

SPOTLIGHT ON BOSNIA—OBSTACLES TO PROGRESS AND RECOMMENDATIONS FOR THE INTERNATIONAL RESPONSE



JULY 26, 2011

**Briefing of the
Commission on Security and Cooperation in Europe**

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Commission on Security and Cooperation in Europe
234 Ford House Office Building
Washington, DC 20515
202-225-1901
csce@mail.house.gov
<http://www.csce.gov>

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The OSCE Secretariat is in Vienna, Austria, where weekly meetings of the participating States' permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations. Periodic consultations are held among Senior Officials, Ministers and Heads of State or Government.

Although the OSCE continues to engage in standard setting in the fields of military security, economic and environmental cooperation, and human rights and humanitarian concerns, the Organization is primarily focused on initiatives designed to prevent, manage and resolve conflict within and among the participating States. The Organization deploys numerous missions and field activities located in Southeastern and Eastern Europe, the Caucasus, and Central Asia. The website of the OSCE is: <www.osce.org>.

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In fulfilling its mandate, the Commission gathers and disseminates relevant information to the U.S. Congress and the public by convening hearings, issuing reports that reflect the views of Members of the Commission and/or its staff, and providing details about the activities of the Helsinki process and developments in OSCE participating States.

The Commission also contributes to the formulation and execution of U.S. policy regarding the OSCE, including through Member and staff participation on U.S. Delegations to OSCE meetings. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from participating States. The website of the Commission is: <www.csce.gov>.

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SPOTLIGHT ON BOSNIA—OBSTACLES TO PROGRESS AND RECOMMENDATIONS FOR THE INTERNATIONAL RE- SPONSE

JULY 26, 2011

Commission on Security and Cooperation in Europe Washington, DC

The briefing was held at 2 p.m. in room 210, Cannon House Office Building, Washington, DC, Bob Hand, Policy Adviser, Commission on Security and Cooperation in Europe, moderating.

Panalists present: Mark Milosch, Chief of Staff, Commission on Security and Cooperation in Europe; Bob Hand, Policy Advisor, Commission on Security and Cooperation in Europe; Clifford Bond, Former U.S. Ambassador to Bosnia-Herzegovina and Vice President for International Relations, American University in Bosnia-Herzegovina; Kurt Bassuener, Senior Associate, Democratization Policy Council; and Nida Gelazis, Senior Associate, European Studies Program, Woodrow Wilson International Center for Scholars.

Mr. MILOSCH. Good afternoon and welcome to everyone joining us today. As Chairman Smith's Staff Director at the Helsinki Commission I'll make a brief statement and then Bob Hand, Policy Advisor at the Commission, will introduce our witnesses.

This briefing spotlights the current situation in Bosnia-Herzegovina. There's no doubt that Bosnia has made considerable progress in recovering from the brutal conflict that began in early 1992 and lasted until the signing of the Dayton Accords in late—in late 1995. Yet, many of the scars of the ethnic cleansing remain with us today. Only 2 weeks ago the remains of more than 600 victims of the Srebrenica genocide were laid to rest in a memorial service marking the 16th anniversary of that horrific event.

Senator Jeanne Shaheen of New Hampshire, a Helsinki Commissioner, paid her respects to these victims as they passed through Sarajevo en route to Srebrenica. Chairman Smith was in Srebrenica himself in 2007 and I know the experience is one he will never forget. Similar events have commemorated the victims of Omarska and many other atrocities of the conflict that, for the survivors, are not so long ago and will never be forgotten.

Unfortunately, except for a few locations and despite efforts to encourage returns, the people of Bosnia remain largely divided along ethnic lines. Government and politics still revolve around ethnic issues; political parties have been unable to reach agreement on the formation of a new governing coalition at the state level since the October 2010 elections.

Some in Bosnia have attempted to move to varying degrees beyond the constitutional compromises that were needed to end the conflict but which today hold the country back. These compromises not only divide the country's population, but also hinder the efficient and effective government needed to achieve Euro-Atlantic and European integration.

In response to efforts to undertake genuine reform, however, we have seen from many in the political leadership of Bosnia an increase in nationalist rhetoric, an unwillingness to work constructively with the representatives of the international community and comments or actions which threaten the country's peace, stability and territorial integrity. The leaders of Republika Srpska, for example, wishing to maintain their hold on power and the perks that go with it, have been particularly recalcitrant in the face of change. The result is that the entire country suffers and falls further behind its neighbors on the road to Europe.

Today we will look specifically at the obstacles of progress facing Bosnia today, and perhaps more importantly at recommendations for the international community. The international community has not only a role to play in getting the country on the right track, but also a responsibility to act. Having acquiesced to aggression and ethnic cleansing and genocide for much of the conflict, the United States and Europe cannot be—cannot simply accept the result we have today. The people of Bosnia-Herzegovina deserve more from their elected officials and from the international community.

Now, I'll turn the briefing over to Bob Hand of the Commission staff. Bob has over 20 years of experience monitoring and advocating for human rights in the Western Balkans, and he will moderate our briefing.

Mr. HAND. Thank you, Mark. I'd like to join Mark in welcoming you all here. I'd also like to thank my colleague Josh Shapiro for his help setting up the room. This is far from the perfect room for having a briefing, and we originally entertained the idea of being way up there and then you all back here. Well, that wasn't going to work too well, so we had to do some quick thinking. But I think it's worked out OK.

I'm also glad to see that we have a good audience here. As I remarked to several individuals when they came in, I was a little bit concerned at how many out-of-office messages I got when trying to let people know about this briefing. I was promised that many people, whether they're on business or on vacation right at the moment, will be looking at this briefing when it appears on our Web site—it will be videoed. There is also going to be an official transcript for the briefing. So some people who are not here, I think, are here in spirit, and they'll be following up and seeing what was said here today.

I'll refrain myself from making substantive comments right here at the beginning. I often will sum things up at the end, and may do so at that time. But I think the best thing to do would be to go right to our panel and to hear what it is that they have to say. We have asked each of them to make some brief comments on what they see as the key obstacles to progress in Bosnia-Herzegovina today, and also to make some recommendations for the United States, for Europe and for the international community as a whole in terms of how we should be responding to these obstacles and overcoming them so that Bosnia can move forward along with its neighbors toward NATO or European Union integration as the citizens of the country so desire.

Our first panelist is Clifford Bond who has had a very long and productive career as a Foreign Service Officer at the State Department. He had first served in the region at the U.S. Embassy to Yugoslavia in Belgrade back in the early 1980s. He then came

back to the region from 2001 to 2004 as the U.S. Ambassador to Bosnia-Herzegovina. And those years were, I believe, some of the more productive years for the country in its post-Dayton recovery. And so he may have some insight in terms of contrasting then and now.

Shortly after leaving the Embassy in Sarajevo he actually was a Senior Adviser on the staff with this Helsinki Commission, where I would say he really became an expert on the Balkans working with me. Just kidding. During that time we observed elections in Serbia and Macedonia, he led a staff delegation to visit Kosovo during the time of the EULEX deployment, helped to organize a congressional delegation to Bosnia, and he was also put on loan during that time to the Office of the High Representative to be a special envoy focusing on outstanding issues in the Srebrenica region. And so he has had a very heavy focus on that in recent years.

Currently he is the Vice President for International Relations at the American University in Bosnia-Herzegovina. We're glad to have you here, Cliff, glad to have you back.

Our next panelist is Kurt Bassuener, who I have known for quite a long time; when he first joined the Balkan Institute in the mid-1990s I believe it was as a policy analyst. And he has gone on to do many other things since that time. But he still stuck with the Balkans and stuck with Bosnia, including moving there about 6 or 7 years ago, working for the Office of the High Representative and then working as a Senior Associate with the Democratization Policy Council, which I believe he helped to found.

So Kurt is back here in the United States and was willing to take time from his own vacation to come here to Washington to meet with people and participate in this panel. And I'm very happy that you're able to be here today.

Our final panelist is Nida Gelazis of the Woodrow Wilson International Center for Scholars. She's been there since 2003. I think if we were to have a briefing on any country in Eastern or Central Europe Nida would be able to participate on a panel as an expert—especially as it relates to the countries' aspirations to join the European Union. She's been focused very heavily on human rights and the political reforms these countries need to undertake in order to integrate into Europe, and has focused particular attention in recent years on the countries of the Western Balkans and the challenges that they face.

She has recently formed a Working Group on the Western Balkans which seeks to bring together European and American policymakers and analysts to engage in a dialogue and to collaborate on these issues. And I think much of her presentation will be based on that work.

So we've asked each of our panelists to speak for about five or 10 minutes, and hopefully that will lead to plenty of time for question and answers, maybe very brief comments from the podium. I'm not sure given the hectic schedule here on the Hill, but we may be joined at one point or another by a Member of Congress, in which case, depending on how much time they have, we may interrupt the flow just to let them say a few words.

But at this point, let me turn it over to the Ambassador.

Amb. BOND. Thanks, Bob and Mark. And thank—I want to thank the Helsinki Commission, too, for organizing this briefing. My remarks today will assume a basic understanding of recent political developments in Bosnia, but if anything's unclear I'll certainly be happy to answer questions after the presentations.

The political situation in Bosnia has been deteriorating for a number of years, but I think it's the worst that I've seen it since I became involved in the country in 2010—

2001. Though I don't see any prospect for conflict, neither do I see any ready way out of the current stalemate in the country. With the failure of political parties to form a government more than 9 months after a general election, the country's progress on NATO and E.U. integration is floundering.

The United States has ceded the lead in Bosnia to the European Union. While this makes sense in terms of the process of E.U. integration, Brussels has had difficulty managing the politics of the place and has been far too reactive to crises. The draw of E.U. membership has been much less effective as an incentive for reform and compromise than it has elsewhere in Eastern Europe. There was speculation earlier this year that the E.U. was developing a package of sanctions to be used in response to anti-Dayton actions or efforts to block or slow Bosnia's integration into Europe. It was always unclear if an E.U. member-state consensus existed for such tougher measures, and apparently it does not. The United States must, therefore, remain actively involved in Bosnia in full partnership with the E.U. and its member states.

The basic political problem in Bosnia lies deeper than the failure to form a state government, or the marginalization, as many Croats see it, of the two principle Croat parties within the federation or the recent threat by the Republic of Srpska of an entity referendum on state institutions. These are symptoms of underlying disagreements about the nature of the state. And these differences have defined conflicting positions on constitution reform and other political issues. At one end of the spectrum is a vision of Bosnia as a unitary and citizens-based state, and at the other is of a loose federation with ethnic-based rights and protections.

And I'm afraid discussions of these issues will continue, but the international community must be firm in dealing with obstruction, violations of Dayton, or any threat of dismemberment to the country. At the recent meeting of the Peace Implementation Council, or PIC, the body that supervises the implementation of the Dayton Peace Accords, the international community heavily criticized political leaders for failing to form a state government, but they showed no appetite for intervening directly in the politics of government formation.

Party leaders must reach agreement among themselves on this question. It seems clear to me that only a broad coalition that includes the principle Bosniak, Croat and Serb parties can form such a government. The international community must press party leaders for the earliest possible action along these lines. Some politicians in Bosnia believe that a highly and further decentralized Bosnia can enter the E.U. I do not believe such a state structure is compatible with meeting the responsibilities of membership in NATO or the E.U.

Some basic reforms to improve the functionality of the Dayton state will be essential, but they do not have to result in a centralized or unitary state. My recommendation to a new state government, when it's formed, is that it not make constitutional reform a priority. It will take time to restore the trust and confidence that has been squandered over the last 4 or 5 years by political infighting before an issue like constitutional reform can be dealt with.

A new government coalition should focus on the economy, improving the climate for foreign investment, fighting corruption and resolving the issue of defense property. The latter will open the way to progress on Bosnia's Membership Action Plan and eventual membership in NATO. This will not only contribute to Bosnia's security and political stability but also in turn enhance its attractiveness to foreign investors. Once such a track

record of cooperation and reduction of tensions is achieved, political leaders can, as they eventually must, turn to constitutional reform. Some of the constitutional proposals made by the United States and the E.U. during the recent Butmir process may be worth reconsidering when that moment comes.

I recommend that the E.U. needs to strengthen its presence in Bosnia. It has recently appointed a new head of mission to its delegation in Sarajevo. His arrival in the country should be speeded up. He is knowledgeable and an able diplomat. He will inherit the title of E.U. Special Representative. However, he needs to be given real authority over such things as the use of E.U. resources and policy formulation regarding Bosnia.

Currently, the E.U. delegation is largely a team of technocrats focused on details of the enlargement process. The E.U. mission staff needs to be beefed up to include analytical and public affairs capabilities so that the mission can play a central role in developing a real, European vision and strategy for dealing with Bosnia as well as have the capacity to implement such a strategy.

The alternative will be the least-common-denominator approach agreed among EU member states, which has characterized policy generated in Brussels to date. Earlier in May, as an incentive to have the RS climb down from the threat of an entity referendum, which—seen by many as a clear violation of Dayton, the EU offered the Republic of Srpska and Bosnia a structured dialogue on the state court and prosecutors. Presumably the EU intends to discuss the courts and Bosnia's state criminal justice system in terms of EU requirements.

The E.U. should consider broadening that dialogue and using it as an opportunity to educate Bosnian politicians and in particular the Bosnian public on what needs to be done institutionally and in terms of constitutional reform to move ahead on the Stabilization and Association Agreement with the E.U. and Bosnia's eventual candidate status to the E.U. Subjects such as the need for a state supreme court, compliance with the Sejdic-Finci European Court decision on the rights of non-constituent peoples and a so-called E.U. clause in the Dayton constitution which would give the state a lead on negotiations on enlargement should all be addressed.

For the part of the United States, I recommend that it reconsider an idea that originated here on Capitol Hill just a few years ago. This is the appointment of a special representative or envoy for the Western Balkans. The U.S. team working on Bosnia is extraordinarily dedicated and competent. But a solution for Bosnia's complex political problems will require better coordination not just between Washington and Brussels, but also between Washington and the many E.U. member-state capitals, as well as regional actors like Turkey and Russia.

If possible, such an envoy should work in tandem with a European counterpart to develop a more proactive approach in Bosnia. Such a position would be a full-time job, and it cannot be done by someone with broader responsibilities sitting in Washington. I know, personally, that there is very strong support for this idea among old Bosnia-hands, both in the United States and in Europe.

I do not underestimate the difficulty of reaching agreement on such issues as government formation, constitutional reform, or defense property. But the measures I've outlined can strengthen the hand of the international community as it works to help find solutions on these issues. We need to work to assure Serbs that the ultimate goal of reform is not the elimination of their entity, assure Bosniaks that reform will produce a more functional

and integral Bosnia and assure Croats that by opening the way to Bosnia's integration into Europe the position of Croats will be improved and their exodus from the country reversed.

I am currently working with a small university in Bosnia; it's a partnership with the State University of New York at Canton. And the university seeks to build a multiethnic student body with campuses in Tuzla, Banja Luka, Sarajevo, and Mostar. Its mission is to educate a new generation of students that share a common vision of a Bosnia fully integrated into Europe. Our students, in fact, have met members of the Helsinki Commission when they visited Bosnia. I think the sooner such a generation can assume positions of leadership in business and government, the sooner Bosnia will be in a position to find political compromises for the longer-term benefit of its citizens.

Thank you.

Mr. HAND. Thank you, Ambassador. Kurt, go ahead.

Mr. BASSUENER. Thank you, Bob, and good to hear you, Cliff. I want to follow on some of the points that Ambassador Bond mentioned, but perhaps take a different angle. I think what we're witnessing right now in Bosnia-Herzegovina, and we have been for some time, is a deterrence failure that we just haven't paid for yet.

The policies that are currently being exercised, on both sides of the Atlantic among the countries in the Peace Implementation Council Steering Board, were essentially set in 2005. This was sort of the tail-end of the period when you were Ambassador, Cliff, and Paddy Ashdown was High Representative. The assumption was that the state-building process was so successful and irrevocable—albeit there were some elements of unfinished business, such as constitutional reform and police restructuring—that the international community could back off, that the executive functions of the High Representative and the Chapter 7 military capability that was, by that time, embodied in EUFOR but originally exercised by NATO, were no longer necessary. And the process of reform could essentially be subcontracted to the European Union and essentially be conflated with the European Union enlargement process.

