# THE DAYTON ACCORDS: ANCHOR TO THE PAST OR BRIDGE TO THE FUTURE?

The Dayton Accords, signed in 1995, aimed to do things: end hostilities in Bosnia and establish the framework for a working relationship among the three major ethnic groups that would lead to the establishment of a centralized, unified, multi-ethnic, democratic, free enterprise state in the Balkans. While the Accords did end the Bosnian iteration of the Balkan wars of the 1990s, it has been woefully inadequate as a vehicle to political success, at least as its authors and supporters intended it to be. Although all eleven annexes were supposed to play a role in establishing the political framework, Annex IV—as the constitution for the new state—was tasked with defining the primary structures and functions of the hoped for relationship. The stated objective of Western officials was that Bosnia would evolve quickly under the guiding hand of the "international community." The difficulties in fashioning that state are now well documented. Indeed, no sooner had the Dayton Accords been signed, than there were calls to revise them and even abandon them for something better, something that would more permanently cement the constitutional order of Bosnia in place. Most of these calls came from Washington, from many of the same people who had authored the Dayton process in the first place, including Ambassador Richard Holbrooke, the chief architect. Ever since 1995 there has been no dearth of criticism and speculation about the Accords, especially the veracity and usefulness of Annex IV. Seemingly, we never tire of debating the future of Bosnia and what it will take to make it a truly modern, functioning European state.

### Tripping Over Ourselves

Near the end of the administration of George W.H. Bush, Secretary of State James Baker famously said, "we got no dog in this fight." And, General Colin Powell noted that the U.S. had no strategic interests at stake in the Balkans. American disinterest signaled that the Balkan issue was seen as a European problem.

But, the Balkans did become issue during the 1992 Presidential election campaign, with candidate Clinton arguing thatthe U.S. had failed its moral and NATO responsibilities. Nonetheless, during theearly months the Clintonadministration did virtually nothing to reverse the festering Balkansituation; the new administration essentially had adopted the hands-off position of the previous administration. But,

eventually the bloodshed and ultimatelythe bombing of the market inSarajevo in 1994 moved the Clinton administration to action

Once the Clintonadministration decided to become involved it did so swiftly and decisively. Unfortunately, swiftness anddecisiveness became substitutes for intelligence, wisdom, knowledge and perspective and the result wasthe flawed Dayton Agreement, especially Annex IV. Despite the publicity and the propaganda of its primary authors, the probability that Annex IV would lead to the intended result was near zero—an outcome that was widely recognized at the workinglevels throughout the U.S. federal government, especially among professionals in the State Department and the Central Intelligence Agency who were very close to thesituation. While the Clinton administration intended Annex IV to provide stable state structures andworking relationships, it had exactly the opposite effect. Virtually every important portion of Annex IV ensured ethnic division of the new Bosnian state and, ineffect, underminedany possibility that the central government institutions in Sarajevo would have any significant relevance. Section I, 3 of Annex IV establishes the basic division of Bosnia by dictating two entities (also mentioned in Annex II) and quickly cements ethnic separation in place by allowing citizens of Bosnia to hold citizenship in "another" country (Section I, 7.d), and to allow each entity to enter intoagreements with other countries with the approval of the Parliamentary Assembly (III, 2,a). These stipulations in the constitution provide enormous opportunities for Bosnia Serbs and Bosnian Croats, while leaving Bosniaks regionally isolated.

One of the most unique and dysfunctional aspectsof the constitution at the state level is the construction of a tripartite Presidency that requires which a Serb, Croat and Bosniak representative be selected to serve from their respective **ethnic territories** (V, Preamble). The constitutional language means that a candidate from one ethnic region may not come from another ethnic region; for example, a Croat may not be selected from the Republika Srpska or a Bosniak from that a Croat canton.

Ethnic power and authority is reinforcedby Section III, 3,a, whichdelegates that all functions and powers not "expresslyassigned...to the institutions of Bosnia and Herzegovina shall be those of the entities." In the event, this provision leaves the entitieswith considerable power and authority, especially with respect to the army and police. Ironically, virtually nothing is said about these instruments for force in Annex IV and control of the armed forces is excluded from the list of competencies assigned to the central government in Sarajevo.Section V,5,a does say that "eachmember of the Presidency shall...have civilian authority over the armed forces." But this sets up aconsiderable conundrum because that authority is neither further defined nor delineated and is to bedivided somehow(unspecified) among three ethnically-determined Presidents, whoseallegiancepresumably is theirown ethnic communities rather than to the central state.

<sup>&</sup>lt;sup>1</sup> The government in Banja Luka sees this irrelevance as an asset in building a predominantly Serb political community in the Republika Srpska.

#### The Underlying Drivers: The Imperial Impulse

But, why do this? Why establish a constitution and force it on a political space in which many of the people and leaders were opposed to it? Furthermore, why force into place a constitution that is so torturous and impossibly complex and even sloppy, especially when so many working professionals in government and academia argued against it? While the end of the war and the desire to establish a Western-style state in Bosnia dominated the headlines and the propaganda, there was a much different set of political realities driving the process. Arguably, there were three major drivers.

