



# Is Russia a partner to the EU in Bosnia?

By Tomas Valasek

- ★ The EU and Russia are ostensibly partners in building a viable government in Bosnia and Herzegovina (BiH), but for much of 2007-08, Moscow publicly opposed EU-sponsored police reforms and encouraged Bosnian politicians to resist the EU proposals.
- ★ Russian policy in BiH was fundamentally opportunistic – it was not about expanding spheres of influence but about using crises in the region to weaken the credibility of the West.
- ★ Russia's ability to undermine western policies towards BiH would be greatly reduced if the outside powers replaced the multinational consortium that oversees Bosnia with an EU-led mission.
- ★ Western ambitions for integrating BiH into the EU are failing – but this is due not to Russia but to Bosnia's and the West's own errors. The EU needs to pay more attention to Bosnia and make clear that it will not tolerate talk of any part of it breaking away.

Where do the Balkans fit in the broader picture of EU-Russian relations? Since the August 2008 war in Georgia, Eastern Europe – the borderland between the EU and Russia – has been at the centre of attention. In

<sup>1</sup> Andrew Kramer, 'Russia claims its sphere of influence in the world', *New York Times*, August 31<sup>st</sup> 2008.

2008, President Dmitry Medvedev declared Eastern Europe Russia's 'sphere of privileged interests'.<sup>1</sup> And in the same year the EU launched a new programme, an 'eastern partnership', to align the region's economies and political systems more closely with the EU's.

Few people have paid attention to the impact that a more confrontational EU-Russian relationship could have on the Balkans. But it was here, in 2007, that European countries fell out with Russia over the question of Kosovo's independence. And for much of 2007 and 2008, Moscow and the West also

<sup>2</sup> While the country's full constitutional name is 'Bosnia and Herzegovina', 'Bosnia' is widely used.

squabbled over the future of Bosnia,<sup>2</sup> which, more than ten years after the end of the civil war, remains unstable and poorly governed.

This policy brief will focus on EU-Russian tensions in BiH in 2007-08. It argues that Russia sought to

undermine western efforts to build a viable government in the country. But Russia's actions were not the sole or even the main cause of Bosnia's instability and its failure to make greater progress towards EU integration; local opposition and the shortcomings of western policy towards BiH are the chief reason. This brief concludes that Moscow's policy towards Bosnia is not aimed at building any 'zone of influence' in the Balkans. Russia's behaviour in the region in 2007-08 was fundamentally opportunistic: Moscow's goal was to weaken the authority of NATO, the US and the EU, and the Balkans served as a convenient platform for this broader goal.

## The EU's stake in Bosnia

The EU has taken the lead in efforts to rebuild Bosnia, in which a total of 55 countries and agencies have been involved. Since the end of the 1992-95 civil war, the EU has contributed billions of euros to Bosnia's reconstruction. It commands the 2,500-strong peacekeeping mission in the country, called EUFOR. The international community's 'high representative' to Bosnia doubles as the EU's special representative. The high representative has vast powers under international law, including the right to impose or

repeal legislation (the so-called Bonn powers). Few other places in the world have received as much attention or money from the EU over the past decade as Bosnia.

The EU has a strong interest in turning BiH into a functioning country. It wants to see its financial and political investments protected. Its credibility as a foreign policy actor is on the line. And it wants to make sure that Bosnia does not become a failed state, which would radiate crime and instability to the rest of Europe. So it matters greatly to the EU that in recent years, BiH has made little progress towards stability and EU integration, and that Moscow's actions are partly to blame. The EU and Russia are ostensibly partners; both are members of the 'peace implementation council' (PIC) which co-ordinates international assistance. Russia is also part (along with the EU, US and others) of a smaller 'steering board', the

<sup>3</sup> *The steering board members are Canada, France, Germany, Italy, Japan, Russia, United Kingdom, United States, the Presidency of the European Union, the European Commission, and the Organisation of the Islamic Conference (OIC), which is represented by Turkey. The steering board provides the high representative with political guidance.*

PIC's executive arm, which oversees the work of the high representative.<sup>3</sup> But for nearly two years, Moscow was at loggerheads with its PIC partners. It began briefing local media against PIC decisions. During one of Bosnia's worst post-war crises, the 2007-08 attempt at police reforms, Russia encouraged local politicians to oppose western plans. During a visit to the country in the summer of 2008, every

European diplomat interviewed for this brief described Russian actions as "unhelpful".

EU-Russia co-operation improved towards the end of 2008; EU diplomats say that Moscow has toned down criticism of European policies. But even today, Russia's attitude to EU efforts in Bosnia can best be described as low-level opposition rather than support.