Over the course of 2006, all of the assumptions that this was based on were proven false, at least in my opinion, by the election campaign in 2006. Reform ground to a halt, nationalist rhetoric kicked up, and the assumptions that had allowed the progress to proceed in the real state-building period from, say, 1999 to 2005 but even really all the way back to Dayton, that the country would not be allowed to fall apart, started to be questioned, not just by citizens, but the politicians as well. The rules ceased to be enforced.

And what we've seen since 2006 is this deterioration, degeneration of the political situation to essentially a rules-free environment. Legally speaking, the High Representative and EUFOR remain as empowered as their predecessors were at the signature of the Dayton agreement, or the bump-up with the Bonn powers in 1997. In reality, those powers have been allowed to wither through lack of international political will and lack of strategy.

And I'd say, the missing ingredient in here has been the United States. There would be protestations to the contrary from the State Department, but it's not just the European Union that's been reactive; the United States has essentially been reactive in subcontracting to the European Union.

And so essentially what you have now is a divided international community and divided West that sits in the Peace Implementation Council Steering Board. And the lines were pretty clearly drawn 2 years ago, but they're even more stark now.

On one side you have those who believe that the European Union enlargement process is the only way to go, and that's all the ingredients that are necessary to stabilize Bosnia and allow for organic progress over there. And those who believe in that are, not surprisingly, those who sit in Brussels, but also Germany, France, Italy, and—surprise, surprise—Russia, which is a big E.U. cheerleader now, interestingly enough, at least in the Bosnia context.

You could call the others' camp "the skeptics," for lack of a better term. I'd say the Turks are the most vocal in this group, but the United States is not far behind, along with Britain, increasingly Japan, Canada and sometimes the Netherlands. And so it's about a 50–50 split in terms of raw membership. In terms of European Union membership, it's clearly lopsided in favor of the "enlargement-uber-alles" camp.

But I think that the argument that somehow, OHR—the Office of the High Representative—is getting in the way of E.U. enlargement process is something that even the E.U. itself has abandoned sometimes. They seem ambivalent about sticking to their point on that.

These divisions were made clear in the fight over whether to keep international judges and prosecutors in the state court, organized crime and corruption chamber. The American vote on that was pivotal and unfortunately went the wrong way. This was in the aftermath of the Butmir process, when I think the perception was that it could be resurrected. Washington was simply afraid that Dodik would pull out of state institutions if he didn't get his way. Had the American position been different, I think the overall decision would've been different and the High Representative would have felt confident enough to retain them for another 3 years the way he did for the war crimes judges and prosecutors.

The Ashton visit really deepened these fissures. The sense here in Washington on May 13th was real anger, which I detected at the State Department. I was there just before flying back to Bosnia. This was like a sucker punch, this was something that was not agreed in the PIC Steering Board, that the decision had been to support the High Representative in pressing for the full repeal, not only of the referendum but the 20-odd conclusions that the Republika Srpska assembly had passed.

Ashton's visit undercut the High Representative, who, at that time, was still the European Union Special Representative. And then there was a fight over maintaining the office of the High Representative's budget. This was something that was engineered by Brussels with Republika Srpska without the knowledge of the United States, Turkey, Japan and other members of the PIC. This caused a lot of bad blood, not just within the building—Office of the High Representative and the EUSR—but between the capitals.

And the main point of discussion at the PIC Steering Board meeting in Sarajevo earlier this month was over Brcko District supervision. Now, this is the one trump card, basically, that the United States has vis-a-vis the other members of the Peace Implementation Council Steering Board because it's under a supervisor regime. Brcko District is the connective tissue any independent Republika Srpska would have to have, at least in part, to be contiguous. And Brcko District's status essentially takes it out of the game, but there's nothing to protect it right now. There are no operational troops based there.

EUFOR doesn't have any ability to move troops there, except by road quickly. So that would be an obvious place to put a military deterrent. The battle lines there are drawn about as clearly as they are on other measures in the PIC, the continental Europeans and the Russians saying we want Brcko supervision over yesterday. And the fact that Republika Srpska refuses to give assurances that it will adhere to the Brcko final award, that's immaterial. We don't—there's no legal basis for these.

My own view is that, until the country is on a self-propelled stable footing and you have an agreed functioning governance system in Bosnia-Herzegovina, I'd say that we should keep that ad infinitum open. And this is an integral part of the 5+2 criteria that were adopted by the PIC Steering Board for maintaining OHR until these boxes are checked; defense properties and other ones, state property, rule of law and a unified economic space are the other five.

The two conditions are an E.U. stabilization and association agreement—that box is already ticked, but it hasn't come into force because Bosnia is already not fulfilling its requirement—and a sort of the elastic clause, for lack of a better term, which is an assessment by the PIC Steering Board that things are stable enough to remove the executive guard rails, legally speaking, because effectively they've already become moribund.

Now, what I'd like to outline as possible fixes to this: I am among the people who, along with Ambassador Bond, have advocated a U.S. Special Envoy to deal with Bosnia, not so much to deal with Bosnia in Bosnia, but to deal with the international community, the PIC Steering Board members, about Bosnia, because essentially there's no strategy. There hasn't been a strategy for 5 years. I would posit the only time there was a strategy was when it was manufactured in Sarajevo in the Ashdown era, and it evaporated when he left. And instead of a strategy, we just have an aspirational sort of bumper sticker that our strategy is European integration.

So one, a Special Envoy would be very helpful. But I'm going to be a little bit more radical and say, frankly, there's no reason that there can't be an American as High Representative at this point. The original deal at Dayton was that the Americans controlled the military element of peace implementation; the Europeans would lead the civilian side. Now the Europeans have a European Union delegation that's going to handle their agenda and they have the military deterrent. There is no reason that there can't be a non-European—and, I would posit, an American—High Representative.

Now, the appetite for pursuing that is open to question. I think it's pretty compelling because they are different roles. They're not necessarily out of whack with each other. They can be complementary, but they are different—enforcing the Dayton peace agreement and promoting European integration of Bosnia-Herzegovina.

I also think that you're not going to have any progress of any kind, be it the economic development that Ambassador Bond mentioned and reforms, even the low-rent constitutional reform that is Sejdic-Finci which is important for meeting the terms of that judgment but functionally won't change a hell of a lot in the way the country's governed. And the problem there is that the Serb and Croat visions of how to implement that are diametrically opposed. And so I don't see any prospect of that being implemented anytime soon.

But there won't be any progress until the situation's restabilized and fear is removed from the equation which has reentered as a result of the international community essentially stepping back since 2006.

So I think the American-led policy needs to be, first, try to develop a consensus first with the countries that are already basically on its side, and then working to try to peel Germany or France, whichever is easiest first off, to adopt the policy: essentially, so long as Dayton remains a constitution, you're going to keep the Dayton enforcement mechanisms and we don't have a timeline. That changes the political dynamic considerably and it changes the calculus for everybody who's playing the game, citizens and politicians included.

Then I think you could get some traction from below, from the people who actually want to make the country work. Right now, the political class aren't it. And if we're relying on them to develop a way forward, I think we're going to be waiting a long time and it will continue in this tailspin.

So I'll leave it there and I look forward to your questions. Thank you very much.

Mr. HAND. Thank you very much, Kurt. Nida? You're up.

Ms. GELAZIS. Thank you, Bob. Thanks a lot for this opportunity to present the work that we've been doing over the last—the last year.

As we all know, the United States has supported the European Union's commitment to bringing the countries of the former Yugoslavia into the sphere of peace and prosperity through the joint processes of E.U. and NATO accession.

This is no ordinary accession. Compared with post-Communist European countries, enthusiasm for further E.U. enlargement has waned, both within the E.U. member states and in the Balkans.

Also, most of the countries of the former Yugoslavia are less ready than the countries in Central and Eastern Europe in terms of democratic consolidation and institutional capacity, and they are unable or less able to meet the demands of E.U. and NATO accession processes. This shortfall is most evident in Kosovo and Bosnia where international agencies continue to be strongly involved with the day-to-day politics in those countries.

It must be acknowledged, therefore, as a starting point, that the idea that the E.U. accession process can be used as a state-building plan for Bosnia is not the repetition of a successful policy, but is a new policy experiment. This fragile experiment requires a strong partnership between the E.U., the United States and other international partners as well as innovative solutions for addressing the unique hurdles to progress in the countries of the Western Balkans.

As Bob mentioned, over the last year, the European Union delegation has supported a project at the Woodrow Wilson Center which has brought American and Europeans scholars and practitioners together to discuss the obstacles to the E.U. accession process in Bosnia and the other countries.

And my presentation, as Bob mentioned, will summarize the findings and the proposals that resulted from these meetings. This is a brief summary and I sort of focused the discussion on four remedies, but a longer version of all of these policy briefs is available outside and also on a website that's dedicated to these issues, which will also have the forthcoming policy briefs from the meetings that we're having this year.

So let me begin with the four remedies. The first is something that both Cliff and Kurt have mentioned: to manage the perceptions of the E.U.-United States policy in Bosnia. The second is to strengthen policy coordination so that the E.U. and the United States have a shared policy, even if they do different things to forward that policy. Third, there should be a focus on small-scale policy goals attached to clear incentives in order

to move the process along, albeit slowly, but this is something that has worked in the past in the visa liberalization policy and we should try to emulate that in going further. And fourth, the E.U. and the United States should engage directly with civil society groups to help meet these reform goals in the region. We should also work with other international actors in dividing up the labor in this joint policy.

Let me elaborate on all of those points now. Since the second half of 2009, European and American policies toward the Western Balkans seem to enjoy a higher level of harmony. Rhetorically, at least, there is unequivocal agreement on both sides of the Atlantic that Bosnia will be a member of the European Union once it meets its conditions. E.U. membership, the thinking goes, will end the unhappy chapter of the violent demise of Yugoslavia by bringing the countries into a secure democratic and prosperous Europe.

But in Bosnia today, there's a large gap between the vision for Bosnia that the United States and the E.U. share and the perceptions of this policy on the ground. These misperceptions are as much the result of simple misunderstandings about the complex E.U. process as they are actively constructed narratives created by political leaders to redirect their reform agenda.

There's no more obvious example of this gap than the recent anger expressed toward the E.U. by the Federation, because E.U. leaders have made visits to Banja Luka rather than dealing solely with Sarajevo. They've accused the EU of negotiating with Republika Srpska for enlargement separately. And even American analysts in Washington have repeated this false claim, which has led to a deepening of frustration with the EU and fears that the E.U.'s goal is actually to break up the state.

These fears would be understandable. After all, breaking up the territory of Bosnia would violate the Dayton accords and would be tantamount to reopening of all the territorial disagreements that started the war.

However, a closer look at the EU accession process reveals that these fears are unfounded. In the EU accession process, negotiations refer to a very specific stage in the accession process. After—it happens after a country becomes a candidate and before they become a member. If you look at a point of comparison, Croatia has just recently completed its negotiations with the EU. Bosnia, by contrast, isn't even a candidate yet, so it cannot enter into negotiations for accession.

The people and the EUSR in Sarajevo have said that, the SAA provides a reason for the E.U. officials to directly work with the Republika Srpska. This was agreed on in 2008 in the SAA. So there's nothing sort of unusual or secretive going on here. Moreover, E.U. officials have repeatedly said that Bosnia must enter as it is now, as one state.

In Bosnia, these misunderstandings become toxic, polluting not only the relationship between the ethnic groups, but also between the E.U. and the entities as well as the E.U. and U.S. partnership. So the first step in our sort of remedying the policy should be that we should have an assumption of goodwill between the E.U. and the U.S. For Americans, that means that we must make sure that our information about the E.U.'s processes and motivations is correct. And second, by working with civil society and with journalists, the E.U. and the United States should manage perceptions about our policy goals and thereby help to ensure that the political agenda in the country remains on track.

There is also confusion in Bosnia about whether the E.U. accession is a goal or a process. It is actually both. E.U. accession is a process that leads to the goal of membership. But in the Western Balkans, and especially in Bosnia, focusing solely on the E.U.

as a goal creates a binary system which seems to place the responsibility for enlargement not on the state that's trying to get into the E.U., but actually on the EU itself. This perspective also gives the E.U. a reactive rather than proactive position as it simply waits to judge the events that are going on in the region and compare with norms of the E.U.

Therefore, in order for the goals of E.U. accession to be a remedy for Bosnia, we must put a greater focus on the process rather than on the end of accession—of a membership. When accession is seen as a process, the many steps involved in this accession can be presented as a menu of activities that are compatible with the goal of E.U. membership.

To become more proactive, the E.U. and U.S. partnership must extend beyond simply supportive speeches. Rhetorical partnership is a clear improvement, but the current parallel policies may not be sufficient to change the political dynamic in Bosnia. Rather, the E.U. and the United States must link their policies in order to compound their power.

These joint policies should not focus on large-scale changes such as getting into the E.U. or a wholesale constitutional change but on doable small-scale reforms that are directly linked to the E.U. *acquis communautaire*, which is the body of laws that make up the legal sphere of the EU, and—I add a little aside—because it's the *acquis communautaire*, because they're already agreed upon directives of the EU, that would alleviate the problem that Cliff mentioned on the lowest common denominator. All EU member states have adopted these. They're clear markers for the accession process, and that's something that we can and we should use—the things that bind us to the policy as it moves forward.

The small-scale method has been successfully tested in the E.U.'s visa liberalization policy. So going forward, we should reproduce three elements of the visa liberalization policy: first, the limited scope of reforms; a strong civil society support; and sort of an instant benefit once those reforms are adopted.

I've already mentioned the menu of options that the E.U. directives provide, and that should be the source of those policy reforms.

In the last meeting of the working group, we focused on sort of a crisis of legitimacy in the Western Balkans and in Bosnia. Especially in Bosnia, it seems that elections are the only test of legitimacy, which creates a myriad—a myriad of problems. Because the stakes are so high at elections, electoral results can be contested as they were in Albania recently. And in Bosnia, after parties succeed in winning elections, they seem to forget about the responsibilities that are attached to their office, and the failure of forming a government over the last 9 months seems to be a clear example of this.

Almost everywhere in the region, it seems as though the promise of personal gain or judicial protection associated with political office is the primary motivation to enter politics. In such an environment, elected leaders have not taken the responsibility for being responsive to citizens' interests, let alone made a serious effort at meeting E.U. accession criteria.

Civil society activists routinely run into walls of undemocratic and unresponsive institutions in Bosnia, just as the E.U. and the United States have done in their attempts to promote reforms. Therefore, the E.U. and the United States should partner with civil society in order to exert pressure, both from above and below, on intransigent politicians.

This won't be an easy policy change to make since the E.U. accession is primarily—or has been primarily an elite-driven process, and the traditional role of civil society is simply to elect pro-E.U. parties. In Bosnia, as I mentioned, voting will not be sufficient

because even though there is near-unanimous support for E.U. accession, politicians routinely choose to put symbolic political goals above the E.U. accession reform agenda. To bring political leaders back to the E.U. path, the E.U. and the United States should engage directly with civil society groups, by demonstrating how the adoption of E.U. norms can help them to reach their own goals, whether it is through access to educational opportunities in E.U. countries, higher standards for women's rights, better labor law practices, safety standards for products, sustainable energy management, or any of the other issues that the E.U. directives make an impact upon; by organizing this seemingly insurmountable pile of directions as a—as limited public policy choices that a sort of stairway emerges so that leaders in the Western Balkans can follow. Informing civil society, engaging with them in this process, will be essential.

I'd like to underscore that rather than simply support the E.U. initiatives, the United States should link its policy to that of the E.U., which it hasn't done to date. And the E.U. and the U.S. partnership should also invite participation by individual E.U. member states which have their own foreign policy capacity, multinational institutions such as the OSCE and the World Bank, and other actors—large foundations—in order to strengthen the policy and divide the labor among this complex group. That's the only way forward as I see it and as the working group has seen it to address the complex issues in Bosnia and the Western Balkans.

