

CHANGING COURSE?:

**Implications of the divide
in Bosnian Croat politics**

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EXECUTIVE SUMMARY

The reintegration of Bosnia and Herzegovina (Bosnia) has been consistently obstructed by the main Bosnian Croat party, the Croat Democratic Union of Bosnia and Herzegovina (HDZBiH). The HDZBiH is dominated by hard-liners who emphasise the consolidation of a pure Croat-inhabited territory centred on western Herzegovina, with the eventual aim of seceding and joining Croatia. This policy has received support from hard-line elements in Croatia, including the president, Franjo Tudjman.

Long-standing divisions between those who emphasise western Herzegovina and those who wish to secure the future of Croats throughout Bosnia have led to a split in the HDZBiH and the formation of the New Croat Initiative (*Nova Hrvatska inicijativa* or NHI), led by the Croat member of the joint Bosnian presidency, Kresimir Zubak. The rift in the HDZBiH widened after the death, at the beginning of May 1998, of the Croatian defence minister, Gojko Susak, which left the HDZBiH without a figure with the authority to hold together its different strands. At the HDZBiH congress in May 1998, the party's hard-liners, against Tudjman's wishes, secured the election of the Bosnian Federation's defence minister, Ante Jelavic, as party president, defeating the comparatively moderate candidate favoured by Zubak, Bozo Ljubic.

Despite Zubak's record as a leading member of the HDZBiH, his support for the reintegration of Bosnia and the return of refugees and displaced persons appears genuine. Zubak has consistently argued for the defence of Croat interests throughout Bosnia, even tendering his resignation as Federation president in November 1995 when the Dayton Peace Agreement (DPA) assigned most of northern Posavina, a region which before the war had a large Croat population, to Republika Srpska. By contrast, Jelavic, despite his recent expressions of commitment to Bosnia and the DPA, is supported by those in the HDZBiH who have sought to make Croat-controlled western Herzegovina ethnically pure and shown scant interest in helping anybody return home, whether Croats or non-Croats.

The HDZBiH has intimidated officials and others considering switching from the HDZBiH to the NHI by threatening removal from posts, loss of pensions or benefits and other financial repercussions. In response, the OSCE has struck HDZ candidates from party lists in three cantons and has recommended that the Mayor of Orasje be removed. Despite these measures, the intimidatory tactics are having an impact, especially in western Herzegovina, where the HDZBiH controls patronage and a climate of fear pervades.

Nevertheless, the NHI is likely to do well in the September elections in certain regions, such as central Bosnia and Posavina. Elsewhere, much will depend on whether and how Croat refugees, especially those in Croatia and Germany, will vote, as well as displaced Croats from central Bosnia now in western Herzegovina. Zubak presents a strong challenge to Jelavic in the race for the Croat member of the joint presidency, if the HDZBiH's intimidation can be countered. He is the incumbent and also likely to receive some support from Serbs in the Federation, as well as from some Bosniacs who conclude that a vote for the Bosniac member would be wasted, as Alija Izetbegovic is sure to win.

The campaign has witnessed a bitter propaganda war, as the rivals have sought to tarnish each other with alleged revelations from their pasts. Critical to Zubak's prospects is fair access to the media. The European Union has presented a demarche to the Croatian television station, HRT, regarding its status in Bosnia and its pre-election coverage.

The formation of the NHI represents an important change in Bosnian Croat politics which improves the chances for reintegrating Bosnia. While its success in the current climate and with the present electoral system may be limited, it is important that it should establish itself as the strongest possible alternative to the HDZBiH. It will then be able to take advantage in the long-anticipated event of deeper changes in the Croat political scene both in Bosnia and in Croatia. This becomes increasingly likely as the aged Tudjman ails, and as the day of reckoning between rival wings of the HDZ approaches.

With these points in mind, ICG recommends the following:

- The NHI and Zubak personally need to campaign as actively as possible, among Croats in Bosnia and refugees abroad, in order to get their message across to Croat voters. To promote a level playing field, the international community should do what it can to counter the intimidatory tactics of the HDZBiH, monitoring closely, striking candidates from party lists, removing public officials involved and decertifying offending police.
- The pre-election reporting of HRT should be scrutinised, and careful consideration given to closing the station down in Bosnia if its coverage fails to improve.

