

# Foreign Affairs Committee

## Oral evidence: The situation in Bosnia and Herzegovina and the FCDO's response, HC 1034

Tuesday 18 January 2022

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Members present: Tom Tugendhat (Chair); Chris Bryant; Liam Byrne; Neil Coyle; Alicia Kearns; Bob Seely; Henry Smith; Royston Smith; Graham Stringer.

Questions 1-23

### Witnesses

I: Damir Arnaut, Member of the House of Representatives, Bosnian Parliamentary Assembly; Baroness Helić; and Majda Ruge, Senior Policy Fellow, European Council on Foreign Relations.



## Examination of witnesses

Witnesses: Damir Arnaut, Baroness Helić and Majda Ruge.

**Q1 Chair:** Welcome to this afternoon's session of the Foreign Affairs Committee. We have three guests with us this afternoon to talk about Bosnia and Herzegovina and conflict prevention. May I ask you to introduce yourselves briefly?

**Baroness Helić:** Good afternoon; thank you very much for inviting me. My name is Arminka Helić. I am a Member of the upper House of the British Parliament.

**Majda Ruge:** Good afternoon and hello from Berlin. My name is Majda Ruge and I am a senior policy fellow at the European Council on Foreign Relations in Berlin.

**Damir Arnaut:** Good afternoon. Thank you for inviting me to this session. I am a member of the House of Representatives—the lower House of the Bosnia and Herzegovina Parliament.

**Chair:** Thank you very much. Chris is going to kick us off.

**Q2 Chris Bryant:** It is good to welcome you. Many of us have taken a long and keen interest—and you know the British interest—in Bosnia and Herzegovina. What do you think are the main domestic drivers of increasing tensions in Bosnia and Herzegovina, as opposed to external forces?

**Baroness Helić:** Thank you very much for that question. I think the main domestic drivers are to be found in Bosnia, and they are actors who have considered, and still consider, the Dayton peace accords to be a ceasefire, rather than as peace accords to end the war from which one has to build up. Certain war aims that were not fulfilled in the 1990s are now being picked up again and taken forward through different means, without weapons at this stage, but, in the same way, seeking to achieve independence from Bosnia and Herzegovina, eventual confederation or a federal agreement and an arrangement with Serbia.

**Majda Ruge:** Thank you very much for the question. I would say that there are two major domestic drivers behind the crisis today, and recurrent political instability since Dayton ended. The first is related to agency; the other is related to systemic incentives. On agency, very clearly, instability comes from political leaders, not people. The tensions that many continue to see as inter-ethnic and between groups are steered and controlled by political actors with very immediate agendas. In an opinion poll conducted in 2019 by the National Endowment for Democracy, citizens were asked to identify the single greatest threat to security; 32% said organised crime, and only 17% said ethnic conflict. There are divisions, of course, but political leaders make conscious decisions to amplify them or tamp them down, and they have been making the decision to amplify them over the last 15 years.



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What is behind these agendas? To sum it up, I would say it is a policy objective of keeping Bosnia dysfunctional and keeping it a consequence-free environment. Agents like Milorad Dodik want to have full freedom of action within RS and Bosnia without any particular risk to their autocratic rule. This requires dismantling institutions of oversight.

On the systemic part, I would say the biggest problem is that the constitution, as it is formulated, does not provide incentives for co-operation and reaching out to other communities, but just for speaking to one's own groups.

**Q3 Chris Bryant:** Yes, it has always seemed to me that one of the problems is that everybody lives their life in a silo—in an ethnic silo. Whereas in the past they might have had a loyalty to a greater Yugoslavia, that has disappeared.

**Majda Ruge:** That is also purposeful. If you look at political control over media and the messaging that comes through politically controlled media, or if you look at the control over the education system, there is a purposeful political agenda of keeping the groups as separate as possible. Any oversight at the central level of Government, or international oversight, interferes with that agenda.

**Q4 Chris Bryant:** Damir, can I ask you the same? Maybe you would also like to say whether you think corruption plays a role in the increasing tensions.

**Damir Arnaut:** Precisely, indeed, Bosnia has been caught in this vicious cycle of corruption and nationalism, nationalism and corruption; one has been used to perpetuate the other, and vice versa. In particular, corrupt political party leaders and individuals have abused ethnic themes to further their corrupt activities and to protect their ill-gotten gains and possessions. To be sure, some have been more brazen and direct in their approach than others. Mr Dodik is certainly the most responsible for elevating state capture, which has been a feature of Bosnia for a good part of the past 10 years—if not longer—to a new level, and endangering the security and stability of the country in the process. But the underlying cause—corruption, as you identified so correctly—remains.

Mr Dodik's coalition partners at the state levels have also seized on his rhetoric to side-step debate about, if you will, bread-and-butter issues, such as why hundreds of thousands of our citizens have already moved to western Europe in the past several years, why more than €5 million was wasted on substandard Chinese ventilators at the height of the pandemic, why state-owned enterprises have gone bankrupt, why Bosnia has not moved an inch in satisfying the 14 conditions needed for EU candidacy and the like. The list goes on and on. The governing parties are all determined to avoid these themes at the upcoming elections in October.

I am glad that certain parts of the international community, the UK in particular, have recognised this problem, and I only plead that they should not lose focus. The most recent American sanctions have focused on corrupt activities in particular. They should be broadened not only to include additional actors here on the ground and corporations, but to be



imposed by more countries—the UK in particular. If the EU cannot speak with one voice, individual European countries should follow.

