

# Bosnia four years after the Dayton Accord: US and Europe preside over ethnic partition and corruption

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“As we take stock of where we are, we see what we lack for a truly durable peace—a functioning sovereign state that unites all peoples of Bosnia and Herzegovina; an economy free from political influence and corruption that can provide jobs and stability; and the ability for all refugees and displaced persons to return to their homes.” ( *From a statement by the United Nations Mission in Bosnia, the Office of the High Representative, the Mission of the Organisation of Security and Co-operation in Europe [OSCE], and NATO* )

This joint statement by the international agencies presently responsible for Bosnia-Herzegovina amounts to an admission of failure on key aspects of the Dayton Peace Accords, signed in November 1995. In an attempt to salvage some credibility for the UN intervention, the agencies point to the absence of war four years on. But this offers small comfort, as a future resumption of armed conflict cannot be ruled out.

The term “peace” is an ill-fitting appellation for a situation in which ultra-nationalists continue to dominate political life, refugees are unable to return home and corruption is endemic throughout the power structures of Bosnia-Herzegovina.

The US-brokered accord geographically split the former Yugoslav republic, with a population of between 3 and 4 million, into two entities, enshrining ethnic divisions. On one side is the Federation of Bosnia-Herzegovina (the Moslem-Croat alliance), and on the other, the Serb Republic of Bosnia-Herzegovina (Republika Srpska). The former controls 51 percent and the latter 49 percent of the country.

This division was largely based upon the relative territorial advantages the various protagonists enjoyed after two-and-a-half years of fighting, which witnessed some of the worst atrocities that have accompanied the dissolution of Yugoslavia. The Western powers extended economic and military support to the Moslem-Croat alliance, formed under the auspices of the US.

A NATO occupying force of some 32,000 troops, known as the Stabilisation Force (S-For), polices the two entities. An Office of the High Representative was set up by the US and the European Union. The position concentrates extensive powers into the hands of Wolfgang Petritsch, who took over the post in September 1999.

As High Representative, Petritsch can veto decisions made by the governments in the two entities and remove from office uncooperative local mayors and parliamentary deputies. Even the anthem and flag of Bosnia-Herzegovina were chosen by the High Representative.

Western policy in Bosnia-Herzegovina continues an anti-Serb bias. Under the Dayton Accord, the country's territorial division omitted the region of Brcko, situated in the northwest. A final decision was to be made within a year but was constantly deferred as the area was hotly disputed.

For the Bosnian Serbs it formed a hinge between the two halves of the

territory they controlled, whereas for the Moslem-Croat alliance in the Federation, it offered an important commercial outlet to the Sava River. Last year it was finally decreed to be a “neutral zone”. This meant it was controlled by the US military and effectively dissected the Serb-ruled territory, leaving its western side flanked by Croatia on one side and the Federation on the other.

The Western powers have groomed the present Republika Srpska prime minister, Milorad Dodik, as their favoured statesman in the Serb mini-state. He has renounced any association with the Milosevic regime in Belgrade, and offered to comply with Western dictates.

The West has been assisted by the “collateral damage” from NATO's 78-day bombardment of the Federal Republic of Yugoslavia. The levelling of factories throughout Serbia proper cut off a major export outlet for the Republika Srpska. In 1998 this had accounted for 70 percent of exports and nearly a quarter of its gross domestic product. The annual value of trade has since been halved to 350 million German marks.

An example of the integrated character of this trade is shown by Cajavec, the company in Banja Luka that employed 2,000 people making electronics components for the Zastava car factory in Serbia. When the factory was destroyed by NATO bombs the Cajavec workers were deprived of the outlet for their products. Other economic casualties in Banja Luka include the Kosmos electronics plant and the Incel paper and plastics business. According to the Republika Srpska Industry Ministry, 62,000 workers lost their jobs as a result of NATO's action.