- In order to break the hold of political hard-liners in the HDZBiH, the network of corruption, crime and cronyism which is at the heart of Bosnian Croat political life needs to be attacked. However, the lack of independence of the police and judiciary in western Herzegovina, and the climate of fear there, makes action from that source unlikely. The international community must therefore take the initiative and intervene to bring criminals to justice and, at the same time, pressure Croatia to move against criminal elements among the Bosnian Croats. Given the poisonous effect of the presence of such criminal gangs in Bosnia on Croatia itself, it is hard to see how Croatia can continue for long to allow the situation in Herzegovina to continue.

Skopje-Sarajevo, 11 August 1998

CHANGING COURSE?:

Implications of the divide in Bosnian Croat politics

I. INTRODUCTION

One of the major obstacles to the reintegration of Bosnia and Herzegovina (Bosnia), as envisaged by the Dayton Peace Agreement (DPA),¹ has been the persistent obstruction of the DPA's implementation by the main party representing Bosnia's Croats, the Croat Democratic Union of Bosnia and Herzegovina (HDZBiH). Bosnian Croat leaders have shown no genuine commitment to rebuilding the country as a multi-ethnic community. While paying lip service to the DPA, they have been unco-operative in efforts to promote the reunification of the city of Mostar, divided between a Croat-held west and a Bosniac-held east; have obstructed the return of Bosniac and Serb refugees and displaced persons (DPs) to areas which they control; and have discouraged Croat refugees and DPs from returning to areas now under the control of other ethnic groups. This obstruction has undermined the functioning of the Federation of Bosnia and Herzegovina (Federation) which was established in March 1994 on Bosniac- and Croat-controlled territory, and which forms one of the two entities of which the country is comprised.

Underlying this negative stance towards the building of an integrated Bosnian state has been the scarcely-concealed ambition for Croat-controlled areas of the country ultimately to secede from Bosnia and join Croatia. In this ambition, HDZBiH leaders have received support from the hard-line strand in the mother party, the HDZ in Croatia, including Croatia's president, Franjo Tudjman. However, long-standing opposition to this policy towards Bosnia, among many Croats both in Croatia and in Bosnia, has recently gained ground, leading to a split in the HDZBiH, and the formation of a new party, the New Croat Initiative (NHI). The NHI, led by the Croat member of Bosnia's collective presidency, Kresimir Zubak, has committed itself to the reintegration of Bosnia as a multi-ethnic state in which each ethnic community would enjoy equal rights.

This paper analyses the causes of the split in the HDZBiH. It examines the relationship between developments in Bosnian Croat politics and the political situation in Croatia, and the influence of Croatia on the Bosnian Croat political scene. It considers the possible consequences of the split, and the implications for Bosnia's reintegration. It weighs the options for

¹ The Dayton Peace Agreement or General Framework for Peace in Bosnia and Herzegovina was initialled in Dayton, Ohio, on 21 November 1995, and signed in Paris on 14 December 1995.

the international community in responding to developments in Bosnian Croat politics and concludes with a series of recommendations to help speed implementation of the DPA.

II. BACKGROUND

In Bosnia's first multi-party elections in November 1990, the HDZBiH emerged as the dominant party representing the country's Croats. Croat perspectives of Bosnia were complex and varied widely. In part there was a geographical distinction between those Croats who lived in mixed communities with Bosniacs and Serbs, such as in central Bosnia and Sarajevo, and in the Posavina region of northern Bosnia, and those who lived in the ethnically compact region of western Herzegovina, where Croats formed a significant majority of the population. The perspective of the former was largely conditioned by the experience and necessity of living side beside with Bosniacs and Serbs, while the latter often had a more narrowly Croat perspective, which revealed itself in a more hard-line approach towards the other peoples of Bosnia. The perspectives of Croats in different parts of Bosnia have, however, also been heavily influenced by the particular experiences of the war in individual regions, with the conflict leaving a particularly strong residue of bitterness in certain areas.

