

SIGNATORIES OF THE DAYTON PEACE AGREEMENT THREE DECADES LATER: POLITICAL, ECONOMIC AND MILITARY ASPECTS

The Dayton Agreement, although it enabled the cessation of military operations, did not resolve the deep political and ethnic divisions in the society of this newly formed Balkan state. On the contrary, it seems that in the years that followed, they were almost as pronounced as they were during the conflict. Although the organization of BiH envisaged by the Dayton Peace Plan prioritizes equal representation of three nations in all branches of government, it seems that this, although fulfilled, has further complicated the already complex relations between the peoples of Bosnia. In addition, it should not be forgotten that in addition to their relations, it is also indispensable to observe those that and present BiH has with the Republic of Serbia and the Republic of Croatia.

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This year, December 14th, marks three decades since the signing of the Dayton Peace Agreement, which ended the bloody conflict in the territory of Bosnia and Herzegovina (hereinafter referred to as BiH). The Dayton Agreement, although it enabled the cessation of military operations, did not resolve the deep political and ethnic divisions in the society of this newly formed Balkan state. On the contrary, it seems that in the years that followed, they were almost as pronounced as they

were during the conflict. Although the organization of BiH envisaged by the Dayton Peace Plan prioritizes equal representation of three nations in all branches of government, it seems that this, although fulfilled, has further complicated the already complex relations between the peoples of Bosnia. In addition, it should not be forgotten that in addition to their relations, it is also indispensable to observe those that and present BiH has with the Republic of Serbia and the Republic of Croatia.



The goal of the creators of this concept was to maintain ethnic balance, which, as will be shown later, created additional obstacles in basic political processes. In addition to the federal level, vertical and horizontal divisions of power are also visible at the entity levels, and thus at the level of the FBiH there is also a division for cantons, which would have their own degree of independence.

In this regard, this paper will examine key aspects of the situation and relations that exist among the three signatory states of the Dayton Peace Plan 30 years after its signing, including political and security challenges, as well as the foreign policy framework in which they find themselves today.

However, it is best to start from the beginning. The war in Bosnia and Herzegovina began after the collapse of the Socialist Federal Republic of Yugoslavia and the declaration of independence of Bosnia and Herzegovina in 1992. Then, as today, three dominant ethnic groups lived in this territory: Serbs, Bosnians and Croats. In accordance with their different ethnic affiliations, they supported different political and territorial concepts. It is precisely on these grounds, primarily religious and ethnic, that the intensity of the conflict, which can often be seen as one of the bloodiest on European soil after World War II, has been maintained at a high level for years caused by more than 100,000 victims, also a large number of displaced and missing people.