First, the Dayton Agreement was a product of a specific time and place, reflectingthe atmosphere and political realities of the early and mid-1990s. The Cold War was rapidly winding down and the West, led by the United States, had won. The world was no longer divided primarily into two opposing, antagonistic blocks. American triumphalism and hubris was at its height. From Washington's perspective, the United States sat unchallenged astride the world. As early as 1990, several scholars and newspaper writers were arguing that the West's victory—more accurately, the American victory—in the Cold War had led to a world structured not of multipolarity, but unipolarity. To quote Charles Krauthammer, "the true geopolitical structure of the post-Cold war world... (is) a single pole of world power that consists of the United States at the apex of the industrial West. Perhaps it is more accurate to say the United States and behind it the West." Krauthammer revised and expanded this "unipolar" argument twelve years later by attempting to refute the criticism of his position and reaffirming the validity and necessity of American hegemony.<sup>3</sup> The political and especially the psychological impact of this perception of unipolarity and hegemony on the American leadership in the 1990s cannot be overstated. It led to a perception that the United States and only the United States had the answer, the drive, the skill and the rectitude to define the post-Cold War political order. It reinforced the historic American perception of "exceptionalism;" as secretary of State Albright famously—or perhaps infamously—proclaimed the United States is the "indispensable nation." Throughout the 1990s American leaders thumped their chests, acted on impulse and were absolutely convinced that they—and only they understood what was required to establish a legitimate, modern civilized political community.4The Europeans had failed miserably in bringing peace and stability to Bosnia and this reinforcedAmerican arrogance and ensured that the Europeans would count for very little in the post-1995 American domination of Bosnia except for their value as multilateral window dressing.

<sup>&</sup>lt;sup>2</sup> Charles Krauthammer, "The Unipolar Moment Revisited," The National Interest, Winter 2002/03, p6.

<sup>&</sup>lt;sup>3</sup> Ibid, pp5-17

<sup>&</sup>lt;sup>4</sup> It was not unusual during mid and late 1990s to hear American officials refer to Balkan leaders as children who needed to be guided to political maturity.

Second, Washington was convinced that only a traditional Western-style state, based on state sovereignty, could be the answer to the Bosnian problem. Consequently, the Clinton administration never considered any alternative to the forced establishment of a modern iteration of the Bosnian state--within the confines of Tito's administrative unit, despite the fact that a majority of Bosnian Serbs boycotted the 1992 vote on independence. Washington's position on Bosnia (as well as other areas) is consistent with how American leaders understand history and the legitimacy of political community. The United States came to be a great world power during the late 19th and early 20th centuries based on the prevailing (modern) philosophy that the state was the only legitimate form of political community and that state sovereignty was the only legitimate form of sovereignty. Even earlier (early 18th century), under the guise of what was to become Manifest Destiny, the United States joined the ranks of Western imperial powers first by expanding across the North American continent and then into the rest of the world. Manifest Destiny became such a powerful underpinning philosophy not only because it was a driving political philosophy, but because it had the weight of religion behind it. The Protestant variant of Christianity has always had a powerful impact on Manifest Destiny, American exceptionalism and, indeed, the way Americans have always looked at the rest of the world.<sup>5</sup> The union of Christianity and politics evolved into a civic religion which Americans interpreted as not only requiring an obligation to interfere and lead the rest of the world, but a right to do so that is sanctioned by Almighty God, Himself. Political leaders in the U.S. have become captives of what Anthony Smith calls "political messianism" in which "the state...came to embody the seamless unity of the nation, which was endowed with the characteristics of a faithful church. It became a pure, sinless community, to be worshipped by the citizenry in the same way as communities of believers had formerly worshipped the deity." For many contemporary American policy makers, God hovers somewhere in the background as a perfunctory and rhetorically necessary part of the political equation. But for them the state became the rightful expression of nationalism and the U.S. as the epitome of that union, is the right example for the rest of the world.

The problem for the U.S. and American leaders is that although the modern era is rapidly ending Washington does not see it. American foreign policy makers, "who cut their teeth" on the validity of the classic American model, cling to that model. "The United States has yet to come to terms with a transformed global order that has ripped to shreds the paradigm of exclusive state-centered sovereignty. The answer to what constitutes a legitimate political community can no longer be found exclusively in the Westphalian model." Consequently, as American policymakers

<sup>&</sup>lt;sup>5</sup> The United States has not been the only country driven by a melding of religion and politics. For example, during the 16<sup>th</sup> and 17<sup>th</sup> centuries, Spain was driven by a politicized Catholicism that was used to justify its aggressive imperialism.

<sup>&</sup>lt;sup>6</sup> Anthony D. Smith, Nationalism and Modernism, Routledge, London and New York 2000, pp97-98.

<sup>&</sup>lt;sup>7</sup> David B. Kanin and Steven E. Meyer, "America's Outmoded Security Strategy," <u>Current History</u>, January 2012, p22.

grappled with the Balkan conundrum during the 1990s they did so through the prism of this 200 year old understanding of how political community should be constructed and that the United States was the only country on earth given the right by God to lead the effort. U.S. policy makers are fully in tune with the idea that "political modernists can point with much historical justification to the role of the state as a central element in nationalist ideologies worldwide. So, many people have come to regard the attainment of a state as a vital instrument for the protection of the nation and its culture." But, U.S. tradition adds that "God has not been preparing the English-speaking and Teutonic peoples for a thousand years for nothing but vain and idle self-contemplation and self-admiration. No! He has made us the master organizers of the world to establish system where chaos reigns.... He has made us adepts in government that we may administer government among savage and senile people."

