

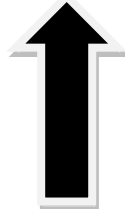
COMPARATIVE POLITICAL DYNAMICS:

International Community, Bosnian Political Class, and Citizens

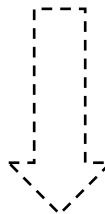
Through January 2006

Steering board

International Community (e.g., PIC SB + EU)



BiH Political Class (Political-Business-Criminal nexus)



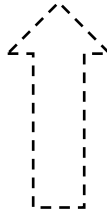
BiH Citizens

Before the unilateral disarmament of the international community, beginning in early 2006 with HR Christian Schwarz-Schilling's statement that he would refrain from using his executive "Bonn Powers" except in very narrow circumstances, BiH political elites' greatest fear was removal from office or ban from political life. Quite simply put, this would be bad for business. So they looked up to see what the international actors' positions were on decisions they could make. The deterrent power of this tool meant it had an impact far beyond its actual application. This international posture both served as a substitute for the lack of independent rule of law mechanisms and as a driver to establish more effective rule of law.

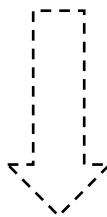
But the political elites never perceived the need to serve their supposed constituents – their citizens. They had their own much narrower constituencies and themselves to serve. Citizens could be either cowed through fear, bought off through patronage, or some amalgam of these two tools. While a titular democracy, the Dayton Agreement was in essence a power-sharing agreement among wartime elites, establishing divisive and oligarchical incentives. While this oligarchy is now more competitive than in 1996, none of the major players wants to change the incentive structure in a progressive fashion. They merely want a larger share of the spoils (financially, politically, territorially) than they currently hold. None wants greater transparency or accountability (before voters or the law). The essence of the system is – keep what you stole, keep stealing, and remain unaccountable, both politically and legally.

February 2006 to Date

International Community (e.g., PIC SB + EU)



BiH Political Class (Political-Business-Criminal nexus)



BiH Citizens

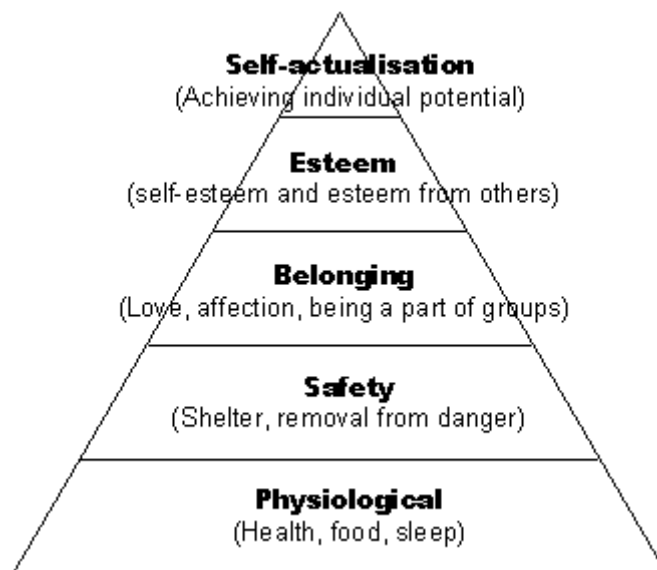
In 2005, when the transition approach was adopted, the assumption of the international actors was that BiH would propel itself into the Euro-Atlantic mainstream, impelled by the “pull of Brussels.” This assumption has proven demonstrably false since then. Now the ruling class of BiH, which controls the full spectrum of politics, media, major business, academia, and other important social levers, operates without constraint from domestic rule of law or external guardrails. All the agendas that were put on ice/held in check from 1995-2005 by the posture of the international community (particularly the High Representative and the Chapter 7 military deterrent) have re-emerged and are being pursued with gusto. This rules-free environment will ultimately lead to collapse and violence, simply as a question of political physics. There is nothing to stop those pursuing mutually exclusive agendas.

Yet the course set in late 2005 remains the setting for the West’s, especially the EU’s, bureaucratic autopilot. Part of the reason for this is that the EU enlargement process is normally reliant on the democratically elected political elites, and those who serve them, to be “partners.” These partners are supposed to drive the reforms required to meet EU standards. But in BiH this has not been the case. This has led the EU and other international actors to express frustration at the lack of impetus and wonder aloud a) why political elites do not avail themselves of the open door the EU is offering them and b) why citizens do not force their politicians to be more responsive to their manifest desire for a more prosperous and secure life. Both questions are quite easily answered.

As for a), the political elites have done their cost-benefit analysis and are quite happy with their lives and status in the current structures. They certainly do not want courts or police they cannot control, media they cannot

direct, or mechanisms under which they need serve the public. They do not actually want to join the EU, at least not on terms then EU's citizens could accept. The fact that this is demonstrably bad for an overwhelming majority of their citizens is true, but also irrelevant.

As for b), citizens are all too aware that their politicians hold them in contempt – stealing openly from them, curtailing their futures and those of their children, lying to them, setting them against each other, and working to instill fear. And yet, given their experience and the lack of control over their situations at the macro level, they are *still* scared their worst fears might come true. They therefore either check-out of politics altogether, as they see nobody to identify with, or hold their proverbial noses and vote against their worst fears. Efforts to promote change under current conditions are fighting Maslow's pyramid, in which physical self-preservation is the foundation.