Context

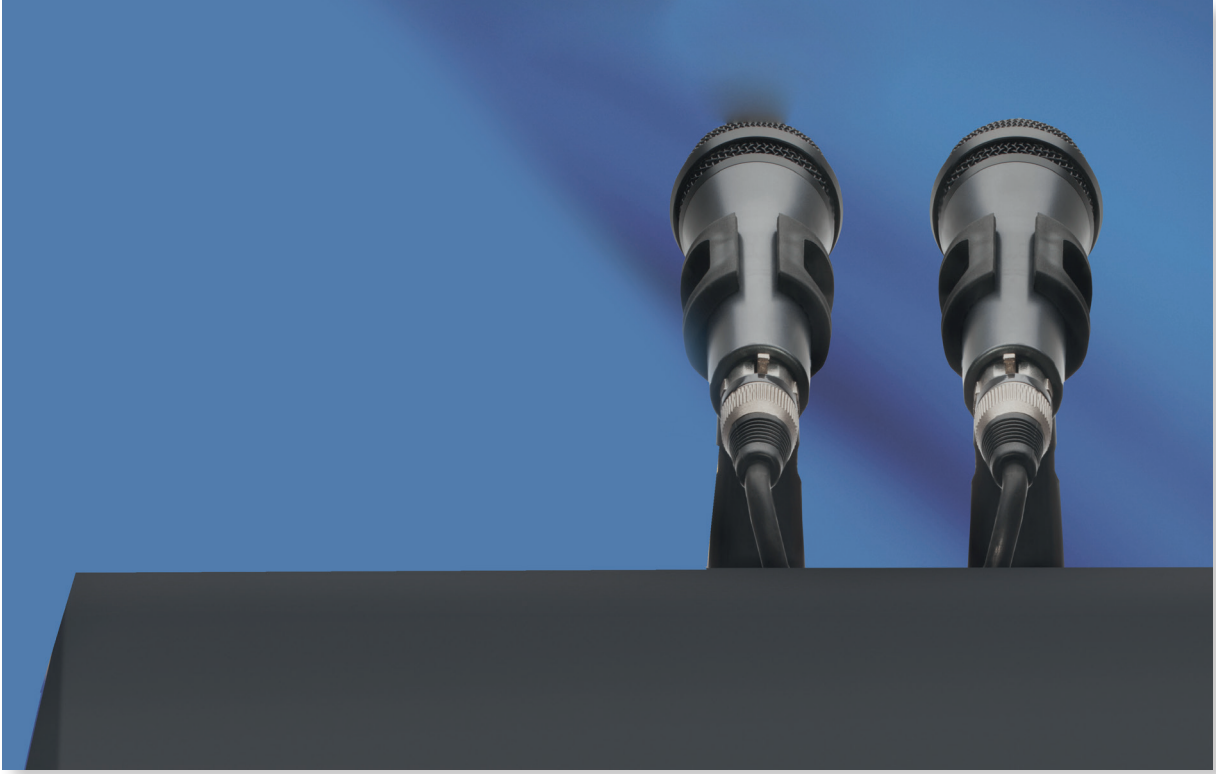
In such complex conditions, with intense military operations that ultimately led to the exhaustion of all parties, it was necessary to begin negotiations to end the war. With significant diplomatic efforts by the international community, especially the United States, negotiations began in November 1995. This was a particular challenge for the main mediators - Richard Holbrooke, the US special envoy, and Warren Christopher, the US Secretary of State, aware that previous attempts to initiate peace negotiations had

failed, additional efforts had to be made to ensure that this time they were at the highest level. In this regard, the mediators successfully gathered the highest representatives of the ethnic groups at an air force base in the State of Ohio. Thus, in Dayton, Alija Izetbegović negotiated on behalf of the Bosnian Muslim people, Franjo Tuđman represented the Croatian minority, while Slobodan Milošević represented Serbian interests.

The negotiation process resulted in the signing of a peace agreement on December 14th of the same year. The key point was the division of the territory, which was regulated by the creation of two entities (Republika Srpska and the Federation of Bosnia and Herzegovina (FBiH)) and one district – the Brčko District. This division partly reflected the territorial distribution of peoples, which aimed for ethnic autonomy and politically independent systems within one, new state that nevertheless gathered all three peoples in its political bodies at the federal level. Thus, the Dayton Agreement established the formation of a presidency consisting of three members (one representative of each of the constituent peoples), a parliamentary assembly, a council of ministers, as well as other important political bodies. The goal of the creators of this concept was to maintain ethnic balance, which, as will be shown later, created additional obstacles in basic political processes. In addition to the federal level, vertical and horizontal divisions of power are also visible at the entity levels, and thus at the level of the FBiH there is also a division for cantons, which would have their own degree of independence.

The Dayton Agreement created a political framework designed to ensure peace and stability in the post-war period, but at the same time it cemented ethnic divisions in Bosnia and Herzegovina, which are consequently also felt in other parts of the Balkans. This system has proven to be very ineffective, creating political fragmentation that has prevented effective governance and implementation of reforms. The situation on the ground is further complicated by the presence of international forces, the EUFOR mission (European Union Force Althea), as well as other international bodies, all with the aim of providing support in the peace implementation process.

