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European Prospects for the  
Western Balkans: Serbia and  
Bosnia and Herzegovina

Observations and Reflections

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# Occasional Papers

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# EUROPEAN PROSPECTS FOR THE WESTERN BALKANS: SERBIA AND BOSNIA AND HERZEGOVINA

## Observations and Reflections

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### Introduction

This paper provides an assessment of recent developments in Serbia and Bosnia and Herzegovina (BiH), two states key to the future of the Western Balkans region. It also offers a perspective on US and Western European relations with the region. It is based on review of recent analytic studies, media reporting, and personal conversations with some 50 officials, journalists, and civil society activists in Serbia and BiH in October 2017. I am indebted to Ambassador (ret.) Kent Brown, RFE/RL bureaus in Belgrade, Sarajevo, and Banja Luka, and the Washington Office of Republika Srpska for facilitating contacts. As with my past trip reports from the region,<sup>1</sup> the views expressed here are mine alone.

The Western Balkans are again, after a hiatus of several years, on the Washington policy agenda. The Wilson Center organized a [discussion](#) on the region in June 2017. The Atlantic Council convened a workshop and [conference](#) including high officials from the region in November 2017. It issued a report [Balkans Forward: A New US Strategy for the Region](#), recommending a permanent U.S military presence in Southeastern Europe, rapprochement with a Serbia not closely tied to Russia, stronger support for democratic reforms and intra-regional agreements, and greater focus on entrepreneurs and youth. Renewed US interest in the region stems in part from concerns about expanded Russian influence. The National Defense Authorization Act for Fiscal Year 2018 included a requirement that the Department of Defense provide Congress with “an assessment of security cooperation between each Western Balkan country and the Russian Federation.” It was in this sense that a Serbian journalist told me “We should be thankful to the Russians.”

While the Western Balkans may not face cataclysm, the region does face major challenges – some new, but most old. Four will be discussed here:

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<sup>1</sup> [“Keeping the Lid On \[in Kosovo\]” Hoover Digest, no. 3, 2004](#) ; [Impressions of Post-Tito Yugoslavia: A Trip Report. RAND Corporation, 1982.](#)

- 1) Nationalism, inward- and backward-looking, has increased among political elites.
- 2) Russian Federation influence operations find resonance, filling a vacuum resulting from weak local media and limited EU, NATO, and US public information programs.
- 3) BiH remains challenged to function as a state, since its two constitutionally confederal entities and three constitutionally constituent nations (Bosniaks<sup>2</sup>, Serbs, Croats) all pursue particularist interests. Representatives of all three groups display less commitment to a common state – however decentralized – serving all its people than was true of semi-confederal Yugoslavia prior to the late 1980s.
- 4) Serbia and BiH, like the rest of the region, remain committed to a European future but are challenged to take the next steps necessary for membership in the European Union. Serbia and Republika Srpska (RS BiH, the primarily Serb entity in BiH) currently profess disinterest in NATO membership, although military forces of both countries participate in NATO exercises and other NATO military activities.

### Increased Nationalism

Serbia and BiH (like Croatia) exhibit a resurgence of nationalist and revisionist ideologies that are reinforced by a political culture of selective remembrance and denial – in the words of former BiH deputy foreign minister Anna Trsic-Babic, “a clash between the Culture-of-Denial and the Culture-of-Remembrance.” Nationalist political parties and leaders that followed the ouster of Milosevic in Serbia and conclusion of the Dayton Peace Accords for BiH were initially replaced by less nationalist parties and leaders,<sup>3</sup> but over time they have become or been replaced by parties and leaders more nationalist than their predecessors. This was the case with Milorad Dodik, current president of the RS, BiH. A partial exception is current Serbian President Aleksandar Vucic.

Serbian nationalism is fed in part by Serbs who were forced from or fled Croatian Krajina and Kosovo at the end of the Bosnian and Kosovo wars. The nationalist parties in power control employment in vast sectors of the economy controlled by the state and by friendly oligarchs. They oversee partocracy – with jobs allocated to loyalists. Asked if this resembled the *nomenklatura* of Communist times, an interlocutor in Banja Luka replied “it is much worse” since it extends to very low-level jobs. Moderate ethnic-based and multiethnic parties exist but remain marginal. The BiH inter-ethnic party Nasa Stranka claims 30,000 members.

The new leadership generation includes men and women, some educated in the US and Western Europe, who entered politics after Milosevic, Karadzic, and Tudjman had passed from the political scene but have become fervent nationalists. This has happened before in Serbia,

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<sup>2</sup> Bosnian Muslims as an ethnic and not religious group, first recognized as a constituent “nation” of Yugoslavia in the 1960s.

