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Bosnia and Herzegovina's EU Momentum

LSE Ideas

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Last autumn, the [European Commission](#) issued a rather pessimistic [country progress report for Bosnia and Herzegovina](#). Since then, positive developments took place. The surprise came in December 2011, when, after 15 months of political deadlock, Bosnia and Herzegovina managed to form a government, more precisely a Council of Ministers under the leadership of Vjekoslav Bevanda.

As former MP, former finance minister and vice president (in government from 2006-2010) of the Bosniak-Croat federation (one of Bosnia's existing entities besides Republika Srpska), Bevanda's name was put forward for the prime minister position by the Croatian Democratic Union, HDZ, following negotiations with the other political forces.

One can't say if this political agreement on the new government was sealed as a result of the pressure coming from the European Union, because of the poor economic situation in which BiH was finding itself, or under the influence of Croatia's completion of the accession negotiations. What is certain is that it's high time for Bosnia and Herzegovina to move forward with reforms and provide conditions for future development. They have to deliver in order to be able to receive impetus from EU, IMF and other international donors and they will continue to receive assistance and guidance on this path (e.g. the structured dialogue on the reform of the judiciary with Republika Srpska).

The newly established Council of Ministers recently adopted a bill on state aid and a law on population census. Joint initiatives were launched to tackle, among others, the structured dialogue on justice, fiscal and budgetary framework and infrastructure development thus bringing Bosnia back on the right track and in EU's spotlight. On the long run, this might be translated in an economic boost through an increase of FDI as foreign investors may become more active in a country with clear and just rules, closely monitored by the EU.

The EU pulse on Bosnia and Herzegovina

During a recent [debate in the European Parliament](#) on the [Enlargement report for Bosnia and Herzegovina](#), drafted by MEP Doris Pack, the [Danish Presidency](#) and [Commissioner Füle](#) stressed the importance of reaching an agreement on a state budget for 2012 in order to unfreeze some financial incentives from the Commission and [International Monetary Fund](#). Another important priority for Bosnia and Herzegovina is its constitutional revision in order to fully comply with the European Convention on Human Rights and the [Sejdić and Finci rulings](#). EU officials reiterated that the Union needs to be "cautiously optimistic" as Bosnia still has to prove its EU commitment by delivering on both economic and political level as to ensure the well functioning of the state. To cope with the economic challenges, sound fiscal management is essential and for this reason, a global fiscal framework for 2012-2014 must be developed.

Last year, soon after her visit to Bosnia and Herzegovina (May 2011), which led to the cancellation of the referendum in Republika Srpska on the legality of the country's national court, [High Representative/Vice-President Catherine Ashton](#) appointed Peter Sørensen as the new Head of [EU Delegation in Bosnia and Herzegovina](#) in an attempt to revive the country's EU efforts. Today, Bosnia and Herzegovina seems to be more apt for trying to walk on its own feet on the EU path. Since progress has been achieved in law enforcement, European Union's Police Mission will terminate its mission in June 2012. Also, EU's prolonged [EUFOR Althea mission](#) confirmed that there are no threats to the safety and security of the country.

PM Bevanda declared he will place EU integration objective at the epicentre of its government programme. Constitutional changes are needed so that the Stabilisation and Association Agreements can enter into force giving way to financial instruments available for speeding up reforms and the transition process.

Where to next?

2012 is going to be a crucial year for Bosnia and Herzegovina who hopes to catch up its neighbours and match their EU accession efforts by applying to candidate status in June. Sceptics wonder why EU should pay up yet again for another unstable Western Balkans' country. One must agree that isolation, especially in the case of a multi-ethnic society, is not an option. The Thessaloniki European Council of June 2003 promised an EU perspective for the countries in this region. The least EU can do under these circumstances is to help the willing leaders undertake the right reforms for the future of the country. This is not going to be an easy process: a bumpy road lies ahead.

Durable solutions need to be found for the remaining refugees and the proper implementation of the [Dayton Peace Agreement](#) must be ensured. The upcoming [donors' conference scheduled for April 24 in Sarajevo](#), and supported by the UN and the EU, could be of help in this regard.

The crime, corruption and human trafficking stereotypes must be dealt with proving enough maturity to accept the real situation and tackle it accordingly through the proper implementation of instruments in place and, if necessary, through additional efforts in this sense.

Minority rights must be safeguarded while nationalist and extremist discourses must leave way to reconciliation and justice. Inter-ethnic relations, as well as regional cooperation, need to be promoted to best serve all parties' interests. A safe and secure regional environment can help re-boost the economies while helping cope with the social challenges.

The [2012 Index of Economic Freedom](#) shows Bosnia with the lowest score in the region, ranking 104th out of 179 countries and 38th out of 43 European countries. The concerns relate to corruption, political interference, lack of implementation of the rule of law and poor protection of property. In order to play out this EU momentum to the benefits of the society as a whole, favourable condition for business development and foreign investments must be ensured. This is the only way to make the economy start running again thus assessing the worrying levels of unemployment, especially among the young people. The visa free travel in the Schengen countries (as of May 2010) widened youth's horizons for study and travel, but the situation is still far from being perfect.

In order for the reforms to be successful, EU and international support and guidance are needed, but they have to be achieved by and with the forces on the ground. Accountability and legitimacy are needed if the EU wants an independent sustainable state as a future candidate. Only this will prevent euro sceptics and enlargement fatigue adepts from voicing their ongoing discontent.

The Achilles' heel of this country remains the fragile ethnic equilibrium. Even though they respect each-other and even managed to reach political agreement, the three major ethnic groups, the Croats, Serbs, and Bosnian Muslims (Bosniacs) suffer from a lack of inter-ethnic trust that hinders the political and economic opportunities. If Bosnia does not want to become the Cyprus of the Balkans or to repeat the 1990s war, reconciliation and the promotion of future common interests must prevail over segregation and separatism. If the new government fails in gaining the much needed public support from all the ethnic groups, the deadlock will continue until another international solution will emerge, hopefully also accepted by Bosnia's actual inhabitants.

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