Thank you.

Mr. HAND. Thank you very much, Nida.

Before we go to the question-and-answer period, it's somewhat traditional here at the Helsinki Commission that we allow a representative of the country that we're focusing on at a particular hearing or briefing to be able to say a few words. And we have here in the audience Damir Džanko, who is the Chargé d'Affaires at the Bosnian Embassy. I'll ask Damir if he would like to make a few comments, and then we'll open the podium up for questions.

Damir?

Amb. DŽANKO. Well, thank you very much. I would like indeed to thank the Helsinki Commission and Mark Milosch and Bob Hand for organizing this briefing about Bosnia, although it's not always easy to sit on the occasions that they are talking about in my country.

I would not go to make any comments about the distinguished speaker said—privately I fully support what they are saying. But I would like to emphasize that your efforts and your work to try to keep the United States' focus and interest more on Bosnia is, I think, indeed very valuable, and it's crucial for the positive path of Bosnia to E.U. and NATO membership.

So in that regard, I am offering my cooperation fully to any further activities and cooperate with you and the witnesses on this issue.

Mr. HAND. Thank you very much. We'll now open the floor to questions from the audience.

I'll first turn to my colleague, Mark, to see if he would like to ask a question. In the meantime, if there's somebody out there who would also like to ask a question, please come up to the podium and be ready to ask your question.

Mark?

Mr. MILOSCH. Thank you, Bob. I do have one; maybe I'll work in two questions here.

Chairman Smith has been interested in and involved in Bosnian affairs for a long time, back through the 1990s. And he's been very vocal about the kind of reform he would like to see in Bosnia. He supports a constitutional reform that would make Bosnia into a country where there is one person-one vote; that is the end—there would no longer be entity blocks to political action.

He's also known Haris Silajdzic, the former Bosniak member of the presidency, and a leader of the Party for Bosnia-Herzegovina, and he also knows Bakir Izetbegovic, the Bosniak member of the presidency from the Party for Democratic Action. He considers them both to be very good people. Obviously this is politics, and you can disagree with what they want to do politically, and I don't imagine the Congressman agrees with everything they want to do.

But I would very much like to hear from our panelists what we might expect different from today's Bosniak member of the presidency, Bakir Izetbegovic, as opposed to Mr. Silajdzic. There's been a lot of gloss on it right now, but the difference is largely one of tone and approach, although the goals of Mr. Izetbegovic are very similar to those of Haris Silajdzic. And I'd like to ask if you agree on that, if there may be some substantive differences that you're beginning to see signs of and how that might play out.

Amb. BOND. Let me say something and then I'm sure Kurt, who's been following the situation on the ground, has thoughts.

We have to deal with the Bosnia we have and not the Bosnia we want. Sometimes Mr. Silajdzic had the strong vision of what he wanted in Bosnia, which did not really conform to the reality on the ground, and his campaign as a politician to eliminate the entity of the RS—he'd talk about unitary state, though couched in special language—drove the Serbs away. I think Bakir Izetbegovic understands you have to, not just put pressure on them, you've got to draw them into this project that is Bosnia. So I think that is a difference.

I'd go to that period of reform people referred to, of 2001 to 2004 or 2005, when we were making progress in a number of areas: military, taxes, customs, border service. And it came about with a general recognition that people wanted to get Bosnia into the E.U., that they probably had to change and build institutions to be able to accomplish that, but that development wasn't accompanied by rhetoric about the destruction of the entity, about changing the constitution to remove some of these institutional protections, like three members of the Presidency, like the entity veto, like the House of Peoples, an upper house where representation is based on ethnicity.

Those are there because there's real distrust among the communities. And until that confidence is recovered, you're not going to be able to go as far as some people would like to go in terms of one man-one vote.

That would be my response to it.

Mr. HAND. Kurt, you would like to add?

Mr. BASSUENER. Yeah, I'd like to add a little bit. I mean, I largely concur with Ambassador Bond about some of the differentiation between Silajdzic and Izetbegovic being largely one of tone but tone being very important.

I think the big difference between now and say, 2005, I mean, when the constitutional question was opened—and that was coupled with the perceived retrenchment in American engagement. I mean, it was seen, at least on the ground, because I was there,

as a 10th anniversary present—for a Dayton anniversary present to ourselves, you know: over to you, Bosnia; over to you, E.U.; we're out.

And that opened, you know, the perception on the part of many Bosniaks and Croats—I mean, there was definitely political opportunism in shooting down the April package—but there was also genuine fear that this is the only shot we have, and is this good enough? Because then they're going to walk away. And there was unity in Republika Srpska and the main parties there, saying, this far and no further. After that, you can reform the Federation as much as you like, but we're done.

And I think that, in terms of the sort of Bosnia that was wanted—Silajdzic was the worst spokesperson for the sort of Bosnia he said he wanted. I mean, he was so radio-active in Republika Srpska. It didn't help when he said he is 100 percent BiH; it was interpreted as, I want to dominate 100 percent of BiH. That's a losing message.

But unfortunately, nobody's really stepped into the breach to try to sell a different sort of Bosnia beyond their own constituency very effectively, and I think that's going to be the hurdle that needs to be cleared. Right now, the policy environment makes it impossible to do that without some external stabilization. I don't see that as something that could be changed internally because the incentives are all wrong for that. But incentives are why people behave the way they do. It's not that they're irrational; they're behaving rationally within that system.

Mr. HAND. Nida, you would like to comment?

Ms. GELAZIS. I do want to add something. I defer to Cliff and Kurt about the personalities of the politicians and what to expect from them. But I would like to point out this is one of the main differences between the EU and the United States of how they sort of conduct foreign policy.

The E.U. accession process is designed not to care who is in charge of the country, not to care which political party is driving the process, but that the process is going forward. In Central and Eastern Europe, in many countries, a lot of the parties that were the leaders of E.U.-focused reforms were actually the reformed Communist parties. They were ones that American politicians were a little allergic to after that long Cold War experience. But the E.U. was able to sort of overcome those political differences and focus on simply what is being done and what is being accomplished.

Of course, in Bosnia, it's a little different. You do have to sort of focus on the politics on the ground. And this is, I think, an opportunity for the EU and U.S. to cooperate or to collaborate and combine their styles of foreign policy. But I think it should be acknowledged that this is sort of a very different way of looking at things.

Mr. HAND. OK, thank you.

Mark? You'd like to followup or ask another question?

Mr. MILOSCH. Yes, thank you, this is a rather different one, but I think it's a concern I've heard before and I think it's quite interesting. Has there been any talk of Northern Ireland and the peace process there as a model for Bosnia-Herzegovina? I see several similarities in the police reform, what was a major issue in Northern Ireland, and police reform's been on the table also in Bosnia. I think of a people divided chiefly by religious faith and, I mean, they're all in the same place and, you know, what marks the different nations there is not so much what we usually call nationality, but religion. I wonder if Ireland has seen this and has been engaged or if any of the British politicians who were involved in Irish peace process have.

Mr. HAND. Who would like to start with that?

Amb. BOND. Can I just make a quick comment?

Paddy Ashdown frequently made this comparison, but he drew it to make the point that it took tens of years in Northern Ireland before you established a peace process and that we were pushing Bosnia in less than a generation to recover from the war. So I guess the point he was making is there are similarities, there are lessons that can be learned. The process in Ireland went on for a very, very long time. And it's remarkable how much was accomplished in Bosnia in so short a period after an armed conflict.

Mr. BASSUENER. I would add that I agree with you—having worked for him—this was a point that he made quite frequently: Look how far along we are vis-a-vis how long it took to do Northern Ireland. There are quite a few Irish academics as well who were informed by that and sort of got interested. But in terms of it as being a topic of regular policy discussion or extrapolation of lessons from one to the other, my own view is that quite often that's overdone, and I don't hear that much of it on the ground.

Ms. GELAZIS. Yeah, I would agree that it's helpful and informative, but also not sort of used every day. I think there are countless examples of how many countries in Europe have dealt with both ethnic divisions and religious divisions. There are also bad counter-examples like the experience that the EU has had with Cyprus that they're trying to avoid. But I think that the whole project of the E.U. is about overcoming those big differences, whether they be ethnic, whether they be religious and focusing on those shared values and commonalities and building of institutions and norms that will bind them. I think the problem is that the EU has a big cloud over it right now. It's got other problems just as the United States has big problems, especially with the economic crisis. And the E.U. is forgetting, you know, forgetting the narrative that brought it together.

When the E.U. and the United States forget the reasons for the founding of the European Union, how can we possibly try to export it to a country such as Bosnia? So I think we need to sort of go back to remembering—not idealizing the E.U.—but remembering what brought us to this place and why the E.U. accession is an essential element in the policy in Bosnia.

Mr. HAND. Thank you.

Did you want to say something more, Kurt?

Mr. BASSUENER. I just wanted to say that the E.U. often forgets that the security element of the equation was largely removed from the European Union, you know, the healing and the peace-building that allowed the E.U. to go forward and start when it did. And I think that security and deterrence are terms you don't hear the E.U. use. They are not soft power terms, and soft power, at least from a Brussels perspective, is we're not nasty, and we don't beat up on people like the Americans do. I mean, I'm being very facetious about this, but I think that's basically a subtitle in their own minds.

And so the security element, to be honest with you, is not there. I mean, I've heard people say, well, Bosnia must be stable because we gave it a Stabilization and Association Agreement. It must be stable. They don't want to question it. And I think that element really cripples them in assessing the ground reality of what they have to deal with, which is not to say they can't succeed, but they're going to have to approach their own checklist in a more creative way.

Mr. HAND. OK. Thank you.

Mr. MILOSCH. If I could followup a little bit here, I was thinking, while you were answering the question, that maybe I hadn't asked it quite right. I was particularly struck on the Irish case by the fact that you had a dissimilarity, that you had a Northern Ireland police force; what was it called again? The Royal Ulster Constabulary. The RUC having been deeply complicit in crimes of many of Protestant paramilitaries, and here you have also Serb police who were complicit, so many of them, in genocide. I mean, that's a really a striking parallel, and the need to create a new police force that everyone can trust is really a striking parallel, and I would think that there would be a place there for engagement of the members of the new police force in Northern Ireland, the PNP—the Police Service in Northern Ireland.

Unless you have followup on that particular issue? Thanks.

Mr. HAND. Let's go to questions from the audience.

Who would like to ask a question? Your hand was first. Please come up to the podium. If you could first state your name and your affiliation and then if you're directing it to the entire panel or just one individual. There's also paper up there, if you want to write your name and affiliation as well so that when we transcribe the proceedings, we can get your name correctly. Or you can leave a card there; that would be fine too. I think the microphone is on.

QUESTIONER. I am Zvonko Labas, Executive Vice President of the National Federation of Croatian Americans. We've been very active here, for Croatia and Croatians everywhere, including in Bosnia. I just want to make a short comment. The Ambassador mentioned the marginalization of Croats in Bosnia-Herzegovina. We all know about it, especially in Serbia. Most Croats are out of Serbia anyway. Now it seems that Croats are marginalized by Bosniaks in Bosnia. I just want to warn everyone that if Croats are not given equal rights as the smallest group of the three in Bosnia-Herzegovina and are pushed out, you will end up with two opposite poles that God could not keep together—Bosniaks and Serbs. So we contend that if Croats get equal rights as the smallest group, then they could be the only glue that will keep Bosnia-Herzegovina as a peaceful country.

Mr. HAND. Thanks for your comments. Would any of the panelists like to react? Kurt?

Mr. BASSUENER. Just very quickly, I think the bottom line on what will constitute a functioning Bosnian state is quite simple—which is not to say it's easy to arrive at, it's very hard to arrive at—but the concoction is simple. The critical mass of each self-defined group of people is what Sejdic-Finci is all about. There are a lot of people who don't want to fit into those boxes because their mixed marriages, because there's a Hapsburg inheritance of small communities of Ukrainians and Ruthenians and what have you. They all need to feel that they can pursue and protect their interests in whatever the state structure is. That's the bottom line.

My own view, which makes this even harder to arrive at, is that so long as Bosnia's ethnoterritorially divided it's living on borrowed time, and it will have to be externally buttressed. That's the reality as I see it. And the alternative is a lot worse. The alternative is pursuit of unfulfilled agendas that ultimately lead to violence. And I'm less sanguine than Ambassador Bond about the possibility of that, which is not to say that people are chomping at the bit to do it. But right now there's no firebreak. Essentially, there are no guard rails because the security has to be ensured from without.

I do think, for example, Milorad Dodik means what he says, that he wants independence and he's going to take his time to pursue it. Violence doesn't work for him, but it

might not be up to him. And there's been a remarkable lack of violence since the war 16 years ago, given the amount of ordinance that's floating around and the amount of real grievance. But we have to remember it wasn't a groundswell that brought the war. It took a lot of engineering to destroy Bosnia Herzegovina. It wasn't something that just happened 1 day.

And so prevention of that is something that is relatively—is very cost effective considering the alternative, and it allows for that formula to be pursued either process-wise over the long term, which I think is a realistic prospect. But you're not going to even get—you're not going even start with the first step of that progress until that's assured, from my perspective.

Mr. HAND. Cliff?

Amb. BOND. Let me just add that Bosnia as a concept includes Croats. That's part of the identity of the country. And the best way to secure a better situation for Croats is to get Bosnia into the E.U. That will create economic conditions, and hopefully political conditions, which will make it an attractive society for Croats to remain in Bosnia and maybe even draw some people back from Croatia, many who left at the time of the war.

So I think movement on E.U. integration and things like NATO are very important. That's why this distraction of forming a government and the infighting that's been its cause, which slows down this process of integration, is very damaging to Croats as well as Bosniaks and to Serbs.

Mr. HAND. Nida?

Ms. GELAZIS. I thank you for your question. I think that there should be no doubt that every group in Bosnia needs to be represented in the government. Every group needs to have remedies in courts. Every group needs to be able to make an impact on policy as the country develops further. But I think there are many ways for groups to be heard. I think today in the current institutional structure it's true that most groups don't get a voice. Essentially, there are a couple of political parties that make all the decisions and even, you know, people within the same ethnic group don't have a say in what that government does.

So I also would caution that, like Kurt said, this idea of territorial redistribution which creating a Croat entity would entail, is like sort of bringing the conversation back to the '90s to that territorial redistribution that caused the war. I would suggest there are many ways of making sure, and ensuring, that groups are represented in institutions and I would urge you to look for institutional solutions rather than territorial solutions moving forward, only because this will enable to you—if it's a Croat group—to find there is diversity within that ethnicity as well that can reach out to groups in the Bosniak and the Serb community to find ways of moving forward on specific issues.

And that's what I talked about when I said sort of small-scale reforms targeting students, targeting women, and in this way people can sort of learn how to ask for democratic institutions to be responsive and together build the state that will, you know, take its place in the European nations.

Mr. HAND. OK. Mr. Labas, could you come back up to the podium, because it's being transcribed?

QUESTIONER. Just being clear, I was not recommending the territorial divisions. What I am recommending is to make sure that marginalization of Croats stops, and that Croats are given back equal political rights. I'm not questioning methods, I'm not questioning the

situation. For people who decide and people that are working there right now, Croats are being pushed out.

Before the war there were 825,000 Croats in Bosnia Herzegovina. Today there's less than half a million. Once you reach the numbers of 200,000, 150,000 Croats, they'll be completely marginalized, they'll have no role in the political system and then you end up with two polarized ends in Bosnia-Herzegovina. Not even the European Union nor the United States nor God will keep them together. That's what I was trying to say.

Mr. HAND. OK. Thank you for clarifying that. If I could ask a different question, but one that is somewhat related, and that is about the involvement of Bosnia's two neighbors, Serbia and Croatia, in developments in Bosnia today. Both of those countries effectively were signatories to the Dayton agreement. They both have engaged in considerable reconciliation between each other in the last year or so. We saw President Tadic make a visit to Sarajevo earlier this month. And I think just recently in Brijuni there was a summit of the presidencies of all three countries.