In effect, the thoughts, desires, needs, interests and wants of the (savage and senile?) people and leaders in the Balkans were of little consequence. Political leaders in the Balkans have always been seen asmeans to American ends. For example, leaders such as Slobodan Milosevic and Biljana Plavsic are just two of the Balkan politicians who were used and then cast aside when their usefulness had ended. Furthermore, the entire structure of the Office of the High Representative (OHR) and the Peace Implementation Council (PIC) are equipped to define and enforce the kind of political community the West believes is necessary for Bosnia to evolve into a modern European state. Certainly, the authors of Annex IV—as well as the Inter-entity Boundary Lines--saw the necessity of dealing with "ground realities," but only to shape them into the kind of political community envisioned in Washington and to a lesser extent in Brussels and other European capitals.

Third, the United States never considered the collapsing Yugoslavia as a whole; instead, Washington concentrated on the disparate parts of the old country as a series of problems that were seen, if not hermetically sealed from each other, at least separate issues. Washington's truncated view of the region was due to two basic reasons. First, the U.S. came to the Balkan problem somewhat late (really only in early 1994) when the wars in Slovenia and Croatia were already over and both countries had been recognized by important members of the EU, led by Germany. Second, at the time the U.S. became deeply involved in the Balkans there was an appalling lack of experience with and understanding of the region in the U.S. government, especially in the State Department and the Department of Defense. Consequently, in the event, American policy makers and military officers jumped into the Balkan thicket with little knowledge of the region. In 1994, bloodshed was taking place in Bosnia, so that's all the focus that was needed. Moreover, American policy makers historically have had difficulty in seeing "shades of gray." Driven in large measure by a view of history that sees the U.S. as God's instrument, they tend to see issues as black and

Anthony D. Smith, Nationalism and Modernism, Routledge, 1998, London and New York, p95.

<sup>&</sup>lt;sup>9</sup> A speech by Senator Albert Beveridge to the U.S. Senate, 9 January 1900, https://www.mtholyoke.edu/acad/intrel/ajt, The Congressional Record 56, I Session, pp704-712.

white, as good versus evil and, in their view, American policy represents and reflects what is good. In the Balkans this translated into a demonization of the Serbs and a vindication of the Muslims and to a lesser extent, the Croats--a position that was most palpable in the State Department and the White House. Certainly, Serbs perpetrated terrible havoc during the Balkan wars of the 1990s, but so did the Muslims and Croats, but this was—and is--hardly recognized by many of the most important U.S. policy makers. <sup>10</sup>The cost of this myopia and inexperience in the Balkans has been high. The American led effort to construct the new Bosnian state as well as the demonization of Serbia, the favoring of Croatia and the Muslims and the Albanians, especially after 1999, hasled to a situation in which inter-ethnic rivalry remains significant, borders are not settled in all cases, economic interaction and transportation networks remain weak and, although major military conflict is not probable, "asymmetric" violence is possible beyond the ongoing conflicts in northern Kosovo.

#### New Drivers: The Impulse of Globalization

Since the Dayton Accords were consummated in late 1995 the world has changed dramatically. Just as global structures and functions saw gradual change from the medieval world to the modern world, today modern structures and functions are changing to the post-modern world. The changes can be measured across political, social, economic and military areas and each of these has a significant impact on the Balkans, including the Republika Srpska. Perhaps the single most important change has been the fluctuation instate power, legitimacy and authority. Certainly, the state is not about to disappear and in some instances is as important as in the past. But, state power, legitimacy and authority now vary significantly from state to state and situation to situation. The state has been forced to share the world stage with a host of non-state actors that exercise power, legitimacy and authority in their own right. The resulting global "system" has become a "mish-mosh" of structures and functions that overlap, conflict, cooperate, grow, fade and reemerge. "Rather than thinking of the world in in terms of Joseph Nye's mechanical, three-dimensional chessboard, with the focus on security, economy and soft power, think of it like a lava lamp, with political, security, economic and social patterns forming, changing shape, dissolving and reforming."11 In short, global political and social structures and functions are more diffuse now than they have been any time in recent memory, perhaps since the establishment of the Westphalian system. Rogers Brubaker argues that there has been an erosion of fixed forms and clear boundaries."12 Although Brubaker is referring to Eastern and Central Europe, his observation is

<sup>&</sup>lt;sup>10</sup> For example, many, perhaps most,U.S. policy makers have not been willing to recognize Operation Storm as a major exercise in ethnic cleansing.

