



INSTITUTE FOR FOREIGN AFFAIRS AND TRADE



KKI 4:1 Series of the Institute for Foreign Affairs and Trade

Publisher: © Institute for Foreign Affairs and Trade 2022

Editor: Ferenc Németh – Institute for Foreign Affairs and Trade

Authors:

Julianna Ármás – Institute for Foreign Affairs and Trade Zoltán Egeresi – Institute for Foreign Affairs and Trade, Institute for Strategic and Defense Studies György Ilyash – Institute for Foreign Affairs and Trade Ferenc Németh – Institute for Foreign Affairs and Trade

> Typesetting: Tamás Lévárt

Cover photo: <u>depositphotos.com</u>

The present analysis and its conclusions reflect the author's opinion and cannot be considered the official position of the Institute for Foreign Affairs and Trade, the Ministry of Foreign Affairs and Trade, or the Government of Hungary.

Publications of the series in English: 2022/2 What Can Be Expected in the Western Balkans in 2022? 2021/21 Should the Western Balkans participate in the Conference on the Future of Europe? II. Insights from the Western Balkans 2021/20 Should the Western Balkans participate in the Conference on the Future of Europe? For more publications, see the homepage of the Institute



In the 4:1 series of the Institute for Foreign Affairs and Trade, four experts give a short answer to the same question concerning international politics and economics. Our aim is to launch scientific debates in and beyond Hungary and promote dialogue among experts. In this issue our topic is *"How do external powers perceive the current situation in Bosnia and Herzegovina?"*

JULIANNA ÁRMÁS

USA

Considering the Dayton Peace Accords a triumph of American diplomacy, the 26-year-old peace agreement remains the United States' point of reference for Bosnia and Herzegovina (BiH). The US stands for an independent BiH, whose sovereignty and territorial integrity cannot be compromised, as Dayton has only created a fragile balance. Attempts to change the system could destabilize the whole country, as well as the Western Balkans in general. The role and presence of the United States in the region is undisputed, but evaluating events exclusively through of the "Dayton framework" must be exceeded.

The role of the Dayton Peace Accords is multifaceted. On the one hand, it ended the Bosnian war and created one of the most complex political systems in the world, with decision-making processes and power shared by the three constituent peoples - the former conflicting parties. On the other hand, it has become an obstacle to development and progress and has preserved a fragmented society at the level of political leadership, so that crises are constantly burdening the country. Such crises include the secessionist efforts of the Milorad Dodik-led Republika Srpska (RS), and most recently the announcement of withdrawal from the statelevel institutions and the steps taken to establish a parallel institutional system in the Serb entity. As a result, Washington is focusing on Dayton and responding to threats that are considered a risk to the peace agreement. This is indicated by the sanctions policy against Dodik, which was recently expanded on 5 January, 2022. Sanctions, along with the "Dayton spirit", aim to promote accountability and eliminate corruption, which undermines the stability of the Western Balkans and the sovereignty and territorial integrity of Bosnia. In addition to Dodik, the present sanctions extend to the Alternativa Televizija, which is controlled by the Bosnian Serb leader and two other Bosnian Serb officials, and they involve asset freezes and visa bans.

It should be clear by now that Dayton has become a tool for both the US and for Dodik. The presence of the United States as a determining political factor in Bosnia is legitimized by the peace agreement, and although it would reduce its local capabilities in favour of the European Union, it has not been able to do so completely. The US considers an EU membership a solution, but the stalling



enlargement policy questions the EU's credibility in the region and therefore its conflict resolution abilities, thus appreciating the role of the United States. As a result, a more <u>active</u> (or renewed) Balkan policy in general has been outlined under the Biden administration, including <u>support</u> for Bosnia's "electoral law and limited constitutional reforms", which would also help the Balkan country meet the obligations set out by the EU. At the same time, Dodik is actively relying on Dayton as well. Keeping the RS's secessionist efforts on the agenda, which might even be fuelled by the imposition of sanctions, distracts local as well as foreign actors' attention from the current real problems that go beyond corruption, such as the fading European perspective, the general economic situation of the country, the lack of foreign investments, or the impending demographic crisis.