Is this just symbolic? Is it also having some effect on the ground? I think I would probably directly this mostly to Kurt, but for any of you who would want to comment on how constructive Serbia and Croatia are being in trying to support Bosnia and to get the country to move forward with them as they all seek to be integrated into Europe?

Mr. BASSUENER. I think that it's hit or miss, frankly, but I would say the atmospherics and the imagery is more positive than the reality. I think Bosnia has both Serbia and Croatia more involved in its internal politics than it has ever since Dayton and certainly since they've undergone their democratic transitions in 2000. And I would say that this is an aggregate negative. They're filling a vacuum. And I think the mixed messages of the international community do not help in this.

I mean, for example, Croatia's been given green-light for the E.U., even though it's got border disputes with Bosnia-Herzegovina that are not resolved. I mean, that's supposed to be one of the boxes you have to check before you get into the EU or NATO, but it's swept under the rug. Serbia has some too, but Serbia is also much more deeply engaged in Bosnian politics. I'd say that Croatia's a relative newcomer to the game since Mesic left the presidency, and particularly since the elections.

I think that quite often it's just lazy, lack of strategic policy on the part of Washington, Brussels and the other capitals in Europe to assume that so long as Croatia and Serbia are moving forward, Bosnia will move along the slipstream and everything will be cool. No. Not so. In fact, I'd posit the reverse. So long as Bosnia's unstable, and so long as this is an open question in those capitals, it has the capacity to drag the democratization and political development of Serbia and Croatia backward, because nationalism is much more visible in Serbia and Croatia in the sort of unreconstructed pre-2000 form, but it's there in both.

And I worry that these questions remain open and the E.U. and NATO and Washington don't stick to their guns and make sure that standards remain standards. We stick to our own standards, which we quite often avoid. We side-step them when they're inconvenient to try to create momentum and the illusion of progress. And then we delude ourselves into the progress that we manufactured, believing it's real in the hope that it'll be followed by the real thing. And it never is. The message taken on the ground is that we can fake them out. We can have our way. Why should we move to the E.U. when the E.U. will move to us?

And so I think it could be positive if the messages were clear and consistent from the clubs they want to join. I mean, Croatia's already in NATO so that's already out of the barn. But they're not yet in the E.U. That still has to be ratified. And so I think that could be a net positive but only under certain conditions. It's not automatically a good thing.

Mr. HAND. Nida or Cliff, would you like to add something?

Amb. BOND. I don't disagree with what Kurt said. My impression though is that while recently there has been involvement in Bosnian internal affairs by Zagreb and Belgrade, it's much better than the situation was earlier. They both, Zagreb and Belgrade, have to look to their nationalist right and that sometimes drives politicians to use rhetoric or to get involved, as apparently Zagreb is doing now with the failure of the government, the inclusion of the Croats in positions they want in state government, to get involved and to other people inside Bosnia to object to it. But I think it's much improved. There's always room for improvement, but it's better than it was some time ago.

Mr. HAND. Nida?

Ms. GELAZIS. Yeah, I agree. I think we should also remember that, you know, no one symbolic thing will fix the problem of regional integration. It's an ongoing process, it will continue. And I think that the E.U. ought to engage in region-focused policies as well so that the countries can continue doing what they have been doing, which is sharing information on the E.U. acceptance process. Serbia and Croatia in particular have exchanged a lot of information on this process.

And I think that, you know, even if it's a lower level, not at the highest level, of politics that that sort of information exchange between technocrats in countries is very helpful. And all of it contributes to creating unity in the region and making it possible to imagine a future where they're all in the E.U.

Mr. HAND. Thank you. Next question?

QUESTIONER. I'm Cynthia Efird. I'm the Senior State Department Advisor on the Helsinki Commission. This is for Ambassador Bond but also for the others. It's of course positive that university students can get together, but when I was recently in Bosnia we were talking about the segregation of the education at the elementary and higher levels—secondary level. And it was quite clear that the OSCE efforts to ameliorate this situation were strongly opposed by political leaders who claimed to be acting on behalf of parents. And of course the danger is that this means the next generation is being formed with an even worse impression of the other ethnic groups than their parents had.

And I just wondered what role—what could be done by the international community to increase integrated education at the secondary and elementary school level, and is there a specific role for the OSCE now that their current effort seems to have been a failure? Thank you.

Mr. HAND. Cliff, would you like to start?

Amb. BOND. I'll say a few things to that. Education is segregated in Bosnia at the elementary school level, and where there are buildings in which students share classrooms, the students are divided by nationality. Their curriculum is different in areas like literature, some politics. That's why I'm attracted to this little university that I'm working in, because they are trying to develop the multiethnic student body. Universities are largely mono-ethnic as well because of the ethnic cleansing, as a result of the war. And where there are large Bosniak and Croat communities, they have separate universities.

With the resources at hand, I think there are limits to what the OSCE can do. I think it has, in some respects, tried to confront this thing head-on, and it has produced polarization where people fear that their children are being driven into the same classroom. There's resistance. I think there's more that might be done in terms of curriculum developments so that even if they are in different classrooms, at least they've got shared history, shared culture, some knowledge of each other's literature because it's a common Bosnian literature.

I think exchanges are extremely important. You're right. My fear, too, is that we're creating a new generation of people that have not had a lot of experience dealing with other ethnic groups, and think of them as different, don't realize how many commonalities they have. We had someone at the embassy who sent her child to a camp that was being organized, I think it was by an American program, to bring Bosnians—Bosniaks, Croats, and Serbs—together. The child was surprised that everybody was speaking the same language and communicating so well with each other.

You know, that's just anecdotal but, yeah, it's a fear. I think we may be in a position to do student exchanges, bring students together, civil society things that can work to break down those sort of barriers.

Mr. HAND. Kurt, if you'd like to add?

Mr. BASSUENER. Just want to add to that, I mean, the problem here is a political problem. I mean, the reason this has been such a tough nut to crack is because it's the life support system for the political class. Let's face it, there are only about 10,000 winners of the war, and they're all the ones driving the black Audis. And everybody else lost. Some people admit it to themselves more readily than others. That doesn't mean can't still keep people divided through fear. It's very easy to generate that when you inculcate it very early.

And what you're facing now is at least some amazing young people who do color outside the lines, but you have to be more of a non-conformist to cross those barriers than you used to be, because there are fewer opportunities to confront your prejudices and find out they are more irrational on a daily basis than there were before 1992. And this was one of the issues that, frankly, fell through the cracks among the international community. I mean, it got handed off to the OSCE. The OSCE didn't have any authority outside going back to the High Representative and saying, can you crack the whip with so-and-so. And since the whip isn't being cracked about anything—even the dissolution of the state—it's not going to be cracked over education.

And so the perception is that this is acceptable, and the EU doesn't really deal with primary and secondary education. It's not part of the *acquis*, so there's no leverage there below the tertiary higher education level. So it's a real problem. The problem is a political one. I mean you'll find some amazing people who are willing to really cross boundaries, but they are outside the norm simply because the boundaries are already set and most work within them.

Amb. BOND. Just to add, yeah it's political, but sometimes internationals, foreigners, see that these people speak the same language, they come from the same gene pool, they're really the same. Well, people don't necessarily feel that way in Bosnia. They do feel a sense of identity, ethnic identity, cultural identity. So that has to be respected.

And you work to lessen the sense of differences in areas, as I suggested, curriculum development, exchanges, bringing people together. And that can work. It's working in this

little university. They get together when a congressional delegation comes through, and the Congressmen and women want to speak with English-speaking young people to get a fresh sort of voice on what's going on in the country. And so I think there are many ways we can get at it. But you've definitely touched on a very, very important problem.

Mr. HAND. Nida, did you want add something?

Ms. GELAZIS. Just to say that I thank you for the question and for bringing up that issue. I think that points to sort of the reason why the E.U. and the United States really need to focus on a new policy. There is no muddling through, you know, there is no sort of allowing or getting Croatia and Serbia in and waiting until the rest of the region sort of follows through. I think waiting and not doing things will just exacerbate exactly the problems that you raised. So I hope that a stronger engagement will follow.

Mr. HAND. Thank you. Next question?

QUESTIONER. Thank you very much. Mike Dziedzic from the U.S. Institute of Peace. And I'd like to congratulate on you for calling attention to the need to address Bosnia because of the deterioration that's taking place there. We often talk about the need for conflict prevention, and this is clearly a case where prudent and wise action at this stage can help prevent things from deteriorating to the point where a violent conflict might potentially emerge. And your panelists should be congratulated for some very clear recommendations. I would divide them into two categories, top-down and bottom-up.

And my question is going to be about bottom-up. The top-down is a lot clearer to me, especially the U.S. Envoy or Special Representative from the E.U. and the United States to coordinate their efforts and make them more coherent and come up with a strategy. The bottom-up part is the civil society. And I'd really like to get more clarity on what that would mean, how you would operationalize that, who's going to do it?

This is somewhat self-serving, because the U.S. Institute of Peace does engage with civil society. Kurt knows this since he worked with us for many years. But what is it that's needed, and who should do it? And of course civil society sometimes evolves very quickly, but sometimes it's also very glacial. So what can we do that would catalytic and then create a synergy between the top-down and the bottom-up?

Mr. HAND. OK. Thank you for that question. It's a very important one. Who would like to start with the answer?

Amb. BOND. I think Nida's going to have a lot of suggestions. But just one thing. We were talking earlier, before the panel started, and I do think there's a need to get issues out into the public domain in Bosnia in civic society and get them discussed. It's too easy for politicians to manipulate the dialogue by using a few buzzwords and by presenting any argument as a threat to one particular group. I've always thought if we could find a way to bring people together in sort of discussion groups, moderated, on a single issue, explain it, get their thoughts on it. I would suggest bringing groups together that have similar interests. People who are lawyers, people who are students, doctors, people who have a common link so that it is that you're getting more than just an ethnic explanation or an ethnic reaction.

Tape it. If possible, edit it. And then broadcast it as sort of a show that would be entertaining to the public. There are many, many media outlets now, including electronic media outlets in Bosnia. And I think some of them would be willing to pick up some of these issues, especially if they're well edited and well moderated. And you could find that that would go a long way to educate the public. And, you know, it would help fight this

ability of politicians at a very high level to define what the issue is and what the choices are for people and give them a chance to voice their common concerns.

Mr. HAND. Nida?

Ms. GELAZIS. Thank you, Bob. There's a much longer policy brief specifically on civil society that's in this package that I organized, but let me try to summarize it for you.

I think one of the things that came up in our last meeting when we talked about legitimacy in the Western Balkans is that NGOs that are seen as sort of puppets of the West aren't trusted for the same reason that international institutions, including the EU, are sort of suspect, because they don't feel like they addressed the problems that arose in the '90s adequately or fairly. They don't feel like justice is being served. So there is still a lot of tension between the international community and civil society in the Western Balkans at large and especially in Bosnia.

One of the things that we thought would help alleviate that dissonance is, first of all, that we should conduct civil society promotion, we should fund them through USAID. The EU is already doing that, individual EU member states and their various foundations are doing that, international foundations such as the Soros Foundation are doing that. We should support that.

We should also support groups that come up internally with ideas for how to move forward rather than sort of dictating to them what needs to be done, because they understand the culture, they understand their ideas.

And I think that there is a frustration in civil society. We see that in the polls about how much trust Bosnians put in government institutions. There's a frustration with not being able to make an impact on government. And I think that's a very valuable amount of energy that the international community should lock into and support.

We should also bring them—as I said in initial address—into the E.U. enlargement process. It's not easy for the EU to do this, and it may be that the United States could take that role of sort of translating E.U. policies and norms to civil society and engaging with them individually wherever an interest comes up. If the interest is in women's rights, absolutely, let's support that. And let's look at E.U. directives and other E.U. initiatives and other E.U. member states to sort of drive and dictate how that ought to be done.

So sort of building on things that already exist, supporting them financially—I think they definitely need that.

Also, I wanted to mention, there was a conference in Bosnia that some of us attended. Kurt was there. It was organized by Mike Haltzel at SAIS. And there was a panel there explicitly on civil society, and they wrote a joint agreement to cooperate with each other and to move forward on EU accession. And I think there are some websites that were there posting some of their ideas. So I can share that with you and maybe we can add to the briefing record once I get that information.

Mr. HAND. Sure, that would be fine.

Did you want to say something, Kurt?

Mr. BASSUENER. Yes, I did, actually. I mean, I think catalyst is the right term that Mike Dziedzic used. And there are a few things on this.

I mean, one, the prevailing assumption in this whole discussion is that we're dealing with a representative democratic political elite, but I think we have to deconstruct that from the very beginning. Bosnia is not a functioning democracy in the way that E.U. is used to dealing with in the enlargement process. You got three stovepipe political

universes, and the people and the politicians who operate within that don't have to try to attract votes from outside those sort of built-in constituencies. It would be as if we only had primary elections, which is starting to seem like the reality, but you never have to try to attract swing voters or independents. There's no incentive to compromise, there's no incentive to be reasonable.

And frankly, they've got a pretty good deal as it stands. Enlargement doesn't hold many more fruits than they already got. I mean, visa liberalization, to use an example. The reason that moved: not only was it relatively easy—no oxes were being gored on their part—it was something that was very tangible to average citizens. For most people prior to that, E.U. enlargement meant finally being able to get out of the box and travel like they used to before the war.

But the main problem is that I don't think this translates to some of the more difficult issues. I don't think you can extrapolate from that very easily.

The EU's been tone deaf. America's been tone deaf too, but the E.U. has a special problem because the E.U. has been an elite project. And constituency-building is not something that they think they need to do. They assume that when they're dealing with an interlocutor from a wannabe member state, they assume they're dealing with democratic political interlocutors that are willing to do the heavy lifting to join their club, and they have social, political consensus behind them.

That's not the case in Bosnia, so they have to sort of recalibrate their whole approach, both bottom-up and top-down. I mean, you put the people in the middle. The people actually are at the bottom rung, the politicians in the middle and the international community is at the top. Once upon a time, politicians were oriented to looking up. They were afraid of getting removed, they were afraid of sanctions. They're not afraid of that anymore. It's a happy hunting ground now. They're also not afraid of their constituents because they don't have to be. There are two tools that they could use: patronage and fear. And fear is a hell of a lot more salient than it was 5 years ago; patronage, maybe less so, but still potent enough.

So I'll give a concrete example of the sort of thing that could be done that could give a leg-up to self-generating civil society rather than grant-eating civil society. You put out a request for proposals and people say, oh yeah, we can do that. And there's a lot of that, not just in Bosnia, that the priorities of the capitals drive the priorities of civil society, so they're disconnected, they're not really civil society, they're an NGO class.

Before the election—and this is something I tried to encourage the European Union to do or the commission to be more specific, but they didn't want to do it because they didn't want to get involved in politics—I said, OK, go issue-by-issue. Go through your own checklist of the SAA. You said in 2006 that Bosnia needed an agriculture ministry, for example. Now, Bosnia's negotiated a Stabilization and Association Agreement with the EU, but the Bosnian farmers do not have market access to the EU because they don't have an agriculture ministry and a state food safety bureau to certify their products are safe. Who does this hurt most? Obviously, Bosnian farmers. But which farmers more than others? The ones in Krajina. They're got the best farmland; they're closest to the EU markets. They're predominantly in Republika Srpska. The RS is the reason there's no agriculture ministry, because state competences are evil, right?

So that would have been connecting those dots, spelling out how much it costs in KM and pfeniga. It would've been a stick that could've been used very effectively before the

October elections. And if they went through the checklist issue-by-issue, sector-by-sector, nobody's ox would not have been gored, because everybody's protecting some kind of racket.

And citizens would've actually got the idea, wow, you know, the EU actually cares about us, not just its partners in elite set. And it would've given people in these constituencies that you mentioned, Cliff—farmers are one of them, definitely—who have a common interest. And they've recognized it before, they tried to mobilize in 2005, 2006; it never went anywhere. It is something to work with. And I think that sort of analysis that is politically trenchant would be very helpful for them and it would give them the wherewithal to come up with an idea to pursue that.