EU-Russian squabbles have revolved around two questions. Russia has opposed EU-backed constitutional reforms aimed at strengthening the national authorities in the capital, Sarajevo. And the two sides disagreed about how much longer outside states and organisations should continue to exercise control over Bosnia's legislation and politics.

### **Bosnia's arrested development**

Constitutional reforms and foreign oversight may seem arcane but in the Bosnian context the issues are highly political, and crucial to the EU's Bosnia strategy. The constitutional reforms are meant to bridge the divide between Bosnia's ethnic groups. The outside world's ability to dictate legislation, if necessary, has been a key driver of constitutional changes. Twelve years after the war, Bosnia remains a deeply divided country. The EU believes that without further political reforms the country will never be

functional. It is probably right – but thanks to, among other things, Moscow's intervention, constitutional reforms seem out of reach.

As things stand, most of the power resides with local governments dominated by nationalist leaders. At the end of the war, a peace conference in the US city of Dayton split Bosnia into two 'entities', the Republika Srpska (RS), populated mostly by ethnic Serbs, and the Federation, itself containing two ethnic groups: the Bosnian Croats and Bosnia's majority ethnic group, the Muslims or Bosniaks. A weak central government technically presides over the entities but it is ineffective; the national parliament passed only 22 laws in its first two years of existence as the parties in it voted along ethnic lines, which prevented majorities from forming.

The Dayton agreement largely consolidated the Serbs' military gains – for much of the war, Bosnian Serbs, armed and trained by neighbouring Serbia, purged previously Muslim, Croat or mixed territories of their non-Serb inhabitants. Most of those territories now form part of Republika Srpska. Unsurprisingly, the Bosniaks despise Dayton. Their leaders consider the RS a product of genocide, and can barely bring themselves to talk to its representatives. Many Bosniaks would like the RS to be abolished, and for the country to be unified under a central government in Sarajevo. That will not happen; Bosnian Serbs would rather secede than see the RS disappear. So the Bosniaks' best hope is to strengthen the government in Sarajevo and reduce the powers held by the entities, thus eroding the influence of the much-loathed Republika Srpska.

The Bosnian Croats are also unhappy: they are locked in a federation with the Bosniaks but given the chance the Croats would create an entity of their own – a Croat version of the Republika Srpska. They feel little allegiance to the central authorities in Sarajevo or, for that matter, to Bosnia itself. They are pulled towards neighbouring Croatia, which has prospered since gaining independence in 1991, and will likely join the EU in the next couple of years. Visitors to the ethnic Croat parts of Bosnia will be hard pressed to find a single Bosnian flag; instead, the local supermarkets sell football shirts with colours of the Croatian national team. Customers can pay in Croatian *kuna* as easily as in the Bosnian *konvertibilna marka*.

The Bosnian Serbs are wedded to the status quo. Dayton gave them control of most of the territories acquired during the war, and nearly unlimited powers to govern in them. All major decisions affecting life in Republika Srpska – for example on privatisation of state-owned companies, education or healthcare – are taken in the entity's capital, Banja Luka, rather than in Sarajevo. The Bosnian Serbs tend to view the RS as a de facto independent state, and in conversations, they refer to Sarajevo as though it were a capital of a neighbouring state rather than their official capital.

Bosnia has made some progress since 1995; it is no longer as divided and unstable as it once was: "Today,

<sup>4</sup> *European Stability Initiative, 'The worst in class: How the international protectorate hurts the European future of Bosnia and Herzegovina', November 8<sup>th</sup> 2007.*

there are no troops marching, no radical nationalists beating up returnees, no houses being torched”, noted one study.<sup>4</sup> Three years ago, Bosnia even established a national army – for the previous ten years, each entity raised and commanded its own armed forces.

However, reconciliation has not gone nearly far enough. The police forces, as discussed below, remain largely divided along ethnic lines. Bosnia has no universal social insurance or health coverage transferable across ethnic lines; what little welfare exists is run by the individual entities. The same goes for education. Children in Bosniak schools grow up learning about the Serbs’ atrocities; Serb pupils are taught that their Muslim countrymen want to subjugate them. The entities fear each other, and the possibility of violence comes up quickly in conversations. Bosnians never fail to remind a visitor that they or their family still keep a gun from the war days.