Initially the HDZBiH was dominated by relative moderates, reflecting the fact that only about a third of Bosnia's Croats lived in Herzegovina. Led by Stjepan Kljuic, the HDZBiH pursued a policy of participation in Bosnia's institutions and the maintenance of Bosnia's territorial integrity. However, shortly before the outbreak of war, with the backing of Zagreb, a hard-line faction led by Mate Boban, a Herzegovinian, took control of the HDZBiH. This was facilitated by the fact that Herzegovinian émigrés, notable among them Gojko Susak, who later became Croatia's defence minister, had, by providing much of the HDZ's finances, acquired considerable influence in the party in Croatia. Thus began a pattern in which the interests of the Croats of Herzegovina tended to be given priority in the policy of both Zagreb and of the HDZBiH, often at the expense of the Croats elsewhere in Bosnia. This emphasis on Herzegovina also arose out of the dream, shared by Tudjman, of incorporating chunks of Bosnian territory into Croatia. Indeed, in a 25 March 1991 meeting shortly before the outbreak of war, in the Serbian town of Karadjordjevo, Tudjman is said to have discussed the division of Bosnia between Croatia and Serbia with the then Serbian president, Slobodan Milosevic. And even after the war had started, Boban held talks on 6 May 1992 with the Bosnian Serb leader, Radovan Karadzic, in Graz, on a carve-up of the country.

In the early stages of the Bosnian war, Croats and Bosniacs fought as allies against the Serbs. However, the alliance was always uneasy, as Croat forces, the Croat Defence Council (HVO) and the Croat Defence Forces (HOS, the military wing of the Croat Party of Right), organised the defence of Croat-inhabited areas. In early 1993 tensions erupted into full-scale war. Heavy fighting took place in central Bosnia, where Croat forces suffered a series of setbacks which resulted in a number of often isolated pockets of Croat-held territory being left surrounded by Bosniac-held territory. Populations fled or were expelled on both sides, and much of once ethnically-mixed central Bosnia came to resemble a patchwork of Croat enclaves dotted around territory whose population was now overwhelmingly Bosniac, their numbers swelled by refugees from elsewhere in Bosnia.

The Bosniac-Croat conflict was brought to an end through US mediation, with the Washington Agreement in March 1994, according to which the Federation was set up. However, Bosniac-Croat relations remained tense. The institutions of the Federation have only been introduced slowly and under strong international pressure, and have in many cases even now not started to function properly. The institutions of the former, Bosniac-controlled government of the Republic of Bosnia and Herzegovina, as well as those of the wartime Croat para-state of Herceg-Bosna, are only reluctantly being dismantled. Meanwhile, the reintegration of the Federation, including the return of refugees, has proceeded slowly, and has met with considerable resistance and obstruction from the Croat side.

III. THE HDZBiH SPLIT

A key factor in the breakdown in the unity of the HDZBiH was the death at the beginning of May 1998 of Gojko Susak, who had, from Zagreb, dominated Bosnian Croat political affairs. Susak had the trust of hard-line Herzegovinian elements, which regarded him as their defender and advocate, and also had the authority, at key moments, to secure Bosnian Croat acceptance of compromises such as the Washington Agreement and the DPA. With Susak's departure from the political scene, the HDZBiH lacked a figure with the authority to maintain unity among rival factions, playing the balancing role that Tudjman himself plays in the HDZ in Croatia.

The divisions within the HDZBiH came into the open at a party congress on 16 May 1998. They had, however, already become apparent as a result of the Dubrovacka banka affair. The crisis in the troubled bank came to a head in April 1998, when its former chief executive, Nevan

Barac (who had been sacked in February), was arrested and accused of reckless lending which had caused the bank to become insolvent. In particular, the bank had been highly exposed to the Herzegovinian business tycoon, Miroslav Kutle, and his ventures in the Dalmatian tourism sector. The Croatian National Bank intervened to rescue the bank, whose difficulties revealed serious shortcomings in the Croatian banking sector and major concerns about the activities of certain tycoons in the Croatian economy.