Mr. HAND. OK. Thank you.

I will ask one question to each of you—so three questions all together. Whereas I'll direct a question to one of the panelists, you can all chime in if you feel like making a comment on the other questions.

If I could first start with Nida: The Ambassador made a comment about the E.U. sanctions that they were potentially going to use against those politicians in Bosnia who oppose Dayton. And correct me, Cliff, if I'm wrong, but you didn't seem very positive on the ability of the EU to actually carry those out.

Amb. BOND. Well, it was something that was under discussion; it doesn't seem to have been developed or supported.

Mr. HAND. I was wondering, Nida, if you could comment on this. Do you believe that, had Mr. Dodik proceeded with the referendum or tried to take further steps, the EU would have gotten a backbone and taken stronger action? Or is this something that they just thought up and it's just sort of on paper that gets shuffled around the capitals and doesn't actually mean very much?

If I could then ask Kurt—he had mentioned, I think, more than the other panelists, the Sejdic-Finci case—if you could elaborate on that a little bit more. I mean, it clearly is something where the European Court of Human Rights has ruled in their favor. It's clearly something that needs to be changed. What are the obstacles to actually getting that changed?

I think you had commented that it was not a major issue compared to some of the other things we're addressing, but doesn't it have quite a symbolic effect in terms of what it says about ethnicity as defining who participates in the political life of the country? That could have some fairly significant reverberations when you do start talking about constitutional reform in a broader sense. So if you could comment a little bit on that.

And then Cliff, I was glad that you mentioned the issue of the U.S. envoy. That is something that I have supported here in my work as well. I know that the House of Representatives passed a resolution in the last Congress—I believe, H. Res. 171—which called for a U.S. envoy to be appointed. But let me be a little bit of a devil's advocate on that, Cliff, and ask you to elaborate on the U.S. approach to Bosnia under this administration. We have to admit, we did see a lot of high-level visits in Bosnia: the Vice President, the Secretary of State. I believe Bosnia is No. 2 or 3 on the list of countries that the Deputy Secretary has visited. There's been a lot of high-level attention paid to Bosnia—and not just Bosnia but to the region. But there's not a whole lot, really, to show for it, from what I can see.

I was wondering if you could elaborate on what's wrong. Is it only symbolism, that there is nothing backing it up, that people at a high-level come and they say things but it's forgotten the next day? If you could elaborate a little bit on what an envoy would do—I think you mentioned a little bit, or maybe Kurt did, in terms of working with the Europeans more and things like that—that we don't see currently happening with this Administration, even though there does seem to be a lot of high-level interest in supporting Bosnia.

Those are my three questions. And again, if the person to whom I asked them could maybe take the lead in responding, but you can all chime in as you want. And in the meantime, I'd like for the next person to raise their hand to ask a question.

Ms. GELAZIS. OK. I guess I'll start with the sanctions.

I have no idea what Catherine Ashton said to Dodik when she visited. And I think that may be part of the problem, that it's not as transparent as we would like. If it was more transparent, the U.S. Government could help if they want.

We should not assume something bad. Again, I want to mention the goodwill that we should assume from the E.U. I think people in Washington were hurt when they heard that Ashton sort of took this on herself to end this. I think there is mounting evidence that there are some political leaders in Bosnia that are enriching themselves, and that this information could be brought to light. Maybe that would be something that was used to convince Dodik not to move forward with the referendum; we won't know.

But I would hope that the E.U. and the United States could cooperate in the future with carrots as well as sticks. And if the E.U., which for many reasons doesn't want to seem like they're compelling Bosnia or holding a gun to Bosnia's head to create reforms—since that's not something that the E.U. wants to do—maybe, you know, when necessary, this is where the United States could step in.

And that's what I was hoping to get at, sort of this burden-sharing, this joint policy between the E.U. and the United States. If they coordinate their policies better, they might get what they want or they could reap the benefits without actually having to suffer the costs of those policies.

Mr. HAND. OK, thank you. Kurt?

Mr. BASSUENER. I just want to chime in on that real quick. I mean, there's certainly no necessary contradiction and, in fact, quite a lot of potential synergy between the American, European and other interested actors in Bosnia-Herzegovina outside the PIC Steering Board. Actually, many of the donors to Bosnia-Herzegovina are not represented in the PIC Steering Board—Norway, Sweden, Switzerland. And many of the members of the PIC Steering Board, aside from the United States, have effectively checked out as major donors.

But I don't think the Ashton episode was a misunderstanding or at least fundamentally a misunderstanding. I mean, if there was to be coordination, the understanding Americans had was that we were going to go into this together and deal with the referendum question. The fact that that was done without prior consultation—the Quint was informed hours before she went to Banja Luka—that was the problem. And it was seen as the E.U. acting on behalf of the full PIC without consulting the full PIC, and that was the problem.

I'll pass to Cliff.

Mr. HAND. OK, go ahead.

Amb. BOND. I'd just add on the Ashton agreement—yes, it ended a confrontation, but it didn't solve the problem. The RS, the Republic of Srpska, still believes it has the legal right to use referenda to challenge state institutions. And there are a whole row of state institutions that they've set up like ducks that they want to shoot at. And they include the value-added tax or VAT, the taxation service, the customs service, the central bank, the state investigation and protection agency—these are all critical state institutions. So it may not have resolved the problem; it may just have put it off.

Mr. HAND. OK, go ahead, Kurt.

Mr. BASSUENER. Just very quickly. What I think showed very clear disconnect, though, which I don't think could be attributed to simply misunderstanding or bad timing, was the fight over the OHR budget that happened immediately after the Ashton visit. And this was an attempt essentially by the European Union to unilaterally cut the OHR budget. And they were aiming specifically at the areas that Cliff just mentioned—rule of law, Brcko district, single economic space by targeting particular departments. And that contributes to a lack of sense of common endeavor.

Finally, on the E.U. instruments. The E.U. has been talking about these “restrictive measures” to use the terminology they use. And according to the white paper that they had published on this, you know, this means visa bans, asset freezes and ability to stop E.U. funding mechanisms.

The only restrictive measure, by my read, is actually on the E.U. head of delegation, because E.U. Special Representative Inzko could have done this, could have raised this with the members of the E.U., the Council, that ultimately had to decide whether to put these into place. Already, what this new mechanism does is to add a step. It ensures that there has to be commonality among the E.U. heads of mission within Sarajevo before it ever gets to Brussels. So it gives one more opportunity for the weakest link in the chain to object and kill it. So it's not going to intimidate anybody.

Mr. HAND. OK, thanks. Why don't we go back to Cliff to focus now on U.S. policy and the U.S. Envoy issue versus the high-level attention that Bosnia's received thus far. And then we can go back down the line to Kurt and Nida, and then we'll go to Kurt to focus on the Sejdic-Finci case.

Amb. BOND. Well, the idea of an envoy or representative for me is not, as Kurt said, to replace the Ambassador in Sarajevo. It's not to replace someone in a position in the State Department currently. It's to provide some sort of coordination with all of the players that have the influence on the situation on the ground in Bosnia. And you're right; the Swedes, the Norwegians and the Dutch are giving a lot of assistance. A lot could be done to coordinate with them on the civil society initiatives, for examples.

We are, as people have used the word here, reactive, just as the E.U. is. We need to be coordinating with people as a problem develops and speak coherently and jointly about it. If the E.U. gave a counterpart to an American, such an American envoy, that would improve the coordination that everybody's talking about. We'd be sharing information with each other. Now, I can see why some people in Brussels would not want the Americans in their knickers—E.U. capitals. The way the E.U. works, Nida may be in a better position to describe, but the E.U. regularly discusses these issues with all of its member states and produces a policy that has the full support of all of them. You need unanimity. And it produces the lowest common denominator; nobody sticks their neck out. It's the reason why I would like to see the E.U. delegation on the ground be given a lot

more authority, take a lot more initiative. I mean, you had that period of a burst of reforms from 2001 through 2004, because the reforms were being generated inside OHR with the support of the international community. It was happening on the ground. Too often, people come from Brussels, they parachute in, as Ashton did, as she was negotiating with Dodik, and they don't really know what the situation is on the ground.

And so I think an Envoy would produce more consistent policy, more coordinated policy. I know that the position of the administration right now is that they don't see the need for it. But you point out we have had a lot of engagement. It hasn't produced any results. What are we going to do differently?

Mr. BASSUENER. I'll just follow on that. I mean, I agree completely, but I'll get into more gory detail on the mechanics. I mean, the reality is that the member states make the E.U. policy except when they don't care, and then the bureaucrats make the E.U. policy. I think we have a combination of both right now. The policy toward Bosnia-Herzegovina is primarily bureaucratically driven because it's enlargement driven and now there's a process. There's a checklist. It's bureaucratized. And I think the prevailing assumption and hope is that they could just plug and play and they don't have to learn anything because they've already figured it all out, which is not working.

There's also fatigue, frankly. I mean, you see this with the E.U. military force, which is hollowed out. Its mandated strength is 2,000. It's down to about 1,300 now with the withdrawal of the Irish contingent, and the Germans are reducing what little they had left. So it's predominantly Austrian, Turkish, Hungarian, and a few Bulgarians who do base security at Butmir. That's it.

And essentially people are checking out unilaterally. These decisions are not being made collectively. These decisions are being made on the fly by individual member-state capitals, and what it is leading to is essentially an abeyance of any sense of rules or limits. A U.S. Special Envoy or a U.S. High Representative—anyway, a single, connective node, if you will—is necessary because you can't do this with the long screwdriver. You can't just do it with periodic, episodic visits and phone calls. There needs to be somebody whose full-time job is to be the sheepdog of the western members of the PIC.

Let me give you a concrete example of how that could work. I mentioned the International Judges and Prosecutors decision that was in December 2009. The delineation of the countries was as I mentioned. Had the American position been different, it would be otherwise. But you could pick any issue you like. What's ultimately going to matter is that the center of gravity of the E.U. is Germany. Right now, I think the United States actually has more equities with the French than we have had at any point because of Libya in recent history. And frankly, the French are less politically invested in what's going on in Bosnia. They care less, so a policy pivot is going to hurt them less than Germany, which has invested more. But those two have to be brought inside. The Italians will come along, and then you could drag the bureaucracy, and the Russians will have to decide what to do. But it doesn't start to turn unless the Americans initiate that process. So you need a Special Envoy or an American High Rep to do that. That's the only way it's going to happen.

Mr. HAND. Thank you.

Nida?

Ms. GELAZIS. Thanks. I'll take a different position. I guess what I've been observing over the past few years is sort of a paradigm shift or attempt at a paradigm shift. For

years, the United States was the driver of policy in the western Balkans and especially in Bosnia. We had a very close relationship with Bosnia. We had an interest to preserve what we had started, and we were the drivers. I think the paradigm shift that we're attempting is that the EU becomes the driver of that policy. I think that it might have been ham-handed, the attempts to block the OHR's budget. But I think in raising the EUSR, the OHR needs to be at a lower status. I think that there needs to be one voice in Bosnia not only for the E.U. but also for this E.U. and U.S. partnership that a stronger EUSR could provide. I mean, why not have the EUSR be this sheepdog that you were talking about? They might not have convinced you in the past, but maybe this new EUSR will be able to do it. So I think we might give that a chance to work.

A special envoy in the United States could help focus the debate here, but I would hope that that Special Envoy would simply echo what the EUSR has to say, and maybe that's the reason the State Department thinks that they've got it covered.

Mr. HAND. OK, thank you.

And then Sejdic-Finci—Kurt, do you want to start?

Mr. BASSUENER. Yeah, sure. And I know that both my colleagues will have something to say on this as well.

This is something that everybody saw coming for a very long time. I mean, this goes back to the Venice Commission's opinion of 2005 that there's discrimination on two particular offices in the governance structure of Bosnia-Herzegovina.

First, the presidency, where there's a representative of Bosniaks, Croats, Serbs with the Bosniak and the Croat elected within the federation and citizens can vote for whoever they want and in Republika Srpska citizens, no matter what they want, have to vote for a Serb. You have to be one of these groups. Now, there's no ethnicity police, so you get some interesting people claiming to be one group or the other. But the two plaintiffs or claimants in this—Dervo Sejdic is a Roma, and Jacob Finci is a Jew, a Sephardic Jew—have both said, well, "wait, you know, I'm a citizen of this country and I can't be elected President; there's something wrong with this system." And they took the case to the European Court of Human Rights, and in December 2009, they finally won.

The second office is the House of Peoples, and this has five representatives of each community, each of the constituent peoples, but again, you find the problem of where do they fit in?

The hard part of this is how you implement it, and this is why I mentioned the Serb and Croat political leaderships being, despite their recent comedy, not on the same wavelength at all, because the RS position is to remove the ethnic label, because we know a Serb's going to get elected from RS anyway. That's a given, so we're not risking anything. The HDZs have said, well, "wait a minute, you know, we're already are having a problem with Bosniak votes electing the Croat members of presidency." Even though he's Croat, he's from the SDP, so they claim he's not a legitimate representative of their view. And so this is just going to dig that hole deeper. I mean, they don't state it outright as much, but the only way you really get around that is by a territorial constituency, so you'd have the representatives derived from an area, and then you could do it and do it the same way in the House of Peoples.

Where would you put the others in the House of Peoples if there's a territorial element and they're spread throughout the country? I haven't heard any convincing arguments on how to deal with that. There are varying views on how to deal with the presi-

dency. Do you add a fourth member? I mean, so you could end up potentially with a country even less functional than the current model to comply with this ruling. Now, yes, there's a potential ripple effect. I mean, you're finally complying with the Council of Europe requirements that have long been flouted, but—I wasn't downcast on the importance of this—unfortunately now constitutional reform as a concept has been reduced to this thing that doesn't affect the functionality of the state at all. And that's what worries me, that this will be a box-checking exercise and a lot of places say, yes, we've got progress in the hope that momentum will be generated from it, and I just don't see it.

Mr. HAND. Would either of the other two panelists like to speak? Nida?

Ms. GELAZIS. I'd like to link this question with what we talked about earlier, civil society. I think Kurt explained it very well. The way forward is not simply to say, OK, let those three parties decide on something that they can agree upon. Rather, we should bring in civil society to actually discuss these things. I think the issue that the court and the Council of Europe have something to offer Bosnia should be made, that there are human rights norms that have been adopted by European countries because they've had these problems before. They've solved these problems by adopting their political structures to these human rights norms. And they've succeeded. They've largely succeeded. And this is sort of an opportunity for the international community to engage with civil society, to do constitutional reform not in a closed door but in the political society. And that should be a way forward, and it might be able to avoid those problems of creating an even more complicated system. The E.U. reports are full of admonitions that the Bosnian political system needs to become more coherent and streamlined, and that should be taken into account when the reform to comply with the Sejdic-Finci decision takes place, hopefully soon.

Mr. HAND. Cliff?

Amb. BOND. Just a comment. I think it's been explained, but the irony is that the Dayton constitution, which includes these violations of the European Convention on Human Rights, were supported by European countries who were already signatories to the convention. The problem with addressing the case is that the Serbs would like to do the minimum. Most of the other groups, the two other groups, would like to do more. This is just one small part of constitutional reform, and they refuse to just take this small step without some accompanying larger steps that address the question of functionality. And that's why it's sort of stalemated.

Mr. HAND. OK. Is there another question in the audience? If not, I know that Mark has one. No?

Mark.

Mr. MILOSCH. Thank you, Bob, for what I guess will probably be our last question here. I'd like to give you a bird's-eye view of the Bosnian conundrums as we're dealing with them here. It's, you know, a bird's-eye view; it's certainly also a layman's view, but I don't think what I have to say is completely idiosyncratic. I think it's probably in its main line fairly widely held. It seems looking at the situation, bird's-eye view, you know, from 35,000 feet, that both sides basically have each other in check; that is, the Serbs have the Bosniaks and Croats in a situation where they can't create a unitary, one-person, one-vote state; and the Bosniaks have the Serbs in a position where they can't secede or create an autonomous republic completely autonomous within Bosnia.