To sum up, Dayton settlement territorial arrangements have been conducive to the spread of corruption, gradual state capture and the growing influence of political parties at the expense of state institutions. Such arrangements reward nationalist rhetoric and focus on ethnic themes, and actually discourage cross-ethnic appeal. They discourage parties from talking about economic and rule-of-law policies in moderation. In order to reverse this trend, reform should take advantage of the opportunities presented by the European Court rulings to erode those ethnic territorial arrangements rather than to strengthen them.

**Q5 Chair:** We have seen a series of elements of foreign interference in Bosnia over recent years. Baroness Helić, can you tell us how that influence has degraded tensions inside the country and what we should be looking out for?

**Baroness Helić:** Bosnia has been put under pressure from interference from regional countries—its immediate neighbours. Also, over the last 10 years, Bosnia has become an interesting subject to countries such as China and Russia in particular. To give an example, since 2014, Foreign Minister Lavrov has visited the region, and Serbia in particular, seven times. President Putin, in his role as Prime Minister, paid three visits and has just accepted another visit to Serbia.

Bosnia has become a subject of interest because it is very easily kept in what I would call the twilight zone—a state of perpetual instability that is not particularly costly but can be quickly exacerbated, played with and used as leverage in the region. Countries in the region that have taken an interest in Bosnia, in particular Serbia, have produced quite an interesting level of certainty in Banja Luka—in the small entity of Republika Srpska—because they support the secessionists through both financial means and political means.

When it comes to wider issues, Russia in particular has used its malign power to threaten Bosnia, were it to pursue the road of Euro-Atlantic integration. Only two days ago, the Russian ambassador said that Russia would consider Bosnia getting closer to NATO and even the EU a hostile act. That has empowered secessionists and further contributed to instability and uncertainty on the ground.

A surprising player in the region has been Hungary, which has become a sort of partner in this destabilising process for Bosnia by supporting the secessionists. The same goes for Slovenia and some parts of Croatia. Bosnia has found itself in a totally different environment from the one in the 1990s, when it was a country under pressure from its neighbours. Now, it is under pressure from its neighbours and from major global powers such as Russia. That has contributed hugely to the instability.

On the other hand, what we have lacked over the last years is a positive international engagement of the kind that we had up to 2006, when we



had a strong military presence, a strong international presence and a strong presence of international judges. At the time, Bosnia was considered a poster child of development in the post-conflict era. At the moment, we have a very unstable environment and very unwelcome interferences from outside that are contributing to instability in Bosnia.

Q6 **Chair:** Ms Ruge, on the question that Baroness Helić raised there about other European Union countries getting involved, I would be interested to hear how you see European interests in the region competing with others, and what other forms of pressure are being added.

**Majda Ruge:** Thank you for the question. Baroness Helić has given a really good summary of the main actors. What is interesting is how they divide labour among themselves. They have a very good division of labour, with Russia on the one hand, and Hungary and Croatia, as EU member states, on the other. While Russia can use its veto at the UN Security Council, Hungary and Croatia can use their power around the table in the EU to drive the EU agenda on Bosnia—that is done in many different ways—but also to block the EU’s agency in terms of effective foreign policy approach and, more specifically, the EU’s ability to follow suit on sanctions that were already imposed twice against Milorad Dodik and his enablers. Would you like me elaborate on Hungary and Croatia in particular?

**Chair:** Yes please.

**Majda Ruge:** Hungary demonstrated its commitment to partnership with like-minded illiberal leaders from the western Balkans when it offered asylum to Nikola Gruevski, former Prime Minister of North Macedonia, who was fleeing a trial. Precisely that sort of solidarity has been given to Milorad Dodik, who has a similar profile of a deeply corrupt leader, abusing power, in the RS. Mr Orbán came to visit right after the RS National Assembly had adopted a resolution withdrawing the RS from the state-level institutions, which was an unconstitutional move. Orbán has publicly supported Dodik in his anti-Bosnia quest. He has promised economic investment in the RS and has announced publicly that Hungary will block any attempts to sanction Dodik in the EU. This has already been put forward by Germany as an initiative, and Hungary really plays the role of the main spoiler there.

We have seen elsewhere, not just in Bosnia, that Commissioner Várhelyi has diluted EU efforts to come forward stronger on the rule of law. He played, according to media reports, a similar role in his visit to Bosnia. Mr Dodik has used Orbán almost as an idol, citing him, both in terms of his right-wing stance on immigration and his Islamophobic rhetoric, to justify his agenda in Bosnia. Hungary is definitely one of the main spoilers within the EU.

Croatia is not an objective observer or unbiased mediator, as it very often likes to present itself. Both Serbia and Croatia are supporting tactics of plausible deniability, where they officially support Bosnia’s sovereignty but in reality support their local proxies for the nationalist actors, seeking to further fragment Bosnia and ethnicise the decision-making system. Croatia



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is most visible on the question of election law reform and the efforts to push through the agenda of its sister party, HDZ, in Bosnia.

Q7 **Chair:** Mr Arnaut, can I push you on how you are feeling this pressure at home? Perhaps you can also say what we—the UK—and other of your allies can do about it.