The complexity of the system itself has made it difficult to restore mutual trust between the peoples of BiH in the long term. Thus, the division into two entities and a district has enabled foreign policies, which are



essentially not within the jurisdiction of the entities, to completely differ. The policy of the Federation of BiH is oriented more towards Croatia, Türkiye and Western partners, while the positions of the Republika Srpska are closer to the official institutions in Belgrade, Moscow, towards the political east, but still not closing the door to cooperation with partners from another political spectrum. The divisions created by these policies still affect the atmosphere within BiH today, as well as the entire Balkans, which de facto operates on the principle of merged courts. The decision to divide BiH into entities and a district, which today have their own positions and policies, reflected on many of today's pressing issues.

About EU and NATO

One of the main issues related to all states and entities of the post-Dayton Balkans is their relationship to and membership in the European Union and NATO. The European Union was and remains the main foreign policy goal of the Balkan countries, but the accession process itself is not simple. EU integration is a key focus for the countries of the region, but the European enlargement policy is gradually losing its strength, primarily due to internal problems of the EU itself, such as the migrant

crisis, economic difficulties, but also war in Ukraine, as well as the growth of right-wing ideas among the world.

As countries that are geographically in Europe, it is expected that they also belong politically to the European family. BiH has started the process of European integration, but political disagreements and inconsistent positions among the entity leaders have made the implementation of the necessary reforms difficult. Thus, it seems that Republika Srpska is less willing to support BiH's accession to the EU than the FBiH and the Brčko District. Some data indicate that this percentage is around 46%, combining full and partial support for this process. On the other hand, this process is far more popular in the territory of the Federation, where according to some surveys, over 80% of support registered. On the other hand, support for NATO in Republika Srpska in the form of "I unconditionally support membership" is minimal and ranges from 5 to 7%, depending on the author of the survey. The contrast exists in this case as well, and it is clear that support is much higher in the FBiH, reaching up to 81%. The reasons for such public opinion attitudes should be sought in several factors – historical, regional and other international issues, the war in Ukraine, the rhetoric of leaders.



The situation in the Republic of Serbia on the same topic is somewhat different, with 46% of citizens supporting EU membership. However, 44% are against, and it is important to note that this number has been growing over the years. On the other hand, there is no dilemma – the absolute majority of Serbian citizens are against joining NATO. Research by the Institute for European Affairs, which has been conducted regularly for years, shows the same data almost every time. While the number of citizens who support NATO membership ranges between 10% and 13%, between 80% and 82% of citizens are against. Unlike the attitude towards the EU, where the data can fluctuate, statistics towards NATO do not change over the years. Animosity towards the alliance is extremely high, and it is not expected that there will be any variations in the coming period. The reason for this should be sought primarily in the historical events of 1999. Additionally, the problems should be looked in the EU and NATO's stance towards the southern Serbian province of Kosovo and Metohija*, as well as the fact that official Belgrade is the only capital in Europe that has not imposed sanctions on the official Kremlin. The status quo that has been in place since the beginning of the conflict in Ukraine is contrary to the goals of the Berlin process, which, among other things, includes harmonizing foreign and security policies. Moreover, official Belgrade is opening clusters in negotiations more slowly than before, there is no real progress in the fight against corruption and the rule of law, and it is also struggling with inflation and a decline in living standards.

The situation with the third signatory of Dayton three decades later is completely different from those in Bosnia and Serbia. About $\frac{3}{4}$ of Croats believe that their country has only benefited from EU accession. The Republic of Croatia, which joined the European Union in 2013, has experienced significant economic growth. This is supported by the fact that GDP per capita has increased from 61% to around 75%, that public debt is decreasing in relation to GDP, and that unemployment has fallen to below 5%. Also, as a member of NATO, Croatia enjoys all the privileges, while still trying to keep up with the countries of the region, primarily Serbia, which has invested significant resources in its armed forces in recent years. On the other hand, Croatia receives support in the form EU financial funds, while it has fully harmonized its foreign and security policy. What was particularly important for Croatia during

the previous period was the JANAF flow, as the main strategic oil hub, which represents a significant point in the process of diversifying energy sources, especially since the beginning of the Russian aggression against Ukraine.