<sup>3</sup> Leonard J. Cohen and John R. Lampe. *Embracing Democracy in the Western Balkans; From Post-Communist Struggles Toward European Integration* (Woodrow Wilson Center Press, 2011) provides a good analysis as of 2010.

where liberal “Yugoslav” critics of Titoism became ardent defenders of Milosevic’s Great Serbian nationalist project.

Nationalist resurgence has affected the mass media, which is much less free and much more controlled or influenced by nationalist party leaders, government officials, and friendly oligarchs than ten years ago and is further constrained by self-censorship. Nationalism dominates some cultural institutions. Although the Serbian Academy of Sciences and Arts is no longer the bastion of extreme nationalism that spawned Milosevic’s Greater Serbianism, some of its institutes (even more, counterparts in RS, BiH) remain centers of Serbian nationalism.

Reactions to final judgments of the International Criminal Tribunal for former Yugoslavia (ICTY) in December 2017 reconfirm the applicability to the Western Balkans of William Faulkner’s words about the post-Civil War American South: “The past is never dead; it is not even past.” While Serbian President Vucic urged Serbs to look to the future after the ICTY convicted Bosnian Serb military commander Ratko Mladic for genocide and other war crimes, many in Serbia and RS BiH praised Mladic as a hero. Bosnian Croat member of the collective BiH presidency Dragan Covic (and Republic of Croatia officials) denounced the ICTY’s final judgment on Bosnian Croats guilty of war crimes. Selective remembrance and denial occurred frequently in my October 2017 conversations. Asked for example about government support for Serb leaders convicted by the ICTY, officials in Serbia and RS BiH countered by recalling the genocide of Serbs by the fascist “Independent State of Croatia” seventy-five years ago during World War II.

### **Expanded Russian Influence**

While Serbia and BiH still look to a future in the European Union (as discussed below), conversations in both countries and review of popular media reveal pro-Russian sentiment. Those feelings derive in part from cultural and religious ties, energy dependence, and Russian support for Serbia on the Kosovo issue. They also derive from a belief – more myth than historical fact – of steadfast Russian support for Serbia against foreign powers over centuries. These factors have created an opening for expanded Russian influence, an opening widened by post-Cold War reductions of US and EU information programs and public diplomacy, focus on other parts of the world, and continuing resentment of NATO’s Kosovo Campaign air operations against Serbia, including Belgrade, in 1999.<sup>4</sup> Russian media influence operations include local broadcasts of SPUTNIK and a plethora of NGOs, web sites, and social media.<sup>5</sup>

A survey of major Serbian media in July-August 2017 indicated the prevalence of pro-Russian stories and pro-Russian statements by Serbian political leaders. During this period these

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<sup>4</sup> A large banner remains in front of the Serbian Parliament denouncing “NATO aggression.”

<sup>5</sup> Documented in *Eyes Wide Shut: Strengthening of Russian Soft Power in Serbia: Goals, Instruments, and Effects*, Center for Euro-Atlantic Studies, Belgrade, May 2016; “[Balkan Rumbblings](#),” *IISS Strategic Comments*, 23/20, June 2017.

media contained more positive and neutral items about Russia than about the EU and the United States and almost no coverage of NATO. During the same period many reported statements of Minister of Defense Vulin and Minister of Foreign Affairs Dacic were pro-Russian (while President Vucic was more balanced in his remarks).<sup>6</sup>

Serbian media fail to provide their audiences with accurate information on economic ties with Western countries, which dwarf those with Russia. EU countries provide three-fourths of direct foreign investment and total trade with the region. Serbia receives 4 billion euros in direct foreign investment from EU countries and only 8 million from Russia. The EU provides assistance totaling some one billion euros to the region now – facts mostly ignored by Serbian media. These media also under-report Serbian military interactions with NATO, which far exceed military-to-military interactions with the Russian Federation.<sup>7</sup>

### **Stalemate in Bosnia-Herzegovina**

BiH was the most ethnically diverse republic of former Yugoslavia, with a population of 4.4 million in 1991. Following secession of the republics of Slovenia and Croatia, the BiH government declared the republic's independence on 3 March 1992, following departure from the parliament of all Serb deputies, the boycott of a referendum by most Serbs, and proclamation of a "Serbian Republic of Bosnia and Herzegovina" on 9 January 1992, later renamed "Republika Srpska." Bosnian Croats proclaimed a Croatian Community of Herzeg-Bosnia. Four years of internecine warfare and ethnic cleansing followed, resulting in over 100,000 deaths and displacement of half of the population. The BiH that emerged from the war and the Dayton Peace Accords of 1995 in the boundaries of the former Yugoslav republic is in many respects a pretend country, the result of a Faustian deal between the international community and regional war criminals to end the bloodshed. Twenty years on "the war did not end," objected one interlocutor, "it just moved from the battlefield to the state."