### The European Union takes on Bosnia

The EU is rightly concerned about BiH’s disunity. The splits between the ethnic groups make it possible that Bosnia will fall apart when its foreign overseers leave. To reduce the chances of the country’s collapse, the Union built its strategy around four pillars: 1) the promise of EU membership, which motivates the local politicians to work together towards accession; 2) financial assistance to alleviate social tensions and thus reduce extremism; 3) direct intervention (through the office of the high representative) in local politics when necessary to prevent instability; and 4) gradual constitutional change towards a better functioning political structure.

The EU named Bosnia a potential candidate for membership in 1999, which means that the country should be able to join the EU once it meets the accession criteria. The prospect of membership is important: 66 per cent of Bosnians of all ethnicities

<sup>5</sup> *Cynthia English, 'Many in Bosnia and Herzegovina support EU membership; nearly one in four think their leaders are not doing enough', Gallup Poll News Service, May 15<sup>th</sup> 2008.*

polled recently by Gallup said EU accession would be a “good thing”.<sup>5</sup> The desire to qualify for membership gives local politicians the incentive to strive for some re-unification – even if their gestures are half-hearted.

In June 2008, Bosnia moved closer to EU membership when it signed a ‘stabilisation and association agreement’ (SAA) with the European Union. This binding agreement, among other things, partly integrates the two sides’ economies and aligns their legislation, in order to facilitate Bosnia’s accession to the EU.

The European Union, along with other PIC members, has also generously financed Bosnia’s reconstruction.

The World Bank estimates that the war destroyed about 80 per cent of Bosnia’s pre-war GDP.<sup>6</sup> In 1995, the country’s infrastructure was in complete ruin. Since then Bosnia has been recovering steadily, at least until the economic crisis hit. Although BiH remains a poor state, with a GDP per capita of \$4,900 a year (2007 figures), most people’s lives have improved immeasurably. Over the past few years, the economy had grown at 6-7 per cent a year; many towns and cities now sport new office buildings, and many new roads and bridges have been built. The crisis will slow growth significantly but Bosnia has made substantial progress since the end of the war, much of it due to foreign assistance.

<sup>6</sup> *World Bank, 'Country Brief 2008', www.worldbank.org.*

Along with promises of EU membership and financial aid, the high representatives have occasionally used coercion to keep the country together. As mentioned earlier, they have powers under the Dayton agreement to impose or cancel legislation, or to remove uncooperative Bosnian politicians from their offices. On occasions, the holders of the office did so. Laws on citizenship, the design of car registration plates, currency and the national flag were all imposed by high representatives after the Bosnian authorities had failed to agree. The high representatives removed numerous people from their posts, most recently in 2008 Bosnia’s chief intelligence officer for not trying hard enough to find indicted war criminals.

But the ultimate objective is a Bosnia able to govern itself. So with each passing year the high representatives have interfered less and less, in an effort to empower the Bosnian authorities. All the foreign governments involved in the country’s reconstruction believe that the time for Sarajevo to run its own affairs is near. But because not enough reconciliation has taken place, and because the country is still vulnerable to collapse, the exact timing and pace of the transition to full independence is inevitably contentious.

That issue has broken the consensus among the PIC members. The EU (and the US) are convinced that the outsiders, before leaving, should entice Bosnia’s politicians into undertaking serious constitutional reforms. In an October 2008 joint paper, EU High Representative Javier Solana and EU Enlargement Commissioner Olli Rehn wrote that “evolution of the constitutional framework will be essential...to ensure a functional state capable of delivering on [Bosnia’s] obligations in the EU accession process”. They have rightly concluded that EU member-states will be very reluctant to admit a country with a dysfunctional government. Nor would such a country be able to undertake the myriad of changes required for EU accession.

The European Union is using conditionality to get its way – it links each successive upgrade in Bosnia’s relations with the EU to the fulfilment of specific



reforms. Thus, before signing the stabilisation and association agreement, the EU demanded that Bosnian authorities create a unified police force from the three, ethnically divided ones.

This EU strategy has had the support of most of the PIC members. Japan and Canada, also large contributors to Bosnia's reconstruction, support the EU's calls for constitutional reforms but they want to end their supervisory roles sooner rather than later, mostly because they are tired of paying the bill for the high representative's office. The Americans as well as the UK, the Netherlands and Turkey are more reluctant to close the OHR. They are sceptical about the EU's ability to administer Bosnia without the high representative's Bonn powers. And they do not trust the Bosnian politicians to behave well without the high representative's ability to overrule or fire them.