Regional Cooperation

In the wake of the oil flow, the issue of regional cooperation also arises. The Balkans, although geographically and culturally close, often show weakness in terms of regional cooperation. Although many countries in this region are members of regional organizations such as CEFTA (Central European Free Trade Agreement), the Balkan Cooperation Framework and the Regional Cooperation Council, their mutual cooperation is limited. There are still numerous obstacles that hinder the integration of these Balkan countries into the wider European and global community.

One of the biggest challenges for regional cooperation in the Balkans is the political fragmentation stemming from ethnic and national divisions. These divisions, which were particularly pronounced during the wars of the 1990s, continue to have a strong influence on political dynamics, even in the post-war period. Nationalist parties and leaders in all if three countries often use themes that help maintain ethnic homogenization within their states, while at the same time preventing meaningful dialogue and cooperation with neighbors. For example, the provisional institutions in Pristina have not accepted any of the solutions offered by official Belgrade, nor have they fulfilled the obligations agreed upon in the Brussels Agreement. On the other hand, Bosnia and Herzegovina is politically divided, with the Dayton Agreement still a point of reconciliation on the one hand and a point of division on the other. Croatia, while a member of the European Union, still has strong historical ties with its Balkan neighbors, but political tensions with Serbia, particularly over the issue of war crimes from the 1990s, make it difficult to build trust and stability at the regional level. Although politicians in Croatia and Serbia have reached some agreements on cooperation, there is a burden of the past and disagreements over different interpretations of war events.

Besides that, at the citizen level, there is great interest in cooperation, as many people in the Balkans recognize the benefits of greater economic connectivity and stability. It is known that at the level of all three

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countries, academic communities maintain strong ties. The tourism industry is particularly linked to the countries of the region, whether it is the coast or the mountains. Statistics from all countries show that most guests come from the neighborhood.

Good neighborly relations are also maintained thanks to the EU funds for cross-border cooperation. Serbia and Bosnia and Herzegovina have signed the IPA 3 Cross Border Cooperation program (2021-2027) worth around 14 million euros, which includes areas such as youth employment, tourism, especially improving tourism capacities. In addition, there are significant infrastructure projects such as the bridge near Gradiska and bridge Svilaj over the Sava River, which connects Bosnia and Herzegovina and Croatia.

In the context of cooperation perhaps the most important aspect is economical, and it should be noted that Serbia is a significant trade partner of BiH. For example, trade exchange between Serbia and BiH in 2020 amounted to around 1.74 billion euros. On the other hand, there is also significant trade between Serbia and Croatia. According to the Serbian Chamber of Commerce, in 2021, the exchange was around 1.33 billion euros, which represents an increase compared to 2020. Croatia belongs to the group of 20 leading investors in Serbia, with around 900 million euros invested in various sectors, from trade and services to the processing industry. In the last few years, a positive step has been made in terms of investments by Serbian companies in the agricultural sector in Croatia.

Also, in sense of economy, official Belgrade launched the Open Balkans initiative, aiming to facilitate everyday communication between the countries of the Western Balkans. For now, the initiative includes North Macedonia and Albania, while Bosnia and Montenegro

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are observers. Interestingly, the initiative was initially called a mini-Schengen, aiming to show that countries that are not members of the EU can also have the potential to work in a European team. This initiative can be expected to grow and develop in the future, only if there is political will for it. Other countries, such as Bosnia and Herzegovina, already have signed agreements on the free flow of people, goods and money, and joining such an initiative would be of great importance for them.

Foreign Policy and Military Aspect

In addition to the relations they maintain with each other, the Dayton signatories also have ties with other states through their foreign policies. It is already clear that the EU is particularly important as the largest trading partner, a significant source of investment and a framework for foreign policy and economic strategies. On the other hand, Russia and Türkiye have influence in the Balkans, although their approach to the region is not necessarily in line with the interests of the EU. Russia is particularly present in Bosnia and Herzegovina through its ties with the Republika Srpska and its leaders, while Türkiye maintains specific relations with members of the Muslim communities throughout the Balkans. Türkiye is also supportive of the sovereignty and territorial integrity of BiH, and supports BiH on its EU and NATO path. Both are equally important in strategic projects. On the other hand, China is one of Serbia's most important partners for infrastructure, energy and investments. Of course, it is also necessary to mention the United States of America, which was initially present mainly through peace-building and peacekeeping processes, and today as a significant investor and strategic partner.