As the crisis at Dubrovacka banka was unfolding, a group of businessmen close to Zubak set up Dubrovacka banka Mostar as a separate, Bosnian bank. The founders of the bank included Barac, Milan Lucic, brother of Zubak's security advisor, Ivica Lucic, and Mate Stojic, brother of the former Herceg-Bosna justice minister, Bruno Stojic.² It appears that the new bank was intended to support Croat business activities throughout Bosnia. As such it was envisaged as underpinning Zubak's policy of supporting Croat interests and offering a long-term future for Croats throughout the country, rather than concentrating on Herzegovina. This strategy challenged hard-line Herzegovinian elements which favoured maintaining the policy of emphasising Herzegovina, which would be retained under purely Croat control, and de facto integrated into Croatia. It has also been suggested that the formation of new bank threatened the business interests of a rival HDZBiH faction in the lucrative petrol market, including the Bosnian foreign minister, Jadranko Prlic.³

In advance of the HDZBiH congress, a list of candidates for party posts was put forward, which was agreeable to Zubak's supporters, with Bozo Ljubic, the Federation health minister, proposed as party president. This was unacceptable to Zubak's opponents in the HDZBiH, who instead proposed Dragan Covic, the president of the HDZBiH city committee in Mostar, as party president, as someone who would be acceptable to both Tudjman and the international community. Ivica Lucic, who as head of the Herzegovinian military intelligence service is believed to have accumulated potentially damaging material on many figures on the Bosnian Croat scene, then set about discrediting Covic, imputing that he had pre-war Serb affiliations. Shortly before the congress, Zubak's opponents put forward Ante Jelavic, the Federation defence minister, as an alternative candidate.

The nomination of Jelavic went against the wishes of Tudjman, who had already agreed the candidature of Ljubic. Zagreb was facing strong international pressure over the lack of Croat co-operation in the implementation of the DPA, adding to the impetus for a shift towards a more moderate line in Bosnia. The congress was the scene of high

² *Globus*, 31 July 1998.

³ *Ibid.*

drama, as Tudjman's advisor on internal affairs, Ivic Pasalic, as well as the Croatian assistant defence minister, General Ljubo Cesic-Rojs, argued strenuously for Tudjman's wishes to be followed, and for Ljubic to be elected.

There were, however, reports from Croat observers at the congress that all was not as it seemed, with claims that behind the scenes Pasalic and Rojs had not been supporting Ljubic.⁴ Indeed, neither man would on the face of it appear likely supporters of Zubak's candidate. Pasalic and Rojs are both key contact figures in Zagreb for the hard-line Herzegovinian elements opposed to Zubak. Pasalic, one of the most powerful figures in the Croatian HDZ, and himself a Herzegovinian in origin, has been linked in the Croatian media with the Dubrovacka banka affair. It was reported that Tudjman's son, Miroslav, had resigned, in February 1998, as head of the Croatian intelligence service in part because of his dissatisfaction with the handling of the Dubrovacka banka affair and due to Pasalic's alleged involvement in it. He was reportedly also angered by attempts to besmirch the name of Ivica Lucic, a close ally of his as well as of Zubak.⁵ The threatened resignation in May 1998 of the head of the presidential office in Zagreb, Hrvoje Sarinic, also pointed to serious divisions in the Croatian capital. Sarinic, a leading figure on the moderate wing of the Croatian HDZ, made clear his objections over the alleged involvement of Pasalic in the Dubrovacka banka affair.

The divisions in Zagreb were thus mirrored in the HDZBiH, with relative moderates at loggerheads with hard-liners. Not only was Pasalic up against relative moderates in Zagreb (Sarinic and Miroslav Tudjman) and in Bosnia (Zubak), but Rojs also had long-standing close connections with Jelavic. Both were soldiers involved in logistics. It has been widely reported that one of the principal routes for funds reaching the Bosnian Croats from Zagreb is from the Croatian defence ministry, via the HVO logistics centre in Grude, with the key figures being Rojs and Jelavic.⁶ Thus while it is difficult to draw firm conclusions about what was going on in the corridors during the HDZBiH congress in May 1998, it does seem that both Pasalic and Rojs are aligned with Jelavic against Zubak and his associates in Bosnia, and their associates in Zagreb.

This alignment was confirmed by subsequent events. Despite early reports of Tudjman's anger at the congress's defiance of his wishes, the Croatian HDZ confirmed its support for the new leadership. However, Zubak, together with like-minded people in the HDZBiH, had already

⁴ The key Zubak ally, Ivo Lozancic, said in an interview with *Oslobodjenje* on 12 June that Pasalic had in fact been for Jelavic at the congress.