**Damir Arnaut:** It is absolutely being felt. Russia's activities are on the rise, as is easily noticeable from publicly available information. While I am not privy to intelligence material myself, I am certain that it paints an even darker picture. This is not an isolated situation. The pattern, which both Baroness Helić and Majda have already identified, seems to follow Russia's subversive activities in previous years in both Macedonia and Montenegro. Orbán has certainly been helping with respect to that. The aim—at least Russia's aim, certainly—is to prevent further NATO and EU integration, or to reverse such processes where they are already taking place, such in as Macedonia and Montenegro with respect to NATO.

While Russia is most malignant, attention should also be paid to the influence of other countries that do not propagate advancement of the rule of law and western values. For example, while foreign investment is, as a general rule, welcome in any country, I am concerned about China's increasing efforts in the direction of spreading its economic influence in Bosnia's energy, telecommunications and infrastructure sectors. Western powers should invest in those political forces in Bosnia and Herzegovina that are not willing to cede control over such strategic areas to companies from countries that do not share western values, as well as those that are committed to implementing European standards with respect to security, environment laws, labour protection and the like.

The influence of regional actors should also not be excluded; Serbia and Croatia, in particular, cannot be discounted. Their willingness—especially on the part of Croatia, which is an EU and NATO member—to work with Russia to perpetuate and strengthen ethnoterritorial arrangements in Bosnia is really unconscionable. The Presidents of Serbia and Croatia have suggested that they, along with the President of Turkey, should serve as "mediators between Bosnia's ethnic groups". That not only serves to further weaken Bosnia's institutional structure, but it is a not-so-veiled attempt to impose upon the Bosniaks a brethren relationship with Turkey that simply does not exist.

The main western powers—the US, the UK and Germany, in particular, and the EU to the extent that it can speak with one voice on those matters where it can—should not allow a relative power vacuum to remain in Bosnia. The country's European future should be reaffirmed, not only by reiterating it verbally but by actively supporting and encouraging domestic forces on the ground that have demonstrated, with actual deeds, their commitment to advancing the reforms that are the prerequisites for EU and NATO membership. Put simply, Bosnia is Europe; Bosnia is NATO and European Union territory. But the west needs leaders here who are actually willing to undertake the reforms so that we actually reach the stage where it is just a technicality whether we are officially members or





not—where we have reached those standards of the rule of law and institutional strength that are actually the norm in these countries that eventually join.

**Q8 Graham Stringer:** Baroness Helić, what is the most effective thing that the United Kingdom and other external countries in Europe and North America can do now to avoid a further outbreak of violence?

**Baroness Helić:** One of the most important questions and one of the biggest tools in the Russian arsenal is western disunity, so if we could do one thing, I would hope that we could align our policies with the policies of the United States and that the policies of the European Union states could be aligned with ours and those of the United States. We need to show the resolve and unity that we have, in a way, shown in the crisis over Ukraine. This is something that, unfortunately, has been missing in Bosnia. As Majda has said and Damir has mentioned, there is disagreement within the European Union, and the European Union is finding itself almost in a state of paranoia over Bosnia and how to deal with it, while some actors inside it are using this indecisiveness to act in a negative way and actually operate from the playbook that has been written in the Kremlin rather than in Brussels. That is the first thing.

Secondly, I think that the easiest way of averting a disaster in Bosnia is making sure that the issue of borders and secession is taken off the table, and that can only be done if there is a safe and secure environment—if there is a deterrent force on the ground and if that force can ensure that there is a breathing space for the forces that Damir has mentioned to operate and work together in order to bring Bosnia back on to the Euro-Atlantic path. That is something that we have not had so far. It is important also that there is no chink of difference between us and the United States, particularly in terms of imposing sanctions on all those who undermine the Dayton peace accords, whether they are inside RS or elsewhere in Bosnia or even in the neighbourhood.

Thirdly, once that space has been created, it is down to the future generation of politicians in Bosnia and Herzegovina, wherever they come from, to create that new social contract with the people of Bosnia and Herzegovina. I think the time has come. I wouldn't call it Dayton 2, but I would call it a new social contract—something that is going to provide an environment in which corruption cannot thrive and in which Bosnia can truly become a stable and secure state that can, as Damir said, technically fulfil all the conditionality that is necessary for it to be a member of NATO or a member of the EU in the future. It doesn't matter what it is called. What is important is that it acts as a country that can, at any time, join these two organisations and institutions.

**Q9 Graham Stringer:** Thank you; that is a very clear answer, in terms of this country moving closer to having its policies aligned with the United States. What would that mean explicitly, in terms of changing policies?

**Baroness Helić:** I was hoping that we would follow very closely behind the United States when the initial sanctions were imposed, and I think that



we should be in lockstep with the United States. Hopefully, the European Union will be in lockstep with us and the US in ensuring that these actions are taken together and in the most effective way.

**Q10** **Graham Stringer:** Can you give us your view of the effectiveness, or lack of effectiveness, of the Berlin process?

**Baroness Helić:** Actually, I happened to be working for William Hague when he was Foreign Secretary, and he and Foreign Minister Steinmeier came up with the idea of setting up this Berlin process in order to ensure better support and better co-ordination with the western Balkan states on their path to eventual membership of the European Union. I must say that since then, since 2014, I have been slightly disappointed that this has in a way become a talking shop: it has become a forum where the issue of western Balkan countries joining the EU has been parked, rather than providing fuel for the countries to really make progress on their path to eventual membership. An unfortunate by-product of this has been that we have created space for other actors, like Russia or China, to infiltrate the region and therefore destabilise it further.