The question remains, however, regarding the results of the new sanctions. The continuation of the US sanctions policy clearly shows that the US intends to remain a dominant player in the Balkans. But rather, the sanctions could be interpreted at the level of the narrative as strengthening the Dayton framework. The fact that Dodik has limited financial exposure to the US diminishes the importance of the restrictive measures; they are much more of a warning to other politicians and companies with greater embeddedness in the United States. Given the closer relationship between Bosnia and Herzegovina and the European Union, sanctions from the EU are likely to have a greater impact than those from a distant US, which are currently strengthening the nationalist narrative and diverting Dodik and RS to other great powers.

FERENC NÉMETH

EUROPEAN POWERS

Despite its proximity, political and economic preponderance, and the prospect of becoming full-fledged member states, the EU still follows a reactive policy in the Western Balkans, and Bosnia and Herzegovina (hereafter: Bosnia) is no exemption to this. Although the EU has rightfully chosen regional peace and security, as well as territorial integrity as its principles to follow concerning Bosnia, it has also proven that it cannot act as a problem solver or credible mediator in times of crisis. We must therefore investigate the stance of individual EU member states, Germany and France in particular, as well as the post-Brexit United Kingdom, to map out how these European powers see the past and present of this Balkan country.

Germany continues to be the greatest political and economic partner to Bosnia in the EU. Since the 1995 Dayton Peace Accords, Berlin's position has been clear: the territorial integrity and sovereignty of Bosnia must be respected, and actions that might undermine this framework (i.e. advocating border changes and secessionism) <u>would not be</u> tolerated. The new German leadership in this regard is following its predecessor: Foreign Minister Annalena Baerbock has <u>reiterated</u> that sanctions should be <u>imposed</u> against individuals who "seriously endanger the security situation or undermine the Dayton peace accords". Berlin, with its pro-enlargement policy, also sees the Office of the High Representative (OHR) and the position of the High Representative (HR) as highly important. The former German leadership's push for the appointment of German politician Christian Schmidt as new HR would, according to Germany, bring back Bosnia to the centre of international attention. It seems that Berlin would also be in favour of a more active HR by using their so-called Bonn powers – a slight change of approach compared to Berlin's stance on this issue in the mid-2000s.

Stability is also the key concern for Paris concerning Bosnia. The relationship between President Macron and the Bosnian leadership, however, did not start well; in 2019, the French president <u>called</u> Bosnia a "ticking time bomb" – an expression that has caused a lot of outrage, especially on the part of the Bosniak political elite. Apart from this faux-pas, France advocates for the territorial integrity and stability of the Balkan country. Along with the US, the EU, the UK, Germany, and Italy, France has also <u>condemned</u> the decision of the Republika Srpska to begin the creation of parallel institutions. A couple of weeks into the French EU Presidency, however, it does not seem that the French leadership would be eager to take an active stance on the current Bosnian crisis.

Even as an EU member state, the United Kingdom had always played a proactive role in the Balkans, echoing the need for maintaining stability and respecting sovereignty in Bosnia. The ongoing crisis in the Balkan state demonstrates that for the UK "the <u>constitutional</u> integrity of Bosnia-Herzegovina [sic], and of upholding the Dayton agreement" has been of the upmost importance ever since the 1990s. It does not come as a surprise that Prime Minister Boris Johnson has recently <u>appointed</u> Air Chief Marshal Si Stuart Peach as the UK's new Western Balkans Envoy. Moreover, London is also showing full support towards HR Schmidt and perceives malicious Russian intent behind the Bosnian political actors that are trying to undermine territorial integrity. The UK, despite its departure from the EU, is still active in the Balkans, and Bosnia is not neglected in its post-Brexit strategy, either.

Taking the positions of the European powers on Bosnia into account, we can observe similarities. There is a consensus between Germany, France, the UK, and the EU that the Dayton framework must be protected, as it brings stability to the entire region. In practice this means that Bosnia's territorial integrity must be respected by national and international actors alike. EU-imposed sanctions, however, are not expected, despite Berlin's push for them. On the other hand, European powers, unlike the US, have not gone beyond words and statements in reacting to the ongoing crisis.