⁵ *Globus*, 24 April 1998.

⁶ This assertion by the NHI vice-president, Ivo Lozancic, in an interview in *Nacional* of 15 July 1998, was denied by Jelavic in an interview in *Nacional* of 22 July 1998.

decided, following the congress, that they had no future in the HDZBiH, and at the beginning of June 1998 announced that they would form a new party. For Tudjman the maintenance of the unity of the Croat people behind the HDZ is an overriding concern, and so, in an attempt to forestall a split, he met with Zubak and Jelavic in Zagreb on 5 June 1998. An agreement was reached, according to which new members from both wings of the party were to be brought into the party leadership at a constitutive session of the HDZBiH central committee on 11 June 1998.

However, the agreement quickly broke down, with Zubak objecting that Pasalic had broken the agreement by placing the blame for the divisions on him in a press interview. Asserting that he no longer felt bound by the agreement, Zubak did not attend the 11 June 1998 session in Orasje. Ivo Lozancic, a key Zubak ally, also boycotted the 11 June 1998 session, while two others, Perica Jukic and Nikola Grabovac, walked out. Zubak then proceeded, with other former senior HDZBiH figures, to establish a new party, the New Croat Initiative (NHI) with a meeting of an initiative committee on 12 June 1998.⁷

IV. THE NEW CROAT INITIATIVE

Zubak has presented his key platform as being the defence and promotion of Croat rights and interests throughout Bosnia, as one of the three constituent Bosnian nations, equal with the other two. In this he claims to differentiate the NHI from the HDZBiH, which has failed to stand up for Croat interests in areas outside of the core Croat-controlled territories. He has thus stressed the need for the return of Croat refugees and DPs to areas such as central Bosnia and the Posavina region in northern Bosnia, as well as the need to enable the return of Bosniac and Serb refugees and DPs to areas in which Croats form a majority. While Jelavic has also claimed that the HDZBiH is for the integration of Bosnia and the return of refugees, Zubak has claimed that the difference is in the implementation, to which the NHI is genuinely committed, unlike the HDZBiH.⁸

The record of the HDZBiH in enabling the reintegration of Bosnia and the return of refugees is indeed very poor. However, given that Zubak was himself a senior member of the HDZBiH (more senior than Jelavic until recently), it is understandable that his claim to have a genuine commitment to Bosnia now should be questioned. Zubak's record early in the conflict would appear to suggest a Bosnian outlook. He hails from Dobo, which is now in Republika Srpska, and it has recently emerged that

⁷ *Oslobodjenje*, 13 June 1998.

⁸ Interview with Zubak in *Slobodna Bosna*, 20 June 1998.

early in the fighting, in September 1992, as a member of the Bosnian Army, he took part in a solemn oath to that army, a full four months after the HVO had been formed in the area.⁹ Later, at the time of the signing of the DPA, Zubak tendered his resignation from his then post as Federation president, objecting to the amount of territory, formerly containing large Croat populations, awarded to Republika Srpska in the Posavina region; he withdrew his resignation when the club of Croat deputies in the Federation parliament voted not to accept it. This episode would appear to demonstrate Zubak's consistent interest in protecting the rights of Croats in all parts of Bosnia, in opposition to the line which emphasised Herzegovina.

In February 1996, during negotiations which led to the Rome Agreement on the unification of Mostar, Zubak argued strongly against the formation of a large central district in which Croats and Bosniacs would jointly be in control. This posture appeared to cast him as a hard-liner opposed to reintegration. However, it is equally possible that at that time he felt obliged to strike that stance so as to retain the support of the hard-line Herzegovina lobby, still hoping to work within the HDZBiH.

The international community at least seems on the whole to be prepared to give Zubak the benefit of the doubt. The presence of the assistant high representative, Hans Schumacher, at the NHI founding conference was widely interpreted as signalling support. Clearly Zubak's message of reintegration and refugee return is in accord with the DPA. From the ranks of the HDZBiH have even come accusations that the initiative for the founding of the NHI came from the international community, which had allegedly wished to oust the HDZBiH in the same manner that it had helped oust the Serb Democratic Party (*Srpska demokratska stranka* or SDS) in Republika Srpska in 1997; according to this interpretation, Zubak would play the role of a "moderate" alternative to the HDZBiH, just as the international community had earlier supported Republika Srpska's president, Biljana Plavsic. There can be little doubt that the international community would like to see the HDZBiH replaced by a more moderate, co-operative Bosnian Croat leadership. However, there has not been such open international support for Zubak as there had been for Plavsic to enable her to split from the SDS.