So the situation where we're each in check but neither one of us can move on to checkmate is one that's also very unsatisfactory to both sides. So when I ask myself, well, so what happens next, it seems that there are two possibilities. Either you could have a vigorous push from outside to rearrange the board such that something could happen, or it could just go on indefinitely in the Dayton arrangement. To give a kind of conclusive judgment on it—again, this is, of course, my judgment, a layman's judgment—I'm sure it's open to lots of criticisms, but I don't think we want to go forward with the current situation indefinitely because, of course, nothing remains the same indefinitely. Things change. And when things would eventually change if we allow the current situation to just roll on, it will probably change because things have gotten worse, and we'd be dealing with bigger problems.

So if we come back to this question of an outside push, we're really only talking about two candidates, the E.U. or the United States, I think—I'm certain no one wants a push from Russia on this—we're talking about the E.U. and the United States. I don't think we're going to get a push from the E.U., which brings us back to the United States and this question of, you know, is it possible, conceivable, advisable, desirable to have a strong, vigorous push from the U.S. Government to move this negotiation forward in some way that would bring it to a conclusion, you know, that would create a one-person, one-vote unitary state. And I'm sure there are problems with this as well, but from my point of view, this is at least somewhat, in many respects, desirable.

I'd like to hear from you: Is there any energy moving in this direction, or is this a direction in which opinion may be moving as far as you can perceive it in Foggy Bottom or among opinion makers in general in Washington who are going to decide this question? Yeah, that would be the big question.

But following up on that, if—and of course, it may be going in the opposite direction—what might be preventing it? You know, we're very concerned about Bosnia here, but, of course, it's a big world, and maybe this is just the type of solution I'm talking about here that is presented by, well, the reset with Russia or our relations with Turkey or we've already consigned this to the E.U., and our relations with the E.U. are more important than what would happen from taking something back. Or maybe it's just something simple like, gosh, this is just a terrible problem, and nobody wants to be responsible for it because nobody believes that they can solve it.

I'd like to hear your thoughts on that and, finally, an action item thing because this Commission is supposed to be about action and Chairman Smith is the Chairman of the Bosnia Caucus. There's the question of whether Congress should—and the Bosnian Caucus here would be a leader—reengage on Bosnian questions, expressing its views to the Department. I imagine I'll hear some strong views from some of you certainly, but maybe from all of you.

Please.

Mr. HAND. OK. Cliff, would you like to start with that or——

Amb. BOND. Not really. [Laughter.]

Well, you know, people on the panel here and you folks have discussed some ways of changing the dynamic. I think direct confrontation is not the way to go. As you said, the RS can block any constitutional change if it doesn't agree with it. They have to be brought along.

For my mind, that means constitutional change in Bosnia is going to have to be limited and gradual, and it can only be done if you buildup confidence among the three communities. Coming in with a big hammer, I don't think would necessarily be helpful. The Butmir process—they didn't use a big hammer, but they offered them a very good deal. The E.U. and the United States set out some constitutional reforms which, as I say, were limited. They didn't address some of the deal breakers, like entity voting; but it did do some specific things to improve the functionality of the state. And it was rejected.

I think we have to work to change the political dynamic there, change the way the people think about it, change the loyalties that some voters have for some politicians who are obstructionist. The E.U. has to do a better job of selling what it is that needs to be done. And the things that need to be done don't need to do away with the entity; they're more modest than that. And we have to do a better job of selling why integration in NATO and the E.U. is so important.

So that's sort of where I come from, and then I'd make a comment. I don't sense that there is any appetite in the international community right now to use a big hammer or try and do a Dayton II or whatever, and negotiate a new constitution for the country.

Mr. HAND. Kurt?

Mr. BASSUENER. Yeah, I mean, I think we need to be realistic or honest about what the international community can and can't do. The solution—any solution that's going to stick—is going to have to be organic; it's going to have to be something that the citizens of the country, however they identify themselves, whatever their identity is, buy into. And if a majority of one community doesn't buy into it, then you're stuck. You have to go back to the drawing board or you tweak it until they can.

But the international community can affect the context in which these people approach this problem. I mean, I'm actually a very frustrated optimist and not a pessimist about Bosnia. The only referendum I'd love to see, frankly, is what I call the Goli Otok referendum, which is if you ask any Bosnian, would like to send all your political leaders to Goli Otok—which was the prison island Tito sent the Cominternists to in 1948—4 out of 5 would say, "yeah." There's no love for the political class in Bosnia in Herzegovina; they're all pretty despised universally. That's something to work with from a civil society perspective, and I think that holding the ring is what we can do.

You've seen this transmutation from 1996 to now where, in 1996, Dayton was a dirty word in Republika Srpska. It was spat out with venom. It was something that they saw as preventing the unification of RS with Serbia. Now they're Dayton fundamentalists. They've gone from Dayton rejectionism to Dayton fundamentalism in 15 years. The obvious retort is, "if you love Dayton, you'd better love to learn the enforcement mechanisms of Dayton, which are Annex 10. That's the High Rep, and that's EUFOR. And they can hang out; that doesn't have an expiration date." And that changes the context completely, if it's believed.

And that's a problem. We have a credibility deficit in Bosnia now. The international community's credibility has never been as low as it is now. And that's something that is remediable; you can change it. But it's going to take American leadership to change it. It doesn't mean American confrontation of the European Union. And it's not just America and the EU: It's Turkey; it's Japan; it's Canada. It's the PIC steering board, and ultimately it's Russia too.

But Russia has been an opportunistic scavenger in all of this. They get to pick fights with the West and stick their finger in our eye because it's free. They don't have to expend any political capital to be a pain. If they did, they might operate differently because they don't have any real interests on the scoreboard right now, other than economic and those would be safe pretty much with anybody.

So I think establishing that context would allow those citizens who want to get traction to get it. I don't think an internationally devised deal is a good idea because it won't stick.

What's standing in the way of preventing a more concerted or strategic American engagement? I think it's just in the "too-hard" box on people's desk. There are residual elements, I think, that we don't want to be seen to picking a fight with the E.U. in their own backyard. I understand that public confrontation wouldn't be good—confrontation isn't in the way to go.

But I think there is a recognition on the part of member states of the EU—and to a lesser extent with E.U. bureaucracy because they have more vested against a policy pivot—that this isn't working. We need to try something else, not just continue trucking on bureaucratic autopilot, which is where we are now. So I don't think an incremental added effort with more focus would deliver a lot of results if you have a designated hitter to deal with it. And that could be a Special Envoy, that could a High Rep. But this person needs to have access to the top and he or she's going to need to call on it to get Berlin and Paris to move. And then you can get Brussels to move. Unless that happens, it won't shift.

Mr. HAND. OK. Nida, you can have the last word of the panelists.

Ms. GELAZIS. Thank you. Mark, I think that there is still an appetite for working on Bosnia in Foggy Bottom and throughout Washington, as you see from us today. There have been many attempts—sort of large-scale attempts to do constitutional reform. And I think all of us in the E.U. and the United States would have, you know, been grateful if they had worked, but they have failed so far.

So now the idea is to shift the focus between sort of the large projects that have been easily scuttled by the rival political factors on the ground, and moving to sort of smaller scale issues, engaging with civil society to make sure that it's harder for one political party to undermine the larger policy creating greater transparency. I think we're looking at a longer timeframe than just a couple of months of big-bang reforms. And I think we've sort of come to terms with that.

The National Endowment for Democracy organized a conference last fall, that Kurt was part of also, and that looked at ways of engaging the newly elected leaders in changing the dynamic of the constitutional reform process. And now we've been waiting for them to form a government so that we can start that. So I don't think that there's a lack of appetite. I think there's a lot of interesting parties, a lot of good ideas that still haven't been tried. And I hope that one of them works.

Mr. HAND. Thank you. Before turning it over to Mark to close this briefing—we're running a little bit behind—I'd like to personally thank each of the panelists for their presentations. On Thursday in this same room at 1:30 our Commission is having a hearing on U.S. policy toward the OSCE. That hearing traditionally also includes U.S. policy to the various countries of the OSCE that are of concern. So maybe some of the issues that have come up here today can find their way into that hearing. We will have

Assistant Secretary for European Affairs Phil Gordon, Assistant Secretary for Democracy, Human Rights and Labor, Michael Posner, and from the Defense Department, Assistant Secretary Alexander Vershbow. I think that will be an opportunity maybe to raise some of these issues.

Overall, the sense that I get coming away from this briefing is there's a lot of goodwill toward Bosnia, but there's maybe not enough political will. And we need to focus a little bit on that, and see if there is a "too-hard" box and if we can pull some things out of there and put it in the "must-be-done" box. And I think that's part of the role that Congress plays in the U.S. foreign policy process, to try to encourage that kind of debate and show some support that could actually help the Administration maybe move forward on things that might be tough to do.

And so with that I'd like, again, to thank our panelists and thank my colleagues who have helped put this together and the audience for coming and listening to me talk as much as I have and asking questions. I'll turn it over to Mark to adjourn the briefing.

Mr. MILOSCH. Well, I think we've taken care of most of the thank yous. Thanks not only to Bob Hand for the wonderful work, and also to Josh Shapiro for the wonderful work on the hearing. With that—I don't have a gavel—we're adjourned.

[Whereupon, at 4 p.m., the briefing ended.]

APPENDICES

PREPARED STATEMENT OF KURT BASSUENER, SENIOR ASSOCIATE, DEMOCRATIZATION POLICY COUNCIL

Dear Esteemed Members of the Commission and Staff,

Thank you for the opportunity to appear before you this afternoon to discuss the situation in Bosnia and Herzegovina, the international posture there, and the implications for American policy.

I would like to ask that my statement be entered into the record; I will abbreviate it in my remarks to allow ample time for your questions to my panel colleagues and myself.

There is recognition in Washington that the situation in Bosnia and Herzegovina has deteriorated over the past five years, doing so at an accelerating pace. Assistant Secretary of State Philip Gordon said as much publicly last month in Sarajevo. Yet there remains a misapprehension of how the situation came to the point where the territorial integrity of the state has had to become a regular American talking point. This is what I want to discuss with you briefly today, as well as how the dynamic might be shifted so that citizens of all the country's self-identified communities who do want to make the country work for them can begin to gain traction.

To put it bluntly, the situation in Bosnia and Herzegovina now is in the midst of deterrence failure that has yet to flare into violent confrontation. The standard international approach of the past few years, demonstrated most recently in the latest communique by the Peace Implementation Council (PIC) Steering Board, is to implore the country's politicians to cooperate in the public interest. That is, form a state-level government, commit to passing the minimalist batch of reforms required by the European Court of Human Rights and demanded by the European Union and NATO to allow the country's progress toward integration. Yet there is an ingrained international unwillingness to grapple with the incentives in the current system that have led to this political impasse. Bosnia and Herzegovina's politicians are acting completely rationally within the Dayton constitutional system's incentives, fearing neither their electorates nor international sanction. They are insulated from the former by their ability to leverage both patronage—and more saliently of late—fear. These fears vary on the audience in question, but they boil down to the fears leveraged in the 1992–1995 war.

This brings us to why we are having this briefing this afternoon. Up until 2006, the prevailing sense among Bosnian politicians and citizens alike was that things would not be allowed to fall apart. This sense was grounded in the appreciation for the state-strengthening successes that had been accomplished from approximately 1999 through 2005. This perception began to crumble in 2006 as the international shift in posture and its implications became apparent. In late 2005, the international community represented in the PIC Steering Board came to the conclusion that the process of Dayton implementation and peacebuilding had been so successful that the progress made was irreversible and had developed its own momentum. While some unfinished business was acknowledged—constitutional reform and police restructuring—the prevailing consensus was that the international community could downshift in its role, confident that Bosnia and Herzegovina would propel itself into NATO and the EU; it was just a question of when. So the “transition” away from the executive responsibilities embodied in the international High Rep-

representative and the military deterrent of EUFOR (until late 2004, a role performed by NATO) toward an undefined EU presence focused on promoting the country's integration was widely accepted.

Yet over the course of 2006, all the assumptions behind this policy course were proven wrong. Milorad Dodik's assumption of the Republika Srpska's premiership in March 2006 brought the reform process to a halt; Haris Siladzic's zero-sum political posturing vis a vis Dodik ended all efforts at compromise, and the failure of the "April package" of constitutional reforms heralded the regression that continues to this day. Dodik's aggressive use of nationalism illustrates one of the fundamental weaknesses of the Dayton system—it not only preserves the nationalist politicians who signed on to it (and who were themselves the drivers of the war itself), but also generates new ones, because it is politically profitable. By the Fall of 2006, the fact that there was a "stall" in the transition process began to be recognized. But instead of questioning the basis of the international approach or the reasons for political paralysis in BiH's political class, the PIC Steering Board has simply kicked the can down the road ever since. The international community remains on this bureaucratic autopilot.

The message has not been lost on Bosnia's politicians or citizens: the rules that applied in the decade after Dayton, an especially in the years 1999–2005, no longer apply. The tools are still there, but they have fallen into atrophy from disuse and are in the process of being hollowed-out. Bosnian nationalists and ethnic entrepreneurs got the message; there need no longer be constraint on unfulfilled agendas, of which there are quite a few—RS independence and a "third entity" among them. This makes the situation increasingly dangerous, ripe for miscalculation by Bosnian and international actors alike.

Furthermore, it has become clear to all who wish to see that the PIC Steering Board is deeply divided into two camps, with that divide widening. The decision to discontinue international judges and prosecutors in the Court of Bosnia and Herzegovina's special chamber for organized crime and corruption, the continual fight over how to interpret the "5+2" criteria for the closure of the Office of the High Representative, the surprise visit of EU Common Foreign Policy Chief Catherine Ashton to Banja Luka on May 13, that month's battle over the OHR budget, and the divide over maintaining the supervisory regime over Brčko District all illustrate this. On one side, there are those PIC Steering Board members who hold that there is no need to maintain the executive powers of the High Representative and EUFOR; the EU enlargement process has enough in the way of incentives to facilitate a turnaround. This is the view held by the EU institutions themselves, as well as France, Italy, Germany, and Russia, and they have often acted unilaterally to pursue these goals without collective consultation, such as withdrawing contingents from EUFOR. They have also advocated sidestepping their own conditions. The second camp is increasingly skeptical of this approach and remains to be convinced. The US belongs to this group, along with Great Britain, Turkey, Canada, Japan, and the Netherlands. Until there is a course that generates the support of an overwhelming majority in the PIC Steering Board, this downward spiral will continue. And it will not end well. Absent a re-establishment of deterrence, there is nothing to prevent a re-emergence of conflict.

This is not to say that I believe that organic and meaningful progress toward a functioning state is impossible. I am a frustrated optimist about the potential of the country's citizens to find a *modus vivendi*—an agreement on a governance structure that can be responsive to their needs and allow them to protect their own individual and collective

interests as they—not their entrenched political leaders—see them. Yet under current conditions, traction toward that goal is well nigh impossible. To allow for progress, citizens of Bosnia and Herzegovina must be reassured that a collapse will not be allowed to happen. Confidence that this was the case was present up until 2006. It has long since evaporated.

The role of external actors in Bosnia is limited to providing those who want to make the country work with a more conducive environment to make progress; a solution to Bosnia's governance cannot be dictated from without.

As of now, the international guarantors of the Dayton Accords are failing in this role. Furthermore, the prevailing dynamic of allowing the EU alone to set the terms of international engagement in Bosnia is setting the whole PIC up for failure—the EU and the US included. The West will succeed or fail together in Bosnia. While the prospect of EU enlargement is doubtless an important factor and holds potential should it be more creatively used, relying upon it alone to drive progress in Bosnia, as the EU bureaucracy and majority of members espouse, will lead to collective policy failure. Washington does itself and its EU partners no favors by skeptically but politely going along for the ride.