Dayton BiH established an essentially confederal state of three constituent peoples – Bosniaks, Serbs, Croats – organized in two highly autonomous constituent entities – "Republika Srpska" and "Federation of Bosnia and Herzegovina"<sup>8</sup> – with minimal powers held by the all-BiH state bodies. As with Yugoslavia's constituent republics in the 1970s and 1980s, political power flows up from the entities, not down from the center. Although the constitution (imposed in Annex Four of the Dayton Peace Accords) refers in passing to "others," it prescribes ethnic quotas for Bosniaks, Serbs, and Croats for elected bodies and leadership positions at all levels of

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<sup>6</sup> "Media Monitoring: Foreign Relations in Serbia," CRTA, September 2017, based on evaluation of 2763 items in ten major media.

<sup>7</sup> *Basic Instinct: The Case for More NATO in the Western Balkans*. Center for Euro-Atlantic Studies, Belgrade, September 2017.

<sup>8</sup> The "Federation of Bosnia and Herzegovina" entity derived from the wartime construct engineered in the [Washington Agreement](#) of March 1, 1994 to end fighting between Bosniak and Croat forces. It envisaged future confederation with the Republic of Croatia.

the country with no provision for non-ethnic candidates.<sup>9</sup> These ethnic quotas are linked to dominant ethnic constituencies. BiH had a post-war population (according to the 2013 census) of 3.8 million (it is now less), of which 51 percent are Bosniaks, (88 percent in the Federation, 12 percent in the RS); 31 percent are Serbs (92 percent in the RS, 8 percent in the Federation), and 15 percent are Croats (91 percent in the Federation, 9 percent in the RS). The statistics indicate the small numbers of minority refugee returns – displaced ethnic minorities who have permanently returned to their original homes – notwithstanding a major international effort to encourage such returns.<sup>10</sup>

Historically, confederations have had short life spans, and the long-term viability of BiH as a confederation is in doubt. Whatever the long-term prospects, BiH remains one state for now. Its breakup is adamantly opposed by the international community that midwived Dayton BiH and now represented in the Peace Implementation Council of some 55 states, including the Russian Federation. The PIC continues to regularly affirm the sovereignty and territorial integrity of BiH. Russian Foreign Minister Sergei Lavrov has recently reaffirmed the Dayton Agreements as the “foundation for Bosnia-Herzegovina.”<sup>11</sup>

For now, the challenge for citizens of BiH and the international community is to make the present structure functional. This is necessary to attack corruption and mitigate economic stagnation and outmigration that threaten the future of the country. A fundamental restructuring of the state now is excluded; there will be no “Dayton Two.” For fifteen years after Dayton, experts and policy studies called repeatedly for externally-influenced restructuring of BiH into a more centralized state.<sup>12</sup> That was the aim of the first international proconsuls – the High Representatives as executive agents of the PIC backed by a large stationed multinational military force (SFOR). Whatever the merits of individual decisions by successive High Representatives, their directives lacked sustainability, for they unrealistically assumed that external prescription could forge internal consensus. Some were counterproductive, such as the effort to create a central all-BiH police force.<sup>13</sup> While the Office of the High Representative remains, today the international protectorate backed by military force is history. No PIC member calls for a new Dayton conference, and none of my Bosnian interlocutors of any ethnicity thought a “Dayton Two” was desirable, let alone possible. Dayton BiH will not be centralized or even federalized,

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<sup>9</sup> The European Court of Human Rights ruled in 2009 in *Sejdić and Finci v. Bosnia and Herzegovina* that these provisions of the Dayton Constitution discriminated against Jewish and Roma citizens in violation of the European Convention on Human Rights. Proposed constitutional amendments to address the issue failed and the ruling has been ignored.

<sup>10</sup> Census results were released only in 2016 because of opposition from the RS BiH, which still disputes the figures as underreporting the number of Serbs. “Ethnic cleansing” of Croats from RS territory was documented by the Catholic Diocese of Banja Luka, which registered 92,000 Croat Catholics in 1991 and 4,000 in 2014. Of 85,000 primary school children in 2013 only 409 were Croats. *An Unspoken Crime; 20 Years under the Burden of Expulsion, Injustice, and Silence*. Diocese of Banja Luka – European Academy, Banja Luka, 2017, 241-242, 289.

<sup>11</sup> Moscow Press conference, January 22, 2018.

