

# Bosnia and Herzegovina: Background and U.S. Policy

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Analyst in Balkan and Southeast Europe Affairs

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Bosnia and Herzegovina (hereafter, “Bosnia”) drew heavily on U.S. support after gaining independence from Yugoslavia in 1992. The United States helped end the Bosnian war (1992-1995), one of the most lethal conflicts in Europe since the Second World War, by leading NATO airstrikes against Bosnian Serb forces, brokering the Dayton Peace Agreement in 1995, and deploying 20,000 U.S. troops. Some Members of Congress became involved in policy debates over these measures, and Congress monitored and at times challenged the Bush and Clinton Administrations’ response through numerous hearings, resolutions, and legislative proposals. Since 1995, the United States has been a major source of aid to Bosnia and firmly supports its territorial integrity. The United States also supports Bosnia’s aspirations for NATO and European Union (EU) membership.

Today, Bosnia faces serious challenges. Nearly 25 years after the Dayton Agreement, Bosnia continues to use part of the Agreement as its constitution, which divides the country into two ethnoterritorial entities. Critics charge that Bosnia’s political system is too decentralized to enact the reforms required for NATO and EU membership. They also contend that the ethnic power-sharing arrangements and veto points embedded in numerous government bodies are sources of gridlock. Domestic and international courts have ruled against several aspects of Bosnia’s constitution, yet the Bosnian government thus far has failed to implement these rulings.

Since Bosnia’s independence, its politics has been dominated by ethnic parties representing the country’s three main groups: Bosniaks (Slavic Muslims), Croats, and Serbs. These parties have prospered under a system that critics charge lacks transparency and accountability. Critics also maintain that ethnic party leaders use divisive nationalist rhetoric to distract from serious issues affecting the country as a whole, including poverty, unemployment, and stalled political reforms. The Bosnian population exhibits low trust in political parties and the government, and disaffection toward the country’s elite.

U.S. and EU officials brokered several ultimately unsuccessful rounds of constitutional reform negotiations, and continue to call on Bosnia’s leaders to implement reforms to make governance more efficient and effective, dismantle patronage networks, and bring Bosnia closer to EU and NATO membership. However, there is little consensus among the country’s leaders on how the country should be reformed. Bosnian Serb leaders from the Serb-majority entity (Republika Srpska) have called for greater autonomy and even secession from Bosnia. Some Bosnian Croat leaders have called for partitioning Bosnia’s other entity, the Federation of Bosnia and Herzegovina, to create a separate Croat-majority entity. Bosniak leaders, by contrast, generally prefer a more centralized state. Many analysts caution that any move to partition the country could lead to renewed violence, while greater decentralization could make Bosnia’s government less functional. U.S. policy has long been oriented toward preserving Bosnia’s statehood. Bosnia’s 2018 general elections largely returned to power the same entrenched ethnic parties. Of particular concern is the election of Bosnian Serb leader Milorad Dodik to Bosnia’s collective presidency. Dodik, a sharp critic of the United States and NATO, has periodically called for a referendum on Republika Srpska’s secession. He is under U.S. sanctions for obstructing the Dayton Agreement.

In addition to these internal challenges, U.S. and EU officials have expressed concern over external influence in the region. Russia reportedly relies on soft power, energy leverage, and “spoiler” tactics to influence Bosnia, particularly in the Serb-majority entity. Turkish soft power draws on Bosnia’s Ottoman-era heritage and Turkey’s shared religious tradition with Bosniaks. China is a more recent presence in the region, but its heavy investments and lending have prompted concern on both sides of the Atlantic. Policymakers have also expressed concern at the challenges posed by the return of Bosnians who fought with the Islamic State and Nusra Front in Syria and Iraq.

Many observers contend that the United States remains a stakeholder in Bosnia’s future because of its central role in resolving the conflict and shaping the postwar Bosnian state. Given the history of U.S. involvement in Bosnia, Bosnia’s importance to regional stability in the Balkans, and concerns over Russian and Chinese influence in Bosnia, Members of Congress may be interested in monitoring how the country navigates its internal and external challenges. Congress may also consider future U.S. aid levels to Bosnia and the degree to which such assistance supports the long-standing U.S. policy objectives for Bosnia of territorial integrity, NATO and EU integration, energy security, and resilience against malign influence.

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# Background

## The United States and Bosnia

Many Members of Congress became actively engaged in foreign policy debates over U.S. intervention in the 1992-1995 war in Bosnia and Herzegovina (hereafter, “Bosnia”). Congress monitored and at times challenged the Bush and Clinton Administrations’ response to the conflict through numerous hearings, resolutions, and legislative initiatives. Many observers contend that the United States is a stakeholder in Bosnia’s future because of the strong impact of U.S. intervention on the postwar Bosnian state.

Nearly 25 years after warring parties in Bosnia reached the Dayton Agreement (see below), Bosnia faces numerous internal and external challenges, and the country retains geopolitical importance to U.S. interests in the Western Balkans. As Congress assesses ongoing and emerging security issues in the region, including resilience against malign external influence, renewed conflict, and radicalization, Bosnia’s internal politics and its role in Balkan stability may merit further examination.

### Bosnia and Herzegovina: Basic Facts

**Area:** 19,772 sq miles (slightly smaller than West Virginia)  
**Capital:** Sarajevo  
**Population:** 3.51 million (2017 est.)  
**Ethnic Groups:** Bosniak: 50.1%; Serb: 30.8%; Croat: 15.4%; 3.7% other (2013 census)  
**Religion:** Muslim: 50.7%; Orthodox Christian: 30.7%; Catholic: 15.2% (2013 est.)  
**Languages:** Bosnian: 52.9%; Serbian: 30.8%; Croatian: 14.6% (2013 est.)  
**Heads of State:** Milorad Dodik (Serb member of presidency), Šefik Džaferović (Bosniak member), Željko Komšić (Croat member)  
**Sources:** World Bank; Bosnia and Herzegovina Statistical Agency and 2013 census

## Brief History and Population

Bosnia has existed in various forms throughout its history: a medieval kingdom, territory held by two major empires, a federal unit, and, since 1992, an independent state. Bosnia’s present international borders are largely consistent with its administrative boundaries under later periods of Ottoman Turkish rule.<sup>1</sup> After World War I, Bosnia became part of the newly created Kingdom of Serbs, Croats, and Slovenes. It was one of the six constituent republics of the Socialist Federal Republic of Yugoslavia from 1945 until 1992.<sup>2</sup>

Bosnia’s constitution stems from the U.S.-brokered Dayton Peace Agreement that ended the country’s 1992-1995 war. It recognizes three “constituent peoples”: Bosniaks, Croats, and Serbs. All three groups are Slavic. Religious tradition is considered a marker of difference among the three ethnic identities: Bosniaks are predominantly Muslim, Serbs are largely Orthodox Christian, and Croats are mostly Catholic. Although Bosnian, Croatian, and Serbian are recognized in Bosnia as distinct official languages, they are mutually intelligible.<sup>3</sup> Bosniaks comprise approximately 50.1% of the population, Bosnian Serbs 30.8%, and Bosnian Croats 15.4%.<sup>4</sup> In this report, *Bosnian* is used as a non-ethnic term for a person or institution from Bosnia. A

<sup>1</sup> Bosnia was under Ottoman Turkish rule from the 15<sup>th</sup>-19<sup>th</sup> centuries. It was occupied and administered by the Austro-Hungarian Empire from the 1878 Congress of Berlin through World War I.

<sup>2</sup> The other five republics were: Croatia, Macedonia, Montenegro, Serbia, and Slovenia.

<sup>3</sup> Serbian uses the Cyrillic alphabet, while Bosnian and Croatian use the Latin alphabet.

<sup>4</sup> Bosnia and Herzegovina 2013 census. 3.7% identifies as “Other” or as the more civic category “Bosnian.”

Bosnian Serb is an ethnic Serb from Bosnia and a Bosnian Croat is an ethnic Croat from Bosnia. Bosniak refers to Slavic Muslims.

Bosnia's religious and cultural diversity is one of its distinctive characteristics. Islam was introduced to part of Bosnia's population during the Ottoman period, although there were also large Catholic, Orthodox Christian, and Jewish communities. Bosnia was the most heterogeneous Yugoslav republic and the only one where no ethnic group formed an absolute majority.

During the 1990s, some popular accounts of Bosnia (and the former Yugoslavia) depicted its ethnic relations as "ancient hatreds," implying that the country's ethnic groups cannot peacefully coexist and that the 1992-1995 war was unavoidable. However, many experts on the region reject this thesis. Although Bosnia has experienced episodes of communal violence and bloodshed, most recently during World War II and the 1992-1995 war, its heterogeneous population also has lived in mixed communities for periods of peace.<sup>5</sup> Many experts contend that ethnic conflict often was stoked by domestic leaders who manipulated historical memory and grievances to further their own agendas, or by external powers seeking to rule Bosnia or annex its territory.<sup>6</sup>

## **The Bosnian War (1992-1995)**

In the 1980s, Yugoslavia's escalating political and economic crises fueled nationalist movements. Nationalist leaders in Serbia and Croatia appealed to Bosnian Serbs and Croats as ethnic "kin."<sup>7</sup> The party that ruled Croatia for most of the 1990s, the Croatian Democratic Union (HDZ), established a sister party with the same name to mobilize Bosnian Croats and compete in Bosnia's elections. This gave Croatia an avenue of influence in Bosnian politics. Serbia, led by strongman Slobodan Milošević, likewise had influence over Bosnian Serb leaders.

In Bosnia's November 1990 elections—the first competitive elections in decades—voters cast aside the ruling League of Communists party and elected ethnic parties that largely continue to dominate today. Bosnian voters backed independence in a 1992 referendum, following in the footsteps of Slovenia, Croatia, and Macedonia.<sup>8</sup> Bosnian Serbs, who did not want to separate from Yugoslavia, boycotted the referendum. Bosnian Serb forces seized more than two-thirds of Bosnia's territory, and a three-year conflict followed that pitted Serb, Croat, and Bosniak forces against one another. Bosnian Serb leaders declared a "Serb Republic" (*Republika Srpska*) in March 1992, while Bosnian Croat leaders proclaimed the Croat Community of Herceg-Bosnia in July. Some Bosnian Croat and Bosnian Serb leaders advocated unification with Croatia and Serbia, respectively, where government factions—including their strongman leaders—likewise wanted to carve a Greater Croatia and Greater Serbia out of Bosnia's territory.<sup>9</sup> Bosniak leaders opposed dismemberment of the state.

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<sup>5</sup> For example, before the 1992-1995 war, approximately one third of marriages in Sarajevo were mixed. C.f. Alan Crosby, "Mixed Marriages Emerge as Another Casualty of Bosnia's War," *RFE/RL*, July 8, 2017.