By connecting with all these partners, military cooperation is also moving in this direction. As a member of NATO, Croatia actively participates in many

NATO and EU missions. Croatia agrees to send its forces to missions under the auspices of NATO, the EU and the UN, e.g. Enhanced Forward Presence (EFP), missions in Poland, Hungary, Bulgaria, maritime security missions ("Sea Guardian"), operations in Iraq, etc. As a member of NATO, Croatia has modernized its armed forces in its capacities. It attracted particular public attention with the acquisition of French Rafales.

This model of combat aircraft also attracted the attention of the Serbian public, after which an official confirmation came that they would be in operational use by the Serbian armed forces in the coming period. This showed that Serbia's position in the coming period would be complex. As a country surrounded by NATO members, it had to improve cooperation in the field of defense. In this regard, the acquisition of modern systems is only a step towards establishing a policy of military neutrality. Aforementioned China and Russia are equally important as Western partners, primarily due to their specific geostrategic position.

Bosnia and Herzegovina is in a similar situation, which, despite its complex position, is busy in developing all branches of military cooperation. Thus, Bosnia and Herzegovina and Türkiye signed a Bilateral Military Cooperation Plan for 2025, introducing joint activities, exchange of experiences, training. In addition, the BiH Armed Forces have signed a Bilateral Military Cooperation Plan for 2024-2025 with the USA, with hundreds of joint activities to increase the capabilities of the AFBiH, interoperability and training.

Conclusion

Although 30 years have passed since the signing of the Dayton Peace Agreement, it seems that the situation in the Balkans is still complicated. Serbia, Bosnia and Herzegovina and Croatia, less than thirty years ago, have managed to resolve some of the problems that were present even - primarily ethnic and nationalist rhetoric, which has drawn tension and unrest into the Balkan society that operates under a system of merged courts. The complex geopolitical situation does not seem to be changing anytime soon. Additional external factors - the situation on the Ukrainian front is not changing for the time being, the growth of the right in Europe and around the world is only just beginning to gain momentum, which may also result in problems of the growth of



right-wing ideas within societies. All this clearly indicates the fact that these three states are just going through a complex geopolitical period.

Of all three states, Croatia seems to have used the most chances for progress. As a member of the EU and NATO, it has managed to provide its population with the best standard of living of all the countries that are the subject of this article. By strengthening its ties with other member countries of the EU family and the NATO alliance, it has opened up space for itself to strengthen its foreign policy position.

On the other hand, Bosnia and Herzegovina and Serbia are not in such an enviable position. Although both candidates for the EU, they are not fully able to achieve and fulfill all the requirements that have been set before them on this path. Bosnia, divided by itself, is having a hard time resolving internal issues. Although Dayton aimed to reduce tensions, they are still present today. Inflammatory rhetoric, frequent mentions of conflicts, tensions, as well as memories that do not fade away even 30 years after the war, only make the path to creating a politically and socially functional society more difficult.

Rhetoric is also a problem in Serbia, which continues to choose the path to the EU as its strategic path.

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However, cooperation with countries from the political east puts it in a difficult position. Although this can be seen on the one hand as extremely positive, providing the opportunity to build diplomatic relations with a wider variety of countries from all sides, in a strategic sense it seems to create problems.

Although some analysts claim that long-term tensions are not sustainable, the Balkans seem to deny this. The example of these three states shows that, 30 years after the signing of peace, not everything has fallen into its proper place. Although the focus should be on consolidation and economic measures, it seems that work still needs to be done on the foundations - religious and ethnic foundations on which the politics of the entire Balkans rests.

**AVİM's Note: The Center for Eurasian Studies (AVİM) recognizes Kosovo as an independent state with the official name of the Republic of Kosovo.*