<sup>11</sup> Kanin and Meyer, p22

Rogers Brubaker, <u>Nationalism Reframed: Nationhood and the National Question in the New Europe</u>, Cambridge University Press, Cambridge, UK, 1996, 1997, 1999, 2000, p13.

applicable for the entire world—it is a permanent phenomenon of the post-modern world. Although sovereignty has been "fragmented" and "contested" among government entities throughout the modern era, it is now fragmented as well between government and non-government entities.<sup>13</sup>

The diffusion of sovereignty, legitimacy and authority is having an especially profound impact on global economic interaction. Scholars began to catalogue and analyze the changes first in economics during the early 1990s. A spate of books and articles began to appear discussing the impact of the technological revolution, the advent of just-in-time manufacturing and the growing irrelevance of state borders with respect to trade and economic interactioin. In one of the earliest and still most astute studies, Japanese businessman and scholar Kenichi Ohmae argues not only that states matter much less than they used to in economic enterprise, but that an intimate cross-border bond has arisen among people across state lines. "In recent decades," he says, "we have watched the free flow of ideas, individuals, investments and industries grow into an organic bond among developed economies. Not only are traditionally traded goods and securities freely exchanged in the interlinked economy, but so too are such crucial assets as land, companies, software, commercial rights (patents, memberships and brands, art objects and expertise). Inevitably, the emergence of the interlinked economy brings with it an erosion of national sovereignty as the power of information directly touches local communities; academic, professional and social institutions; corporations; and individuals. It is this borderless world that will give participating economies the capacity for boundless prosperity."14

This increasingly globalized economy means that while governments clearly are not irrelevant, the concept of a *national economy* is rapidly fading. It is becoming increasingly difficult to identify exclusively national companies and even companies that confine their production to the territory of a particular state as was true, say, during the period of significant economic growth prior to World War I. In the contemporary, globalizing economy it is increasingly common for companies, especially large ones, to be concerned with and driven by production speed, profitability and ease rather than national allegiance. In other words, business in the post-modern world no longer is driven by nationally-anchored firms in competition with other nationally-anchored firms. Businesses and firms today, while not independent from state control, are now much freer to locate where they realize economic advantage than in the past. Consequently, companies such as IBM and Toyota (just to mention two) are much less concerned with their national origins than with economic advantage. Although IBM is ostensibly an American firm, it employs about 20,000 Japanese workers and, while Toyota is putatively Japanese, more Toyotas are produced in the U.S. for export to Japan than are produced in Japan for the domestic market.

<sup>&</sup>lt;sup>13</sup> For an historical discussion of fragmented and contested sovereignty, see HendrikSpruyt, <u>The Sovereign State and Its Competitors</u>, Princeton University Press, Princeton, NJ, 1994, pp172ff.

<sup>&</sup>lt;sup>14</sup> Kenichi Ohmae, <u>The Borderless World: Power and Strategy in the Interlinked Economy</u>, Harper-Collins, NY, 1991, 1999, p7.

In addition to the political/social and economic arenas, the nature of "legitimate" violence is changing. For centuries, even before the settlement at Westphalia, "legitimate" violence has been the province of the state. Armies, navies and later air forces have been instruments of the state's "exclusive" right to military, qua violent, solutions. Military forces have been commissioned by the state, controlled by the state, wore uniforms designated by the state and were governed—at least theoretically—by the rules of international law that were designed by states to serve their interests. For centuries, the use of violence aside from the sanctification of the state has been considered illegal and unacceptable. But, as the state-dominated paradigm has begun to change and as technology and political systems have changed, the nature of warfare too has changed. We have entered an era that several scholars are calling "fourth generation warfare," which is characterized by the "loss of the state's monopoly on violence, the rise of cultural, ethnic and religious conflict, the (advent of) small, viable groups, (and the development and use) of new technology."15" At heart," says one of the originators of the theory of fourth generation warfare, "is the issue of the legitimacy of the state."16

Certainly, we have not seen the end of earlier types of warfare—those characterized by state-dominated and-controlled violence. But, as the modern era ends and the post-modern era deepens, fourth generation warfare will become an increasingly standard form of military action that is taking its place alongside more traditional forms of warfare. Part of the growing complexity of this post-modern world is that the forms of "warfare" will be as multifarious as political, social and economic iterations. Indeed, we have seen examples of fourth generation warfare in the struggles between Palestinians and Israelis, in post-invasion Iraq and in Afghanistan. And, in Afghanistan it seems to have won out over more standard (so called "symmetrical") forms of warfare. 17 Increasingly, we will witness a "blurring" of the lines between politics and war, "unconventional" or "asymmetrical" tactics and strategy and the use of any methods and weapons that are available in order to overcome superior traditional or symmetrical forces. In the future, we can expect that fourth generation warfare will expand increasingly into cyber-attacks. Indeed, the era of cyber warfare already has started—the Chinese government has become quite proficient in cyber-attacks and earlier this year the U.S. (with the help of Israel and others) launched the Stuxnet virus against Iran's nuclear program and reportedly has used the Flamer virus against Iran's oil industry.

Global Guerrillas, Saturday, 08 May 2004; http://globalguerrillas.type4pad.com/globalgue.

William Lind, "Understanding Fourth Generation Warfare," Anti-War, 15 January 2004; http://antiwar.com/lind/?articleid=1702.

<sup>&</sup>lt;sup>17</sup> Indeed, although NATO forces claim they will withdraw from Afghanistan in 2014 to allow local military forces to take over, in reality NATO is leaving in defeat. Western leaders have recognized that that have not been able to secure the ends they hope for over a decade ago when the Afghan war was started.