<sup>6</sup> Karl E. Meyer, "The 'Ancient Hatreds' Trap," *New York Times*, May 2, 1993; Noel Malcolm, 1996, *Bosnia: A Short History*, New York: NYU Press; Steven Majstorovic, "Ancient Hatreds or Elite Manipulation: Memory and Politics in the Former Yugoslavia," *World Affairs* 159(4): 170-182; V.P. Gagnon Jr., 2004, *The Myth of Ethnic War: Serbia and Croatia in the 1990s*, Ithaca: Cornell University Press.

<sup>7</sup> Malcolm 1996, op cit.

<sup>8</sup> Bosnian leader Alija Izetbegović backed independence when it became clear that Milošević's Serbia would dominate whatever remained of Yugoslavia.

<sup>9</sup> "First Bosnia Evidence in Milosevic Trial," *Institute for War & Peace Reporting*, March 19, 2002; Philip Sherwell and Alina Petric, "Tudjman Tapes Reveal Plans to Divide Bosnia and Hide War Crimes," *The Telegraph*, June 18, 2000; "The Two Culprits," *The Economist*, January 22, 1998.

Bosnia's war was one of the most lethal conflicts in Europe since World War II. Bosnian Serb forces besieged Sarajevo for 44 months. More than 10,000 people, mostly civilians, died due to shelling, sniping, and blockade-related deprivation. Paramilitary factions from neighboring Croatia and Serbia—some of which reportedly had ties to the Croatian and Serbian government—fought alongside Bosnian Croats and Serbs. The Serb-dominated Yugoslav National Army also aided Bosnian Serb forces, giving them a military advantage. In many areas, combatants from the three groups killed or expelled members of other ethnic groups to “purify” territory that they wanted to claim as their own. This “ethnic cleansing” changed Bosnia's demographic landscape.

An estimated 100,000 or more Bosnians were killed in the conflict, and roughly half of its population displaced. In addition, an estimated 20,000 or more women and girls were victims of sexual violence.<sup>10</sup> Hundreds of Bosnians have been prosecuted for war crimes at the International Criminal Tribunal for the former Yugoslavia (ICTY) and in Bosnian courts. In 2016, the ICTY convicted wartime Bosnian Serb leader Radovan Karadžić of genocide and war crimes. In 2019, the tribunal rejected his appeal and increased his sentence from 40 years to life. Citizens of Croatia and Serbia have also been indicted for crimes committed in the Bosnian war.

Highly publicized incidents in 1994 and 1995 underscored the war's human toll. Bosnian Serb forces bombarded a Sarajevo market in 1994 and 1995, resulting in over 100 civilian deaths. In July 1995, Serb forces commanded by Ratko Mladić seized and executed more than 8,000 Bosniak men and boys in a U.N.-designated safe area around the city of Srebrenica, an incident subsequently seen by some as a consequence of the international community's muddled, ineffectual response to the conflict.<sup>11</sup> The International Court of Justice and ICTY subsequently ruled that the Srebrenica massacres constituted an act of genocide. Mladić was convicted of genocide and other crimes in 2017.

These incidents increased pressure on U.S. policymakers to take a stronger role in resolving a conflict that had largely been left to the EU and the United Nations. Under U.S. command, NATO intervened in August and September 1995 with air strikes against Bosnian Serb targets, while allied Bosniak and Croat forces launched a simultaneous offensive in western Bosnia.

The United States played a key role in brokering several agreements. The 1994 Washington Agreement ended the “war within a war” between Bosniaks and Croats. In November 1995, leaders from Croatia, Bosnia, and Serbia met at the Wright-Patterson Air Force base in Dayton, OH, to negotiate a peace agreement.<sup>12</sup> U.S. diplomat Richard Holbrooke played a crucial role in brokering the General Framework Agreement for Peace in Bosnia and Herzegovina, more commonly known as the Dayton Peace Agreement.

## Domestic Issues

Bosnia's complex political system is a product of the Dayton Agreement; one of its annexes serves as Bosnia's constitution (Annex 4). Its provisions partly reflect the situation on the ground in 1995, including the subdivision of Bosnia into two ethnoterritorial entities (**Figure 1**): Republika Srpska (“RS”), which Bosnian Serb leaders had proclaimed in 1992, and the Federation of Bosnia and Herzegovina (“FBiH,” predominantly populated by Bosniaks and

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<sup>10</sup> Roughly two-thirds of casualties were Bosniaks. Kurt Bassuener, 2017, “A Durable Oligarchy: Bosnia and Herzegovina's False Post-War Democratic Transition,” in Sabrina P. Ramet et al (eds.), *Building Democracy in the Yugoslav Successor States*, New York: Cambridge University Press, pp. 216-255.

<sup>11</sup> Richard Holbrooke, 1998, *To End a War*, New York: Random House.

<sup>12</sup> France, Germany, Russia, the UK, and the EU also participated, but the United States played the lead role.



Croats), which was created by the 1994 Washington Agreement. Entity borders were largely drawn to form ethnic majorities, even though they also reflected territorial seizure and ethnic cleansing. Many Bosniaks view the division of Bosnia into these roughly equal entities as awarding the spoils of war to Bosnian Serbs, whom they regard as the aggressors.<sup>13</sup> Many Bosnian Serbs, however, view the Serb-majority entity as a protection against marginalization.

The designation of Bosniaks, Croats, and Serbs as Bosnia's three "constituent peoples" is a cornerstone of the Dayton system. Numerous government bodies have ethnic quotas requiring equal representation of the three groups. In these power-sharing institutions, delegates from each constituent group may veto measures that go against vital ethnic interests.<sup>14</sup> While these arrangements make Bosnia's political system prone to gridlock, Dayton's negotiators viewed them as necessary to prevent any group from feeling marginalized in a context of low trust.

## **Government Structure**

Bosnia is a parliamentary republic with a high degree of decentralization. Its complex, tiered structure includes a central ("state-level") government, the two entities, the autonomous Brčko district, and cantonal and municipal governments.

### ***State-level Government***

The central ("state-level") government covers the entirety of Bosnia. A three-member presidency is the head of state, and includes one Serb member who is elected by RS voters, and one Bosniak and one Croat member elected by FBiH voters.<sup>15</sup> The Council of Ministers, led by a Chairperson, is roughly equivalent to a cabinet government and prime minister in other parliamentary systems. The Parliamentary Assembly is a state-level legislature with two chambers: a directly elected House of Representatives (42 members) and an indirectly elected House of Peoples (5 Serbs, 5 Croats, and 5 Bosniaks). The state-level government is considered to be weak, despite some expansion of its functions in the 2000s. Its major responsibilities include foreign relations; trade, customs, and monetary policy; migration and asylum policy; defense; and intelligence.

### ***The Two Entities***

Bosnia is further subdivided into two ethnoterritorial entities: Republika Srpska (RS), where Serbs are the largest ethnic group (82%), and the Federation entity (FBiH), where Bosniaks (70%) and Croats (22%) are the largest groups. The two entities have broader policy jurisdiction than the state-level government. Governing functions that are not assigned to the state-level government fall to the entities. These include civilian policing, economic policy, fiscal policy, energy policy, and health and social policy, as well as other issues. Each entity has its own constitution, as well as a president, vice presidents, legislature, and cabinet government with a prime minister.<sup>16</sup> Each entity may establish "special parallel relationships" with neighboring states (i.e., Croatia and Serbia). Numerous entity bodies also incorporate ethnic quotas.

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<sup>13</sup> Eric Gordy, 2015, "Dayton's Annex 4 Constitution at 20," *Southeast European and Black Sea Studies* 15(4): 611-622

<sup>14</sup> Florian Bieber, 2006, "After Dayton, Dayton? The Evolution of an Unpopular Peace," *Ethnopolitics* 5(1): 15-31.

<sup>15</sup> RS voters elect the Serb member of the presidency. FBiH voters elect either the Croat or the Bosniak member.

<sup>16</sup> European Committee of the Regions, "Division of Powers (Bosnia and Herzegovina)," accessed February 21, 2019, at <https://portal.cor.europa.eu/divisionpowers/countries/Potential-Candidates/BAH/Pages/default.aspx>. Entity presidents and vice presidents are directly elected in RS and indirectly elected in FBiH.

### ***Brčko District***

Brčko district, a border region in northeastern Bosnia, was initially administered by the international community to allay concerns about RS secession. Brčko's location interrupts RS's contiguity, and both entities initially claimed it. Brčko was later awarded to *both* entities, but remains a self-governing district whose population is a mix of all three constituent peoples. Some analysts believe it has been relatively more successful than the entities in passing reforms and reintegrating its divided population (e.g., ethnically mixed schools with a common curriculum).<sup>17</sup>

### ***Cantonal and Municipal Government***

FBiH entity is further divided into ten cantons, many of which were drawn to form ethnic Bosniak or Croat majorities. The cantons have jurisdiction in many policy areas, including policing, housing, culture, and education. They also have their own constitutions—based on the FBiH constitution—as well as legislatures and cabinet-style governments. FBiH and RS are further divided into 79 and 64 municipalities, respectively.<sup>18</sup>

### ***International Oversight***

The Dayton Agreement established a strong oversight role for the international community. The Office of the High Representative (OHR) was created to monitor the implementation of civilian aspects of Dayton. The High Representative is supported by the Peace Implementation Council (PIC), a group of 55 countries and agencies.<sup>19</sup> A 1997 PIC conference empowered the High Representative to impose binding decisions and sanction politicians who obstruct Dayton. Until the mid-2000s, the High Representative used these powers to remove officials deemed to be obstructive to peace and to promote what are considered among the most constructive reforms since Dayton, including merging the entities' armed forces and intelligence services and putting them under new state-level ministries.<sup>20</sup>

However, the High Representative's proactive role has since decreased. This is partly due to criticism that the OHR lacks democratic legitimacy and accountability. Bosnian Serb politicians have claimed that the OHR's interventions support Bosniak leaders' preference for a more centralized state. At the same time, some U.S. and EU policymakers believed that the attraction of EU membership could incentivize reforms in place of the OHR's more top-down approach.<sup>21</sup>

The international community also plays an ongoing security role. NATO led the Implementation Force (IFOR) and the smaller Stabilization Force (SFOR) that monitored security aspects of the Dayton Peace Agreement. The initial deployment of NATO ground forces to Bosnia numbered nearly 60,000, of which the largest share (approximately one-third) was from the United States.<sup>22</sup> The number of troops subsequently decreased. In 2004, NATO's peacekeeping role was

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<sup>17</sup> Henry Clarke, "Brcko District: An Example of Progress in the Basic Reforms in Bosnia and Herzegovina," Woodrow Wilson Center, July 7, 2011.

<sup>18</sup> European Committee of the Regions, *op cit*.

<sup>19</sup> A subset of the Council (including the United States) participates in a Steering Board to provide ongoing guidance. The current High Representative is Valentin Inzko, an Austrian diplomat. The PIC Steering Board designated him as High Representative and the United Nations Security Council agreed to the appointment in 2010. "New Representative for Bosnia and Herzegovina Welcomed by UN," UN News, March 25, 2009.

<sup>20</sup> Bieber 2006, *op cit*.