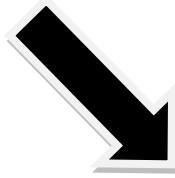
Everyone – politicians and citizens alike – is a rational actor, given the systemic incentives.

The idea that the EU's "soft power" alone can generate forward movement, or that the entrenched oligarchical elites might be persuaded to become change agents in a system that makes them the most durable and static political elite on the continent, has been tested for more than six years and proven false. But admitting this reality would be to question the EU's own effectiveness – and the efficacy of the EU's transformational power. So the bureaucrats who direct the policy and advise their political principals have *their own perverse incentive* to paint the situation as better than it actually is – and hope it doesn't fall apart while they are in their posts.

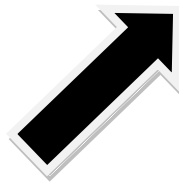
The ones with a learning disability are not BiH politicians or citizens, but policymakers in the international community. No durable forward movement is possible under current conditions, full stop. Only further degeneration is feasible.

The Way Forward

International Community (e.g., PIC SB + EU)



BiH Political Class (Political-Business-Criminal nexus)



BiH Citizens

The only way to generate forward movement by the entrenched political elites is to change the incentive structure in which they operate. The first element of this, defusing the ambient level of fear in the body politic, is completely within the international community's capacity. Indeed, it is a responsibility flowing from the Dayton Accords, Annexes 1A and Annex 10. Removing the fear of state collapse (Bosniaks and others who identify with the state), forced solutions detrimental to them (a shibboleth promoted in RS), and political irrelevance engendered from minority demography (BiH Croats) will not be done from within, since these fears remain the most potent of political tools. They can easily – and must be – neutralized by external actors. This would be accomplished by re-establishing a firm set of boundaries as to what sorts of behavior will not be tolerated. This would have to include a long-overdue declaration that until new and better rules are mutually agreed and enacted within BiH, international actors will enforce the existing, albeit problematic, ones. To be believed, the Dayton enforcement tools would need to be reinforced and used as needed. Given the extent to which international credibility among BiH citizens and leaders has dissipated, it is likely that it will take more than declarations for such a shift to be recognized.

Yet once the guardrails are re-set and the exits toward unfulfilled political agendas are closed, then the possibilities for forward movement will be greatly increased. The EU has a great deal of potential and unrealized leverage at its disposal. No new tools will necessarily be needed, but an attitudinal/philosophical shift will be required to apply them effectively. To gain traction, the EU and other Western powers must recognize that their primary constituency is not the BiH political class. It is BiH citizens themselves. By essentially equipping BiH citizens, organized around common interests and aspirations, to confront their leaders and holding the ring so these leaders have to absorb popular blows, the EU and its international partners can squeeze the political elites between them, compelling them to adopt policies, practices, and institutions which they otherwise would be able to resist.

To give but one looming and concrete example, consider the case of the BiH agricultural sector. On July 1, 2013, Croatia will begin applying EU border controls, including phytosanitary and veterinary certification and inspection. The fact that BiH producers would face strictures was foreseeable as soon as Croatia got EU candidacy in 2005. Yet BiH political decision makers remain woefully unprepared for this date, thereby threatening the livelihoods of domestic dairy and meat producers. One of the reasons for the issue falling through the cracks is the ease with which to pass the buck in BiH's thicket of competing and overlapping competences. This might have been averted had BiH established a ministry of agriculture, a goal once openly advocated by the EC and included in the "April Package" of constitutional reforms rejected in the BiH Parliament in 2006. This would have provided an engine to fulfill the needed requirements on time and make credible calls for additional Border Inspection Posts – or at least would have made it simply to properly assay blame in the case of total bureaucratic inertia. But the Republika Srpska's government has vehemently opposed this, portraying it as a usurpation of an entity competence and an affront to Serb dignity. Now the entire BiH political elite is shamelessly blameshifting to Croatia and the EC in advance of an economic and social disaster that is their own handiwork.

The EU Delegation is presented with a golden opportunity to hoist the RS authorities on their own petard. The impending *Götterdämmerung* of loss of market access, and the likely permanent loss of market share, faces all BiH producers. But those in northern RS, just across the Croatian border, stand to take the biggest hit: closest to Croatia and other EU markets, correspondingly reliant on this trade, and endowed with the best farmland for this purpose. The Delegation could quite easily with the resources at their disposal explain the costs to producers of lost market access – and where to properly lay blame. On this issue, the lion's share of blame should lie squarely on the RS Government's doorstep.

Going through the interim agreement, SAA, and Acquis in this more political fashion would leave no political actors unscathed. Furthermore, the EU would begin to develop the credibility with BiH citizens it hitherto has signally failed to develop – believing wrongly that it possesses frontloaded credibility (and attitude likely to be deepened by the Nobel win). By leaving its comfort zone and putting its false "partners" on the spot, the EU and its only potential partners, the citizens of the country, could together drive the political agenda forward.