#### Whither the Republika Srpska?

Having passed 20 years in existence, the Republika Srpska (RS) now must move ahead in a world far different from the one in which it was formed. The U.S. and much of Western Europe continue to tell the leaders of the RS as well as all of Bosnia and the Balkans that, despite the changes, the old structures and functions are still right for today. In effect, they are saying that little has changed. The European Union—based firmly on the Treaty of Maastricht (1992) and the Treaty of Amsterdam (1997) remains the paramount economic and political organization for the Balkans and that NATO—living off its now passé success as an anti-Soviet alliance—is the dominant security organization. Washington and Brussels repeatedly tell Bosnian leaders that membership in both organizations is the key to success—they are the double golden ring that must be grasped if Bosnia, including the RS, is to be truly modern, unified and Western-oriented.

The problem, of course, is that neither the EU nor NATO are what they were when the RS was founded—indeed, both institutions have changed dramatically in just the past 5 to 10 years. Quite simply, NATO is living on its past reputation; it has really had no strategic defense mission or legitimate use since the end of the Cold War. It served a very useful purpose during the Cold War as an essential bulwark against the Soviet Union and the Warsaw Pact. But the tectonic shift in the global security situation has made NATO a relic of the past, not only because the definition of security is now more comprehensive, but because even in the traditional understanding of the term, NATO faces no genuine enemies. Today NATO provides no security guarantees for the Balkans. Who, after all, against who would NATO protect the Balkans? Moreover, NATO has shown that it provides no guarantee of internal security (witness the Alliance's dismal performance in Kosovo). Although NATO remains the "rhetorical" lynchpin of American and European security, it provides nothing of the sort for the Europeans or Americans. The Europeans are not interested in a vigorous strategic alliance and the U.S. would rather go it alone, as Iraq and Afghanistan demonstrate. Even the much touted NATO victory in Libya is grossly overrated. It was essentially an Anglo-French bombing operation (with some minor help from others), not an Alliance campaign. Moreover, the Libyan adventure stretched NATO to the breaking point—both in terms of strategy and logistics (the Alliance almost ran out of bombs)—against a weak third world military that already was besieged by an insurgency.

While NATO has become essentially a useless anachronism, this is not true for the EU—at least not completely so. It is true that the EU is now a far different organization from its halcyon days in the past; indeed it is a far different organization than it was just a few years ago. Today the EU is in deep trouble and it is not just the euro zone that is in crisis mode. The EU has become so large and cumbersome that it is now impossible to control the organization's political, economic or militarily

future. It has neither the authoritarian command structure of an empire nor the necessary organic or mechanical capabilities of a democracy. It is, rather as unwieldy behemoth that is unsure of its own future—even its own survivability. But, in the final analysis, it is really not only the size and cumbersomeness of the EU that is the problem. It is also that the "idea" of Europe became more important than the hard work required to implement the agreed upon financial and structural rules that were meticulously laid out in the underlying treaties and documents of the organization. The EU leadership ignored their own rules and became smug and arrogant in assuming that nothing could undermine the growing wealth and power of the EU. Although the financial and structural problems have become most serious in Europe's southern tier, the wealthier countries of northern Europe (including Germany) have ignored and violated some of the union's most basic rules, including the clear financial regulations laid out in Article 121 (1) of the Maastricht Treaty.<sup>18</sup>

In effect, the euro crisis is a serious subset of the problems the EU is facing as a whole. In addition to ignoring the clear rules and regulations of the EU's underlying treaties and documents, basic structural issues also are the cause of the euro crisis. The EU Fiscal Compact, signed in March 2012, reaffirms provisions already in force in other EU documents. It remains to be seen whether the new Compact will be any more successful holding the euro zone members to the standards they have pledged to uphold. In addition, the European Central Bank has announced a plan to buy the national bonds of countries in financial trouble (i.e. much of the southern tier of the EU/euro zone). This action has stabilized markets for the time being, but it is unlikely that in the long run the new Compact, the purchase of bonds or the European Financial Stability Mechanism will be able to salvage the eurofor all the countries of the contemporary euro zone—the economic problems are simply too deep and have been neglected for too long to be resolved by reclamation projects. The EU and the euro zone will require very painful structural reorganization that adapts the economies of Europe to a globalized world. In the long run, it is highly likely that the EU and the euro zone will divide into several tiers with the loss of some countries to the euro zone and perhaps even the EU.<sup>19</sup>

At the same time, the West, especially the U.S., would "prefer" that Bosnia scrap Annex 4 and construct a new, more centralizing constitution—one that fits with how Washington and Brussels envision a "more perfect" Bosnian union. The pressure today is not as great as it was three and four years ago to change the constitution because the advocates of constitutional change have run out of steam and subsequent

<sup>&</sup>lt;sup>18</sup> Among other rules, Article 121 (1) requires that inflation rates must be no more than 1.5 percentage points higher for any member than the average of the three best performing (lowest inflation) members states of the EU; the ratio of the annual government deficit to GDP must not exceed 3 percent at the end of the preceding fiscal year; the ratio of gross government debt to GDP must not exceed 60 percent at the end of the preceding year; and, the nominal long term interest rate must not be more than 2 percentage points higher than in the three lowest inflation member state.