<sup>21</sup> "Can Bosnia-Herzegovina Survive Without the OHR?" Woodrow Wilson Center, October 20, 2006.

<sup>22</sup> "Bosnia-Herzegovina: The U.S. Army's Role in Peace Enforcement Operations 1995-2004," U.S. Army Center of Military History, 2005.



transferred to the EU with the understanding that NATO would assist if necessary. The size of the EU operation (EUFOR Althea) decreased from 7,000 troops in 2004 to roughly 600 troops today.

**Figure I. Map of Bosnia and Herzegovina**



**Source:** CRS map using data from the State Department and Esri

### Legal Challenges

The principles behind Bosnia's power-sharing arrangements have been challenged in Bosnian courts and before the European Court of Human Rights. If implemented, these court rulings could reshape elections and representation.

**"Ljubić Case."** In December 2016, Bosnia's Constitutional Court ruled in favor of Božo Ljubić, a Croat politician who challenged the rules by which assemblies in FBiH's 10 cantons elect delegates to the House of Peoples, the entity parliament's upper chamber (an institution based on ethnic quotas). He claimed that the rules undermine the legitimate representation of Croats, a constituent people, because assemblies in Bosniak-majority areas have outsized influence in shaping the Croat delegation in the chamber. Ljubić's complaint reflects broader concerns of some Bosnian Croats that, as the smallest of the constituent peoples (22% of the population of FBiH), they are numerically ill-positioned to defend their interests. Bosnian Croat leaders have also raised similar complaints concerning the election of the Croat member of the presidency. Critics counter that Ljubić's case was a ploy to increase the weight of Croat representatives from western cantons where the main ethnic Croat party, the HDZ BiH, has its stronghold, and thus give it power to block legislation and government formation.

The Court gave the FBiH government six months to fix electoral legislation.<sup>23</sup> When the entity government failed to do so, the Court struck the provisions from the law, removing the mechanism for forming the upper chamber of the entity legislature. This had upstream implications for forming the entity government, populating the state-level legislature's upper chamber, and forming the state-level government. U.S.- and EU-brokered talks among key Bosnian parties failed to resolve the issue before the October 2018 election.

**ECHR Rulings.** In several cases, the European Court of Human Rights (ECHR) has ruled that aspects of Bosnia's election legislation and constitution are discriminatory. In *Sejdić and Finci v. Bosnia and Herzegovina* (2009), the

<sup>23</sup> The Court took similar action over election legislation in Mostar. Local politicians have not fixed the legislation, and as a result the city has not held municipal elections since 2008.

Court sided with the plaintiffs, self-identified members of the Jewish and Roma minority who argued that their ineligibility to run for the three-member presidency or be elected as delegates to the quota-based chambers in Bosnia's legislatures violates the European Convention on Human Rights. The Court also sided with the plaintiff in *Pilav v. Bosnia and Herzegovina* (2016), a Bosniak who was disqualified from seeking the Bosniak seat on the presidency because he lived in RS, whose voters select the Serb member of the presidency.

**Sources:** Majda Ruge, "The Electoral Crisis in Bosnia and Herzegovina," Atlantic Council, March 8, 2018; Boro Weber, "Bosnian Croat Leadership on Course to Throw Bosnia and Herzegovina into Electoral Chaos," Heinrich Boll Stiftung, December 21, 2017; "Bosnia and Herzegovina: Press Country Profile," European Court of Human Rights, July 2018; "European Court Rules Bosnian Constitution Discriminatory," *BalkanInsight*, June 9, 2016.

## Political Challenges

Many analysts contend that the Dayton Agreement helped hold Bosnia together after the war; they point to the absence of widespread violence since 1995 as an indicator of its success. However, observers also question whether Bosnia can function much longer under the Dayton system. They identify several key challenges:

### *Ethnic divisions*

Critics claim that Bosnia's political system reinforces the country's ethnic divisions and makes ethnicity a core basis of political identity. The ethnic parties that have dominated politics since the war generally appeal to voters from their respective ethnic communities rather than all Bosnians. Critics accuse ethnic party leaders of inflaming nationalist tensions and manipulating historical memory to distract from corruption and win elections, thus aggravating rather than bridging the deep wounds that remain from the war.<sup>24</sup> In some parts of Bosnia, divisions are further reproduced at the societal level through institutions like segregated schools, which separate schoolchildren from different ethnic groups and teach them different curriculum.

### *Gridlock*

Some analysts also contend that the system is too gridlock-prone to pass major political and economic reforms to be passed, even with the incentive of potential EU membership. Bosnia's fractured, overlapping institutions sometimes muddle policymaking jurisdiction and impede coordinated response. Furthermore, power-sharing arrangements create numerous veto points in the legislative process. Government coalitions are typically ideologically broad and unwieldy, creating a further source of potential dysfunction. One of the consequences of these barriers is that it is difficult to pass legislation. The previous state-level Parliament, for example, adopted twelve new laws over the course of its 2014-2018 term.<sup>25</sup>

<sup>24</sup> Heleen Touquet, 2015, "Non-Ethnic Mobilisation in Deeply Divided Societies: The Case of the Sarajevo Protests," *Europe-Asia Studies* 67(3): 388-408; Jasmin Mujanovic, "Bosnia-Herzegovina after the German-British Initiative," *Balkanist*, June 12, 2015; Office of the High Representative (OHR), *54<sup>th</sup> Report of the High Representative for Implementation of the Peace Agreement on BiH to the Secretary-General of the United Nations*, November 2018.

<sup>25</sup> Aleksandar Ivkovic, "Elections in Bosnia and Herzegovina," *European Western Balkans*, October 16, 2018; "Parlament BiH već devet mjeseci nije usvojio nijedan novi zakon," *klix.ba*, September 10, 2018.

## Corruption

Corruption in Bosnia has roots in the country's wartime economy.<sup>26</sup> A 2000 Government Accountability Office (GAO) report stated that "organized crime and corruption pervade Bosnia's national political parties, civil service, law enforcement and judicial systems. [Ethnic] parties control all aspects of the government, the judiciary, and the economy, and in so doing maintain the personal and financial power of their members."<sup>27</sup> Many observers claim that the situation has improved little since then. In 2018, the High Representative warned that the rule of law has deteriorated, while the U.S. State Department describes the rule of law as "an existential issue."<sup>28</sup> Bosnia's major parties allegedly siphon from the state apparatus and public enterprises in their strongholds to amass wealth and power. Furthermore, parties in power reportedly politicize hiring in Bosnia's public sector, which employs an estimated third or more of the working population. For many Bosnians, satisfactory employment depends on having the right political connections, which creates a dependence that reportedly is exploited during elections.<sup>29</sup> In 2018, the outgoing U.S. ambassador to Bosnia decried the "[Bosnian] politicians who seek to destabilize the country in order to remain in power at all costs for personal profit and protection."<sup>30</sup>

## Weak Reform Incentives

Many analysts believe that Bosnia's entrenched ethnic parties benefit tremendously from the status quo and have little incentive to reform the system. Bosnia's MPs are among the best-paid in Europe relative to local incomes, commanding six to eight times the average Bosnian salary. Parties and politicians who gain office in the government or administration often find "a remarkably efficient path to personal enrichment."<sup>31</sup> Politicians are skilled at using veto points to block legislation that threatens their position in Bosnia's patronage system.<sup>32</sup> According to one analyst, Bosnia's patronage system is "the *raison d'être* of the political elites and is the main cause of the state's dysfunctionality and resistance to reform."<sup>33</sup> Bosnia's entrenched political class may also fear penalty if serious reforms are enacted and shine the spotlight on malfeasance. Criminal indictments against leaders in neighborhood countries like Romania, Croatia, and North Macedonia highlight this risk.

Analysts believe these disincentives make entrenched politicians resistant to external pressure for reform. Several major rounds of U.S.- and EU-brokered constitutional reform efforts, including in 2006, 2008, and 2009, ultimately failed. Germany and the United Kingdom launched a major

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<sup>26</sup> Boris Divjak and Michael Pugh, 2008, "The Political Economy of Corruption in Bosnia and Herzegovina," *International Peacekeeping* 15(3): 373-386; Government Accountability Office (GAO), *Bosnia Peace Operation: Crime and Corruption Threaten Successful Implementation of the Dayton Peace Agreement*, July 7, 2000.

<sup>27</sup> GAO 2000, op cit.

<sup>28</sup> Office of the High Representative (OHR), *53<sup>rd</sup> Report of the High Representative for Implementation of the Peace Agreement on BiH to the Secretary-General of the United Nations*, April 2018; U.S. Department of State, *Integrated Country Strategy: Bosnia and Herzegovina*, August 2018.

<sup>29</sup> Divjak and Pugh 2008, op cit.; "Citizens of Bosnia Deeply Pessimistic about Economic Security," OSCE Mission to Bosnia and Herzegovina, February 13, 2018; Gordy 2015, op cit.

<sup>30</sup> U.S. Embassy in Bosnia and Herzegovina, "Ambassador Cormack's Remarks at the Farewell Reception," December 7, 2018.

<sup>31</sup> Quoted in Gordy 2015, op cit.; Elvira M. Jukic, "MPs in Bosnia Richest Relatively in Europe," *BalkanInsight*, March 17, 2014. See also European Commission, *Bosnia and Herzegovina 2018 Report* and Marija Arnavotović, "Sve deblji novčanici političara," *Radio Slobodna Evropa*, July 14, 2016.

<sup>32</sup> Jasmin Mujanovic, "Bosnia Risks Heading Towards Fraudulent Election," *BalkanInsight*, September 25, 2018.

<sup>33</sup> Bodo Weber, "Brussels is Letting Bosnia's Reform Agenda Slip Away," *BalkanInsight*, April 6, 2017.

initiative in 2014 to shift the focus from difficult constitutional reforms to seemingly more feasible socioeconomic reforms that they hoped would improve Bosnia's economy and dismantle patronage networks. The 2015 "Reform Agenda" identified economic, administrative, and legal measures to be adopted by entity- and state-level governments. The process, which required the major parties to commit in writing to the reform framework, was supported by the EU, the International Monetary Fund, the World Bank Group, and the United States. As an incentive for politicians to agree to the Agenda, the EU offered the entry into force of Bosnia's long-stalled Stabilization and Association Agreement, which marked the first step toward EU membership. However, most observers view the Reform Agenda as largely unsuccessful; many of its provisions failed when entrenched parties objected to measures that would undercut their dominance.<sup>34</sup>

### *Lack of Consensus*

While many officials recognize that Bosnia's political system needs reform, there is little consensus on *how* to change it or to generate the political will to find common ground so long as the dominant parties remain entrenched. Bosnian Serb leaders have expressed a desire to return to the "original" Dayton system, when the entities had greater competencies in security and justice. Milorad Dodik, who has dominated politics in Republika Srpska since the 2000s, has gone further by repeatedly threatening RS secession. Bosnian Croat leaders from the largest Croat party, the Croatian Democratic Union of Bosnia (HDZ-BiH), call for more autonomy for Croats, and have raised the prospect of splitting FBiH to create a third Croat-majority entity.<sup>35</sup> By contrast, Bosniak leaders generally prefer *more* centralization and the removal of some of the institutional arrangements that they believe contribute to dysfunction and gridlock. Some Bosniak officials also have proposed dismantling the entities or eliminating FBiH's cantons.