**Q11** **Alicia Kearns:** Just a quick declaration: I am chair of the all-party parliamentary group on Bosnia and Herzegovina. A question to all of you: when we are looking at international peacekeeping forces within Bosnia, do you think the EUFOR presence is enough, and where do you think NATO presence should be focused if we were able to step up the number of NATO troops the UK and others have deployed? I am looking particularly at Brčko District and places like that. Baroness Helić, would you like to begin?

**Baroness Helić:** Thank you very much for that question. You have really pointed to the biggest elements that could provide security and could provide a breathing space for Bosnia to make a turnaround and really make progress, rather than continue to be bogged down in a perpetual state of insecurity. Currently, to my understanding, EUFOR has 660 members of different armed forces coming from 19 different countries. They are spread around Bosnia and Herzegovina in lots of observatory posts, and I do not think there is enough in terms of numbers or capability to be able to respond to a potential security challenge on the ground.

In order for this to be countered, I would suggest increasing the number of EUFOR forces on the ground, giving them capabilities so that they can rapidly respond to any kind of challenge. In terms of their spread, I do not have a military background, but from what I have read and what I have seen from others who have commanded NATO troops in the region and elsewhere, they are suggesting that it would be best to secure Brčko, which is the corridor that connects the western and eastern parts of the entity Republika Srpska and also cuts through the Federation, right over to where the United States used to have its military base as part of NATO contingency in the 2000s and 1990s in order to have a supply, and then elsewhere throughout the country. I would absolutely argue that one of the most important issues that we have to address is the issue of security





and deterrence on the ground. Until that has been resolved, further manipulation and further challenges are going to be seen on the ground.

**Q12 Alicia Kearns:** The same question to the other two witnesses, although I would add an additional point, which is that, although any country can join EUFOR, perhaps for the UK, if we are talking realpolitik, that is not that likely. How much of an increase would we need to see, and how much of a benefit would it be to see an increase in staffing to NATO specifically, rather than EUFOR?

**Majda Ruge:** I will start by saying that I am not a security expert, but I will give you my observations on the question of the utility of EUFOR and NATO by expanding a little on what Baroness Helić has said.

I agree that EUFOR is currently a small and non-threatening mission that, according to most experts on the ground, would not be able to stop Dodik if he indeed took that step towards secession. That is possibly one of the reasons why Russia chose not to block it and why, in fact, EUFOR is not so much a menace for Russia as it is a negotiating token in its hands, to weaken the west's political leverage in Bosnia. I can elaborate on that later.

Secondly, I am all for strengthening the presence of both EUFOR and NATO in Bosnia. We need to be somewhat careful to avoid the moral hazard of giving the people in Bosnia a sense of a safety net that does not exist, meaning there is a question of what is desirable and then a question of political will, and pushing this conversation through.

To me, what we saw in November last year has clearly indicated that the first step in this conversation needs to be getting the Quint—the UK's NATO and key Quint allies—on board in order to start a conversation about NATO deriving its direct mandate from annex 1A in Bosnia, before we talk about the further addition of troops. We need to see a greater political push on how to decouple—whether NATO or EUFOR—our ability to maintain a safe and secure environment from Russia's good will on the UN Security Council. That is point No. 1.

Point No. 2 is that we need to know what these troops would be needed for. What are they going to do? Baroness Helić has rightly pointed out the deterrence of secession, but we also have different sorts of scenarios where, in the past, the troops have been quite useful. One of them was a scenario where Dodik might simply decide that the law enforcement agencies of Bosnia are no longer welcome on the RS territory, and he undermines any sort of enforcement mechanisms of Bosnian institutions. For this, having some teeth through an international executive presence is very welcome.

I am not an expert on talking about numbers of troops, but I have one remark in that regard. When Lord Paddy Ashdown was the High Representative in Bosnia, which was at the time when Bosnia saw the greatest progress on reforms and co-operation, he managed to achieve more with 7,000 EUFOR troops than previous High Representatives with



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32,000 SFOR troops. When we are talking about these troops, we need to keep in mind that we cannot do without a strategy on what we are trying to achieve and how to effectively use them. I am happy to talk more about Russia and the UN Security Council later, if needed.

**Q13 Alicia Kearns:** Mr Arnaut, do you wish to add anything before I move on to my next question?

**Damir Arnaut:** Briefly, I completely agree that an increase in NATO presence would certainly send the right message to all who seek to undermine Bosnia's stability, both domestically and from the outside.

On the increase, you would need to approximate the level of NATO troops that we saw in the aftermath of the war in the 1990s. I am not a military expert, so I will demur on the actual numbers and locations, though I completely agree with Baroness Helić that conventional wisdom is that Brčko District would be one of the obvious locations, due to its unique constitutional status in our system and the choke point characteristics.

Having said all that, the important thing is that NATO powers need to be united in their message that the legal mandate for increasing troop levels is indisputable. I am an international lawyer and I am completely comfortable with an analysis that there are no legal impediments to increasing the NATO presence by way of the NATO headquarters in Sarajevo, in line with the relevant UN Security Council resolutions.