<sup>&</sup>lt;sup>19</sup> For example, the Conservative government of David Cameron is under pressure to hold a referendum on continued British membership in the EUand there is a movement in several northern European countries, such as Germany and The Netherlands, to push weaker southern countries out of the euro.

American administrations have turned their attention to other international problems. Nonetheless, American and West European politicians continue to argue that Bosnia must develop a new national constitution, preferably under the benevolent leadership of Washington and Brussels. The Muslim/Bosniak constituency in Bosnia generally agrees with this perspective. In a recent visit to the U.S., Mufti Mustafa Ceric, Bosnian Islamic leader, argued that the Dayton Accords should be scrapped because of the negative impact of the "vortex of interparty conflicts, corruption and poverty." As suggested earlier, abandoning Annex 4 has been opposed by the RS and some of the Coat community, although the Croats—who were handled poorly by Washington and Brussels—have a declining population and influenceand are struggling to find their place in Bosnia. And, to complicate matters, the EU has declared that Bosnia will be considered for membership only as a single state, which means that, as far as the EU is concerned, Bosnia must have a constitution that holds the country together--whether that is Annex 4 or something else. <sup>21</sup>

The question, then, given the international setting, at the age of 20, how will/should the RS move forward? In addition to considering the very important international and European context, it is necessary also to consider the internal Bosnian situation.

It remains standard operating procedure that the Muslim/Bosniak community (at least the leadership) prefers a unified, centralized state—this has been the "boiler plate" Muslim/Bosniak position since before the signing of the Dayton Accords. And, there is no doubt that this continues to be the Muslim/Bosniak position. But, the commitment to increasing the power, authority and legitimacy of state institutions has hit a very serious snag in the Federation and in the Muslim/Bosniak community, which is now badly split over how to strengthen national level government institutions and the relationship between the national and entity governments. Ostensibly, the spilt materialized because of disagreements over the national budget primarily between the Social Democratic Party (SDP) and the Party for Democratic Action (SDA). The importance of the budget disagreement should not be underestimated because the SDA insisted on more money in the state budget to strengthen national level institutions, even at the expense of money for the entity level institutions. But, the dispute has gone far beyond the question of the budget. As the SDP's President and Bosnian Foreign Minister, Zlatko Lagumdzija, noted last June, "recently the SDA has started moving towards a type of radicalization and was...the obstructive force, rejecting all forms on institutional levels. Most likely, SDA officials are attempting, by going too far to the right, to radicalize Bosnian voters."22The dispute

<sup>&</sup>lt;sup>20</sup> Vecemje Novosti, 6 September 2012

In March 2012 the European Parliament adopted a resolution requiring that Bosnia have "a functional state and government" in order to apply for EU candidacy. EU Enlargement Commissioner, Stefan Fuele, said this means Bosnia must be a single state."

Anes Alic, "Bosnia and Herzegovina Consumed by Another Political Crisis," Times of Sarajevo, June 2012, http://www.isaintel.com/2012/06/07bosnia-and-herzegovina-consumed-by-another-political-crisis.

degenerated into an internecine war of words and political reprisals. This dispute—a form of communal suicide—arose at the worst possible time—it took 15 months to form a six party national level coalition and this crisis erupted just six months into the life of the new government.

At the same time, politicians from several political parties—mostly supporting the SDP—reportedly are exploring proposals to change structures and functions within the Federation. No specific proposals have been announced, but the press reports that a "guiding framework" is in place to strengthen Entity level institutions and to enact border changes within the Federation to the benefit of the Croats. <sup>23</sup>The political crisis, combined with potential for changes within the Federation, point to a further disintegration of the Bosnian state that had been envisioned by Western politicians and ensconced in Annex 4 of the Dayton Accords. There now is insufficient support within the Muslim/Bosniak political constituency to commit the necessary funds to build a unified, central state with strong central government institutions. It is easy to commit funds to all levels of government during good economic times. But, the choice among political priorities become much starker and much more difficult when economies are hurting and it is necessary to commit limited funds to competing priorities. The resulting conflict encourages laser-like concentration on the most important priorities.

At the same time, the newly proposed electoral law would strengthen the tight relationship between ethnicity and territory that is laid out in Annex 4 and discriminate against minorities, i.e. those citizens of Bosnia who are not Serb, Muslim or Croat. As time has passed and ethnicity becomes more deeply embedded in cantonal life and state institutions have lagged—in some cases to the point of irrelevancy--increasing numbers of Muslim/Bosniak politicians are realizing that the vision they used to have for Bosnia will not happen. The force of entropy within Bosnia as a whole has become a primary factor in the calculations of Muslim/Bosniak political leaders as the concentration of political energy has moved from the national to the Entity and cantonal levels. Increasingly, they understand that Bosnia is essentially a fiction, a paper country that survives as a political illusion and that the little sovereignty, authority and legitimacy remaining with the national government is a wasting asset.