### *Popular Discontent*

Survey research documents Bosnian citizens' anger toward the political class and their distrust of political institutions. In a 2018 International Republican Institute survey, 86% of respondents expressed belief that Bosnia is heading in the wrong direction. An estimated 170,000 individuals—disproportionately young and skilled—have emigrated since 2013. Dissatisfaction with education and healthcare, insecurity, and nepotism are cited as key motives to emigrate.<sup>36</sup>

Nevertheless, some analysts believe that periods of social discontent in 2014 and 2018, which challenged the system but appeared to transcend ethnic divides, suggest that strengthening Bosnian civil society could increase pressure for reform, and perhaps cultivate a new generation of party leaders.<sup>37</sup> Other observers have put their hopes for reform in Bosnia's so-called "civic parties," which do not have nationalist platforms and typically mobilize voters on the basis of socioeconomic interests rather than ethnicity. While these parties have not matched the results of the ethnic parties, their electoral performance has improved in recent years.

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<sup>34</sup> Mujanovic 2015, op cit.; Aleksandar Ivkovic, "The Failure of the BiH Reform Agenda is the Failure of the EU," *European Western Balkans*, May 9, 2018.

<sup>35</sup> "Čović u Zagrebu: Građanska BiH znači islamska država," *Al Jazeera Balkans*, February 6, 2018.

<sup>36</sup> "Građani porijeklom iz BiH su drugi po brojnosti u Austriji, najviše je Nijemaca," klix.ba, December 31, 2018; Oxford Economics, *Country Economic Forecast: Bosnia and Herzegovina*, October 2018; OHR Nov. 2018, op cit.; *Balkan Barometer 2018*, Regional Cooperation Council, IV(4).

<sup>37</sup> Eva Gross, "Bosnia and Herzegovina: Back on an EU Track?" EU Institute for Security Studies, March 2015; Jasmin Mujanovic, 2018, *Hunger and Fury: The Crisis of Democracy in the Balkans*, New York: Oxford University Press.

## 2018 General Election

Bosnia's challenges came to the forefront during its most recent general election on October 7, 2018 (see **Table 1**). The Central Election Commission (CEC) registered 60 parties and over 3,500 candidates for state-level, entity, and cantonal offices. Observers noted that the campaign climate was more divisive and nationalist in tone than usual.<sup>38</sup> Despite broad voter dissatisfaction, entrenched ethnic parties won the largest vote shares. Almost six months after the election, the parties are still negotiating over government formation at the state level and in FBiH; however, it appears that entrenched ethnic parties will continue to dominate. In March 2019, the leaders of the largest Bosniak, Croat, and Serb parties stated that they had agreed to a set of principles to guide forming the state-level government (the Council of Ministers). Some observers viewed the improved result of civic parties (one-third of the vote in FBiH) as a positive development.<sup>39</sup>

**Table 1. 2018 Entity and State-Level Legislative Election Results**

Vote share and number of seats for FBiH House of Representatives, RS National Assembly, and State-Level House of Representatives

	Party	FBiH Entity	RS Entity	State-Level
Bosniak	Party for Democratic Action (SDA)	25% votes (27 seats)		15.5% (8 seats)
	Alliance for a Better Future (SBB)	7.1% (8)		1% (2)
Civic	Social Democratic Party (SDP)	14.5% (16)		8.2% (5)
	Democratic Front (DF)	9.4% (10)		5.3% (3)
	Our Party (NS)	5.1% (6)		2.7% (2)
Bosnian Croat	Croatian Democratic Union-BiH (HDZ-BiH)	14.4%* (16)		8.3%* (5)
	Croatian Democratic Union-1990 (HDZ-1990)	2.6%* (2)		1.6%* (0)
Bosnian Serb	Alliance of Independent Social Democrats (SNSD)		31.9% (28 seats)	14.7% (6)
	Serbian Democratic Party (SDS)		18%* (16)	9%* (3)
	Party for Democratic Progress (PDP)		10.2% (9)	4.6% (2)
	People's Democratic Movement (DNS)		14.4% (12)	<1% (1)
		Other seats: (13)	Other seats: (18)	Other seats: (5)

**Source:** Bosnia and Herzegovina Central Election Commission; International Foundation for Electoral Systems

**Notes:** For the state-level House of Representatives, vote shares are countrywide for illustrative purposes. Seats are based on party vote shares within each entity. Most ethnic parties competed in the "other" entity (e.g., Croat parties in RS) but received less than 5% of votes.

\*Competed in coalition.

<sup>38</sup> OHR, Nov. 2018, op cit.; Organisation for Security and Cooperation in Europe, *Bosnia and Herzegovina, General Elections, 7 October 2018: Statement of Preliminary Findings and Conclusions*.

<sup>39</sup> Dimitar Bechev, "Elections in Bosnia: More of the Same, But There is a Silver Lining," Atlantic Council, October 10, 2018; Ivkovic October 16, 2018, op cit.; Mladen Lakic, "Bosnia's Nationalist Leaders Move Closer to Forming Govt," *BalkanInsight*, March 19, 2019.

Some of the most controversial outcomes concern the elections to the state-level presidency, composed of three members (one Bosniak, one Croat, and one Serb). In a closely fought race, Šefik Džaferović, candidate of the ethnic Bosniak SDA party, narrowly defeated the candidate of the civic SDP party (36.6% and 33.5%, respectively), retaining the lock that the SDA has had on the Bosniak seat in most elections since 1996, but perhaps auguring a future victory by a civic party candidate.<sup>40</sup>

Prior to the election, some analysts expressed concern at the prospect of two of the three seats on the presidency being held by the nationalist Bosnian Serb leader Milorad Dodik and his ally, the nationalist Bosnian Croat politician Dragan Čović. Both politicians have explicitly or implicitly challenged the legitimacy of Bosnian statehood and called for greater ethnoterritorial autonomy.

However, to the surprise of some observers, Željko Komšić of the civic Democratic Front defeated incumbent Čović for the Croat seat with 53% of the vote. Komšić was previously elected as the Croat member of the presidency in 2006 and 2010, and is considered to be a moderate political figure who generally supports centralizing reforms. In contrast to HDZ-BiH leader Čović, he does not have strong ties to the Croatian government.<sup>41</sup>

Komšić's election as the Croat member of the presidency in 2006 and 2010 was mired in controversy amid complaints that he only won with the support of Bosniaks who voted in the election for the Croat member on the presidency rather than the Bosniak member.<sup>42</sup> Komšić identifies as Croat but has been leader of several civic parties. He comes from central Bosnia, and not from the Croat-majority western regions that are the stronghold of the HDZ. Although it is not illegal for Bosniaks to vote for the Croat seat on the presidency rather than the Bosniak seat, some Croat leaders (especially HDZ-BiH and HDZ-1990) claim that it violates the spirit of Dayton and results in illegitimate representation of Croats. Similar accusations of ethnic cross-voting surfaced after Komšić's victory in 2018. Some analysts expect Komšić's victory to harden the HDZ-BiH position on electoral reform (see "Legal Challenges," above) and possibly embolden politicians who seek a separate entity.

As most pre-election polls anticipated, RS strongman Milorad Dodik defeated the more moderate incumbent Serb member of the presidency with 54% of the vote. Dodik has dominated entity politics in RS since the mid-2000s as entity prime minister and president. Analysts note that RS's political environment grew more closed as Dodik consolidated power.<sup>43</sup> Dodik has run afoul of the United States and the EU by frequently threatening to hold a referendum on RS secession, questioning the legitimacy of Bosnian statehood, and cultivating close ties to Russia (see below). The U.S. Treasury Department sanctioned him in 2017 for actively obstructing Dayton.

Many analysts have expressed concern that Dodik will use his new position to obstruct the workings of the central government while continuing to dictate politics in RS through loyal allies. Shortly after the election he vowed to "work above all and only for the interests of Serbs."<sup>44</sup> One of his first acts as head of state was to call for Bosnia to recognize Ukraine's Crimea region as Russian territory. In December 2018, the National Assembly of RS approved the creation of several new ministries, an act that some view as an attempt to wrest competencies from the state-

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<sup>40</sup> Mladen Lakic, "Šefik Džaferović, Izetbegović's Loyal Successor on Bosnian Presidency," *BalkanInsight*, October 10, 2018.

<sup>41</sup> "Čović ne otkriva hoće li pristati na suradnju s SDA," *Dnevnik*, October 9, 2018.

<sup>42</sup> Bosniaks comprise 70% of the population in FBiH, but have one-third of representation in quota-based bodies. Critics charge that some Bosniaks have engaged in ethnic cross-voting to elect the relative moderate Komšić.

<sup>43</sup> Jasmin Mujanović, "Dodik's Lethal Regime in Bosnia Must be Confronted," *BalkanInsight*, February 27, 2019.

<sup>44</sup> Mladen Lakic, "Serbian Hardliners Claim Victory in Bosnian Elections," *BalkanInsight*, October 8, 2018.



level government. In early 2019, the RS parliament courted controversy when it passed legislation to create a new commission to reinvestigate the events of Srebrenica, which many view as an attempt to deny or downplay the massacres.<sup>45</sup>

Since the election, the formation of governments has proceeded piecemeal, and legal challenges to election law in FBiH (see above, “Legal Challenges”) initially cast doubt over the formation of that entity’s government. The RS National Assembly approved the new entity government in December 2018. Party leaders continue to negotiate over forming governments in FBiH and the state-level Council of Ministers. Because the FBiH government did not fix electoral legislation before the election, the Electoral Commission adopted a decision to assign delegates to the House of Peoples based on the 2013 census. (The Electoral Commission’s actions reportedly came amid strong pressure from U.S. and EU officials). Several Bosniak parties challenged the decision before the Constitutional Court; however, the Court declined to take on the case.<sup>46</sup>

## Economy

Bosnia is one of Europe’s poorest countries. The 1992-1995 war caused an estimated \$110 billion in damage, and Bosnia’s economy contracted to one-eighth of its prewar level. Despite significant reconstruction and recovery since 1995, GDP per capita was \$5,148 in 2017, well below the EU average (\$33,715) and that of Bulgaria (\$8,031), its lowest-ranking member. Nearly one in five Bosnians lives below the poverty level. Bosnia’s unemployment rate was 18% in 2018, down from 28% in 2015. Youth unemployment also declined in recent years from 60% to 46%.<sup>47</sup> Nevertheless, these rates are still high by European standards.