<sup>12</sup> E.g., Amb. (ret.) Kurt Volker, Testimony before the House of Representatives Committee on Foreign Affairs, November 15, 2011; *Bosnia’s Future*, International Crisis Group, July 10, 2014.

<sup>13</sup> The best account, based in part on interviews with all HRs except the current incumbent, is Adis Merdzanovic, *Democracy by Decree; Prospects and Limits of Imposed Consociational Democracy in Bosnia and Herzegovina*. Ibidem Verlag, 2015, 225-350.

and rhetoric from Bosniak leaders including party leader and state presidency member Bakir Izetbegovic espousing or implying that future is counterproductive.

Nor is there international or domestic support (apart from some Republic of Croatia and Bosnian Croat leaders)<sup>14</sup> for dividing the Federation of BiH into separate Bosniak and Croat entities. This notwithstanding that the major structural flaw of BiH today is not the autonomy of RS BiH but unresolved Bosniak-Croat conflict within the Federation. It was Bosniak-Croat differences – not Serb opposition – that doomed constitutional amendments proposed in 2006 to enhance state-level governance. It is Bosniak-Croat differences over elections to the Federation and state-level House of Peoples – one of the two parliamentary chambers – that has left BiH with no binding election law for the October 2018 general elections.<sup>15</sup> Bosniak-Croat differences on elections have left the city of Mostar without a municipal government for twelve years. As part of the EU accession process the structure of the Federation entity can perhaps be simplified, eliminating the cantons that constitute an intermediate administrative structure between municipalities and the entity level. For now, Bosniaks and Croats face the challenge of consensus decision-making within the Federation, for stalemate in the Federation threatens the viability of BiH more than autonomy of the RS. Continued appeals by nationalist Bosnian Croat leaders including Covic for a third entity will make that consensus building more difficult.

Counterproductive also is constant rhetoric from RS BiH President Dodik advocating a reversion to 1991 (albeit retaining the “benefits” of ethnic cleansing) and the breakup of BiH into Serb, Croat, and Bosniak statelets.<sup>16</sup> Dodik’s demagoguery – specifically threats to hold a referendum on independence and ignoring decisions of the Constitutional Court – resulted in criticism by the EU and [financial sanctions](#) by the United States. Dodik’s grandstanding aside, autonomy of the Serb entity in a basically confederal BiH has wide support in RS BiH among professionals, officials of other political parties, civic activists, as well as government officials. Interlocutors both close to and distant from government argued that a weaker RS weakens BiH and that state or all-BiH competences should revert to the 1996 structure established at Dayton. One interlocutor opined that the RS BiH could transfer attributes of sovereignty to Brussels as part of EU accession – but not to Sarajevo. Dodik too on occasion has called for a return to the original “Dayton” construction, but neither he nor his government and advisers have ever provided even an outline of what that might mean in practice. They should be challenged to do that. Meanwhile they play with the trappings of sovereignty – official business cards that omit the country name, an official web site that avoids the country suffix, RS BiH flags at every inter-entity road crossing.

Meanwhile, the RS government works directly with the Federation government in a process parallel to the regular constitutional structure to reach agreement on key issues – and the agreed positions are then proclaimed at (not decided by) the state level. This is the inter-entity

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<sup>14</sup> Moderate Bosnian Croat leaders reject the notion of a third entity.

<sup>15</sup> “Basic Principles for BiH Election Law Reform,” Bosnia and Herzegovina Democracy Initiative, November 17, 2017.

<sup>16</sup> E.g., “Srpska is acquiring Sovereignty and BiH will Disintegrate,” *Glas Srpska*, Banja Luka, October 27, 2007; “Serb Leader Wants to Break Up Bosnia (Preferably Peacefully),” interview-based profile by Barbara Surk, *The New York Times*, February 17, 2018.

“Coordination Mechanism” established to respond to the Questionnaire (consisting of 3,242 questions) from the European Commission as the prequel to formal EU candidate status. BiH followed this process in completing the EC Questionnaire, although submittal to Brussels was delayed until 28 February 2018, by differences over language terminology and census results. It is the only conceivable process for all-Bosnian decision-making on key domestic and foreign policy issues for the foreseeable future.