On the RS side of the ineterentity boundary, the entropy that engulfs Bosnia is embraced enthusiastically as a positive direction, not as the *fait accompli* that is accepted with resignation in the Federation. At this point in time, the international and domestic situations beg the question as to what is the best way forward to secure thefreedom, prosperity and independence of the Serb population in Bosnia (i.e. essentially the nearly 1.5 million people comprising the RS). The government and political establishment in the RScontinues to walk a delicate tightrope of tenuous commitment to a surreal state while maintaininga delicate (partial) independence. On the one hand, the RS remains enmeshed in the contentiousand complicated poli-

<sup>&</sup>lt;sup>23</sup> Tanjug, 4 September 2012

tics of Bosnia and the Federation. The lingering political crisis—which is essentially a Muslim/Bosniak/Federation problem--bears witness to this, as does the convoluted election law. At the same time, RS political leaders, especially President Dodik, keep their options open while playing a tantalizing independence tune. Recently, Dodik said that "Bosnia shows on a daily basis a chronic inability to exist and survive as a country...it is no longer a question of whether Bosnia exists...the question is how to enable us to go our own separate ways peacefully...otherwise we can torture ourselves like this for years and decades...Bosnia hardly functions; Bosnia is not a functional state and can never be one."

The fundamental question for the RS is whether walkingthis tightrope continues to make sense. In determining an answer to this question, the leadership and people of the RS must consider three questions.

First, does it make sense economically to continue the present arrangement? There is no question that the economic situation in Bosnia, including the RS, is not good and that the contemporary worldwide financial and economic crisis is to blame in part. But the economic climate in Bosnia—as for much of southeastern Europe—was poor before the current crisis. In the RS, growth in real terms (i.e. adjusted for inflation) during the past year has been a sluggish 0.9 percent, exports lag imports (although the ratio improved slightly with July's numbers)—leading to an exodus of needed capital, the consumer price index has risen so far in 2012 by 1.6 percent in real terms over 2011, real wages so far in 2012 are 0.6 percent lower than in 2011 and, most alarming of all, the official unemployment rate is a staggering 38 percent (the actual unemployment rate is somewhat lower because of the gray and black markets).<sup>25</sup>

Can the RS reverse these trends and still maintain the present political and economic relationship with the Federation? Of course, the situation will begin to improve when the worldwide economy improves. But, this is likely to take two to three years to happen and probably even longer in Europe where the economic and financial situation is worse than any other major region of the world. Moreover, as suggested above, membership in the EU is not likely to produce substantial relief, especially in the short run. Even if Bosnia remains "united," full membership is almost certainly one or, more likely, two decades away. The long time frame is due on one hand to the dismal economic situation and uncertain political situation in Bosnia--it easily will take all of 10 to 20 years for Bosnia to satisfy the EU's conditions (e.g. in the Acquis Communautaire). On the other hand, the opposition to further expansion in several EU capitals, the splintering of the EU and the union's deep financial crisis militate strongly against Bosnian membership anytime soon. This does not mean that Bosnia—or the RS—should not pursue some sort of economic arrangement with

<sup>24</sup> Ibid

<sup>&</sup>lt;sup>25</sup> Statistics are provided by The RS Institute of Statistics Monthly Statistical Review (July 2012); The IRBRS Data Base of Economic Indicators for the RS; and, The World Fact Book of the Central Intelligence Agency, 2012.

the EU, but it does not have to be full membership—i.e. it does not have to be the kind of membership that ties the RS (or Bosnia) to the sinking economies of Europe's southern tier. What may make more sense for the RS are carefully structured, specific trade, financial and economic arrangements (as Ukraine has done).

Second, are the current political arrangements with the Federation and a central Bosnian authority, however weak, worth the cost of engagement or do they weigh down and impede political and social life in the RS? Arguably, the political entropy that is detrimental to political efficiency and vision in the Federation is nearly as damaging in the RS. The dispersion of political energy acts as a drag and distraction on the evolution of the RS into an even more dynamic and successful political community. As an earlier High Representative pointed out Bosnia is a country of about 4 million people, with three constituent parliaments, five presidents, four vice presidents, 13 prime ministers, 14 parliaments, 147 ministers and 700 members of parliaments. This situation goes far beyond fragmented sovereignty and well into the territory of the ludicrous—Bosnia defines the term political entropy, exhibiting a system which has not been replicated anywhere else in in time and place outside medieval Europe. Certainly, it is a political world that was created by the West, especially Washington, but it also is a political world that local politicians and the people of the RS (and the Federation) now must deal with as best they can. It is now a world in which the RS must fight a long, costly battle to control its own competencies. It is possible to continue on this road, but political leaders on both sides of the entity lineandwithin the ethnic communities need to determine whether this arrangement is debilitating and, if it is, what should be done to resolve the situation.