Since 2015, annual GDP growth has averaged around 3%, but it is largely driven by consumption (much of which in turn is fueled by migrant remittances). The IMF has urged Bosnia to privatize or restructure the nearly 550 state-owned enterprises that comprise roughly 20% of its economy; many of them are unprofitable but allegedly are used by politicians as “cash cows and workplaces for loyal cadres.”<sup>48</sup>

Bosnia participates in several free trade schemes. In 2006, it joined the Central European Free Trade Agreement (CEFTA) alongside other non-EU countries in the region, including other ex-Yugoslav neighbors. Bosnia’s Stabilization and Association Agreement (SAA) with the European Union, which entered into force in 2015, provides for almost fully free trade. A free trade agreement with the European Free Trade Association (EFTA) also entered into force in 2015.<sup>49</sup>

The EU is Bosnia’s primary trade partner. Germany, Italy, Croatia, Slovenia, and Austria are Bosnia’s key EU export markets, accounting for more than half of its exports in 2017. Serbia,

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<sup>45</sup> Mladen Lakic, “Western Diplomats Criticise Bosnian Serb Srebrenica Commission,” *BalkanInsight*, February 8, 2019; “Narodna skupština RS: Usvojen Zakon o republičkoj upravi,” Vlada Republike Srpske December 6, 2018; “Usvojeni zastave: Republika Srpska pravi vlastito ministarstvo vanjskih poslova,” *Žurnal*, December 11, 2018.

<sup>46</sup> Mladen Lakic, March 19, 2019, op cit.

<sup>47</sup> World Bank, *Western Balkans Regular Economic Report* No. 14, 2018; OHR April 2018, op cit.

<sup>48</sup> Quoted in Daria Sito-Sucic, “Bosnia Needs to Restructure and Privatise State Firms, IMF Finds,” *Reuters*, February 22, 2019. See also World Bank 2018, op cit; Ellen Goldstein et al, “Three Reasons Why the Economy of Bosnia and Herzegovina is Off Balance,” Brookings Institution, November 2, 2015.

<sup>49</sup> Other CEFTA members are Albania, Kosovo, North Macedonia, Moldova, Montenegro, and Serbia. EFTA countries include Iceland, Liechtenstein, Norway, and Switzerland.

another CEFTA signatory, is also an important export market. Bosnia's major exports include vehicle seats, raw materials, leather products, textiles, energy, and wood products.<sup>50</sup>

The EU is also Bosnia's primary source of foreign direct investment (FDI). In 2016, 63% of Bosnia's FDI came from EU countries, with Austria, Croatia, and Slovenia the top sources. Serbia is also a significant source of FDI (16.3%). However, Bosnia's fragmented legal and administrative structure create a challenging investment climate. Many relevant laws differ between the two entities. Corruption, entrenched economic interests, and political instability also deter investment. As a result, FDI amounts to just 2% of Bosnia's GDP, well below the Western Balkan average of 5%.<sup>51</sup> Bosnia was the region's lowest-rated country in the World Bank's 2019 Ease of Doing Business Index.

## Foreign Relations and Security Issues

### European Union and NATO Membership

U.S. and EU policymakers view the NATO and EU accession processes as a positive force for democratization and reform in the Western Balkans, including Bosnia. According to analysts, this assessment informed the United States' partial retreat from the region in the 2000s and 2010s.

EU membership is one of the few policy issues for which there is relatively broad consensus among Bosnia's politicians and population.<sup>52</sup> The EU's "fundamentals first" approach to enlargement in the Western Balkans frontloads the accession process with meeting the core requirements of having a democratic political system and functioning market economy; in Bosnia, the EU is currently focused on issues relating to the rule of law, public administration reform, and economic development. In 2016, Bosnia submitted its application to join the EU. Its current status is *potential candidate*, which entitles it to receive financial assistance from the EU's Instrument for Pre-Accession Assistance II (IPA II). Between 2014 and 2020, Bosnia is expected to receive €552 million in IPA II allocations, making the EU Bosnia's largest source of foreign assistance.<sup>53</sup> Many EU member states provide additional aid to Bosnia through domestic foreign assistance programs.

Bosnia's EU membership prospects are uncertain. In a 2018 progress report, the European Commission (the EU's executive) flagged Bosnia's slow implementation of reforms, including the 2015 Reform Agenda (a flagship EU initiative in Bosnia) and numerous domestic and international court rulings (see "Legal Challenges," above).<sup>54</sup> Some analysts question whether Bosnia, under its current political system, would be capable of meeting the membership requirement of harmonizing domestic legislation with the many thousands of provisions in the *acquis communautaire*, the cumulative body of EU legislation, case law, and regulations.

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<sup>50</sup> Central Bank of BiH, *Annual Report*, 2017; CIA World Factbook, op cit.; World Bank 2018, op cit.

<sup>51</sup> U.S. Department of State Bureau of Economic and Business Affairs, *Investment Climate Statement for 2018: Bosnia and Herzegovina*; United Kingdom Foreign and Commonwealth Office, *Overseas Business Risk—Bosnia and Herzegovina*, August 21, 2017.

<sup>52</sup> There was support from 87% of Bosniaks, 60% of Serbs, and 82% of Croats polled. National Democratic Institute, *Public Opinion Poll Bosnia and Herzegovina, April-May 2018*.

<sup>53</sup> European Commission, "Bosnia and Herzegovina – Financial Assistance under Instrument for Pre-Accession Assistance II (IPA II), n.d. Available at [https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/bosnia-herzegovina\\_en](https://ec.europa.eu/neighbourhood-enlargement/instruments/funding-by-country/bosnia-herzegovina_en).

<sup>54</sup> The Reform Agenda stemmed from a UK-Germany initiative, and was subsequently embraced by the EU.

In comparison to EU membership, Bosnian leaders are more divided over the issue of joining NATO. These divisions largely fall along Bosnian Serb and Bosnian Croat/Bosniak lines. Bosnian Serb opposition is rooted in resentment over NATO's role in the Bosnian war, and may also reflect a desire to remain in lockstep with neighboring Serbia, which also does not seek NATO membership. Bosnia joined NATO's Partnership for Peace in 2006 and secured an Individual Partnership Action Plan in 2008. In 2010, NATO indicated that it would launch a Membership Action Plan (MAP)—a program to help aspiring members meet membership requirements—once Bosnia meets several conditions, the most challenging of which is the reregistration of permanent defense installations from entity to state-level government. RS officials have resisted ceding control over defense installations on entity territory.

Although Bosnia does not yet meet these requirements, in December 2018 NATO foreign ministers invited Bosnia to activate its MAP by submitting its first Annual National Program. Some analysts interpreted this invitation as a gesture to generate reform momentum in Bosnia's fragile post-election period. The Bosniak and Croat members of the presidency responded positively, but Bosnian Serb leaders (and most Bosnian Serbs) do not want Bosnia to join NATO. In October 2017, the RS National Assembly passed a resolution supporting military neutrality. RS President Željka Cvijanović reiterated this stance after NATO's invitation, and Dodik—now a member of the state-level presidency—also has vowed to pursue military neutrality.<sup>55</sup>

## Relations with Croatia and Serbia

Bosnia's relations with Croatia and Serbia are seen as an important component of regional stability. However, bilateral relations have often been fraught as a legacy of the Bosnian war, as well as sensitivities over Croatia and Serbia's relations with Bosnian Croats and Serbs. While democratic gains in Croatia and Serbia after 2000 contributed to improved relations with Bosnia, they remain reluctant to examine or acknowledge their role in the Bosnian war.<sup>56</sup>

At times, Bosnian leaders have objected to what they describe as Croatian and Serbian meddling in Bosnia's affairs. Ex-Bosnian Croat member of the presidency Dragan Čović and current Bosnian Serb member of the presidency Milorad Dodik draw support from leaders in Croatia and Serbia and reportedly hold Croatian and Serbian citizenship, respectively, alongside their Bosnian citizenship. The Croatian government financially and politically backed Čović in Bosnia's 2018 elections, and Croatian politicians have raised the issue of Bosnian Croats' constitutional challenges (see above, "Legal Challenges") in forums like the European Parliament, NATO, and the United Nations. These moves prompted three former High Representatives to Bosnia to issue a joint letter expressing alarm over Croatia's "meddling" in Bosnia's internal affairs.<sup>57</sup> The Croatian government also challenged the legitimacy of Željko Komšić as the Croat member of the Bosnian presidency (see above, "2018 General Election"). Some parties in Croatia hold Croatian

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<sup>55</sup> Mladen Lakic, "NATO Approves Membership Action Plan for Bosnia," *BalkanInsight*, December 5, 2018; "Cvijanović o NATO-u: Kako se bude ponašala Srbija, tako ćemo i mi," *Vijesti*, January 2, 2019.

<sup>56</sup> Jasmin Mujanovic, "Has Croatia and Serbia's Past Hijacked Their Future?" *BalkanInsight*, December 19, 2017; Matthew Brunwasser, "Serbia's Brand of Reconciliation: Embracing Old War Criminals," *New York Times*, November 23, 2017. Exceptions include former Croatian President Ivo Josipovic, who apologized in 2010 for Croatia's part in the Bosnian conflict, and former Serbian President Boris Tadic, who visited Srebrenica and in 2010 spearheaded a Serbian parliament resolution condemning the massacre and apologizing for not doing more to stop it.

<sup>57</sup> "Is Croatia Undermining Bosnia's Sovereignty?" *Al Jazeera*, December 20, 2018. While the Bosnian constitution permits the entities to have special parallel relationships with neighboring states, these ties must not violate the sovereignty and territorial integrity of Bosnia (Art. III (2)(a)). Croatian relations with Bosnian Croats have been closer under HDZ governments in Croatia, since Bosnia's HDZ factions are sister parties to the Croatian HDZ.

election campaign events on Bosnian territory to mobilize Bosnian Croat voters with dual citizenship to vote in Croatia's elections. The Serbian government likewise supports Dodik, who is a frequent visitor to Belgrade. Some Serbian politicians have made statements supporting convicted Bosnian Serb war criminals, inflaming an issue that remains highly sensitive in Bosnia. Bosnia and Serbia have an unresolved demarcation dispute over approximately 40 square kilometers of border area, including a railway segment and hydroelectric power stations.<sup>58</sup>

Bosnia has dual citizenship treaties with Croatia and Serbia, resulting in hundreds of thousands of Bosnian Croats and Bosnian Serbs acquiring dual citizenship. This has raised jurisdictional issues in cases in which indicted war criminals hold dual citizenship.<sup>59</sup>

Despite occasional tensions in their relations, Croatia and Serbia are important economic partners for Bosnia. Both countries are among Bosnia's top export markets and top sources of FDI.<sup>60</sup> As part of its enlargement strategy in the Western Balkans, the EU has embraced a connectivity agenda to improve regional transportation, energy, and infrastructural linkages, reserving up to €1 billion in grants for projects for the period 2015-2020. Officials believe that improved connectivity could benefit bilateral relations and contribute to regional stability.<sup>61</sup>

## Other Bilateral Relations

Given its strategic location and relatively small, weak states, the Balkan region has long drawn in more powerful states. Many analysts maintain that as the United States and the European Union have both scaled back their presence in the Balkans to address other issues since the late 2000s, Russia, Turkey, and China partly filled the vacuum.