To prevent further backsliding and allow for progress, the American role in the PIC needs to become more active and strategic. There is no reason that the EU cannot work together with the US and other Western members of the PIC toward a common position or that Russia cannot ultimately be brought on side. The roles of the EU and the PIC can be complimentary, but they are different. The movement to a successful policy shift necessarily must start in Washington. To this end, I propose that the US Government undertake the following measures to catalyze the necessary policy shift.

A policy that could help reverse the current dangerous deterioration is relatively simple. So long as the Dayton Annex 4 constitution remains in force, so should the executive mandates of the High Representative and EUFOR—and they should be used as-needed. There should be no more artificial timelines, since they encourage intransigence and foot-dragging by the political elites who benefit from the current system, which in turn leads to skepticism among average citizens that anyone at all is thinking how to resolve the country's problems. Developing the support within the PIC is something only the US can initiate. The mechanics of this are relatively simple, and require few additional resources, though it would require some political heavy lifting. But the nature of the shift would not be particularly arduous. First the US needs to develop a common approach with those PIC members who are skeptical of the current EU-directed policy, then it must develop support within the EU members for this alternative. Germany is the EU's center of gravity; a policy shift in Berlin will precede a shift of the EU's collective policy. However, given Washington and London's increased equities with Paris since the launch of the Libya operation, France might be worth approaching first.

In addition, let me propose some concrete contributions the US can make toward a change to a more honest and ultimately more constructive policy toward Bosnia.

Propose an American High Representative. The 1996 division of labor, with the US leading the military side of peace implementation and a European commanding the civilian side is now obsolete with the unification of the EU Delegation. This is conceptually akin to the idea of a US special envoy for the Balkans—a full-time actor, based in Bosnia, able to work to corral a Western consensus on strategy among PIC members. But it is worthy of note that the only time there was an international strategy toward Bosnia, in the Ashdown era, it was directed out of the Office of the High Representative.

Contribute a mobile infantry company to EUFOR, to be based in Brčko District. Brčko is necessarily the connective tissue of any attempt to establish an independent Republika Srpska. EUFOR's manpower has diminished to the point that it cannot provide a credible deterrent anywhere in Bosnia; Brčko is one obvious flashpoint where a deterrent force is needed. Offering to deploy a company of US troops to Brčko as part of EUFOR—could be a valuable contribution to calming the situation in Bosnia, and would also press the EU to honestly reassess its forces on the ground and its ability to fulfill its Dayton obligation to ensure a “Safe and Secure Environment.” It could also leaven the contributions of other non-EU PIC members who are willing to contribute forces, most notably Turkey, which has repeatedly offered to fill the gaps in the EUFOR mandate (it is already the number two contributor) and has been consistently rebuffed, and catalyze contributions of others. Alternatively, the same contingent could operate under a NATO flag, the NATO Headquarters in Bosnia retains a Chapter 7 mandate, but has no current operation capability. The US government has invested significant resources into Brčko since the end of the war, and such a commitment would show continued resolve. While it is well understood that US military resources are stretched, a small investment in BiH would be low-risk, would provide an environment for innovative training and civil-military cooperation efforts, and would have a high chance of tangible success.

Reinvigorate the Court of Bosnia and Herzegovina by including international judges and prosecutors at all levels in both the war crimes and organized crime chambers. In December 2009, the United States helped undo its own policies by siding with the EU majority in the PIC Steering Board which was in favor of discontinuing international judges and prosecutors in executive capacities, dissuading the High Representative from deciding to impose an extension. The American position was decisive; had it remained in favor of extension of these personnel in both chambers, it could have generated majority support. The message sent by this decision was that the international community no longer saw organized crime and official corruption as a policy priority—at least not at the risk of rubbing the local powers-that-be the wrong way. This was a critical mistake and weakened the Court, as these personnel brought expertise, a sense of impartiality, and were less susceptible to political pressures. The war crimes personnel are to be discontinued over the course of 2012. Along with the extension of the executive mandates, international prosecutors and judges should be hired for both chambers and maintained until the judicial system is assessed to be able and willing to prosecute sensitive, high-profile cases, including through the appeals stage. The US should build support for this policy and contribute financially to ensure its viability; it has invested tens of millions into the BiH justice sector over the past decade and more, yet if these two pillars of the judicial system disintegrate, the entire investment will have been for nothing.

I'd like to close by stating again I am not pessimistic about the country's potential. I'm rather a frustrated optimist. Citizens of Bosnia and Herzegovina can develop their own solutions and accommodations with one another. I firmly believe that this is far more possible than is commonly believed—even by Bosnians. I in fact work with many civil society representatives who are doing their best in a system in which everything—including the international community—is working against their efforts to make a country that works for all of its citizens. There is a large potential constituency for a functioning and accountable governance structure. The Dayton structures and the entrenched interests which inhabit them work to ensure that this constituency remains atomized, ill-informed, and resigned to the status quo. Even the most progressive civic activists often

think they know what each other's positions are; when these subjects are actually broached, they can be pleasantly surprised at what their counterparts from elsewhere in the country actually believe and are willing to contemplate. What external actors can do is to provide a better environment in which Bosnia's rightfully frustrated citizens and activists can operate in—and to support them materially, morally and politically when they develop innovative methods to promote the accountability of the political class. This is not just in the interest of Bosnia and Herzegovina's citizens, but our own.

Many thanks, and I look forward to our discussion.

PREPARED STATEMENT OF NIDA GELAZIS, SENIOR ASSOCIATE OF THE EUROPEAN PROGRAM, WOODROW WILSON INTER- NATIONAL CENTER FOR SCHOLARS

The violent nationalism that broke up Yugoslavia still haunts the region today, and is the ever-present specter of Bosnian politics. European countries have similar histories of violence and war, but that pattern has ended through the creation of international and supra-state institutions that help its members negotiate their future together and safely explore their pasts.

The United States has been working with the European Union to bring the countries of the former Yugoslavia into this safe sphere through the joint processes of EU and NATO accession. Yet, this is no ordinary accession: compared with postcommunist European countries, external enthusiasm for further EU enlargement has waned, given the new challenges facing the EU today. Internally, most of the countries of the former Yugoslavia are less ready, in terms of democratic consolidation and institutional capacity, to meet the demands of the EU and NATO accession processes. This shortfall is most evident in Kosovo and Bosnia, where international agencies continue to be strongly involved with day-to-day governance.

The fragile policy to bring Bosnia and its neighbors into the EU and NATO requires a strong partnership between the European Union, the United States and other international partners, as well as innovative solutions for addressing the unique hurdles to progress in the countries of the Western Balkans. Over the last year, the European Union Delegation has supported a project at the Woodrow Wilson International Center for Scholars which has brought American and European scholars and practitioners together to discuss the obstacles to the EU accession process in Bosnia and the other countries of the Western Balkans. The findings and proposals from these meetings are summarized in the three policy briefs that follow.

For more information on this project and links to EU documents on its policy towards the Western Balkans, please go to: www.wilsoncenter.org/westernbalkanpolicy

POLICY BRIEF I: THE WORKING GROUP ON THE WESTERN BALKANS

Although the EU and the US agree that the long-term goal for the Western Balkans is European integration, progress has stalled. This series of working group meetings aims at launching a discussion on the hurdles to enlargement in the Western Balkans, the tools available to various international actors in the region, and how these resources might best be applied to reach the goal of integration most efficiently. These meetings, therefore, address issues that are at the core of the making the Transatlantic relationship work.

The Working Group is supported by a grant from the EU Delegation. This brief is the result of a meeting held in June 2010.

POLICY BRIEF FROM MEETING I:

The Hardest Cases for EU Accession—Kosovo and Bosnia and Herzegovina

Since the second half of 2009, European and American policies towards the Western Balkans seem to have enjoyed a historic level of coordination and harmony. Rhetorically,

at least, there is unequivocal agreement on both sides of the Atlantic that these countries will be members of the European Union, once they meet the conditions. EU membership, the thinking goes, will end the unhappy chapter of the violent demise of Yugoslavia, by bringing it into a secure, democratic and prosperous Europe.

The problem is that progress toward this goal has been extremely slow. As a baseline for comparison, we should consider that for the countries of Central Europe and the Baltic states that had submitted their applications by 1996, most acceded within eight years. By contrast, six years after the 2004 Thessaloniki Summit declared that enlargement to the Western Balkans would be the top priority of the EU's foreign policy, only two countries (Croatia and Macedonia) are official candidates for membership. Worse still, Bosnia and Herzegovina and Kosovo have not achieved a sufficient level of political development to be able to apply as candidates yet. While no one expected this process to be quick, the protracted period of accession threatens to undermine the entire policy, as reform momentum fails, undemocratic policies and corruption flourish, and apathy turns to hostility towards the EU.

Kosovo and Bosnia and Herzegovina are the hardest cases. Both have problems with not only governance, but also sovereignty, and have international organizations actively buttressing their governments. Sovereignty is essential for signing contractual agreements and treaties, which make up the legal side of the EU accession process. This legal problem is most acute in Kosovo, since its independence is contested by Serbia and has not been recognized as an independent state by several EU member states.¹ While Bosnia and Herzegovina is recognized internationally, it consistently fails "to speak with one voice" as a state. The rhetorical disunity between the country's Entities is mirrored by its complex institutional and legal structure, and continues to rely on the support and guidance of the Office of the High Representative, which acts as an externally imposed governor of the country.

The EU accession model is facing a difficult challenge in the Western Balkans as a whole, where internal and external obstacles to reform thwart the EU's conditionality. But in Kosovo and Bosnia, these obstacles are compounded, and it will be difficult for the EU to combine its tested EU member-state building model with its untested state building abilities.

In Kosovo, Bosnia, and Serbia, the conflict over territory dominates politics, permeating every level of government. The nationalist-driven contest over territory has not ended despite the end of overt war. Kosovo's contest over territory goes beyond the question of recognition, but also manifests itself in the maintenance of parallel government institutions in Northern Mitrovica. In Bosnia, the ethnic conflict continues through the ethnically-segregated Entities and the parallel legal systems created by the Dayton Constitution. Although the EU Commission has identified the absence of state-level institutions and ethnic-based voting to be a hindrance to the country's progress to EU membership, deep-seated ethnic divisions in the country have prevented attempts at institutional reform to succeed.

In theory, the EU accession process offers a distraction from ethnic and territorial concerns because the process forces leaders to focus instead on meeting the technical conditions for membership. Civil society demand for EU accession compels politicians to

¹ As of July, 2010, Cyprus, Greece, Romania, Spain and Slovakia have not recognized the independence of Kosovo.

compromise on the wide range of issues necessary for the state to meet EU standards. However, a different dynamic is at work in Bosnia, where creating links between high-profile reforms (such as constitutional reform, or closing the OHR) and EU accession may be raising the ethnic stakes and creating a “catch-22” situation. Rather than driving reforms, local populations and their politicians view high-profile reforms as “selling out” to the EU, and these reforms are seen as a zero-sum game by all ethnic groups. In Serbia, this dynamic plays out in term of recognizing Kosovo.

A pattern of international involvement can be observed, in which high-profile initiatives are presented to the political elite and the public, with the result that nothing changes. If progress is made, it can only be seen on paper. The disillusioned external actors retreat for a time, until a new initiative is launched. This episodic involvement and paper progress undermines the credibility of external actors, and damages the credibility of the EU accession project.

To end this stagnation, some working group participants advocated substituting high-profile, “quick-fix” initiatives with incremental changes. These smaller changes may be initially less impressive and may extend the time-frame of the process. Nevertheless, it is hoped that the cumulative effect of all of these small-scale reforms will be a way out of the current impasse. Linking small-scale reforms with clear incentives, as was the case with visa liberalization policy, will help induce political leaders to act.

For this incremental approach to work, it will be important to consider the EU accession process as a series of smaller steps and for all of the actors involved to create a functional and coherent agenda. These other actors (the U.S., individual EU member states, Turkey as well as the International Monetary Fund and the World Bank) should be brought into this process to coordinate incentives and arguments that will help politicians to buy into the EU agenda.

The current economic crisis in the EU, the recent institutional reform initiated by the Lisbon Treaty, and other compelling issues are turning the focus away from the Western Balkans. If the EU is seen as less attractive to the Western Balkans, or if it seems indifferent to the region, the EU accession policy will falter. The EU must recognize that there are tools and actors outside the Accession process, and actively engage with them, lest the momentum for accession decline.

Working Group participants discussed how the current economic crisis has dashed the hopes of many countries in the region to follow in the development path of Ireland and the Baltic States. Some see the crisis as a blow to the region, since there is unlikely to be a game-changing economic model to follow. Nevertheless, the current crisis also creates opportunities, since financial issues can be used to kick-start a political dialogue. The example of Greece may convince politicians in the Western Balkans to create greater transparency and create a more conducive environment for business in order to be able to attract new foreign investors.

Part of the problem with the EU-U.S. strategy in the Western Balkans is that it is not clear whether EU accession is a remedy or a goal. Of course, it must be both, but in order for the goal of EU accession to be a remedy for the Western Balkans, there must be a greater focus on the process, rather than the end. Focusing solely on the EU as a goal, creates a binary system, and seems to place the responsibility for enlargement on the EU rather than on the Western Balkan countries. This perspective also gives the EU a reactive, rather than proactive, position, as it is simply there to judge events in the region.

But by flipping the rhetorical switch, it becomes clear that the process involved in acceding to the EU involves activity in the region, not just a decision by the EU. When accession is seen as a process, the many steps involved in EU accession can be presented as a menu of activities that are compatible with EU goals. The Commission already prepares country-specific reports on issues that it needs to address, and these reports should be read by all actors involved as the single voice of the EU in terms of what must be done.² With EU accession as a process with many 'menu' items to choose from,³ politicians in the Western Balkans can build an agenda according to their capacity and the many actors that make up the international community can find a sector or issue that they can work on, and ensure that these different elements will eventually push each country further down the path towards the EU.

POLICY BRIEF II: THE WORKING GROUP ON THE WESTERN BALKANS

Although the EU and the US agree that the long-term goal for the Western Balkans is European integration, progress has stalled. This series of working group meetings aims at launching a discussion on the hurdles to enlargement in the Western Balkans, the tools available to various international actors in the region, and how these resources might best be applied to reach the goal of integration most efficiently. These meetings, therefore, address issues that are at the core of the making the Transatlantic relationship work.

The Working Group is supported by a grant from the EU Delegation. This brief is the result of a meeting held in October 2010.

POLICY BRIEF FROM MEETING II: ENGAGING CIVIL SOCIETY

EU accession is a predominantly elite-driven process, in which elites from Brussels interact with an accession country's political elites to bring a country in line with EU norms. The traditional role of civil society in this enterprise is to elect pro-EU political parties, which compels parties to cooperate on reforms necessary for EU accession.⁴ Justifications and explanations are left to domestic politicians to sort out, with little direct communication between the EU and the population at large.

In the countries of the Western Balkans, however, leaving it to local politicians to explain and justify the EU accession process has become a liability. In the Western Balkans, politicians often pit EU accession goals against symbolic political goals or other national interests that make them seem incompatible with European integration. When the interpretation of EU actions is left to local politicians alone, they often twist the facts in their favor. For example, when Bosnia and Herzegovina and Albania were initially not granted visa liberalization in the summer of 2009 (due to their governments' inability to adopt the required reforms), local politicians accused the EU of discriminating against Muslims, rather than taking the blame for their failure.

² Criticism of the EU for being a cacophony of voices could be assuaged by focusing all policies on the reports. The most recent reports and EU's strategy can be found here: <http://ec.europa.eu/enlargement/presscorner/key-documents/reports%20nov%2010%20en.htm>

³ A helpful list of negotiation chapters with short descriptions can be found on the European Commission's website on Enlargement: <http://ec.europa.eu/enlargement/enlargement%20process/accesion%20process/how%20does%20a%20country%20join%20the%20eu/negotiations%20croatia%20turkey/index%20en.htm#5>

⁴ See Milada Anna Vachudova, *Europe Undivided: Democracy, Leverage and Integration after Communism* (Oxford: Oxford University Press, 2005).

