral disputes and improve relations, several participants referred to the effect of Croatia's impending EU membership and its ripple effect through the region. One participant stated as Croatian EU membership loomed, it drove considerable improvement of Zagreb-Sarajevo relations and some movement on the

remaining open issues between these countries in the past year, particularly in the field of trade. This positive experience could be emulated in the resolution of bilateral disputes between Bosnia and Herzegovina and Serbia, she believed. Another participant noted that as Croatian membership approached, economic interests, not politics, became increasingly dominant in the Croatia-BiH relationship. For example, a number of Croatian food processing companies moved production facilities to BiH territory, since existing trade and customs regimes (CEFTA) will end on July 1. In order to be able to continue to serve the non-EU Western Balkan market, having production in BiH is more advantageous. Podravka is opening a facility in Prnjavor, in the Western part of the RS. Meat Company Gavrilović has decided to open a factory in Western Herzegovina. Several participants shared the hope that Croatia's entry as the Union's 28th member state will have positive effects on Bosnia and Herzegovina.

The discussion produced a number of further ideas and proposals for the solution of bilateral disputes and question between Serbia and BiH. One participant mentioned a proposal by the nongovernmental Igman Initiative, which suggested the Western Balkans emulate the Nordic model of interstate political and economic cooperation. Another cited the positive example of the riparian border problem at Janja/Bijeljina municipality in northeastern Bosnia. A small strip of agricultural land, belonging BiH, is located on the eastern bank of the Drina River – the Serbian side. Serbian Prime Minister Dačić committed to ensuring farmers' access to this land, which was facilitated by establishing a ferry link across the Drina. This positive example of developing practical solutions provides an example of how such matters could and should be resolved, she offered. None of the unresolved bilateral disputes were so difficult or complex as to be insoluble, in her view. Another offered her standpoint that the youth of both countries have a pivotal role in the potential improvement of bilateral relations.

Conclusions

The roundtable discussion confirmed to its co-organizers the importance of bringing the issue of BiH-Serbia relations for serious discussion for the first time in recent memory among policymakers and representatives of other members of Serbian society in Belgrade.

No solution for Bosnia's major problems seemed to be on the horizon, participants widely agreed. After several hours discussing BiH's problems, one noted, it seemed Serbia presented the least difficult problem in the region, when considering those borne by neighboring countries like BiH and Macedonia. Most of those assembled observed that BiH was simply not a topic in Serbian political discourse and that it would not become one until the Serbia-Kosovo dispute reached some level of clarity and resolution. That solution would have a wide ripple effect on bilateral relations throughout the region.

Nevertheless, given the potential threats that derive from Bosnia and Herzegovina's deep structural problems and the possible negative impact on its neighbors, Belgrade should not wait until after the solution of its conflict with Kosovo or until it will be forced to deal with the issue.