### Russia

U.S. and EU officials have expressed concern over Russian influence in the Western Balkans, particularly after Russia occupied Ukraine's Crimea region in 2014. Many analysts maintain that Russia does not have a grand strategy in the Western Balkans, but rather aims to prevent Euro-Atlantic integration and shore up its claims to great power status by asserting itself in the EU's "inner courtyard."<sup>62</sup> Analysts have identified several Russian tools in the region, including playing a "spoiler" role, projecting soft power, and leveraging energy dominance.

Observers contend that Russia plays a "spoiler" role in Bosnia by exacerbating ethnic divisions, backing illiberal or anti-Western political factions, and helping to militarize RS. They claim that these actions help sustain the dysfunction and gridlock that undermine Bosnia's Euro-Atlantic reform efforts. Russia has supported Bosnian Serb and Bosnian Croat nationalist leaders Milorad Dodik and Dragan Čović.<sup>63</sup> Dodik's meeting with Russian President Vladimir Putin just before

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<sup>58</sup> Katarina Andjelkovic, "Serbia-BiH Border Demarcation: A Contentions Matter?" *European Western Balkans*, November 3, 2017.

<sup>59</sup> See, e.g., Srećko Latal, "Bosnia-Croatia Relations Hit by Arrest of Croats," *BalkanInsight*, November 1, 2016.

<sup>60</sup> Central Bank of Bosnia and Herzegovina, *2017 Annual Report*.

<sup>61</sup> European Commission, "Connectivity Agenda: Co-Financing of Investment Projects in the Western Balkans," 2018; European Bank for Reconstruction & Development, "Soft Connectivity and the Western Balkans," February 27, 2018.

<sup>62</sup> See, e.g., Dimitar Bechev, 2017, *Rival Power: Russia's Influence in Southeast Europe*, New Haven: Yale University Press; Mark Galeotti, *Do the Western Balkans Face a Coming Russian Storm?* European Council on Foreign Relations, April 2018.

<sup>63</sup> David Salvo and Stephanie De Leon, "Russia's Efforts to Destabilize Bosnia and Herzegovina," German Marshall Fund, April 25, 2018.

Bosnia's October 7, 2018 general election was one of nearly ten meetings between the two over the past three years, signaling high-level Russian support. Many experts assert that Russia has been a key ally to Dodik in resisting Western pressure to cooperate on reforms. Moscow has also supported divisive RS policies. When Dodik violated a Bosnian Constitutional Court ruling in 2016 by holding a referendum to establish a controversial "Statehood Day," Russia stood apart from the High Representative and Western diplomats by supporting the initiative. More recently, Russia stated its support for RS's controversial Srebrenica commission (see above). Analysts have also expressed concern at Russia's apparent support for Čović, who has advocated greater autonomy for Croats and the creation of a third Croat entity.<sup>64</sup>

Some analysts have expressed concern at Russia's role in RS's security sector. Russian forces have trained RS police special forces on counterterrorism and intelligence. Some observers believe that these exercises contribute to militarization in RS, potentially pushing the police force beyond its civilian law enforcement mandate. Analysts caution that militarization could increase the scale of violence in any confrontation between RS and the Bosnian government.<sup>65</sup> Some Bosnian Serb ultranationalist and veterans groups have fought alongside pro-Russia combatants in Ukraine, and analysts believe they could be mobilized to support RS leaders as well.<sup>66</sup>

Russian soft power draws upon religious and cultural kinship with Bosnian Serbs, as well as Russia's history of support during the wars of Yugoslav disintegration. Kremlin-linked media, like *Sputnik* and *RT*, amplify existing anti-Western narratives and positively shape public opinion toward Russia. Some local media further propagate *Sputnik* and *RT* articles. A 2018 National Democratic Institute media study found that RS media stories about Russia were overwhelmingly positive, while the tone of most stories about the United States and NATO was negative.<sup>67</sup> Pro-Russian media glorifies the Russian military, highlights cultural and religious links between Serbs and Russians, and documents high-level meetings between RS and Russian officials.<sup>68</sup>

Economic relations between Russia and RS have deepened in recent years. Russia is the largest source of FDI in RS, and it is largely concentrated in the energy sector. In 2007, Russian state-owned oil company Zarubezhneft bought RS's Bosanski Brod oil refinery, motor oil processing facilities in nearby Modrica, and retailer Banjaluka Petrol.<sup>69</sup> Some analysts believe that these assets—which were purchased without an open tender—give Zarubezhneft influence in RS. In addition to being an important employer, Zarubezhneft is RS's biggest taxpayer; its value-added tax and excise duty contributions reportedly account for 25% of RS budget revenue.<sup>70</sup>

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<sup>64</sup> Gordana Katana, "Bosnian Serbs Vote Overwhelmingly for Holiday Disputed by a Top Court," *Reuters*, September 24, 2016; Salvo and De Leon 2018, op cit.; "Čović o izmjenama izbornog zakona razgovarao s nizom diplomata," *Jutarnji List*, October 24, 2018.

<sup>65</sup> RS reportedly purchased Russian-made Igla 1-V anti-aircraft missiles for helicopters, as well as several thousand long-barreled arms. Vera Mironova and Bogdan Zawadewicz, "Putin is Building a Bosnian Paramilitary Force," *Foreign Policy*, August 8, 2018; Reuf Bajrovic, Richard Kraemer, and Emir Suljagic, "Bosnia on the Chopping Block: The Potential for Violence and Steps to Prevent It," Foreign Policy Research Institute, 2018.

<sup>66</sup> Mironova and Zawadewicz 2018, op cit.; Bajrovic et al 2018, op cit.

<sup>67</sup> National Democratic Institute, "Western Balkans between East and West," November 2018.

<sup>68</sup> Andrew Higgins, "Russia's Feared 'Night Wolves' Bike Gang Came to Bosnia," *New York Times*, March 31, 2018; Bechev 2017, op cit.; Galeotti 2018, op cit.; Salvo and De Leon 2018, op cit.

<sup>69</sup> "Western Balkans at the Crossroads: Assessing Non-Democratic External Influence Activities," Prague Security Studies Institute, 2018; "Assessing Russia's Economic Footprint in Bosnia and Herzegovina," Center for the Study of Democracy, January 2018.

<sup>70</sup> Bechev 2018, op cit.



Bosnia depends upon Russian natural gas imports via Ukraine. Energy policy is vested in the entities, and Russian natural gas provider Gazprom reportedly has used its market dominance to pit the two entities against one another and undermine projects that would diversify supplies.<sup>71</sup>

## Turkey

Many analysts believe that Turkey's influence in Bosnia has increased over the last two decades due to Ankara's close relationship with Bosniak leaders. Some Turkish officials reportedly view Bosnia as a natural sphere of influence given geographic and historical connections. Observers note that Turkish President Recep Tayyip Erdogan has at times invoked Ottoman-era ties to Bosnia and religious kinship with Bosniaks as soft power tools.<sup>72</sup>

Turkish influence in Bosnia has expanded since Yugoslavia's collapse. During the 1992-1995 war, Turkey gained prestige among Bosniaks by condemning the international arms embargo against Bosnia, arguing that it prevented Bosniaks from defending themselves. Turkey, as well as other predominantly Muslim countries like Iran and Saudi Arabia, reportedly supplied Bosniak forces with arms.<sup>73</sup>

Turkish influence has continued since the war's end. Bosnia is one of the top recipients of Turkish Cooperation and Coordination Agency assistance; much of this support is earmarked for projects to restore Ottoman-era buildings and monuments. A Turkish Cultural Center was established in Bosnia in 2003, and in 2009 the Yunus Emre Foundation, an NGO founded by the Turkish government, opened an office in Sarajevo to promote Turkish language and culture.<sup>74</sup>

Turkey has popular support among Bosniaks. In a 2018 International Republican Institute survey, 76% of Bosniak respondents had positive views of Turkey—the strongest support among Bosniaks for any foreign state.<sup>75</sup> Many Bosnian Croats and Bosnian Serbs look to Croatia and Serbia as external protectors, and some analysts believe that Turkey has attempted to establish a similar role for itself vis-à-vis Bosniaks.<sup>76</sup> Observers contend that Erdogan's ruling party has particularly strong ties to the largest Bosniak ethnic party, the SDA. Erdogan and Turkish state-owned media openly supported SDA candidate Bakir Izetbegović in his bid for the Bosniak seat on the presidency in 2014. Some observers believe that Izetbegović's clout within the SDA rests in part on his support from Erdogan.<sup>77</sup>

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<sup>71</sup> Center for the Study of Democracy 2018, op cit; "Republika Srpska blokirala povezivanje plinovoda BiH i Hrvatske," *HRT*, March 12, 2019. Natural gas is a relatively limited source of energy in Bosnia, comprising 4% of final energy consumption in 2015. Coal-fired plants and hydropower are the main sources.

<sup>72</sup> Eldar Sarajlic, 2011, "The Return of the Consuls: Islamic Networks and Foreign Policy Perspectives in Bosnia and Herzegovina," *Southeast European and Black Sea Studies* 11(2): 173-190.

<sup>73</sup> Alida Vračić, "Turkey's Role in the Western Balkans," German Institute for International and Security Affairs, 2016; John Pomfret, "How Bosnia's Muslims Dodged Arms Embargo," *Washington Post*, September 22, 1996.

<sup>74</sup> Hamdi Firat Buyuk, "Turkish PM Visits Bosnia to Discuss Gulenists, Investments," *BalkanInsight*, March 27, 2018; Dino Mujadžević, 2017, "Turkey's Role in Bosnia and Herzegovina," *Euxeinos* (23): 25-31.

<sup>75</sup> International Republican Institute, "Bosnia and Herzegovina: Understanding Perceptions of Violent Extremism and Foreign Influence," March 28, 2018-April 12, 2018.

<sup>76</sup> Marcus Tanner, "Ottoman Past Haunts Turkey's Balkan Image," *BalkanInsight*, December 2, 2010.

<sup>77</sup> Vračić 2016, op cit.; "Turkey's Anti-Gulen Campaign Leaves Bosniaks in Dilemma," *BalkanInsight*, March 24, 2017. Following the 2016 coup attempt in Turkey, which Erdogan blamed on supporters of former Turkish imam Fethullah Gulen, the Turkish government reportedly pressured the SDA to repress schools in Bosnia that had ties to Gulen's transnational movement.



Economic relations between Bosnia and Turkey have deepened in recent years. Turkish FDI in Bosnia accounted for 5.6% of FDI flows in 2016.<sup>78</sup> One notable project is a highway to connect Sarajevo to Belgrade, Serbia. After years of disagreement, Bosnian officials approved the route in February 2019. Turkey is expected to provide funding for some of the expected €3 billion in costs, although the terms of the contract are not yet resolved.<sup>79</sup>

Some officials, including French President Emmanuel Macron, have expressed concern over Turkey's alleged ambitions as part of broader EU concern over external influence in the Balkans. However, analysts caution that Turkey's ambitions and capabilities in the Balkans may be overstated.<sup>80</sup> They note that the scope of Turkish investment is sometimes exaggerated in the media, and that proposed projects do not always come to fruition.

