

Geographical Overview | **Western Balkans**

In the Footsteps of Ukraine? Republika Srpska's Challenge to Bosnia and Herzegovina. Future Scenarios for Bosnia and Herzegovina

Marta Szpala

Senior research fellow

Centre for Eastern Studies (OSW), Poland

On the eve of Russia's full-scale invasion and war of aggression against Ukraine in February 2022, Bosnia and Herzegovina (BiH) was facing the most severe political crisis since the 1995 Dayton Peace Agreement, which ended a three-and-a-half-year long war. Just a couple of months ahead of the Russian invasion, Milorad Dodik – leader of the Bosnian Serbs and the Alliance of Independent Social Democrats (SNSD), which has been in power in Republika Srpska (RS) since 2006 – challenged the institutional system of BiH. The SNSD leader announced a plan for a unilateral takeover of the State's management of areas such as defence, indirect taxes and the judiciary, thereby posing a serious threat to the very existence of the common state.

Due to Russia's lack of military success in Ukraine and the strengthening of the European-led stabilization mission EUFOR Althea, in terms of increased troop numbers, the RS leadership suspended the implementation of its plan for independence from central institutions. That temporarily alleviated political tensions. The general elections in October 2022 went off in a generally orderly manner without major incidents. Moreover, just after the elections, High Representative Christian Schmidt introduced a package of amendments to the constitution of the Federation of BiH (a second entity of Bosnia) and BiH electoral law. Although this decision was contested by civil society and experts in the field because it was thought to risk enhancing ethnic separation (Mujanović, 2002), it satisfied the demands of the most powerful nationalist Croatian political party, the Croatian Democratic Union (HDZ BiH). It therefore

silenced disputes between Bosniak and Croat parties and enabled the relatively quick appointment of state and Federation governments (in the 2014-2018 parliamentary term a Federation government was never formed due to the Croats' blockade). Moreover, it weakened the alliance between Croat and Serb parties, who work together to undermine the central government in Sarajevo, deepen ethnic segregation (the former) and gain independence (the latter).

Permanent Political Crisis

The institutional structure of BiH was established by the constitution, which is an annex to the Dayton Peace Agreement. The country is divided into two constituent parts (entities): Republika Srpska (RS), mainly inhabited by Serbs, and the Federation of Bosnia and Herzegovina (FBiH), dominated by the Bosniak and Croat populations. Additionally, the strategically located multi-ethnic Brčko District, which divides the Republika Srpska, has been an independent administrative unit since 2000. RS is unitary and highly centralized, while FBiH is divided into 10 cantons with significant autonomy. The central government of BiH has competencies limited to foreign policy, security, fiscal-budgetary matters and the judiciary. Furthermore, the Dayton Agreement established the institution of the Office of the High Representative (OHR) with broad legislative and executive powers, which were further strengthened in 1997. The constitutional framework established in Dayton proved to be ineffective and reinforced ethnic segregation, as well as past divisions and conflicts. However, the fundamental dispute between political representatives of the three constituent nations over the future state structure prevents its reform. Bosniak parties, both nationalist-oriented and civic-oriented,

advocate for a strong central government, but Serb and Croat leaders oppose that idea. Moreover, although the elites officially question the current constitutional arrangement, it is highly beneficial for them. It has enabled the formation of ethnic clientelistic networks that keeps them in power and prevents new political groups from gaining a strong foothold on the political scene. The traditional Bosniak, Croat and Serb parties operate in a peculiar symbiosis, escalating nationalist tensions over contentious issues like the interpretation and commemoration of the past, as well as the prosecution of war crimes. The constant tensions enhance a sense of insecurity and threat among citizens, consolidate the electorate and divert attention from growing socioeconomic problems (particularly evident in RS) and the misconduct of those in power. Therefore, even if the level of social discontent is very high, it has a limited impact on election results. Social frustration is primarily channelled through mass emigration to EU countries (mainly Germany, Austria and Croatia).