Third, is the relationship between the RS (and the Federation) and the so called "international community" what it should be?<sup>26</sup> There is a substantially different view between political leaders in the Federation and the RS on this matter. In the Federation (particularly in the Muslim/Bosniak community), the "international community" has been seen as the primary instrument to encourage and guide a unified, centralized Bosnia to reality, while in the RS it has been viewed mostly as an antagonist of Serb aspirations and RS independence. But, on both sides of the entity line—as indicated earlier—political leaders need to understandthat the "international community" has functioned in Bosnia primarily to satisfy its own interests, not those of the region. In other words, the "imperial impulse" is alive and well in the U.S. and Europe, even though it is manifest in the guise of humanitarian intervention. In addition, the international presence in Bosnia has become a matter of inertia—many of the Western politicians involved in Bosnia have been there since before 1995 and are so wedded to the region and its issues they do not know how to disengage. A primary issue for the RS is whether and how this inertia should be broken. Although the RS has gone considerably further in breaking the Western inertial imperative, the problem persists on both sides of the ineterentity line. Indeed, there is a plethora

<sup>&</sup>lt;sup>26</sup> For all intents and purposes, the international community is a euphemism for a handful of American and European diplomats and politicians and NGOs who either have an interest in the Balkans or earn their salaries by being concerned with the Balkans.

of institutional and personal gadfly involvement in the Balkans, especially Bosnia, which complicates the problems and makes the challenge more difficult.

For Bosnia, especially the RS, the complicating Western influence is manifest particularly in the embassies of the U.S., Germany, Britain and Russia; Brussels; the OHR and the PIC. These institutions continue to have far too much influence in the internal affairs of Bosnia, including the RS. Certainly, part of the influence stems from the imperial impulse, but it also lingers because of the weakness and psychological dependence of many Bosnian (and Balkan) leaders. In Bosnia, especially the Federation, there is a propensity among some political leaders and many in the general population to believe that they have no choice. Although the RS leadership has gone much further in breaking the psychology of dependency, there remains a residue of dependence even there. For example, in the spring of 2011 the RS government announced its intention to hold a referendum on the powers and office of the OHR, only to cancel it under pressure from the West. A successful referendum would have sent a powerful signal that the people and leadership in the RS no longer would be the pawns of outside pressures fully 16 years after the Dayton Accords had been signed. Instead, the RS launched a withering rhetorical attack on the OHR in a report to the United Nations Security Council, which led to no substantial action.<sup>27</sup>This provided the OHR and several Western embassies in Sarajevo with a symbolic victory that breathed some small life into an institution that long ago should have been a distant memory.

## Next Steps?

The RS has stepped out more forcefully than any other political constituency in the Balkans to sever the harmful and unnecessary connections with outside pressures. Given the current situations in the internationalarena and in Bosnia, it is time for the RS to take the next step. If the RS continues to tie its fortunes to Annex 4, it will be tied to the past and to an unworkable, even debilitating political system. On the other hand, the RS can announce that Annex 4 has served its purpose and it is now time to move on. Moving on should be done entirely within a "democratic context"—not only to give decisions legitimacy, but because it is the right thing to do. Moreover, since the end of the Cold War in Europe and since 1995 there have been border changes that can serve as precedents for RS action that is perfectly consistent with international law and the Helsinki Final Act (1975).<sup>28</sup>There are three possible directions the RS political leadership can take if it wants to move forward, each

Fifth Report of the Republika Srpska to the United Nations Security Council: Reply to the High Representative's Letter and Special Report of 4 May 2011 to the UNSC

<sup>&</sup>lt;sup>28</sup> The peaceful transition to independence of the republics of the old Soviet Union, the Velvet Divorce between the Czech Republic and Slovakia and the independence of Montenegro provide ample precedents for peaceful action by the RS that is consistent with the Helsinki Final Act. Moreover, the 10 to 4 advisory opinion of the International Court on 22 July 2010 that Kosovo's unilateral declaration of independence did not violate general international law provides a solid legal base for RS action.

backed by precedent, law and a democratic referendum. After preparing the people of the RS, the government of Bosnia and the United Nations with the necessary arguments and justifications, the government of the RS can announce a referendum to be held, say, in the spring of 2013 giving the voters three choices. The winning choice must receive a minimum of two thirds of the vote. If none of the three receives two thirds of the vote, a subsequent referendum will be held offering the two top choices. The referendum needs to propose the three possible future courses of action:

- 1. <u>Continuation of a federal republic of Bosnia Herzegovina:</u> with a new constitution drafted by Bosnian political leaders and Bosnian legal scholars (outside organizations and individuals would be involved only at the discretion of Bosnian officials and only in an advisory role); the aim would be to draft a new streamlined constitution that redirects the entropy presently crippling Bosnia, with clearly delineated competencies, organs of government, rights and responsibilities.
- 2. <u>Independence:</u> the establishment of a new state in southeastern Europe that would sever the official bonds between the RS and the Federation; it would be made clear to the Federation, as well as the rest of the world, that this is being done peacefully, democratically and legally.
- 3. <u>Union with Serbia</u>: this position, of course, would have to be worked out with Serbia and might require a referendum in Serbia; as with independence, this option would dissolve the bonds between the RS and the Federation and would be done peacefully and democratically.

None of these options would foreclose a peaceful, democratic transition in the Balkans. In fact, a final resolution of the "Bosnian issue" would allow for more mutually productive relationships that could be constructed on the realities of the 21st century, rather than the anachronisms of the 20th century. This could lead to beneficial intra-Balkan economic and security relationships, as well as relationships with the external world that do not ignore the EU, but see the EU in a realistic light while seeking profitable economic and security ties outside Europe in a "multi-functional"