## China

While Russian and Turkish influence in Bosnia relies in part on soft power, China's presence in Bosnia is primarily economic. Between 2011 and 2019, Chinese investments in Bosnia amounted to an estimated \$3.6 billion, primarily in the form of direct lending for energy and transportation projects. Chinese firms have contracts to construct or expand energy plants, including a €350 million loan to construct a coal-fired plant in Stanari, RS.<sup>81</sup> A €1.4 billion deal was signed to construct a highway between Banja Luka and Mlinište. In March 2019, the EU Energy Community criticized the FBiH entity government's decision to guarantee a €600 million loan from China's Exim Bank to build a coal-fired power plant in Tuzla.<sup>82</sup>

However, some analysts caution that China's economic influence in Bosnia may be overstated at present. While China's pledged investments in high-visibility projects garner media attention, the actual amount of Chinese FDI is far less than that of the EU. Moreover, many pledged projects do not come to fruition.

### China's Belt and Road Initiative

China invests in Bosnia as part of its Belt and Road Initiative (BRI), an ambitious transcontinental infrastructure project to expand Chinese trade and investment. In 2016, China's COSCO Shipping bought majority stakes in the Piraeus Port Authority in Greece, reportedly with ambitions of using it as an entry point for container shipping into the heart of Europe via the Balkans. Beijing is developing this "Balkan route" by funding regional connectivity projects. Within the BRI framework, China established the "16+1" group in 2012, bringing together EU and non-EU countries in the Balkans and Central Europe. The 16+1 annual summits identify investment opportunities, primarily in transport and infrastructure.

Sources: Jens Bastian, "The Potential for Growth through Chinese Infrastructure Investments in Central and South-Eastern Europe along the 'Balkan Silk Road,'" European Bank for Reconstruction and Development, 2017;

<sup>78</sup> Central Bank of Bosnia and Herzegovina 2017, op cit.

<sup>79</sup> Aleksandra Tolj, "Usaglašena trasa autoputa Sarajevo-Beograd, još nejasno finansiranje," *NI*, February 26, 2019.

<sup>80</sup> Asli Aydintasbas, "From Myth to Reality: How to Understand Turkey's Role in the Western Balkans," European Council on Foreign Relations, March 2019.

<sup>81</sup> James Kynge, "What Italy Stands to Gain by Endorsing China's Belt and Road," *Financial Times*, March 7, 2019; James Kynge and Michael Peel, "Brussels Rattled as China Reaches Out to Eastern Europe," *Financial Times*, November 27, 2017; Ana Maria Luca et al, "China's Balkan 'Gifts' Come With Strings Attached," *BalkanInsight*, March 21, 2018.

<sup>82</sup> Mladen Lakic, "China's Loan for Bosnia Coal Plant Worries EU," *BalkanInsight*, March 28, 2019; Zoran Arbutina, "Kina dolazi na zapadni Balkan! Pa što onda?" *DeutscheWelle*, September 26, 2018; Thomas S. Eder and Jacob Mardell, "Belt and Road Reality Check: How to Assess China's Investment in Eastern Europe," Mercator Institute for China Studies, July 10, 2018.

Jonathan Hillman, "Beijing Lays Down a Gauntlet to Brussels in the Balkans," *Nikkei Asian Review*, July 4, 2018.  
"Piraeus Port Urges Greece to Speed Up Investment Plan Approval," *Reuters*, October 19, 2018.

Nevertheless, EU and U.S. officials have voiced concern over the scope of China's investments in the Balkans, as well as Chinese lending practices. Chinese loans often require recipient state governments to assume the loan burden, potentially leading to high external debt. The EU has also raised concerns that Chinese lending practices violate EU rules in public procurement because they frequently require use of Chinese contractors, laborers, or supplies.<sup>83</sup> In contrast to EU funds, which are partly designed to spur reform, Chinese loans have few conditions and rules linked to transparency or reform.<sup>84</sup> Finally, EU officials have expressed concern that China's economic might could be a source of leverage over recipient states that are candidates or potential candidates for EU membership and thus impede the EU's ability to speak with one voice on relations with China if they do become members.

## Transnational Issues

### Migration and Refugees

Bosnia was not a core transit country in the "Balkan Route" that hundreds of thousands of migrants and refugees followed in an attempt to reach the EU during heightened flows in 2015 and early 2016. However, recent route shifts have brought more migrant and refugee traffic through Bosnia. Since early 2018, an estimated 23,000 migrants and refugees have entered Bosnia; approximately 25% of them remain in the country.<sup>85</sup> Most of them hope to enter EU territory via Bosnia's neighbor, Croatia, and from there move on and enter the EU's visa- and passport-free Schengen Area. However, the Croatian government has expanded border policing, and apprehended individuals are sent back to Bosnia. The EU provided €2 million in 2018 to help Bosnia respond to the crisis and provide shelter to migrants and refugees who are effectively stranded in Bosnia.<sup>86</sup>

The migration crisis has triggered a backlash from some Bosnians, particularly in Una-Sana Canton, which borders Croatia and has the highest concentration of migrants and refugees. Some residents of Bihać, Una-Sana's administrative center, protested against camps situated in their municipality in October 2018, while local authorities in Velika Kladuša, another city in the canton, reportedly obstructed the Ministry of Security's plans to house migrants in a local building. The incident illustrates local backlash as well as the state-level government's difficulty enforcing its decisions, even when it has jurisdiction.<sup>87</sup>

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<sup>83</sup> Michal Makocki, "China's Road: Into Eastern Europe," European Union Institute for Security Studies, February 2017; Zoran Arbutina 2018, op cit.

<sup>84</sup> Economist Intelligence Unit, "China's Expanding Role in the Western Balkans," October 19, 2018.

<sup>85</sup> Economist Intelligence Unit, "Migrant Inflow Softens Following June Peak," November 27, 2018; Dariusz Kalan, "In Bosnia, a Migrant Way Station is Becoming a Prison," *Foreign Policy*, February 20, 2019.

<sup>86</sup> European Commission, "EU Provides Humanitarian Aid for Refugees and Migrants in Bosnia and Herzegovina," November 29, 2018.

<sup>87</sup> Mladen Lakic, "Anti-Migrant Protest Held in Bosnian Border Town," *BalkanInsight*, October 23, 2018; "Najviše migranata u BiH ulazi iz Srbije..." *Oslobođenje*, September 23, 2018.

## Radicalization and Counterterrorism

Islam was introduced to part of Bosnia's population during Ottoman rule. In socialist Yugoslavia, the semi-official Islamic Religious Community played a key role in religious affairs, including legal rulings and religious education. It was renamed the Islamic Community of Bosnia and Herzegovina in 1992, and remains an important religious institution.<sup>88</sup>

Islamic tradition in the Balkans, including Bosnia, is generally moderate and secular. The majority of Bosnia's practicing Muslims follow the Hanafi school of Sunni Islam. However, some analysts have expressed concern over the emergence of groups influenced or funded by state and non-state entities in the Arab Gulf states, where more conservative Hanbali Sunni practices are common. Aid workers, missionaries, and "mujahedeen" fighters from the Gulf States promoted transnational Islamist militancy and Salafist Hanbali religious doctrine during Bosnia's 1992-1995 war; Iran's government also supported Bosniak leaders and forces. After the war, Saudi Arabia provided an estimated \$600 million in aid to repair and build hundreds of mosques and establish schools and cultural centers that promote socially conservative Sunni views.<sup>89</sup> Iran has also maintained active cultural outreach and other ties to some Bosnian Muslims.<sup>90</sup>

Many analysts contend that Salafi groups have limited support in Bosnia because of the traditionally high level of secularism among Bosnian Muslims. They also note that few Bosnian Muslims who subscribe to Salafist ideas and practices have violent intentions, and many of them live in remote rural communities.<sup>91</sup> While most of these groups were not originally affiliated with official religious organizations in Bosnia, the Grand Mufti of Bosnia's Islamic Community exerted pressure on them to acknowledge his authority and his right to monitor religious content. As a result, an estimated 90% of Salafi groups were brought under official structures.<sup>92</sup>

Nevertheless, some experts caution that radicalized groups and individuals may pose a terrorist threat despite their small numbers. Radicalized Muslims were implicated in the bombing of a police station in Bugojno in 2010 and a lone-gunner attack on the U.S. Embassy in Sarajevo in 2011.<sup>93</sup> The Islamic State (IS) and Nusra Front's gains in Syria and Iraq in the 2010s altered the dynamic of the terrorism threat in Bosnia and broadened the use of social media in recruitment. Between 2012 and 2017, an estimated 350 Bosnian citizens traveled from Bosnia or Bosnian diaspora communities to fight with armed groups in Iraq and Syria.<sup>94</sup> More recently, returned foreign fighters are seen as a potential threat as the position of the IS and other armed groups has weakened. Bosnia's stock of illegal weapons, mines, and explosives may exacerbate the risk posed by returnees. As of December 2017, officials believed that just over 100 Bosnians remained

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<sup>88</sup> Harun Karčić, 2010, "Globalisation and Islam in Bosnia: Foreign Influences and their Effects," *Totalitarian Movements and Political Religions*, 11(2): 151-166. In a 2018 survey in Bosnia, half of self-identified Muslim respondents indicated that religion is very important in their lives. Cf. Pew Research, "Religious Commitment by Country and Age," June 13, 2018.

<sup>89</sup> Karčić 2010, op cit.; Counter Extremism Project, "Bosnia & Herzegovina: Extremism & Counter-Extremism," 2017.

<sup>90</sup> Gordon N. Bardos, "Iran in the Balkans: A History and a Forecast," *World Affairs Journal*, January/February 2013.

<sup>91</sup> Karčić 2010, op cit.; Hazme Preljevic, 2017, "Preventing Religious Radicalization in Bosnia and Herzegovina: The Role of the BiH Islamic Community," *Journal of Muslim Minority Affairs* 37(4): 371-392.

<sup>92</sup> U.S. State Department Bureau of Counterterrorism and Countering Violent Extremism, *Country Reports on Terrorism: Bosnia and Herzegovina*, 2016.

<sup>93</sup> Igor Spaic, "Bosnia: Salafist Leader Gets Seven Years for Recruiting Boys to Islamic State," *Organized Crime and Corruption Reporting Project*, November 6, 2015.