The common international approach has been to stress that the international community will support any party that supports the implementation of the DPA and is for a unified Bosnia. The international high representative, Carlos Westendorp, in a recent interview stressed

⁹ *Globus*, 31 July 1998. In an interview in *Nacional* of 5 August, 1998, Zubak stressed that he had initially been one of the founders of the territorial defence unit in Doboje in April 1992, before the formation of the HVO, and stressed that at that time Bosniac and Croat fighters had co-operated well.

that he trusted Zubak, because of his record as a supporter of Bosnia, and would welcome a party led by him.¹⁰ As to Jelavic, Westendorp noted that he also declared himself to be for Bosnia and for the DPA, and said that he believed him, although he added that he would need to see practical proof of that commitment, of which he had not yet seen enough from the HDZBiH. Thus, although there is no open or explicit international support for Zubak, the international preference is clear.

Jelavic has, since his elevation to the HDZBiH leadership, repeatedly stressed his commitment to Bosnia and to the DPA. For example, at a roundtable discussion on the future of the Croat people in Bosnia in Neum on 17 July 1998, Jelavic insisted on the implementation of the DPA.¹¹ Nevertheless, in judging whether there is any real likelihood that the HDZBiH would deliver on Jelavic's promises, one has to look at the background to his elevation as party leader and at who has supported him. As discussed above, Jelavic was chosen as the candidate of those in the HDZBiH who wished to block the moderate, pro-Bosnian wing of the party led by Zubak. As such, whatever his personal views may be, he represents those in the HDZBiH who have persistently resisted the establishment of the Federation as a united, functioning entity, and who have repeatedly discouraged and blocked the return of refugees.

There are also good reasons to doubt Jelavic's personal commitment to Bosnia. He is born in Croatia, grew up there and only moved to Bosnia as an officer in the Yugoslav People's Army (JNA). Moreover, in a speech on the occasion of the first anniversary of the death of the wartime HDZBiH leader, Mate Boban, on 7 July 1998, Jelavic declared at the former leader's grave that the HDZBiH remained on Boban's path.¹² Given that it was under Boban that the HDZBiH had embarked on its policy of carving out a pure Croat territory in western Bosnia, through war with the Bosniac side, such remarks understandably raise concerns.

Thus while further, slow progress may be made towards implementation of the DPA with the HDZBiH under Jelavic still in power, it is likely only to be reluctant and under constant, intense international pressure. It is thus understandable that those who wish to see Bosnia established as a united, functioning state, in which refugees and DPs can return to their homes, and in which Croats, as well as Bosniacs and Serbs, can live freely and securely throughout the country have placed much hope on Zubak and the NHI.

¹⁰ Interview in *Globus*, 24 July 1998.

¹¹ Report in *Oslobodjenje*, 18 July 1998.

¹² Report in *Oslobodjenje*, 10 July 1998.

V. THE NHI'S PROSPECTS

The NHI cannot expect to do much more than establish itself as a credible alternative to the HDZBiH in the forthcoming Bosnian elections. With several polls taking place at the same time, prospects for the new party will obviously be better in some than in others. In certain cantonal elections, for example, particularly in central Bosnia, the NHI could well win a substantial number of seats. Meanwhile, Zubak himself, the incumbent in the contest for the Croat member of the joint presidency, should present a serious challenge to the HDZBiH candidate, Jelavic. Given the NHI's emphasis on representing the interests of Croats throughout Bosnia, it should also do better in areas outside of Herzegovina. In Zubak's home region of Usora, near Doboje, most of the leading figures of the HDZBiH moved across to the NHI.¹³ And leading HDZBiH figures in Brcko, the municipality subject to international arbitration, have followed suit.¹⁴ In the Croat-controlled enclave of Zepce the NHI should again do well, given that Lozancic was the wartime HVO leader there, and is likely to retain considerable local Croat support. Among Croats in Sarajevo too, the NHI can expect to perform reasonably well.