Western powers need to be really united on this message and to send that message loud and clear to Russia, because two months ago the important thing was that the EUFOR mandate was extended by 12 months. But Russia and possibly China will regroup by this November, and barring some significant developments unrelated to the Balkans in the interim, Russia will not be satisfied with another compromise akin to that of two months ago.

Russia's primary objection to EUFOR, as Ms Ruge said, is not due to the military deterrent that this small force, such as it is, provides but to the political influence that the EU and NATO are able to exert in Bosnia and, by extension, the region through their presence. With Russia's diplomatic, media and likely intelligence activities far surpassing the levels that we had seen just a short year ago, their approach this November will almost certainly be more intransigent.

So western powers should be prepared for this eventuality, including by presenting a credible message that they are ready and willing to place NATO troops on the ground, upon reliance on the NATO headquarters mandate, in case of a Russian veto, or threat of veto, to the continued EUFOR presence, because the entire mission is required to be extended once a year. So we will most likely face the same situation—probably a worse situation—this November.

**Q14 Alicia Kearns:** Thank you. Looking at how we tackle those who are orchestrating increasing divisions within Bosnia and Herzegovina, and neighbouring countries, only a few weeks ago we saw Ku Klux Klan-style

celebrations outside Bosniak Muslim towns, where people were celebrating genocide and ethnic cleansing. My question is this: how effective do we think sanctions might be against those who are clearly orchestrating those activities and clearly undertaking them, given that Russia, China and Hungary have all said that they will step in to fill the void should the UK and others put in place sanctions? Is there anyone in particular who would like to respond to that question?

**Majda Ruge:** I can say a few words, if that is okay. I think that perhaps one of the best indicators that sanctions are effective is that those who are potentially subject to sanctions are putting so much effort into mobilising their allies within the EU, such as Hungary or Croatia, to block the sanctions. If they weren't effective, and if they weren't fearing them, Mr Dodik would not be investing so much political capital to have his friends block them at the table in Brussels and he wouldn't be investing as much into lobbying in Washington DC as he has done over the last years to get the US Government to take off the sanctions. So that is a first point.

I think sanctions alone are not going to help solve the problems of purposeful manipulation of ethnic divisions, which you mentioned. There needs to be a broader strategy for addressing that. But what sanctions will do, if they are credible and well co-ordinated, is two things. One is that they will weaken political actors who are perpetuating violence and divisions. There I would basically add that the UK—it is already doing this—and also its allies should look not only more closely into the sanctions that they were already thinking about, in terms of asset freezes, travel bans, etc., but more carefully into how these political parties control state-owned enterprises, contracts and employment, when we are looking for leverage, because this is what provides them with an economic lifeline. So the strategic sanctions, besides targeting leaders, should also target the strategic state-owned enterprises and subsidiary companies, to block these individuals and parties from access to resources and influence.

Besides the targeted sanctions, it is of the utmost importance that we think, "How do we deal with the educational and media environments in which these leaders are pushing through their messages?" Just to give you an example, we are now 25 years after Dayton and the children of a couple of generations educated through that educational system, specifically in the RS, view the other entity of Bosnia as a foreign territory. The kids—kids of clients I have in Banja Luka—go on a school trip and come back saying, "We went on an excursion abroad," meaning Tuzla.

We have to walk and chew gum at the same time. We have to target those leaders, but at the same time think, "How are we going to work with this system, which really provides incentives, means and tools for spreading divisions and hatred?"

Q15 **Alicia Kearns:** Baroness Helić and Mr Arnaut, to push you on two specifics, last year the Republika Srpska raised more than €300 million on the London stock exchange. To me, that is unacceptable, because we know that it is doing so in order to pay for its debt and to fund the reported purchasing of weapons, which come from Serbia and therefore



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ultimately from Russia. My view is that the UK Government should be looking at that. What are your views on, first, cutting Republika Srpska off from the London stock exchange and, secondly, how effective you think it would be to remove the Republika Srpska from the SWIFT system?

**Damir Arnaut:** Sanctions should be and so far have been tailored in a manner that places a disproportionate burden on the corrupt individuals and their political, financial and personal associates—disproportionate in relation to the rest of the population, I mean. That not only encourages co-operation by moderate forces and moderation in other forces, but limits opportunities for Russia, China, Hungary and others to step in to fill the large vacuum that a wide net of sanctions would produce—by wide net, I mean sanctions that affect the daily lives of individual citizens.

Sanctions should certainly be broadened to include all corrupt officials and their cronies, regardless of which entity or ethnic group they come from, and that will in turn delegitimise all who find themselves under sanctions, with no one able to claim that they are being targeted due to their ethnicity, or because they are protecting communal or ethnic interests and so on. Should any country come to their aid, that would additionally expose the fact that this is a struggle. On a broader scale—going above Bosnia—this is a struggle between democratic and authoritarian forces, both domestically and internationally.

One thing that is important is that sanctions should not be withheld just because a corrupt official, or a group of them, is suddenly co-operative on completely unrelated topics, such as election reform. That serves only to perpetuate the vicious cycle that I have seen in Bosnia time and time again, and is basically why we have so many politicians now whom we had 26 years ago—only far richer.