<sup>94</sup> Vlado Azinović, "Regional Report: Understanding Violent Extremism in the Western Balkans," British Council, June 2018; European Union Agency for Law Enforcement and Cooperation (EUROPOL), "European Union Terrorism Situation and Trend Report," 2017.

in Syria (including women and children), roughly 50 had returned to Bosnia, and 70 had been killed in the conflict.<sup>95</sup>

In 2014, the Bosnian government introduced new criminal offenses to prosecute foreign terrorist fighters and recruiters. Several dozen returned fighters and domestic recruiters have been convicted of these offenses.<sup>96</sup> While the U.S. State Department describes Bosnia as a “cooperative counterterrorism partner,” it warns that Bosnia’s political fragmentation and dysfunction could undermine counterterrorism efforts. For example, in 2017 several ministries proposed new measures to tighten counterterrorism efforts; however, they were not enacted due to political gridlock in state-level and FBiH governments.<sup>97</sup>

## U.S. Relations with Bosnia

Initially viewed as a “European problem,” the Bosnian conflict eventually helped shape the post-Cold War role of the United States and NATO in European security. When the United States assumed greater responsibilities in resolving the conflict, its role was considerable: leading NATO airstrikes, garnering diplomatic support from Russia and European allies, persuading warring parties to agree to a ceasefire, brokering the Dayton Peace Agreement, and deploying 20,000 troops to Bosnia. According to Richard Holbrooke, the U.S. official who brokered the talks, the Bosnian war was a pivotal period in U.S. foreign policy in Europe: “The three main pillars of [policy]—U.S.-Russian relations, NATO enlargement into Central Europe, and Bosnia—had often worked against each other. Now they reinforced each other: NATO sent its forces out of area for the first time in its history, and Russian troops, under an American commander, were deployed alongside them.”<sup>98</sup>

Some analysts and policymakers believe that the United States’ strong hand in resolving the conflict and in shaping Bosnia’s political system have made it a stakeholder in Bosnia’s future. U.S. officials, often in cooperation with the EU, have intervened to defuse crises and broker reform talks. The United States also has imposed sanctions against Bosnian officials: in addition to Dodik (see above), the U.S. State Department publicly designated Bosnian Serb politician Nikola Špirić (Dodik’s associate) for “significant corruption or gross violation of human rights.”<sup>99</sup>

U.S. policymakers attach strategic importance to Bosnia’s stability; many analysts believe turbulence in Bosnia could reverberate in the Balkans and potentially draw in Croatia and Serbia, while instability in other parts of the region could spill over into Bosnia. When the Trump Administration indicated in 2018 that it would consider supporting a potential Serbia-Kosovo agreement to “adjust borders” between the two—a major break with the long-standing EU and U.S. policy to oppose redrawing borders in the Balkans along ethnic lines—some analysts expressed concern that the Administration could reshape long-standing U.S. policy toward

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<sup>95</sup> EUROPOL 2017, op cit.; EUROPOL, “European Union Terrorism Situation and Trend Report,” 2018; Katarina Andjelkovic, “Is Bosnia and Herzegovina Really a ‘Terrorist Haven?’” *European Western Balkans*, November 13, 2017.

<sup>96</sup> Ibid; European Commission 2018, op cit.

<sup>97</sup> U.S. State Department Bureau of Counterterrorism and Countering Violent Extremism, *Country Reports on Terrorism: Bosnia and Herzegovina*, 2017.

<sup>98</sup> Holbrooke 1998, op cit., p. 359.

<sup>99</sup> U.S. Department of State press release, September 10, 2018.

Bosnia. However, the new U.S. Ambassador to Bosnia stated in February 2019 that the U.S. will continue to be “guarantor of Bosnia and Herzegovina’s sovereignty and territorial integrity.”<sup>100</sup>

On the other hand, many observers also note that U.S. engagement in Bosnia (and the Western Balkans) decreased under the administrations of President George W. Bush and President Barack Obama. During this time U.S. policymakers turned their focus to geopolitical crises and challenges in other parts of the globe while ceding the regional lead to the EU. Indeed, some analysts have urged the United States to assume a greater role in Bosnia, arguing that Bosnia’s current crises warrant it, and that the EU and the United States are more effective in the region when they work together.<sup>101</sup>

## Issues for Congress

Congressional interest in Bosnia dates back to the 1992-1995 war. Many Members featured prominently in foreign policy debates over U.S. intervention in the conflict.<sup>102</sup> In 2015, the House passed a resolution describing the Srebrenica massacres as a genocide and urging the United States to continue to support Bosnia’s territorial integrity (H.Res. 310, 114<sup>th</sup> Congress). In the 114<sup>th</sup> and 115<sup>th</sup> Congresses, a bill was introduced in the Senate to establish an enterprise fund to promote economic development and the private sector in Bosnia (S. 2307 and S. 864). In April 2018, the House Foreign Affairs Committee’s Subcommittee on Europe, Eurasia, and Emerging Threats held a hearing on Bosnia’s prospects ahead of its October 2018 elections.

Congress’s engagement with Bosnia also continues within the broader context of policy concern over the external influence of China, Turkey, and Russia in the Western Balkans and energy security. As a potential candidate for EU membership and NATO partner, Bosnia is eligible for assistance through the Countering Russian Influence Funds under the Countering America’s Adversaries Through Sanctions Act (CAATSA) enacted in 2017 (P.L. 115-44).

Through congressionally approved (and sometimes expanded) foreign assistance appropriations, Bosnia has received more than \$2 billion in aid since 1995. Between 1996 and 1999, the United States pledged \$1 billion of the \$4 billion international commitment to implementing Dayton’s civilian provisions and helping to rebuild Bosnia. The cost of U.S. military operations in Bosnia since 1992 is estimated at more than \$10 billion (**Appendix I**).<sup>103</sup> Bosnia continues to receive U.S. foreign assistance, although the amount has decreased in recent years. Assistance to Bosnia in FY2015 and FY2016 was approximately \$33 million each year. In FY2017, it was \$53.5 million, and \$41.5 million in FY2018. The Administration requested \$21 million for FY2019 and \$16.9 million for FY2020.<sup>104</sup>

## Potential Questions for Congress

Nearly 25 years after the Dayton Peace Agreement, Bosnia faces many challenges. In considering U.S. relations with Bosnia, Members of Congress may consider the following questions:

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<sup>100</sup> U.S. Embassy in Bosnia and Herzegovina, “Ambassador Eric Nelson Presents His Credentials,” February 19, 2019.

<sup>101</sup> Michael Carpenter and Mieczyslaw P. Boduszynski, “Does the West Have a Vision for the Western Balkans” *War on the Rocks*, April 13, 2018; Gorana Grgic, “The Prospects of Relative Neglect—U.S. Foreign Policy in the Western Balkans under President Trump,” *European Leadership Network*, May 19, 2017.

<sup>102</sup> For background, see archived CRS report, Julie Kim and Dianne E. Rennack, *Bosnia-Herzegovina Conflict and the 103d Congress: Policy Debates and Summary of Major Legislation*, December 12, 1994.

<sup>103</sup> Government Accountability Office 2000, op cit.

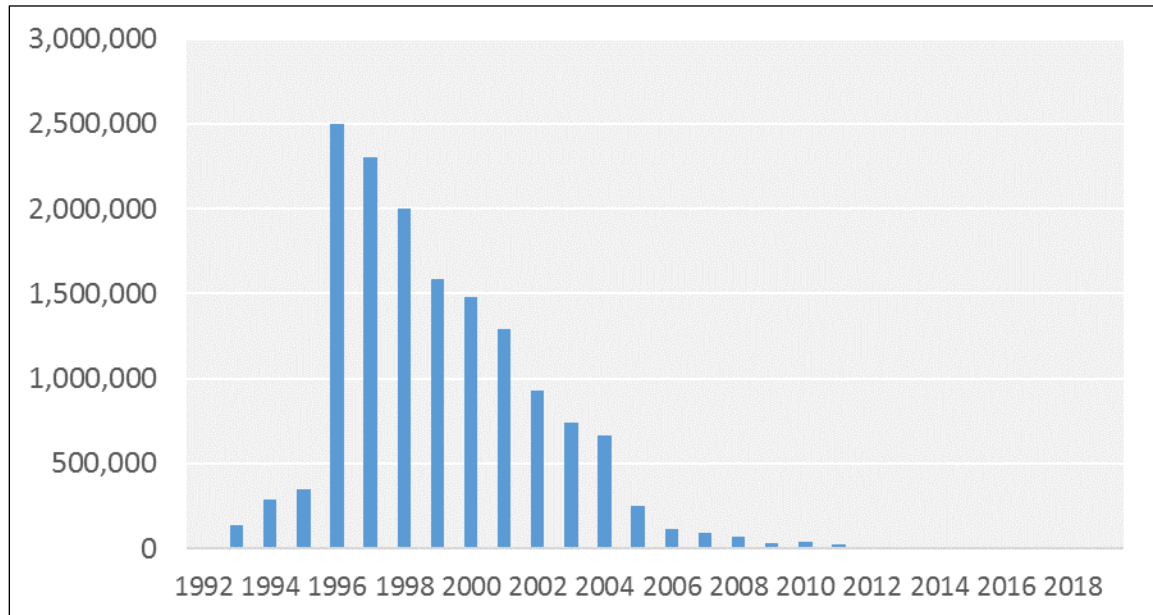
<sup>104</sup> U.S. State Department, Congressional Budget Justification FY 2019, 2020.

- How can the United States encourage Bosnia's government to incorporate the legal rulings of the Bosnian Constitutional Court and the European Court of Human Rights into election legislation and the constitution?
- How can U.S. foreign assistance be used to counter Russian influence in Republika Srpska, in particular Russia's close ties to Bosnian Serb politicians and its use of local media and *Sputnik* to amplify anti-U.S. narratives and project pro-Russia soft power?
- What are the implications of potential militarization in Republika Srpska? How can the United States effectively address this alleged trend?
- How can the United States support a successful reform initiative that secures transparency and accountability, and facilitates a political community in which politicians and voters are committed to the Bosnian state and socioeconomic challenges that transcend all three ethnic groups? Can the Germany-U.K. initiative from 2015 be revived, or is it better to start from scratch?
- Are the approximately 600 troops in the European Union Force mission in Bosnia sufficient to stabilize Bosnia if violence breaks out?
- If Serbia and Kosovo agree to normalize relations by redrawing their borders, how can U.S. policymakers prevent this development from destabilizing Bosnia, particularly given Milorad Dodik's threats to seek RS secession if Kosovo is "partitioned"?
- How can the United States encourage Croatia and Serbia to engage in Bosnia in a manner that helps bridge ethnic divisions and contributes to Bosnia's territorial integrity and sovereignty?
- Given the pervasiveness of corruption in Bosnia, how can U.S. assistance most effectively be used to counter it? Does foreign assistance contribute to civic groups and independent media that could serve as a check against corruption?



## Appendix. DOD Funding 1992-2018

**Figure A-1. Department of Defense Funding for Bosnia and Herzegovina, 1992-2018**  
(\$ in thousands)



**Source:** DOD OCOTF documentation and hearing testimony.

**Notes:** The numbers for FY2008 are based on the requested amount. The “actual” amount is not broken out. FY1996-FY1998 numbers from hearing testimony. Figures are not adjusted for inflation.

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