Although EU reports and information are amply available to the internet-connected public, this has not been sufficient to adequately explain how the EU accession process works, why EU membership is necessary, and what individuals can do to contribute to this goal. The answers to these questions must be pervasive in society: one statement or document will not be enough. Although there may be legitimate reasons for the EU institutions not to engage directly with foreign populations,⁵ the success of the policy in the Western Balkans may depend on the ability of the international community to be able to convince civil society to embrace their vision of the region's future.

Moreover, the EU views the accession processes itself as an effective public relations tool for the EU; it is in a sense a "learning-by-doing" exercise. In the Western Balkans, however, most of the countries have not yet achieved candidate status, which limits not only the level of interaction between the government and the EU, but also the financial tools available. A new strategy for the international community to engage with the public in the Western Balkans could help as a stop-gap measure.

What Civil Society?

To a great extent, the model for civil society development for EU accession is based on the experience of Slovakia, where an alliance struck between various NGOs, the media and trade unions successfully toppled Vladimir Meciar's autocratic regime and continued to hold politicians to their promises of achieving EU membership. In particular, the U.S. support of the Democracy Network played an important role in supporting locally-entrenched small NGOs, which ultimately helped to not only overthrow Meciar, but continued to be active afterwards in rebuilding the country. Thus, support during elections is not enough. Rather, financial sustainability for NGOs is essential in the long-term EU accession process.

Of course, context matters in applying this model. Policies that supported Croatia's civil society movement to oust Franjo Tudjman, were only effective to a point. There, foreign-sponsored NGOs that worked on minority rights and other issues were seen as puppets of the West, since those issues were not seen as vital in society. It was only in the second round of support (when the focus shifted to helping organizations that worked to improve social services) that foreign support for local NGOs struck the right chord. The lesson for future initiatives to engage civil society, therefore, should be that local values cannot be dismissed. Rather, just as local politicians do, the international community must be able to package their message in terms that will be accepted the given context.

Like the international community, civil society encompasses a number of different actors within a given society. Civil society can include organized groups, established constituencies, journalists or simply amorphous groups of citizens who temporarily unite on a specific issue. Policies to engage with civil society should be targeted to these different categories and adaptable in their approach. In 1997, the unifying element in society was that Slovakia was not accepted as an EU candidate along with its neighbors: no one

⁵ The EU is founded on the principle that all members accede to the EU of their own will, based on their own merits and with no coercion by the EU itself. EU members must control their own sovereignty, be democratic, and membership must be achieved through the activities of legitimate governments who have the support of their constituents. Therefore, persuading the public that EU membership is a desirable goal and that the reforms necessary to meet EU standards are good for the society is generally seen as the work of local politicians.

was happy about being left behind, and it was clear that Meciar was to blame. Thus, the international community should work towards cultivating a civil society that can moderate political deadlock and keep politicians accountable.

It is also important for the international community to realize that its credibility is tied to the NGOs it supports. In the recent past, Western Balkan NGOs have felt abandoned by the international community at crucial moments and their local credibility has suffered as a result. For example, local NGOs were invited to work on police reform in Bosnia, and were active advocates for the reform package. However, rather than adopt that package, the international community settled on an empty document for political expediency, leaving NGOs to explain the results. Far too often, the international community's policies are focused on stability rather than on promoting democratic values.

Polls indicate that people are not well informed about the accession process. In Serbia, a large part of the electorate would support an independent Kosovo if it meant that Serbia would get into the EU, even though this would be inadequate for Serbia to accede. Frustration with the international community is high since the general thinking is that the international community is responsible for public goods in the region. At the same time, although support for the EU is still high, these numbers are slowly falling over time. In part this may be due to the ever-increasing time frame for accession, which has made people less optimistic about a future in the EU.

Nevertheless, public opinion polls reflect an electorate that is ripe for positive change. Especially in Bosnia and Herzegovina, voters have little confidence in their government's abilities to tackle social and economic problems. Voters remain loyal to their parties, but there is growing frustration with politicians over corruption and their inability to address unemployment and improve public services. Polls also indicate that most people get their information from television, rather than from other sources, which indicates the best form of communication with the society.

POLICY BRIEF III: THE WORKING GROUP ON THE WESTERN BALKANS

Although the EU and the US agree that the long-term goal for the Western Balkans is European integration, progress has stalled. This series of working group meetings aims at launching a discussion on the hurdles to enlargement in the Western Balkans, the tools available to various international actors in the region, and how these resources might best be applied to reach the goal of integration most efficiently. These meetings, therefore, address issues that are at the core of the making the Transatlantic relationship work.

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POLICY BRIEF FROM MEETING III: REACHING OUT TO THE BALKANS IN TIMES OF CRISIS

Many international organizations and individual states have their own policies towards the countries of the Western Balkans. This assortment of policies is a natural result of a diverse international community, which is composed of many actors, each with its specific strengths and unique tools. Yet, all of these policies compete for attention in the region, creating an environment of contradictory messages and complicated agendas. The result is a cacophony that confuses civil society and compels political leaders to cover

their ears. The purpose of this meeting, therefore, was two-fold: to identify, analyze and find ways to overcome the region's most outstanding challenges and to foster stronger cooperation and coordination between the European Union and the United States on the Western Balkans.

The conference was divided in four discussion panels which focused on the following issues respectively: 1) the dynamics of the region's most outstanding disputes; namely Kosovo's status, the situation in Bosnia and the dispute between Greece and FYROM over the latter's name, 2) the current economic situation in the Western Balkans after the outbreak of the global and later Greece's financial crisis, 3) the role of some key international actors in the region (such as the EU, NATO, US, IMF, Russia as well as Turkey) and finally 4) the impediments towards the Western Balkans states' European future and the necessary strategies that need to be found and implemented in order to facilitate and accelerate their Euro-Atlantic integration.

Serbia and Kosovo

The fallout of the July 22, 2010 International Court of Justice Decision on the legality of Kosovo's unilateral declaration of independence has changed the dynamics between Kosovo and Serbia. The EU's initiative to bring Kosovo and Serbia to negotiations was praised: for too long the international community has done very little, while local leaders have used their publics' intransigent stance as an excuse for avoiding diplomatic settlements. Obstacles exist, however, especially since Serbia will enter into negotiations with three important limitations: 1) its Constitution forbids the recognition of Kosovo's independence; 2) public opinion is predominantly against recognition and; 3) the disunity between Kosovo Serbs living in Northern Kosovo and those living in other enclaves.

Therefore, the forthcoming direct dialogue between Belgrade and Pristina should begin with relatively "easy" topics (e.g., the cooperation of the two sides on issues such as the missing persons, refugees' return, energy, transports and communication as well as CEFTA) which will create a better atmosphere between the two sides. An effort to reduce Kosovo's unemployment should also be included in the agenda, since it affects the lives of both Albanians and Serbs and may lead to social protest.

Moreover, the outcome of these initial negotiations should not hurt either side. It would be unrealistic to believe that the current government in Serbia would recognize Kosovo, especially since the situation in Northern Kosovo remains unresolved. Nevertheless, Serbia has critical interests in reaching an agreement with Kosovo, since it cannot otherwise combat corruption and organized crime, which thrive in Kosovo's unstable rule of law system. Moreover, the path to the EU is blocked for both Serbia and Kosovo until progress on status is made. Kosovo is the only state in the region that has not signed an SAA or visa liberalization agreement with the EU, and does not belong to NATO'S Partnership for Peace Program. For Kosovo, it is essential for it to attain the power to sign legal agreements with the EU. Therefore, there is a need for Kosovo to move beyond the current situation. Therefore, allowing Kosovo to remain a frozen conflict is not in anyone's interest, which ought to compel both sides to work together on their shared vision of membership in Euro-Atlantic institutions.

The Global Financial Crisis

The Balkans' fragile economic growth model of the last ten years has had the following characteristics: 1) it was based on excessive foreign borrowing that led to trade deficits, 2) it was consumption-driven and 3) the labor market (despite the GDP growth) was significantly compressed. As a result, the global financial crisis has left the Western Balkans unable to attract the foreign financing that has been crucial for their sustainability. Most of these economies have experienced negative economic growth over the last two years, stagnating and declining incomes, and increased unemployment. In the medium term (at least for the next two or three years) Balkan economies are likely to remain stagnant, due in large part to the lack of foreign financing.

As a result of the economic recession, almost every country in the region is currently under external financial assistance programs (of the IMF's 18 rescue programs, 8 of are for countries in the SEE region). Balkan governments have responded to this crisis by trying to reduce their foreign currency credit growth, depreciating their currency (with both positive and negative consequences) and by pressing their commercial banks to adopt a more conservative approach in their lending strategy (since they have accumulated a significant number of non-performing loans).

The political and social consequences of this bleak situation are yet to be seen. Serbia and Croatia are the countries in which social protest may be most intense, and it may lead to the sacking of their current governments. In other countries, it is remarkable that there have not yet been large-scale protests.

To help avoid such turmoil, the international community should focus on helping these countries through their economic recession by: 1) large-scale inter-regional infrastructure projects (despite the current fiscal limitations and the lack of will among the Balkans' political and economic elites for regional cooperation); and 2) attracting FDI, especially from Germany.

However, where the economy has become a liability, politics has become an asset, which allows some optimism for the region. The Western Balkans have recently increased their regional cooperation, which has been highlighted by the increase of Croatian exports to Serbia, the joint-venture signed by Slovenia, Croatia and Serbia on rail transport and the new ferry that links Serbia with Vukovar. There is much more space for regional cooperation, particularly for inter-regional infrastructure projects concerning sectors like transport (e.g. rail, roads, and water) and energy (e.g. distribution networks of petrol and liquefied gas). A necessary precondition will be the development of transparent procurement rules.

External Actors

The UN, EU, US, OSCE, Russia, Turkey and recently the IFTs are the region's most important external actors, but the EU has primacy, given that it has given the region a perspective for membership. However, the EU's leverage and credibility as a transformative power has weakened over the last few years, mainly because of the EU's incoherent policy, which has been caused by the different goals and interests shared by the European Commission on the one hand, and several member states on the other.

The European Commission has always been more enthusiastic about enlargement than the increasingly "enlargement-fatigued" member-states. This internal split has led

to several setbacks in the Western Balkans in recent years. In Kosovo, there is a split between the 22 member states that have recognized Kosovo's independence and the five that have not. This had stalled the deployment of the EULEX mission, which still has not been able, so far, to establish itself in Northern Kosovo.

In Bosnia, EU conditionality has lost its credibility over the last few years, mainly because of the EU's setbacks on Bosnia's constitutional and police reforms. In its hope to create a more centralized state, the EU had initiated and strongly supported these reforms, making them an indirect condition for Bosnia's EU accession. However, it was later forced to moderate its position after strong pressures by some member-states.

The new foreign policy framework, created by the Lisbon Treaty, has not helped matters. Whereas previous presidencies were able to keep the Balkans high on the EU's agenda, the implicit demotion of the rotating presidency in foreign policy will be deeply felt. It will be rather difficult, therefore, to expect that a new impetus or dynamic will be given to policies on the Western Balkans during the Hungarian Presidency. According to the preliminary Hungarian Agenda, the overwhelming emphasis of the Presidency will be on managing the economic crisis and reforming the EU budget, rather than on EU enlargement to the Balkans, which is only sixth on the list of priorities. Nevertheless, the Hungarian Presidency will try to take some initiatives including: 1) trying to close and even sign the Accession Treaty with Croatia, 2) urging the European Council to give a date for the start FYROM's accession negotiations, 3) launching visa-liberalization negotiations with Kosovo and 4) monitoring Serbia's dialogue with Pristina as well as its cooperation with the ICTY.

At the same time, the US has maintained a presence in the Western Balkans over the last year, and has attempted to be balanced and constructive. But, despite the view of a small number of US policymakers that there is some unfinished business in the Balkans (especially in Kosovo and Bosnia) and their partial distrust on the EU's abilities to lead the international chorus in the region, the primary US strategic interests are elsewhere in the world. Therefore, although the US is still engaged in the region, the scope, duration and comprehensiveness of its engagement may not be as robust as it once was.

The major US goals in the region are: 1) securing the Western Balkans, 2) making the region a net contributor in the US security efforts around the globe, instead of being a net recipient and 3) solving the remaining problems in Kosovo and Bosnia because of the prior heavy US engagement on these two cases. The US is trying to achieve these goals mainly by: 1) strongly supporting the region's integration in the EU and NATO, 2) providing diplomatic assistance (especially in Bosnia, Kosovo, Serbia and FYROM) and 3) providing financial assistance (which currently is almost entirely headed towards improving the region's governance structures).

But there is a gap between the US ambitious objectives in the region and the US diminishing means. The US is trying to moderate this gap by using Europe's resources. Because the US still has leverage on the region, future US engagement in the Western Balkans must be more tightly wound to the EU agenda for the EU integration policy to succeed. To that end, 1) there is a dire need for better coordination between the region's key external actors; 2) the international community should approach the region with a new strategy that goes beyond simply an EU accession model; and 3) there is need for a division of labor among the international actors, in order to conserve resources and increase the power of a united policy.

EU Policy

The EU's recent Progress Reports on the Western Balkans issued by the European Commission sent a significant message to the region. They reveal the following about the region's readiness to join the EU: Albania must confront its political crisis and adequately prove its democratic credentials; Serbia must confront its Kosovo obstacle, Kosovo must confront its organized crime problem, Bosnia must confront its internal divisions, and Macedonia must manage its nationalistic overdose. On the more positive side, Croatia is moving forward despite its problems on judicial reform, Montenegro received a positive avis and will become a candidate, and Bosnia and Albania have gained visa-liberalization status.

However, reading between the lines of the Progress Reports, the following conclusions can be made it seems clear that enlargement is no longer a priority for the EU. The lack of a common EU position on Kosovo and the failed policies in Bosnia make the enlargement policy to the Western Balkans seem more like an entanglement than a strategy. Most significantly, conditionality has lost a significant level of its former efficiency compared to previous enlargements. The international community must buttress this policy of EU integration, since it is the only positive future for the region.

To that end, the EU should become more of a visionary than a manager. Recently, Turkey has been engaging in the Balkans in a systemic and successful way, which should offer a model to follow, as well as another partner in the region. Moreover, the EU should remember that it is better than any other international institution in promoting minority rights, regional cooperation and bilateral disputes, recent setbacks aside.

Moreover, these setbacks should not be allowed to overshadow the clear progress in the region. For example, 1) the independence of Kosovo has brought the most pro-European government in Serbia; 2) there has been an increased number of Kosovo Serbs who have participated in Kosovo's elections during the past few years; 3) nobody worries anymore for a return of violence in Bosnia; 4) the Croat President's apologies for Croatia's policies during the Yugoslav Wars have created a basis for regional cooperation; 5) all states (except Kosovo) have achieved visa-liberalization status; and 6) the dialogue between Serbia and Kosovo is ranked as the second most important priority in Catherine Ashton's Agenda for 2011.

In addition to the negotiations between Serbia and Kosovo, Greece's dispute with FYROM is the other looming bilateral issue that the international community ought to work quickly to overcome. On the name issue, the international community should help both sides reach a compromise, with clear incentives for both sides. For instance, one innovative solution could be for the EU to begin negotiations with FYROM with the condition that a new name would be immediately used in their bilateral relations and in which the Skopje Parliament would immediately pass a constitutional amendment on the new name on the day FYROM joins the EU. Such a settlement would give Greece the guarantee that the new name will immediately replace FYROM on their bilateral relations and that it will be *erga omnes* when FYROM joins the EU. On the other hand, FYROM will have the guarantee that if it will not join the EU it will not give away its name. In any case, the only workable solution between Greece and FYROM should address the identity concerns and sensitivities on both sides.

The international community should relaunch the EU accession policy for the Western Balkans, and this iteration ought to be characterized by a deeper cooperation

between all external actors; well-meaning attempts to end the bi-lateral issues between states and embrace innovative solutions that amplify the unique powers of each member of the international community.



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