Symbolism is huge: images of corrupt officials being slapped on the back and congratulated by Western officials solely for solving a problem that they themselves created, and probably created in order to extract concessions elsewhere when they finally agree to solve it, go a long way to keep those officials in power. Often, one gets the feeling that most effort is spent on making the worst kids stop their tantrums, while the good guys are taken for granted. If that were reversed in both entities, I am certain there would be enormous positive effects, including for the stability situation.

To sum up, targeted sanctions, but ones that really hurt—by that I mean that I agree with you. I think that funds should be cut off when Western powers judge that those are being used only to keep those guys in power.

**Baroness Helić:** I absolutely agree that it is necessary to see wherever there is a point at which we can exert pressure on those who undermine the state of Bosnia and Herzegovina—we should see it—but I want to emphasise that the Bosnian problem is not political instability; it has now become a security issue. It has become a security question, so it needs a security answer. Although we absolutely should look into the array of options that we have and work with our allies on imposing sanctions, we



must not forget that the one issue that keeps the citizens of the country, no matter where they come from, as hostages to the corrupt leaders is the issue of borders, and promises and fears that are spread in relation to the borders. As long as you can say, "I am protecting you from someone", or, "I am going to deliver the following", you are in a position of power. You lose that power if someone takes that particular option off the table, lowers the temperature, imposes sanctions and then brings young, uncorrupt leaders to try, with international support or not, to find a way in which every single citizen of Bosnia and Herzegovina can have equal opportunity—not just for some, but for every single citizen of this country.

**Q16 Chair:** We have highlighted various areas in which these tensions are being ramped up and who is doing it. How likely are we to see an explosion of tensions in the coming days and weeks? Mr Arnaut, as you are closer to the ground, perhaps you can give us a perspective.

**Damir Arnaut:** I am immensely concerned about the possibility of isolated incidents, fuelled by political rhetoric, snowballing into a larger security threat, when we are talking about the really near-term—in other words, to put it very simply, somebody getting drunk and emotional based on a speech that he or she heard from a political leader and then doing something extremely reckless, and then that snowballing into a larger security threat. Given those dangers, such political rhetoric should not be dismissed just because we know that this is often a smokescreen for corrupt activities and attempts to stay in power. Those who engage in such rhetoric, as Baroness Helić said, especially the ones who threaten the borders and the viability of the country, should be exposed for being opportunists and for being willing to gamble their own people's livelihoods and security for personal and political gain—for staying in power, if you will.

The sanctions should then be broadened both in terms of the covered individuals and the countries imposing them. Those who refuse to engage in such rhetoric, in spite of the enormous pressure that comes from these corrupt politicians to draw us all in to this divisive rhetoric, to basically make this about protecting ethnic and national interests, especially those who have demonstrated commitment to the fight against corruption, to meeting the EU's 14 conditions, and to working across party ethnic lines, they should be rewarded by western attention and support. To put it simply, I am concerned about something isolated happening because of this rhetoric, and that is why the west should try to cut any possibility of that happening by exposing these leaders and putting even more pressure on them.

**Chair:** Excellent. Thank you. Liam, do you want to come in?

**Q17 Liam Byrne:** Can I just follow up that very helpful answer by asking, if the security situation does deteriorate in Bosnia and Herzegovina, what will be the knock-on implications for regional security in the western Balkans and beyond?



**Damir Arnaut:** Events of the early '90s clearly demonstrate that the Balkan borders are porous when it comes to the spill-over violence. The war in Croatia followed the war in Slovenia, and then Bosnia and Herzegovina and so on. Even after Dayton stopped the war in Bosnia, Kosovo and Macedonia exploded and became victims of severe violence years after Dayton. That was all with a very weak Russia. We now face a belligerent Russia, which has attempted to destabilise both Macedonia and Montenegro to reverse the NATO achievements, and there is no doubt that they would be even more brazen with respect to the entire region should violence erupt in Bosnia. I am certain they would seize the opportunity.

This is EU and NATO territory—there should be no doubt about that. The message should be sent loud and clear to all powers in Bosnia, foreign and domestic. Just like foreign authoritarian regimes should not be allowed to undermine the EU and NATO future of the country and the region as a whole, corrupt domestic forces, which prefer the status quo to the rule of law that EU and NATO membership require, should receive the same stern message. I find these outside forces of equal danger to the country as the domestic forces who want to perpetuate the status quo, because the status quo keeps us out of those economic and security arrangements that are, if you will, our birth right, if only by the sheer fact of geography. That is why I could not agree more with Baroness Helić's message that borders should be taken off the table as soon as possible and concrete steps should be taken to ensure that this country reaches the standards of EU and NATO as soon as possible, so membership becomes just a formality.

Q18 **Liam Byrne:** Baroness Helić, do you concur with that scenario? Could a deteriorating situation quite quickly spark a much wider conflagration across the region?

**Baroness Helić:** I do concur. As I said at the beginning, Bosnia is considered by some to be unfinished business. Unfortunately, Bosnia is not the only country in the region that has that status. Other countries, such as Montenegro, Kosovo and even North Macedonia, are considered countries where certain things have not yet been settled. I would expect that an outbreak of violence in Bosnia that successfully disintegrated the country would be seen as a green light for pushing even further and beyond Bosnia to see what else can be done in the region, where other countries are feeling the same level of vulnerability, although maybe not of the same kind.