ZOLTÁN EGERESI

Turkey

As Bosnia and Herzegovina (BiH) constitutes one of the key pillars of Turkey's foreign policy in the Western Balkans, Ankara is closely following the developments in the country. Due to their cultural and historical ties, Turkish diplomacy has invested heavily in building close relations with the Bosniak political elite in the past decades, especially with Bakir Izetbegović, son of Alija Izetbegović. As the Islamist elite in Turkey demonstrated strong support and sympathy towards the Bosniaks and their leader, Izetbegović during the 1990s war, the current leadership's commitment to securing the interest of the community is not a surprise. This link is shown by the well-known anecdote that before his death, the Bosniak leader "bequeathed" his country to Erdoğan (then Prime Minister of Turkey).

Former Foreign Minister of Turkey Ahmet Davutoğlu (2009-2014) made enormous efforts to mend fences between Bosniaks and Serbs, between Sarajevo and Belgrade. He created the tripartite mechanism involving BiH, Turkey, and Serbia to serve as a forum between the participant countries. Furthermore, Ankara has also established its soft power capacities, like the Yunus Emre cultural institutes or the Turkish Cooperation and Coordination Agency (TİKA) to build closer ties and boost the Anatolian state's image in BiH. All in all, Turkey has managed to create leverage over the country, especially among the Bosniaks, even if the Serbs tend to perceive these policies as the emergence of Neo-Ottomanism and were often criticized by Milorad Dodik.

During the recent crisis, Ankara has emphasized <u>several times</u> that it supports the territorial integrity and sovereignty of BiH. Simultaneously, Turkey has tried to establish itself as a mediator between the divided political elite, and it has managed to make some gains. Bakir Izetbegović visited Erdoğan at the beginning of the conflict, <u>in early November</u>. The Turkish President also <u>had a consultation</u> with several Bosnian NGOs in Istanbul. Milorad Dodik, who had been rather precarious towards any Turkish involvement in the country's domestic politics, also flew to Ankara to meet the Turkish president and made several <u>positive statements</u> about Erdoğan's possible participation in the mediation process together with the Serbian and Croatian Presidents.

Despite the attempts of reconciliation, these visits have not solved the crisis, and the Republika Srpska's parliament voted in favour of withdrawing from several state institutions, including the army, prompting Turkey to express its opposition. Minister of Defense Hulusi Akar visited Sarajevo in order to negotiate with his counterpart about the situation as well as to indicate that Ankara maintains its position about BiH's territorial integrity and its readiness to mediate between the disputing parties. These developments and seemingly futile diplomatic manoeuvres to de-escalate the current crisis prompted the Turkish government

to invite Serbian President Aleksandar Vučić to Ankara on 18 March, 2022, and Recep Tayyip Erdoğan announced that after the Serbian elections (3 April, 2022) they would <u>organize an event</u> with the participation of BiH's Bosniak, Croat, and Serbian community leaders, with the assistance of Serbia and Turkey. <u>Milorad</u> <u>Dodik has welcomed</u> the proposal, which can be considered a positive step towards de-escalation.

Unquestionably, Turkey would like to emerge from the current conflict as a peace broker, who was able to solve the issue by bringing the parties together and mediating between them. This would not only increase Turkish influence in the Western Balkans, but it would grant some credit and improve the country's image in the West, especially in the United States.

GYÖRGY ILYASH

Russia

The following few aspects focus on the Russian perception of the situation in Bosnia and Herzegovina (BiH) in the spirit of <u>strategic empathy</u>.

According to the Russian position, the current crisis has been provoked and exacerbated by external actors, and the response of the local political forces was predictable and expected. The specific starting point for the crisis is Valentin Inzko's last decision (see also here) and the demonization of Bosnian Serbs (it is no coincidence that in 2015 the UN Security Council rejected the draft resolution that sought to shift the responsibility for all war atrocities in BiH to one ethnic group). This was followed by the appointment of the new High Representative (HR), which, according to international law, must be based on consensus both at the international level and within BiH (all previous HR appointments were made by consensus within BiH and internationally). Without a decision by the UN Security Council, the new HR is only an individual, "The German citizen, Christian Schmidt", with whom any actor can refuse to cooperate, which justifies the Bosnian Serb approach. Responsibility for the crisis and its consequences lies entirely with Inzko, the institution of the HR, and the international actors that support them. In the Russian interpretation, the cornerstone of the Dayton Agreement is the consensus within BiH and at the international level, through the Peace Implementation Council Steering Board. These two decisions as well as other decisions have upset the fragile balance at both levels. Another example is that according to Russian MFA, the Joint statement by the ambassadors of the Peace Implementation Council Steering Board has been adopted without the Russian party being asked or informed on the matter.