Even if the level of social discontent is very high, it has a limited impact on election results. Social frustration is primarily channelled through mass emigration to EU countries

The election in October 2022 confirmed the dominant position of nationalistic parties among Serbs and Croats – SNSD and HDZ BiH, respectively – and Milorad Dodik was elected as the President of RS. The main Bosniak nationalist Party of Democratic Action (SDA) was pushed out of power, but then replaced by a chaotic coalition of several small parties. However, the ability of the new Bosniak coalition in power to push for a coherent reform programme, as well as oppose the escalation of separatist activity by the RS leadership is considerably limited.

Secession in All but Name

The long-term rule of the SNSD and Milorad Dodik has enabled the subordination of RS institutions and

its economy to the interests of a narrow group associated with the party leader. Their influence over the entity's judiciary prevents any investigation of unlawful practices by the ruling party. They control almost all local media, which promotes their interests and spreads secessionist and divisive rhetoric (Milojević, 2018).

Dodik's main goal, after assuming the office of RS Prime Minister in 2006, is to block any attempts at state reform that could limit the entity's autonomy, through threats of secession. A constant element of the SNSD strategy is also to paralyse the functioning of state institutions. When Dodik was a member of the BiH Presidency (2018-2022), the body was unable to make any meaningful decisions due to the requirement of unanimity. Other state institutions, due to boycotts or the inactivity of RS representatives, have also been blocked. This long-standing paralysis of the central institutions is used to justify moves by RS to expand its competencies at the expense of state institutions. RS has also expanded its competencies and autonomy through *fait accompli* methods. These include the adoption of relevant laws by the Parliament or actions that exceed the powers of the authorities (such as signing international agreements on matters within the competency of the central government).

RS authorities also reject the authority of the Constitutional Court of BiH as it is the only institution able to call into question the decisions of the RS leadership, which usually do not comply with its decisions. The most provocative demonstration of non-compliance is the celebration of the anniversary of the RS entity's founding on 9 January, organized every year, which was declared unconstitutional. The enforcement of the decisions of any other state institution on RS territory is also very problematic.

In December 2021, Dodik and his party moved one step towards secession. The Parliament of RS adopted a package of resolutions aimed at stripping the central authorities of their competencies in the areas of justice, indirect taxation, security and defence, establishing their own institutions, including the military, intelligence agency and anti-corruption office, and entailing the exclusion of the application of state legislation, as well as regulations imposed by the High Representative. The aim of the RS leadership was the disintegration of BiH's institutional system, especially the judiciary, and de facto seces-

sion of the RS, which would gain financial independence and the ability to defend itself. Russia's failure in Ukraine halted these plans, but only temporarily.

Pressing Economic Challenges

Although SNSD and Milorad Dodik were able to win the election, he is facing increasing financial and social problems, including high levels of inflation (15%) and unemployment (30%). The RS is struggling to maintain fiscal stability, but its leaders are reluctant to seek help from Western financial institutions because it would involve the implementation of reforms. So far, the RS government has taken out a loan of €110 million from Hungary's state-owned Eximbank in December 2022, but RS has to repay loans worth €500 million till the end of 2023 (the whole external debt of Republika Srpska currently exceeds 2.1 billion euros). To strengthen the entity's economic position, the RS leadership is aiming for the takeover of real estate belonging to the State. They tried to do it before, but were blocked by decisions of the Constitutional Court and High Representative. To achieve that goal, the RS leadership resorted to its old playbook once again and signed a joint statement calling for the delimitation of the borders between the BiH entities and the setting up of a unit in the RS Interior Ministry for monitoring this. Dodik hopes that the West, under threat of secession, will not react to the planned real estate takeover.

With Russia against the West

Dodik is also seeking to limit the formal influence of the international community on the country's situation, as he sees it as the main obstacle to the de facto independence of RS. He is constantly calling for the abolition of the Office of the High Representative (OHR) or of the presence of international judges in the Bosnian judiciary. RS leadership openly questions the legality of the appointment of the current High Representative Christian Schmidt, who took office on 1 August 2022, and rejects his legal authority. Dodik has also constantly adopted an unchanging, confrontational attitude toward his Western partners. In March 2023, the Government of RS decided to cease cooperation with diplomats from

the United States and the United Kingdom and called all its representatives in state-level bodies and local government to follow the move.