What is different now—it has already been mentioned, but I would love to just re-emphasise it once more—is that in the 1990s, this was a region where regional powers and countries were at each other's throats. This time around, as we have mentioned, Russia has an interest in destabilising part of the European continent; in making sure that post-Yugoslav arrangements are not a success but become a failure; and, in a way, in keeping countries such as Bosnia in a twilight zone. Countries that are bogged down and cannot make progress, and that are forever a headache to the European Union and NATO, are like a bleeding wound that has to be closed. That has to be addressed, because if we allow that behaviour and those kinds of tactics to succeed in Bosnia, they can go beyond.





If we see that it is possible to destabilise the Balkans by using minorities to undermine the sovereignty and territorial integrity of a country, we can expect that to go further into the Baltics, where there are Russian minorities in Estonia, Latvia and Lithuania—the same tactics can be used to undermine them. We have already seen that the way the entity of the Republika Srpska has kept Bosnia down has been replicated in Ukraine, where the Donbass region has been using exactly the same ways. It is a constant irritant that makes it impossible for Ukraine to make progress, and it can also be used as a pretext for other operations, particularly by Russia.

**Q19 Liam Byrne:** The violence and loss of life in the last conflict were pretty horrifying. It sounds like the scenario that you fear is a future conflict—if, tragically, we got to that point—being even more violent. Is that a fair summary of your view?

**Baroness Helić:** There are more elements that could contribute to wider conflict than we had even in the 1990s. The region of the Balkans that used to have localised, contained conflict has got certain global elements that are part of it. That is what I fear most.

Let's not forget about this: we do not live in times of just big powers leveraging their influence. There are non-state actors that would gladly want to see that they can support, interfere or in any way destabilise that region, because they also thrive on instability.

**Q20 Liam Byrne:** Majda, do you think that that picture of a much more turbulent border zone is something that could arrive quite quickly if there was a conflict in the Balkans?

**Majda Ruge:** If there was a conflict, yes, but my sense is that we are not there yet. My sense is that at this point we are faced with the challenge of preventing Bosnia and the region from reaching that stage. We want to interfere politically now, with a smart strategy, in order to prevent both Bosnia and the region reaching that point of no return.

We need to think in time horizons that go beyond immediate crisis management and a focus on whether violence is going to erupt tomorrow, because I do not think it will. However, the danger is that we then disengage quickly because we have stabilised or we think we have stabilised the situation in Bosnia, without a timeframe that thinks about both Milorad Dodik, or someone who is going to replace him with a similar agenda, as well as a large part of the Government officials in Serbia. We cannot forget that, while the President of Serbia, Mr Vučić, is successfully posing to the West, based on this strategy of plausible deniability, half of his Government officials, including the Minister of the Interior and the Minister of Defence, as well as the Prime Minister, are very clear about Serbia's interests in terms of foreign policy. Serbia's national security strategy document defines the preservation of Republika Srpska and the territories where Serbian minorities live as their key foreign policy priority. Serbia has been flexing its military muscle, combined with a very damaging rhetoric.



Just an example in numbers: between 2016 and 2019, they have increased their imports of arms more than 10 times, largely from China and Russia. So, the longer-term thinking of these actors is, "When do we take that step towards secession from within or complete secession or redrawing of borders?" The answer to that question is not, "Now"—the answer is, "When are the circumstances going to be favourable?" We do not know what is going to happen if, in 2024, we have the return of President Trump, who might be a bit more lenient on the question of border changes. We do not know how the situation is going to play out with Ukraine and Russia, or generally the larger context, so I think we really need to be focusing not just on the question, "Is immediate conflict going to erupt?" but on, "How do we engage politically now to prevent that from happening in five years' time?"

**Q21** **Liam Byrne:** If we are thinking about the next 25 years, what are some of the lessons that we need to learn so that we don't end up with another quarter-century of things going in the wrong direction?

**Majda Ruge:** There are many, many lessons—I wouldn't even know where to start. If I were to try to summarise, it would really be long-term thinking, and avoiding quick fixes just to stabilise the situation because it appears that conflict might erupt. We need to be aware of security threats, but at the same time we need to understand that part of Dodik's strategy is presenting conflict as an alternative, which is very bad and which will take us to conflict in the long term. For instance, there are these quick deals on election law. Any quick deals with the leaders whose long-term strategy is taking Bosnia to disintegration are not going to help us. It may help us now, but not in the long run. I will quote an American diplomat who said, "We might get a ceasefire now, but Dodik is like a seasonal hurricane and he will be back." The challenge is: how do we build the roof, so it does not rain on us the next time?

I think this is really where we need to walk and chew lots of gum at the same time. We need deterrents. We need to think about security and stabilising, but at the same time we really need to think about how to build institutional and societal resilience in Bosnia itself—especially of judicial institutions—so that at one point a graceful exit of international executive powers is possible. The aim should not be staying forever in Bosnia but building local alternatives that can withstand the attacks that will recur.

The answer is very complex—there are so many things to do—but one good example, in fact, is the committee that Mr Arnaut leads in the state Parliament, which is probably the first domestic committee that involves members from Republika Srpska, Members of Parliament and the Federation. It is a cross-ethnic, cross-entity committee on judiciary, which has produced a report based on tons of meetings, interviews and hard work on what is the next step to building this domestic resilience. Boycotts, like the one led by Milorad Dodik, have prevented this committee from meeting and presenting the report. I would very much suggest focusing on these domestic partners who can actually help Bosnia



free itself from dependency on international executive presence in the long run.

