

Kurt Bassuener Speaking Notes:

What is the Way Forward for Bosnia and Herzegovina's Integration into Euro-Atlantic Structures?

Final Panel - Dayton Peace Accords at 20 Conference, Dayton, Ohio – November 20, 2015

(NB: Began with condolences delivered to BiH Defense Minister Marina Pendeš for the shooting of two AFBiH soldiers at a Rajlovac betting shop the previous evening. Remarks were roughly 7 minutes. The remarks below are a *post hoc* reconstruction from handwritten speaking notes, not a verbatim transcript)

I would question the very premise in the title. Of course, I am for BiH becoming a member of both NATO and the EU. But the priority should be on achieving accountable and functional governance for BiH to enable the country to enter through the front door as a contributing member to both clubs. If I had a magic wand to make BiH a member of NATO and the EU right now, I wouldn't do it – it would neither be good for BiH nor either of these organizations. And NATO membership is hardly a security guarantee against the most proximate threat – internal conflict.

So one needs to ask: why have the normal inducements for self-propelled progress, which worked elsewhere in the EU and NATO enlargement processes have not had the desired effect in BiH?

I think the answer is quite simple. I didn't get class war until I go to Bosnia. Now I get it. It makes sense there. Because there is a ruling class. The political elite – a political-business-organized crime-media nexus – which runs the show in BiH doesn't really *want* to join these institutions. They have a better deal under the current incentive structure than anything the EU could offer them. Politics is a for-profit enterprise in BiH. It's just rotten luck for everyone else.

Why are they so durable? They get popular consent through wielding the levers of patronage and fear. They remain not out of affirmation, but resignation. Everyone in BiH is a rational actor according to the incentive structure. It's just that those incentives are perverse.

So there is no domestic control mechanism. There used to be an external one – the international community with the High Representative and a deterrent force, now an EU responsibility. But both these tools have been incapacitated at the will of the EU, which has sought primacy without responsibility. So we're in a dead zone. While there are rules, they are not enforced; effectively there are no rules. It is a rules-free environment. And despite the happy talk, the "Reform Agenda" amounts to a containment policy. Stability trumps progress in Western capitals, especially now.

The 2014 floods were an excellent diagnostic tool on BiH governance. The BiH Armed Forces performed well, despite having been on a starvation diet since birth. And it was hit or miss at the municipal level, where mayors had to at least *pretend* they cared, since they are directly elected and people know where they live. Everything else – state, entities, cantons – was an abject failure, both in terms of preparation and response.

So to the panel's question: what is the way forward?

Previous speakers have given some pointers. As General Clark said yesterday evening at the film discussion (David Holbrooke's "The Diplomat"), you need to *define the space*. And as Richard Holbrooke noted in that

film, you need a *strategy*. The problem is that stability is the number one priority for Western policymakers – we heard some of that here. We need progress, which means churning, with some attendant instability. Defining the space means controlling for the most dangerous aspects of instability.

We *can* reduce the risks associated with instability. In fact, we are *legally* – let alone morally – obligated to do this under the Dayton Peace Accords. That is what Annexes 1, 2 and 10 are about – the High Representative as final interpreter of the DPA and IFOR/SFOR/EUFOR as enforcer of a safe and secure environment. So long as Dayton is the law of the land in BiH, as we've heard is likely to be the case for some time, then these institutions need to remain and be credible. If this were made clear to everyone – not just those in this room, but all citizens of BiH and the region, and believed, then the entire incentive structure would change.

Then, once fear as tool is neutralized, then go after their ability to find patronage, which relies on Western infusions of funds – through the IFIs and commercial banks. The political elites could not fund their life-support system without us. Fear must be neutralized first, since that will be the inherent direction politicians under pressure gravitate toward. This would define the space for the discussion of developing an accountable and functioning governance system.

Finally, external actors need to develop a popular constituency for better governance. There is ample ammunition to work with. To give one concrete example, as you are aware, BiH lost agricultural market access to Croatia when it joined the EU. Not because of any malfeasance on the part of Croatia or the EU, but rather because of lack of responsibility among BiH politicians to prepare an EU-compliant food safety and certification infrastructure.

Who got hurt? Clearly, farmers. But which farmers? Those in Krajina, in northern RS, were most dependent on the Croatian market, particularly dairy farmers. One reason the institutional shell-game could go on so long was that BiH doesn't have a Ministry of Agriculture – no surprise that it wasn't a topic at Dayton, but it was in the April Package, which Milorad Dodik agreed to. But now, state institutions are evil to him. Minister Šarović is doing his best to remediate this dairy by dairy, but it is not a systemic solution.

I told the previous EUSR, Peter Sørensen, that there was nothing in his mandate to prevent him from going up to Gradiška, one of the two border points where agricultural goods can be inspected, and holding a big press conference, telling Jovan Seljak he lost X amount per cow, per month because he can't sell his milk over there – don't blame us, blame Milorad Dodik for protecting your Serb dignity by preventing a Ministry of Agriculture, which could have prevented this problem in the first place. You know what he told me? "That's easy for you to say." Well, yeah – because it's true. But it's not the way the EU is used to doing business. This isn't a mandate problem. It's a philosophical problem.

I'll close by saying that I like to describe myself as a frustrated optimist about BiH's future. If I believed that BiH's political class was truly representative, I would have run away screaming years ago. I'm very *tvrdoglav*, but I'm not a masochist. But I have to admit I am very frustrated at an EU-led international community which refuses to understand the nature of the problem and act accordingly.