## **Euro-Atlantic Prospects**

Integration of Western Balkan states in the Euro-Atlantic Community remains crucial to the stability and positive future of the region. The journey to the European Union – the accession process – is as important as the destination: EU membership. The accession process for Serbia – addressing to Brussels’ satisfaction successive chapters of the *acquis* – forces needed internal economic and political reforms and limits support for Russian foreign policies and for RS BiH and encourages realism in dealing with Kosovo. The accession process for BiH – moving to formal candidate status – has forced inter-entity agreement through the Coordination Mechanism and will force agreement in responding to the *acquis*. The process may eventually force rationalization of the state structure, for example eliminating the cantons. What is missing for both countries is robust public diplomacy by the EU and the United States that explains the significance of the journey to the EU and the economic and other benefits than can accrue along the way. Too much of the public discussion to date has concerned itself with the technical minutia of Questions answered and Chapters opened and closed that mean little to most citizens. This information deficit, following the stalled accession process of the past decade – what Macedonian foreign minister Dimitrov termed a waiting room with no exit – helps explain the weakening of popular support for EU membership in recent years.

Serbia and BiH have also pursued associations with NATO and aspired to Membership Action Plans, but currently Serbia, followed by the RS BiH, disavows interest in NATO membership, aspiring to be “neutral.” Given these preferences, NATO membership is unlikely to be the precursor of EU membership for Serbia and BiH, as it was for post-Soviet Central Europe, Slovenia, and Croatia, and that it remains for Montenegro and Macedonia. The membership issue aside, there is a vast asymmetry in NATO’s favor in Serbia’s military ties with NATO countries vs. ties with Russia.<sup>17</sup> BiH armed forces (with ethnic-based regiments but state-level command) have contributed to international NATO operations. Even more than with the EU, it is the process of interaction with NATO that is important, not the issue of whether or not the countries seek or qualify for NATO membership. Yet Serbian-Russian military activities are widely publicized in Serbian media, while the ties with NATO are largely ignored.

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<sup>17</sup> *Basic Instinct*, op. cit.

## **Policy Considerations**

The observations and analysis above, if accepted, suggest three major policy considerations:

### Incentivized Conditionality

A common complaint by my October 2017 interlocutors was that the international community had substituted its decisions for local agency and that it needed to deal with Balkan countries – BiH especially – as normal countries and not wards or protectorates. This means accepting local sovereignty, and not promoting local “ownership” of domestic projects conceived abroad. Leverage remains, since all Balkan countries aspire to join the European mainstream. These aspirations give Western countries leverage to influence local decision-making. It allows them to practice incentivized conditionality (or offer conditional incentives). This means providing economic, travel and other material benefits conditional on adoption of necessary reforms. It calls not for “strategic patience,” but for “tough love” and “naming and shaming” when necessary, to encourage needed reforms. How “tough” to make the “love” can be debated, but the record of the past decade is arguably one of bars set too low. Western countries have provided too few benefits as the EU accession process stalled, but the benefits that were provided lacked sufficient conditionality and publicity.

### Public diplomacy

Successful incentivized conditionality assumes robust information programs that highlight for the citizens of Serbia, BiH, and other Western Balkan countries both the democratic values and the economic benefits gained when reforms are enacted and the benefits foregone when EU standards are not met. For example, EU funding of a highway project deserves wide publicity. EU funding for an infrastructure project lost for lack of a tax or other financial reform meeting EU and IMF standards deserves equal publicity. The EU Commission views 2025 as the earliest date when Serbia and perhaps other countries of the region might qualify for EU membership. Given this timetable, it is all the more important to publicize benefits that accompany the accession process provided international standards are met.

Effective public diplomacy of this kind includes visitor programs, organization of public events, distribution of information by governments and embassies and international organizations, support for independent local media where they exist, and reporting by externally funded independent media including RFE/RL, VOA, and BBC (which has reinstated its Serbian service). Conditionality can also involve mandatory placement (paid when necessary) of information in the controlled local mass media.

### Engagement

Engaging citizens of all strata and regions, as well as governments, is essential if the EU, NATO, and the United States are to influence attitudes about the European future of the Western Balkans. Looking back, Western governments underestimated the decentralization of later-day Yugoslavia in part because they concentrated their personnel and focus on Belgrade to the neglect of the republic and provincial capitals. Successful Western engagement in Serbia will include Vojvodina and Sumadija as well as Belgrade. The issue is more acute and remedy more urgent in BiH, where today the international community is overwhelmingly concentrated in Sarajevo – capital of the state and one confederal entity – and is underrepresented in Banja Luka – capital of the other confederal entity. My discussions in Banja Luka indicated a strong sense of international isolation among individuals close to the government as well as civil society activists. US sanctions preclude much engagement with Dodik, but they do not extend to others in the RS BiH leadership. No Western country has even a part time presence in RS BiH and the Office of the High Representative and the EU have small offices. NGOs promoting economic development, rule of law, democratic values, and Western ties are all located in Sarajevo and none has a presence in Banja Luka. Experts from the RS are underrepresented in all-BiH forums. More engagement in RS BiH by the EU and the US will be needed.