Bosnia's political actors have given a mixed reception to EU calls for constitutional reforms. The Republika Srpska, led by Prime Minister Milorad Dodik, is most opposed. Dodik is happy with the status quo because the Dayton arrangement gives the RS considerable

<sup>7</sup> In January 2009 Lajcak announced he was leaving the post to become Slovakia's foreign minister. The exact timing of his departure and the name of his successor were not known at the time of writing.

<sup>8</sup> Miroslav Lajcak, 'The challenges of integrating Bosnia and Herzegovina in Europe', discussion paper, Centre for the Study of the Global Governance, London School of Economics, November 3<sup>rd</sup> 2008.

Neither have the Bosniaks been entirely supportive of the EU's approach. They believe the European Union has not done enough to curb Republika Srpska's powers. The two main Bosniak political parties want the RS to be abolished. That is not going to happen. While the EU has been careful not to dictate a particular constitutional model, preferring the local authorities to agree on one among themselves, common sense argues that the RS will survive in some form. Even so, the most senior Bosniak leader, Haris Silajdzic, has condemned in his public speeches the Republika Srpska's very existence. The RS, Silajdzic

<sup>9</sup> Southeast European Times, 'RS assembly reiterates the entity's right to secede,' October 16<sup>th</sup> 2008.

powers. "Dodik is only conditionally loyal to Bosnia as a state", wrote the high representative from 2007-09, Miroslav Lajcak, a Slovak diplomat.<sup>7</sup> "The condition is that the state must be loyal to Republika Srpska – as a fully legitimate, permanent, territorially untouchable part of it."<sup>8</sup> Occasionally the RS authorities hint that they would rather secede than accept a weakened role for the entity. The Republika Srpska's parliament passed two resolutions "reserving the right" for the RS to hold a referendum on independence.

told the UN General Assembly last year, was "created by genocide" and the UN "should correct the mistakes made during the war".<sup>9</sup>

In the face of these conflicting views, the EU has not always performed well. Crucially, it has failed to spell

out what sort of constitutional reforms it envisions. The rationale for its vagueness is sensible – the Bosnians must decide what is best for them – but it has caused the Bosnian Serbs to suspect that the EU may prefer a maximalist solution: the abolition of the RS. Judy Batt, an advisor to the high representative, noted that the EU should have at least said what constitutional reforms it did not want.<sup>10</sup>

<sup>10</sup> Judy Batt, 'Bosnia and Herzegovina: The international mission at a turning point', FRIDE policy brief, February 9<sup>th</sup> 2009.

The EU has also failed to use its full weight in BiH. The promise of upgrades in EU-BiH relations is simply not strong enough to induce reforms. As noted above, the RS in particular fights tooth-and-nail against any changes which would reduce its powers. To overcome such resistance, the EU heads of governments would have had to intervene directly. But few EU capitals have the desire to confront the RS's authorities and risk instability (even if temporary, and for a good cause). This was especially evident in the crucial days of 2007-08, when the crisis in Kosovo, rather than Bosnia, occupied most EU leaders' minds. Senior figures in the OHR told the author that when they asked for political support from EU capitals in their confrontation with Banja Luka over police reforms (more on this below), they were told not to "rock the boat". The EU's failure to support the high representative resulted in a weak compromise on police reforms, one that is closer to the RS's position than the high representative's. However, part of the blame also lies with Moscow.

## Enter Russia

Until the mid-1990s, the EU and Russia co-operated reasonably well in Bosnia. Moscow voted with other members of the UN Security Council to impose sanctions on Belgrade for using force to prevent the breakup of Yugoslavia and it sent Russian peacekeepers to Bosnia. But things began changing even before the war in BiH ended. In 1992, the then-president, Boris Yeltsin, accusing the West of ignoring Moscow's opinions, signalled a change in Russia's Balkan policy: "[W]e allow Russia to be treated in ways that would be unacceptable to any other great power... We must express our disappointment with a partner that has been tactless."<sup>11</sup> By the time Vladimir Putin took power in late 1999, tensions with the West and an occasional nationalist outburst had become regular features of Russian foreign policy, in the Balkans and elsewhere.

<sup>11</sup> P Shinkarenk, 'Chto skazal El'tsin rossiskim diplomatam', Rossiiskie Vesti, October 29<sup>th</sup> 1992.

Towards the end of 2007, EU-Russian relations in BiH took a dramatic turn for the worse. For several months in late 2007 and early 2008, Russia played a wholly unhelpful role during one of Bosnia's worst post-war crises, the conflict over police reforms.