**Baroness Helić:** I would summarise it in one phrase, and that is strategic patience. That is something we have shown that we do not have. In Bosnia, particularly from 2000 onwards, nothing has come in the way of us ever speaking about when we are going to leave. We should not be having these dates of leaving, but should be having dates of achieving—achieving stability, achieving the necessary institutional health, achieving the support for the judiciary that has been lacking for such a long time, and making sure we are not seen as temporary but as a permanent threat, and as forces that can actually help the future generation rebuild Bosnia, not only for one entity or another, but for every single citizen that lives in the country.

Q22 **Chris Bryant:** I remember going to Banja Luka in 2003 when there were British forces operating out of the metal factory as part of EUFOR. The difficulty they were in was they were basically doing policekeeping—they were monitoring illegal logging exercises and dealing with corruption, which is really a policing job rather than a military job. You have all spoken about the possibility of an enhanced peacekeeping operation. How do we ensure that we are not just doing that all over again?

**Baroness Helić:** The easiest way of doing that goes back to what Mr Arnaut said, and that is preparing Bosnia to be an equal and capable member of Euro-Atlantic structures, using the presence of peacekeepers or a deterrence force when it is not in use in that particular way to train, equip and professionalise Bosnian armed forces, so that they also can contribute to European stability, and so they are a contributor rather than a taker of European stability. I think that we should look wider than a narrow peacekeeping focus and mandate, and see how these troops could also be used to help professionalise the armed forces and make them capable of supporting NATO either as a partner country or in a different form.

**Damir Arnaut:** May I jump in to follow up on what Majda and Baroness Helić said? It's a sort of long-term thinking. As I mentioned earlier, and I am not going to repeat, the fact is that you pretty much have had the same individuals over the past 26 years, if not more—certainly since Dayton. They have figured out that, if they create a problem and the problem persists long enough, they are going to be rewarded for short-term gains for solving the problem that, as I mentioned earlier, they created. We saw that with respect to the Mostar elections. We didn't have elections in Mostar for 12 years. Then, one brave lady from Mostar, Irma Baralija, went to Strasbourg, won, and corrupt leaders got rewarded by getting tapped on the back for solving the issues that they left dormant for 12 years.

Western democracies should really invest in their relationship with parties and individuals with proven track records of taking active steps in combating corruption, especially when those efforts involve cross-party, cross-ethnic and cross-entity co-operation, like the investigating



committee on the judiciary, which Majda mentioned. That committee's work led to the removal of the chief prosecutor, who was basically engaged in impermissible activities. It is very unlikely that that would have happened had it not been for the work of the committee, which gathered individuals from both the Republika Srpska and the Federation, from different ethnicities, who are committed to solving this immediate threat to the stability of Bosnia and Herzegovina—the corruption in the judiciary.

The Sarajevo canton Government is another example. The first time that the Government was formed in Bosnia and Herzegovina after Dayton, on a programme rather than on sheer numbers, the programme had anti-corruption efforts at its core. To be completely fair and forthright, these efforts have received enormous critical and ample support from the UK, the US and the OSCE over the years. However, the current efforts at electoral reform seem to distract from that investment. The level of engagement with and appeasement towards political parties on electoral reform is inversely proportional to parties' concrete activities in fighting corruption and achieving European standards. This is that difference between short-term achievements that have little or no strategic value and long-term thinking, which both Majda and Baroness Helić have mentioned.

**Q23 Chris Bryant:** Majda, would you like to have a final word?

**Majda Ruge:** I think you said 2003. Am I correct?

**Chris Bryant:** That's right.

**Majda Ruge:** So 2003 is a period that is quite close to my heart, because I worked on the ground from 2002 to 2005, during the mandate of Lord Paddy Ashdown as the High Representative. This is a time period when most of the reforms and institutions that are being challenged today—to name just a few, defence, intelligence, judiciary and indirect taxation authority—were built at the state level. That was the time period when much of the dysfunctional and very captured set of institutions were unified and made more functional at a state level.

What role did EUFOR play in that? Perhaps I may contradict you a little bit there—that it was a very useless role—and quote Lord Ashdown, who used to say, "My best friends are auditors." In fact, part of the process was building these institutions and effecting a change of behaviour in politicians, who ended up voting for all of these reforms. We need to remember that none of these reforms were imposed. Lord Ashdown had a very clear strategy of saying, "My hands are tied. These are the requirements for EU and NATO membership. I'm not going to impose a single piece of legislation." All these institutions were adopted through votes of Members of Parliament in the Republika Srpska, Federation and at the state level.

One of the very significant roles that EUFOR played back then was co-operating with Treasury and the auditors on intelligence-sharing and uncovering scandals, breaches of international law, support of the



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networks that were protecting the indicted war criminals, etc. It was employed not just to counter secession; it was employed strategically for achieving political goals. I still think that role is very significant and should not be discarded easily.

**Chris Bryant:** Thank you, all three of you.

**Chair:** Thank you very much indeed, all three of you. I am extremely grateful for this update and this response to our request for information. You have been extremely clear, and rather worrying as well—I am not sure if that was the intention, but it is certainly the effect. I thank all three of you on behalf of the Committee for contributing this afternoon and I look forward to catching up with one or two of you in the coming days.