The results of opinion polls conducted so far have varied, and need to be treated with caution. They do, however, offer some interesting, if rough, indications of the relative strengths of different parties. A poll carried out in June by Mareco Index Bosnia confirmed expectations regarding the likely geographical variance in support for the two main Croat parties.¹⁵ In Orasje, in the northern Posavina region, the poll found that the HDZBiH and the NHI were fairly evenly balanced, as was also the case in Zepce and in the central Bosnian town of Kakanj. In Tomislavgrad the poll showed the NHI winning 70 percent of the vote. In Mostar, however, the poll showed the NHI gaining virtually no support, indicating the particular challenge that Zubak faces in the Herzegovinian heartland.

A poll of 456 Bosnian Croat voters conducted by *Vecernji list* confirmed expectations that the NHI is likely to do less well in Herzegovina than elsewhere in Bosnia.¹⁶ This poll showed the HDZBiH leading strongly overall, with some 60 percent of the vote, compared with less than 20 percent for the NHI, with none of the other parties in contention. The poll

¹³ *Oslobodjenje*, 27 June 1998.

¹⁴ ONASA, 16 July 1998.

¹⁵ Report in *Oslobodjenje*, 2 August 1998.

¹⁶ Report from *Vecernji list*, carried in *Oslobodjenje* on 5 August 1998. The smallness of the sample and the unscientific methodology used in compiling this poll detract somewhat from the validity of the results, but in providing some general indications, the poll is useful.

showed the HDZBiH performing even more strongly in Herzegovina, while in Bosnia it received only slightly over 50 percent, with 23.5 percent going to the NHI.

This *Vecernji list* poll also suggested that Zubak is personally more popular than his party, although again, he is much less popular in Herzegovina (12 percent, compared with 55 percent for Jelavic) than in Bosnia as a whole (39 percent, compared with 42 percent for Jelavic). This poll too showed Zubak doing well in central Bosnia, including Kiseljak, Zepce, Travnik, Usora and Busovaca, while Jelavic came out on top in Herzegovinian towns such as Siroki Brijeg, Grude and Mostar. In the election for the joint presidency Zubak may be helped by the fact that he is the incumbent, with a higher profile than Jelavic. In addition, he may benefit from the votes of Croat refugees in Croatia and elsewhere in Europe, especially in Germany, who would like to return home. Much will depend on the turnout among these potential voters, and Zubak has already visited Bosnian Croat refugees in Germany in an effort to get his message across. Another unknown quantity is the Croat DPs from central Bosnia now residing in Herzegovina. Many of them may be too strongly under the influence of the pro-HDZ Croat media and the DPs Association in Herzegovina, which has discouraged the idea of returns, to heed the message of Zubak and the NHI. However, active campaigning among them might, if tried, bring results.

In an effort to broaden its appeal, the NHI is entering the September elections with a joint list together with the Croatian Christian Democratic Union of BiH (HKDU-a BiH).¹⁷ This is of particular importance given that the HKDU-a BiH already possesses a party infrastructure in areas of Herzegovina where the NHI is at a disadvantage. The NHI also hopes that the HKDU-a BiH will help to deliver votes in Tomislavgrad and Livno, where the two parties hope to do well.

The NHI has received guarded support from Catholic Church figures in Bosnia (although not, for the most part, in Herzegovina, where most Franciscans continue solidly to support the most extreme Croat positions). Statements by senior Church figures have tended to be in a similar vein to those from international representatives, avoiding open support for any one party, but making it plain that the Church favours the right of all, including Croats and other peoples, to return to their homes and to live without fear or hindrance throughout the country. This was the view expressed by the Assistant Bishop of Sarajevo, Mgr. Pero Sudar in a recent interview¹⁸ in which he went on to say that there was no need to regret the split of the HDZBiH. He also observed that while a great many people would like to vote for those who would enable people to return to

¹⁷ Report in *Novi list*, 19 July 1998.

¹⁸ *Novi list*, 18 July 1998.

their homes and to live in equality, relatively few believed that that was possible. As a result, they would vote again out of fear, for those who they believed would at least defend that which they have now.