The net result of this has been to make the Republika Srpska even more economically dependent on inward investment and foreign aid, with the preconditions attached to them by Western powers. Prime Minister Dodik was quoted in the *Financial Times* saying: “The fact is that the Yugoslav economy is now not strong enough to take our products, and we cannot expect to have a market there like we had before the [Kosovo] war. We shall now have to look to the entire Bosnia and Herzegovina market, and to other countries.”

The uneasy nature of the Croat-Moslem alliance is exemplified by the situation in the southern city of Mostar. The city is split in two: the western side inhabited by Bosnian Croats, the eastern side by Bosnian Moslems. The freedom of movement claimed by the supporters of Dayton is belied by everyday life. On the western side of the bridge over the River Neretva Croat cab drivers wait to pick up passengers dropped off by Moslem (Bosniak) cab drivers in the east. The city has separate police forces and schools.

The Federation's army is also fractious. The units are ethnically segregated and under a separate ethnic chain of command. The two main nationalist parties—the Croatian Democratic Union and the Moslem Democratic Action Party—appoint personnel.

The obstructions preventing refugees returning and the maintenance of

military autonomy are ultimately bound up with Zagreb's plans to annex Bosnian territory as part of a Greater Croatia. This is particularly the case in the western part of the Federation, which is referred to as "Herzeg-Bosna" by the Croatian ultra-nationalists.

While the Western powers have been preoccupied with subjugating Republika Srpska and isolating it from the Federal Republic of Yugoslavia, the predatory appetites of Croatia have gone largely unchecked. In the recent period NATO has been obliged to rein in this expansionism, particularly as it prepares to scale down its military presence to 19,000 troops by April of this year.

The advanced state of these expansionist plans was shown by material seized in a NATO-led raid last year in the Bosnian Croat sector of Mostar, situated only 25 miles from the border with Croatia. The raid was carried out on October 14, 1999 by a combined force of some 1,500 American, British, French, Italian and Spanish troops, and represented one of the most extensive actions by NATO forces against Croat nationalists in Bosnia.

Eight cubic meters of material were uncovered, including 10,000 documents, a cache of arms and truckloads of spying equipment. Diplomatic officials claimed that it offered clear proof that Croat forces were preventing the resettlement of minorities from areas that had been ethnically cleansed, that they were protecting suspected war criminals and that they maintained connections with organised crime. The seized material included equipment for counterfeiting credit cards and for the mass copying of pornographic videos.

Payrolls and other documents indicated a financial umbilical chord between the operations in Mostar and the Croatian capital of Zagreb. NATO officials said there was evidence of tax revenue being siphoned off to the HDZ, then the ruling party in Croatia, which was used to pressure Croatian military officers into supporting the party's agenda.

NATO and diplomatic officials say there were also clandestine payments from Croatia to its hard-line counterparts in Bosnia, the full extent of which are not known. Funds were being provided not only for intelligence activities directed against various Western agencies, but also for the wages of an estimated 10,000 Croats in the Bosnian army, as well as for police officers in the Mostar region.

Although then-Croat President Franjo Tudjman was a signatory to the Dayton Accord, he never accepted a state of affairs whereby Croats had to share power with Moslems in the new Bosnian Federation. Those advocating the incorporation of Bosnian territory into a Greater Croatia have enjoyed considerable influence in domestic Croatian affairs. Known as the "Herzegovina lobby," their leading spokesperson, Ivic Pasilic, was Tudjman's main adviser until the latter's death last December 11.

Unlike the Serbs who were driven from their homes and disenfranchised, Bosnian Croats are entitled to vote. Although they only constitute 9 percent of the electorate, they have specially designated representatives in the Federation parliament known as "Diaspora deputies," and make up the right-wing of the HDZ.

The Western media has fostered the perception that the Moslem Democratic Action Party and its leader Alija Izetbegovic are models of ethnic tolerance. However, Izetbegovic heads a party that was founded upon religious exclusivism.