While the West has shown remarkable unity in responding to the Russian aggression against Ukraine, in the case of Bosnia and Herzegovina there is a visible lack of common strategy that would halt the process of the State's gradual disintegration

Dodik's policy is supported by Russia due to Moscow's wider geopolitical objective of keeping the whole of the Balkans unstable and BiH divided and dysfunctional, preventing the implementation of a foreign policy aimed at joining the EU and NATO (Ruge, 2002). To reaffirm his close cooperation with Moscow, Dodik has met with Putin twice in the past 12 months, once in September 2022, and again in May 2023. Russia's economic and military influence in BiH is very limited, but it is positioning itself as the protector of Bosnian Serb interests and supports every move of the RS leadership, in its efforts to undermine BiH's institutional system and territorial integrity. While destabilizing factors in BiH are homegrown and linked to regional political dynamics, Moscow exploits local divisions and exacerbates tensions.

What Is Next?

The Russian aggression in Ukraine has underlined the vulnerability and increased uncertainty not only in BiH, but in the whole Western Balkans region. In December 2022, the EU Member States unanimously decided to grant candidate status to BiH. This move was the result of the fragile geopolitical situation, rather than any progress on reform implementation. The EU hoped it would encourage political elites to focus on advancing along the EU pathway. However, the process of integration with the European Union is

a threat to the position of the traditional parties, as strengthening judiciary independence would endanger their corrupt patronage networks. Moreover, it involves strengthening the central institutions at the expense of the competencies of the individual entities and cantons, which is against the interest of the Croat and Serb parties. The long-term benefits of membership in the EU are insufficient to compensate for the loss of their powers.

The US and some EU Member States hope that through close cooperation with Serbia and Croatia (Čančar, 2023), they can influence the situation in BiH. Belgrade, due to its efforts to ensure good relations with the West, does not officially support Dodik's political moves, but neither does it condemn them. It is also difficult to assess to what extent Serbia can control Dodik, who is supported at home and by Russia, and if it really wants to stop the disintegration of BiH. Although the number of EUFOR troops has been increased, it is still insufficient to guarantee peace and security in the country (Bassuener, 2021) or to force Dodik to follow the OHR or state institutions decision-making. He was under personal sanctions imposed by the US and UK, but only EU sanctions could affect him. So far, such a decision has been blocked by Hungary.

Dodik claims that he supports BiH's territorial integrity and the "original" Dayton Peace Accords, aimed at transforming BiH into a very loose federation. That would mean that RS would achieve independence without officially declaring it. He is hoping that the gradual and staggered takeover of competencies will not provoke an objection from the West. Concessions and a lack of response will only prompt him to escalate his demands in the future,

namely on territorial issues (i.e., taking control of the Brčko region). While the West has shown remarkable unity in responding to the Russian aggression against Ukraine, in the case of BiH there is a visible lack of common strategy that would block Dodik's actions and halt the process of the State's gradual disintegration.

References

- BASSUENER, Kurt et al. "EUFOR/NATO HQ Mandate in Jeopardy." *DPC Policy Note*, September 2021. www.democratizationpolicy.org/wp-content/uploads/2021/09/DPC-Policy-Note_EUFOR-NATO-HQ-Mandate-in-Jeopardy.pdf.
- ČANČAR, Ismet Fatih. "The fallacy of US and EU policy in the Western Balkans." *Just Security*, 17 March 2023. www.justsecurity.org/85510/the-fallacy-of-us-and-eu-policy-in-the-western-balkans/.
- MUJANOVIĆ, Jasmin. "An illiberal putsch attempt in Bosnia." *Al Jazeera*, 4 October 2022. www.aljazeera.com/opinions/2022/10/4/an-illiberal-putsch-in-bosnia.
- MILOJEVIĆ, Milorad. "Media Landscape in Republika Srpska: Polarization and Financial Dependence." *Balkandiskurs*, 25 May 2018. <https://balkandiskurs.com/en/2018/05/25/media-landscape-republika-srpska/>.
- RUGE, Majda. "The past and the furious: How Russia's revisionism threatens Bosnia." *ECFR Policy Brief*, 13 September 2022, <https://ecfr.eu/publication/the-past-and-the-furious-how-russias-revisionism-threatens-bosnia/>.