The clash nearly caused the BiH government to collapse. It began when the Bosnian Serb prime minister, Milorad Dodik, blocked the central authorities' efforts to consolidate the entities' police units into one national force. The high representative, Miroslav Lajcak, responded by using the Bonn powers to change the voting procedures in the central government. He made it more difficult for the entities to obstruct decisions by simply not turning up to government meetings. The RS viewed this decision as an attack on the Dayton agreement's founding principles. Dodik threatened to quit his job and his party allies said they would leave their posts in the central government unless Lajcak reversed his decision. For a few tense weeks it seemed that Bosnia would break up.

Throughout the crisis, Moscow openly sided with Dodik. The Russian ambassador held press conferences to criticise the high representative's policies – this despite the fact that Moscow was technically overseeing the high representative through its participation in the PIC steering board. When the PIC criticised the Bosnian Serbs' behaviour, Russia refused to sign the joint communiqué. At the height of the crisis, Bosnian Serbs protesting in Banja Luka carried pictures of Vladimir Putin as their protector.

In the middle of the police reform crisis, Russia also renewed its call to close the office of the high representative. This ran counter to the western tactic of slowing the handover to local authorities whenever Bosnia's politicians acted badly. Their failure to pass police reforms was clearly one such instance. Moscow's demand to close the OHR in the middle of the crisis inevitably undermined the authority of the high representative and encouraged Bosnia's Serbs in their belligerence.

In the event, the OHR and the RS pulled back from confrontation. Officially, both sides describe the agreement as a compromise. In reality, Dodik won on the main point of the reform package: the police will not be able to patrol across ethnic boundaries, so no Bosniak or Croat police will patrol in the Republika Srpska. To get a better deal, EU governments would have had to intervene more forcefully and be willing to challenge Banja Luka and Moscow. This they were simply not willing to do, arguing that the Kosovo crisis was more important. At the same time, they were not ready to take Bosnia off the accession track to the EU, fearing complete loss of influence in the country. So even though the RS blocked the main part of the police reform proposals, the EU still signed a stabilisation and association agreement with the BiH government in June of 2008.

Most diplomats in Sarajevo view the police crisis as the moment when the high representative's powers effectively died. The Republika Srpska had shown itself ready to destroy the republic rather than accept more consolidation. Moscow sided with the RS rather than with its partners in the PIC. And the OHR,

instead of staring down the RS, came across as weak and divided – thanks in part to Russia's actions (but by no means solely because of them; the refusal of most EU capitals to support the high representative was the key reason).

It must be noted that Moscow had a strong argument under international law. The high representatives wear two hats – that of the high representative and of an EU special representative – and those two roles may come into conflict with each other. As high representative, Lajcak's job has been to implement the Dayton agreement (which created Bosnia's strong entities). So technically, as Moscow never fails to point out, he should not have been pushing for constitutional reforms that weaken the entities' powers. But the EU wants Bosnia's governing structures to be reformed. The EU has never satisfactorily addressed this contradiction.

Also, the high representative's actions during the police crisis were not opposed by Russia alone. Some experienced Bosnia watchers argued that the EU should not have pushed the RS because Bosnia's politicians need to be able to govern their own country without outside interference. The European Stability Initiative, a well respected think-tank, criticised the high representative's steps as "arbitrary" and "authoritarian".<sup>12</sup> It argued that the international community should have let Bosnia find its own model for police reforms, and that the high representative erred in pushing through a model disliked by the RS.

<sup>12</sup> *European Stability Initiative, 'The worst in class: How the international protectorate hurts the European future of Bosnia and Herzegovina', November 8<sup>th</sup> 2007.*

Those are valid points, and they are known to be shared by senior government officials in some EU countries such as Sweden. But those officials kept their differences to themselves, understanding that unity of action is paramount if the EU and the OHR are to exercise effective influence in the divided country. Russia's open dissent from the high representative's actions undermined the OHR and the EU, and thus weakened the European Union's ability to shape Bosnia's future.

The net result of the EU's unwillingness to fully support the high representative, and of Russia's opposition to the OHR (in that order), is that the EU "will probably have to admit Bosnia as is, with its awkward political structure", as one senior European diplomat based in Sarajevo told the author.<sup>13</sup> That would be bad: the EU's collective decision-making would suffer if the Union accepted a divided country with a dysfunctional government. What is more, the absence of further constitutional reforms could yet derail Bosnia's plans for EU integration.