The Bosniak-controlled municipalities provide a base for Islamic extremists. This was recently brought to light when a member of the terrorist organisation, Mehrez Amdouni, was arrested in Turkey travelling on a Bosnian passport. Local Bosnian officials permit Mujahadeen fighters who had participated in the war in Bosnia to reside in the villages of Bocnja and Pehare. A majority of these have been granted citizenship and passports. They reside in the former homes of Serbs and Croats, and present a major deterrent to the return of those displaced from the region of Zavidovici-Maglaj.

Four years after the cessation of fighting, ethnic cleansing remains an

intractable problem. The United Nations High Commission on Refugees (UNCHR) announced figures suggesting a return rate of over 27 percent for refugees. However this is misleading. Many of these have not returned to their former neighbourhoods, but to areas where they constitute the majority ethnic group. A clearer indicator of resettlement is offered by the number of "minority" returns, those who have felt safe enough to return to areas where they are in the minority and are unlikely to be offered houses seized through ethnic cleansing. Based upon this criterion, the rate of resettlement is just 5 percent.

Criminal elements have been the main beneficiaries of the Western powers' economic policies in Bosnia-Herzegovina. According to some estimates, the black market accounts for 40 to 60 percent of the protectorate's economy. An article in the *Washington Post* on December 26, 1999 declared: "This has fuelled the rise of a wealthy criminal class that wields enormous political influence and annually diverts hundreds of millions of dollars in political tax revenue to itself."

A US House International Relations Committee fact-finding team sent to investigate corruption found that in one of the cantons hundreds of millions of dollars provided to the government by Western donors had already been misappropriated. In another case, public funds earmarked for the tombstones of war victims in the Serb-controlled area of Srebrenica had disappeared.

Those layers seeking to take advantage of private enterprise have been drawn from the criminal underworld. A prime example is the "Arizona market" in Brcko. Its name is testimony to the patronage of US capital—the Pentagon provided \$40,000 of its start-up costs—and it is referred to ironically as the "Wal-Mart" of Bosnia. Founded in the NATO-policed "zone of separation", it was meant to be a flagship of the free market for the rest of Bosnia. Three years on, it has become the centre for trade in contraband and counterfeit goods.

As one representative of the OSCE stated: "Within Bosnia-Herzegovina today, organised crime and corruption are more serious threats to security and stability than military confrontation."

Some \$30 million in uncollected taxes have accrued from the sale of legal goods. With such large amounts of uncollected revenues, the \$5.1 billion in foreign aid channelled into Bosnia-Herzegovina amounts to an indirect form of subsidy to these criminal elements.

The transnational corporations feel aggrieved that these funds have not been used to set in place the infrastructure that would enable them to exploit this untapped market. As one think tank, the International Crisis Group, commented: "Bosnia has become donor dependent. Were it not for donor aid—which may account for 30 percent of official GDP—economic growth would probably be negative. Little private investment—foreign or domestic—has occurred in manufacturing.... Even the American hamburger chain McDonalds has been put off, and Volkswagen is experiencing difficulties at every step of the way. Politicians appear more interested in staying in power than in making the needed structural changes in the economy that will attract private investment."

The calls for more stringent measures against the criminal cliques have more than a small dose of hypocrisy. Black marketers traditionally formed the constituency that opposed the centralised economies of Eastern Europe. Having emboldened these elements, Western diplomats and politicians now turn around and describe their activities as a remnant of the "communist era." In large measure the attack on "corruption" has become a euphemism for removing what limited social protection remains for working people and speeding up privatisation.

There are small but significant signs that the avaricious drive of the transnationals and the corrupt activities of the criminal/nationalist cliques are beginning to encounter opposition. Last October tens of thousands of demonstrators took to the streets of Sarajevo, the Bosnian Federation's capital. They chanted anti-government slogans and carried placards denouncing the war profiteers.

Since 1991, the continued dismemberment of Yugoslavia has provided NATO and the US with an opportunity to project their military power beyond their traditional boundaries. This has been based on carving out a series of ethnically-based mini-states completely dependent on Western finance capital and the transnational corporations. Nationalist cliques have enriched themselves by seeking the sponsorship of one or another major power. Such has been the reality of “self-determination” in the Balkans.



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