Nevertheless, Russia stands up for BiH's <u>unity</u> by returning to the original Dayton principles and ending <u>external interference</u>. The way to <u>resolve</u> the crisis and stabilize the situation can therefore be achieved by revoking the Inzko decision.



There is no alternative to dialogue and compromise between Bosniaks, Bosnian Serbs, and Bosnian Croats, especially not in the form of external interventions. The slow progress of the dialogue and compromises so far, or the occasional setbacks and tensions do not mean that the process is not working. Ethnicbased reconciliation cannot be rushed or enforced from the outside, and external intervention will only destabilize the situation and degrade previous results.

Russia's <u>position</u> on <u>the Dayton Agreement</u> and BiH rests on three pillars: 1) the essence of the Dayton Agreement, i.e. the construction based on balance and compromise within BiH, has been operational and successful for 25 years, 2) there is no alternative to the current construction, any effort to modernize will destabilize the situation and may have serious consequences, 3) external international supervision has now become unnecessary and counterproductive, especially the role of the HR. The broadly interpreted points of the 5 + 2 program adopted in 2008 are <u>abused</u> by Western actors and used to drag out the abolition of the HR institution indefinitely, which not only contradicts the 2006 and 2008 agreements, but also Resolution 1384 (2004) of the Parliamentary Assembly of the Council of Europe. All previous international arguments against the institution of the HR are being set aside by Western actors, suggesting that they want to use the institution to advance their own interests, far from the Dayton goals, including forcing NATO accession. The institution of the HR has also been criticized by Western <u>diplomats</u> and <u>former HRs</u>.

Traditional Russian-Serbian relations have determined the dynamics of the region from the very beginning, as Western actors have been able to assert themselves in the region through the support of other groups (Croats and Bosniaks). Despite significant changes, such as the process of Serbia and BiH joining the EU or cooperating with NATO, divisions have persisted. From a Russian point of view, the closeness of Croats to Germany and the closeness of Bosnians (or Muslims in general, e.g. in Kosovo) to the United States, as well as their closeness to Saudi Arabia, continues to maintain divisions in the region. The complex ethnicreligious situation is thus further complicated by the dimension of international politics, and the central geographical location of the Republika Srpska (RS) is also of geostrategic relevance. In light of these, Russian foreign policy does not mind the emergence of China and Turkey in the region. The former reduces the EU's influence in the economic field, while the latter reduces US-Saudi influence.

Russia's foreign policy approach to the region can be divided into two main stages: the period between 1992-1999 and the period after 2000. In the first period, Russian foreign policy fully followed the Western approach: supporting UNSC sanctions against Serbs, ignoring Serbian requests for assistance, etc. However, the Russian approach was not uniform, and even then many objected to the official foreign policy decisions. The 1999 bombing of Yugoslavia was a turning point in Russian foreign policy. The bombing was unanimously condemned by all actors in Russian politics, and Russian citizens staged mass demonstrations against NATO



and in favour of Serbs. The Russian government began building a new approach in 2000, partly as a return to a policy of supporting Serbs. According to the Russian foreign policy consensus, foreign policy between 1992 and 1999 in this region was a disgrace; the new policy, in the post-2000 period, seeks to partially compensate for this. The increase in support for the RS began with Russian companies' investments (now exceeding EUR 2 billion), one milestone being the opening of the RS Economic and Trade Office in Moscow. At the same time, the region does not appear to be a priority in Russian foreign policy, and Russian resources and decisions do not allow for large expansion - in light of this, the Russian position is largely defensive.

Thus, Russian foreign policy thinking about the region and the RS is influenced by the following main factors: the geopolitical role of the region and the RS, and the associated great power competition; correcting the traditional Russian-Serbian relationship and the foreign policy mistakes of the 1990s, working out the associated reputational losses; and the protection of Russian economic interests. Russia's position is defensive on three levels: 1) it defends Russian influence in the region, 2) it defends its close partner and its reputation within this region, and 3) it defends itself <u>against</u> unilateral actions by the West, most notably NATO expansion. Thus, this position would be difficult to change.