<sup>13</sup> *Author's interview, Sarajevo, August 2008.*

For now, the European Union is committed to Bosnia's accession; the member-states view the

country as the EU's responsibility and agree that the promise of accession is Europe's strongest source of leverage, particularly as the OHR's influence wanes. But as Bosnia moves closer to membership, the member-states will start taking a harder look at what sort of country is about to join the club. If Bosnia fails to build a proper, functioning government, its bid will run into trouble. Most EU member-states are already wary of further enlargement, and many will point to the divided island of Cyprus (a member since 2004) and argue that the EU does not need to import

<sup>14</sup> Quoted in: 'Spurred by Russia, the Bosnian Serbs are making trouble again', *The Economist*, August 25<sup>th</sup> 2007.

another territorial and ethnic conflict into its midst. As Judy Batt wrote, "politics in Bosnia ... now mean that the EU perspective for the whole region is dying".<sup>14</sup>

The fault for the near-failure of police reforms lies squarely at the feet of Bosnian politicians, and EU governments must share the blame for not fully supporting the high representative. But the fact remains that Russia gave encouragement to precisely those politicians who have done the most damage to the country's chances of joining the EU.

### What is driving Russian policy in Bosnia?

Russia's motivation for obstructing these vital reforms are not entirely clear. Bosnia is clearly a microcosm for broader tensions between Russia and the West. Over the past decade, Kremlin policy – not just in the Balkans but in most parts of the world – has evolved from co-operation to occasional confrontation with the West. In his excellent book on 'Russia in the Balkans', the academic James Hadley writes that true Russian-western co-operation in the region only lasted for two years, from 1991 to 1993.<sup>15</sup> From then on,

<sup>15</sup> & <sup>16</sup> James Hadley, *Russia and the Balkans: Foreign policy from Yeltsin to Putin*, Columbia Press, New York, 2008.

Moscow "had adopted a more assertive stance vis-à-vis the West...designed to confirm Russia's great power status".<sup>16</sup>

The Russian goal in the Balkans, it appears, is to undermine western influence in the area and to discredit the EU as a unified foreign policy actor. As one former ambassador of an EU member-state told the author, "for Russia, making life difficult for the West seems to be an end in itself... they seem to see themselves as a competitor to NATO and the

<sup>17</sup> Author's interview, December 2008.

EU, so what is bad for us in Bosnia is good for them, and vice versa".<sup>17</sup>

Moscow's policy in Bosnia also served another objective. The OHR, as noted above, lacked a clear mandate to push for constitutional reforms in Bosnia. This allowed Russia to paint the West as a violator of international law in the Balkans, and to present Moscow as the global champion of non-interference in the internal affairs of other states (at least until

August 2008, when it reneged on those very principles by recognising Georgia's breakaway provinces of South Ossetia and Abkhazia).

Bosnia's woes in 2007-08 seem to have been directly linked to – and exacerbated by – the clash between Russia and the West over the future of Kosovo, the dominant Balkan story of this period. For most of 2007, Russia quarrelled with the US and most (but not all) EU governments over whether Kosovo should be given independence. The US, Germany, France and the UK were in favour but Russia rejected a plan by UN envoy, Martti Ahtisaari, for supervised independence. So by the time the deadlock over police reform in Bosnia grew into a crisis, Russia was already in conflict with the largest western powers. Moscow would have probably opposed the police reforms in Bosnia anyway – it had done so as early as 2005, when the EU first (unsuccessfully) pushed for this. But it is a fair bet that the crisis in Bosnia would not have reached its near-fatal proportions without Kosovo first bringing Russia's tensions with the West to a head.

Does Russia also consider Bosnia its 'sphere of influence'? President Dmitry Medvedev proclaimed that Russia is entitled to such zones in his August 2008 speech. Russia's withdrawal of support for western policies in BiH could, at first glance, signal a tussle for control of the Balkan country – or at least over Republika Srpska.

But on closer examination there is little supportive evidence. Most European diplomats in Sarajevo believe Russia lacks any grand strategy for Bosnia. Moscow has not offered BiH membership in any Russia-controlled structures; Bosnia's self-interest is pushing it towards the EU. Nor has Russia ever openly disputed the EU's plans to integrate Bosnia into the European Union (although in private, Russian diplomats sound dismissive of Bosnia's chances of accession). Moscow merely appears to have used every opportunity to spoil and hinder the EU's efforts to change the Dayton structure.

In doing so, Moscow was following, rather than pushing, Republika Srpska. The Banja Luka authorities say – and EU diplomats agree – that Moscow is not telling the RS what to do; Russia simply offers unconditional support for the Bosnians Serbs' point of view, no matter how corrosive it is for Bosnia's unity.

Moscow does have economic interests in Republika Srpska – a Russian company, Zarubezhneft, recently bought a refinery in the RS, and Moscow supplies all the gas to Republika Srpska. But the refinery turned out to be one of Russia's few purchases in Bosnia; the vast majority of the industries privatised by the Banja Luka government went to Serbian bidders (such as the telecom firms) or EU companies (most banks were bought by the Austrians). Russia is a marginal player in Bosnia's economy – and Bosnia represents a miniscule fraction of Russia's business abroad.



Nor has Russia's political support for Republika Srpska caused the latter's top officials to align their foreign policy views with those of Moscow, as one would expect if RS belonged to a Russian 'sphere of influence'. In interviews with the CER, people close to Dodik affirmed that the RS leadership wanted Bosnia to join NATO, whereas Russia is vehemently opposed to the alliance's eastward expansion.

The Republika Srpska, in short, is no Russian stooge: it simply uses Moscow's backing to advance its own hard-nosed political interests. The European Union is the dominant actor in Bosnia, including in Republika Srpska. Moscow's power and its goals are limited to occasionally undermining the EU's and broader western plans for BiH.

### What now?

Russia shows signs of relaxing its tough stance on Bosnia; Sarajevo-based observers say that Moscow has become more co-operative since August 2008. Having refused to sign the PIC communiqué of October 2007, Russia endorsed the conclusions of the November 2008 PIC steering board meeting. And while new disagreements between the OHR and the RS have sprouted since August 2008, the Russian authorities have stayed on the sidelines. When the high representative gave a presentation to the UN Security Council in December 2008, the Russian delegation limited itself to making a number of technical points (for much of 2007-2008, it had contested most of his words and his very authority).

The reasons for the shift in the Russian behaviour are not entirely clear. But if one believes that the Russian policy in the Balkans is essentially opportunistic, then part of the explanation is that the Balkans have generated fewer controversies of late.

The Bosnian police reform crisis ended in April 2008 with the country's parliament adopting new police laws. By mid-2008, the Kosovo crisis, too, had abated: the Kosovars had declared independence, the Serbs and the Russians had protested but the world had moved on. In May 2008 the Serbs elected a far more moderate (and EU-friendly) government. Russia lost its main ally in the Balkans and a cause. Kosovo, most Serbs admit, has been lost. So while the events of 2007 gave Moscow plenty of opportunities to wade into Balkan conflicts on the opposing side from Europe and the US, 2008 (and 2009 so far) created fewer such openings.

But Russia also appears less inclined to challenge the West in the Balkans. It was stung by the international isolation that followed its recognition of South Ossetia and Abkhazia (only one other country, Nicaragua, sided with Russia). And the financial crisis, too, has had a tremendous psychological impact on Moscow. "Russian policy-makers have lost their swagger," according to the CER's Bobo Lo.

"The illusion of near-invincibility has given way to an acute sense of vulnerability and a renewed awareness of Russia's dependence on the outside world."<sup>18</sup>

<sup>18</sup> Bobo Lo, 'Russia's crisis – what it means for regime stability and Moscow's relations with the world', CER policy brief, February 2009.

Even so, the EU should not preserve the oversight structure in Bosnia as it stood before the confrontation over police reforms. Europe's failure to support the high representative has permanently damaged the OHR's credibility. And Russia has proven to be an unreliable partner, aggravating local crises. So if the EU is to be more effective in pushing Bosnia towards deeper political reforms, it needs to rethink its approach.

The EU should seek to close the OHR soon. But it should also keep its special representative in the country, and reinforce his powers, as Javier Solana and Olli Rehn suggested in their October 2008 joint paper. This would bring several benefits.

First, Russia's capacity for mischief in Bosnia would be reduced. As things stand Moscow is a founding member of the PIC and has a seat on its steering committee, which guides the high representative's work. Without the PIC or the OHR, Moscow becomes an outside player instead of a supervisor. It would still retain influence in the country, as befits a large European power. And Russia would still enjoy close cultural and religious links with the Serbs in Bosnia (the two sides are talking about creating a Russian-Serb university in Banja Luka). But Russia would lose some of its ability to undermine future EU action. Moscow would be free to disagree with the EU and its special representative (and probably often would) but that person would have no need under international law to seek Russian approval for his or her actions.

The closure of the OHR would have the additional benefit of clarifying the legal basis on which foreign supervision operates. As noted earlier, the high representative technically lacks the mandate to push for constitutional reforms that change the Dayton political framework – his job is to protect Dayton, not change it. If the OHR closed, Dayton would cease to define the special representative's work. He would have a new and undisputed mandate: to help Bosnia meet the criteria for EU accession – among other things, by carrying out constitutional reforms.

The closure of the OHR carries obvious dangers. Without a strong high representative, the risk of Bosnia disintegrating increases, at least temporarily. EU governments disagree on how serious the risk of collapse is. Some, like Sweden, believe Bosnia is long past the point where it needs outside supervision to survive. Others, like the UK or the Netherlands, believe Bosnia to be fragile, and caution against hasty closure of the OHR.

To reduce the risk of collapse, the EU rightly decided in November 2008 to keep its peacekeepers in the country until at least March 2009. The peacekeepers' presence is largely symbolic; the force is only 2,500 strong (as opposed to the 60,000 deployed in Bosnia in 1995). In principle, the soldiers signal to Bosnia's ethnic groups that the EU is serious about using force to keep the country together. But the deterrent effect has weakened in recent years; EU governments are busy fighting costly wars in places like Afghanistan and have been steadily reducing their BiH contingents to save money. The EU also plans to change gradually the mission's role from peacekeeping towards training and advising. It should not rush things: peacekeepers may be needed if the situation in Bosnia deteriorates following the closure of the OHR. In fact, the EU should agree credible – and public – plans for how it intends to reinforce the mission should more peacekeepers be required on short notice.

The EU plans to strengthen the role of the special representative when the OHR closes. It envisages merging the functions currently performed by the head of the European Commission's delegation with those of the EU special representative. This would give the new strengthened special representative greater say in setting and evaluating the European Commission's accession plans for Bosnia, and it will give him direct control over funds that the Commission disburses in the country. This will come in handy. Post-transition, the EU special representative will be the West's top envoy to the country, though he will lack many of the powers currently in the hands of the high representative, like the powers to propose or strike down legislation. Yet he may be called upon in the future to help resolve disputes between the entities and their politicians. So he will need every ounce of authority the office can afford him.

Above all, European capitals need to start paying serious attention to Bosnia and make clear that they will not tolerate talk of secession from any of Bosnia's constituent parts. Currently, local leaders are convinced that they can misbehave with impunity. They watch the European governments' every step, and they will have noticed that the capitals failed to support Miroslav Lajcak when he demanded help during the police reform crisis. The future EU special representative must receive stronger support from the capitals.

## Conclusion

The PIC arrangement, which gives Russia a defined role in overseeing Bosnia alongside the EU and other powers, is a product of happier times. When the PIC was founded in 1995, Moscow was no longer the full partner to the West that it had been in the early 1990s, but it had not resorted to the occasionally

confrontational stance we have seen in recent years. A decade ago, the West rightly involved Russia in the reconstruction of Bosnia; the idea was to turn the Russian Federation into an ally in keeping Europe secure. But Moscow's desire for co-operation with the West has shrunk since then. Intelligent people disagree on why that happened, but what is clear is that Moscow appears to have lost interest in helping the EU turn Bosnia into a viable state.

The EU should remain open to engaging Russia where real opportunities present themselves. Russia is clearly keener on some forms of co-operation than on others – it withdrew its troops from the Balkans yet in 2008 sent helicopters to an EU peacekeeping mission in Chad. Joint operations, in selected areas, and in some form, will remain possible. Engagement remains the best strategy for nudging Russia's foreign policy from confrontation towards co-operation. This is even truer after the onset of the financial crisis, which may make Moscow keener to show a more co-operative face to the West.

But the Bosnian experience should also teach the EU that engaging Russia will not be risk free. Russia's criticism of the high representative was all the more devastating because Russia was technically one of his employers, through its membership in the PIC. By giving Russia a seat on the steering board, western powers enabled Moscow to oppose more effectively their strategy for Bosnia. A stake turned into a stick. That, surely, was not the founders' intention when the PIC was created.

Nor will Russia's new openness to co-operation with the West necessarily apply to all the EU's borderlands. Eastern Europe will be a contested area for the foreseeable future. Even Russia's liberals tend to view Central and Eastern Europe in zero-sum terms, and so do many EU governments from among the former communist bloc. So tensions on the EU's eastern border seem likely to persist.

However, the Balkans – and Bosnia in particular – represent a different challenge for European decision makers. Western ambitions for integrating BiH into the EU are failing largely because of Bosnia's and the West's own errors and inattention. True, Russia will not come to the EU's aid, and in the past it actively sought to undermine EU policies for Bosnia. But its influence would have been greatly reduced had EU capitals had a clearer strategy for BiH, and paid closer attention to the country. That needs to be the starting point for future EU deliberation on Bosnia.

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