The NHI has complained that the HDZBiH has sought to undermine it through attempts to intimidate and bribe its members and potential members. There was some disappointment from early on that a number of people regarded as natural supporters of Zubak remained with the HDZBiH. Thus, for example, Bozo Ljubic, having failed to be elected as HDZBiH president, accepted the position of party vice-president. It had also been expected that his brother, Mariofil Ljubic, would join Zubak, but, it has been widely reported, he came under intense pressure to remain in the HDZBiH. There was also disappointment that the Bosnian finance minister, Drago Bilandzija, did not join the NHI. The NHI has pointed to pressures, such as threats of losing jobs and livelihoods, which have been used to keep people in the HDZBiH. There have also been accusations that Croat soldiers have engaged in intimidation and blackmail in some areas, to keep people from joining the NHI.¹⁹

Allegations of widespread intimidatory tactics by the HDZBiH were confirmed by an investigation carried out by the Election Appeals Sub-Commission (EASC), following a referral by the Provisional Election Commission (PEC).²⁰ The EASC found evidence of threats of job losses for any who left the HDZBiH, of threatening phone calls to NHI members and their families, and of the involvement of HVO members in intimidation of HDZBiH opponents. It recommended the removal of the mayor of Orasje, Marko Benkovic, for his role in intimidating opponents, and struck HDZBiH candidates from party lists in the Posavina, Tuzla-Podrinje and Neretva cantons.

There have also been reports of bribery being employed to keep people in the HDZBiH, or to persuade people who had joined the NHI to return to the HDZBiH. Thus, for example, the president of the NHI in Usora, Ivica Kovacevic, has reported how he accepted an invitation to visit Mostar, where he was met by Jelavic, and was offered land and building materials in Bosnia or Croatia, the opportunity of graduate study abroad or of employment in Usora, if he joined the HDZ, perhaps waiting until shortly before the elections, for maximum destructive effect. Kovacevic also reported that other similar meetings had taken place in Mostar.²¹ In an open letter to the head of the mission of the Organisation for Security and Co-operation in Europe (OSCE) in Bosnia, Robert Barry, the General Secretary of the NHI, Davor Kolenda, complained of the tactics of

¹⁹ *Globus*, 3 July 1998; interviews with Zubak for *Slobodna Bosna*, 20 June 1998 and *Globus*, 3 July 1998; and with Lozancic, *Jutarnji list*, 29 June 1998 and *Nacional*, 15 July 1998.

²⁰ EASC decision, 6 August 1998.

²¹ *Oslobodjenje*, 5 August 1998.

pressure and intimidation being used by the HDZBiH, citing instances in Orasje, Travnik, Mostar, Neum, Drvar and Usora.²²

It is likely that such tactics have had and are having a considerable effect in undermining the NHI's campaign, especially in areas, including western Herzegovina, where the HDZBiH controls patronage, and where a real climate of fear prevails, discouraging any open opposition to the HDZBiH. There are, nevertheless, Croats who have had sufficient courage to oppose the HDZBiH, even in Herzegovina. Thus, for example, individuals who were prominent in the pre-Boban HDZBiH, such as Milivoje Gagro in Mostar, have emerged as supporters of Zubak, while Radoslav Dodig, from Ljubuski, is a key figure in the NHI in Herzegovina.

Zubak may also have other important sources of support:

- First, as already noted, support could come from Croat refugees and DPs. Many who would like to return to their homes might see a vote for Zubak and the NHI as advancing that aim, if, that is, he and his party are able to get their message across.
- Secondly, many Serbs in the Federation may vote for Zubak, including returnees to places such as Drvar, Grahovo and Glamoc.
- Thirdly, some Bosniacs might vote for Zubak, concluding that the incumbent Bosniac member of the joint presidency, Alija Izetbegovic, will certainly be re-elected, and that a vote for a Bosniac candidate would effectively be wasted. In that case, a vote for the Croat member of the presidency might be better used, and given that Jelavic and Zubak are the leading candidates in that contest, the conclusion of many might be that Zubak would be the preferable choice from the Bosniac viewpoint.²³

These factors may help Zubak to do better than might be suggested by opinion polls among Croats living in Bosnia. Moreover, they indicate that Zubak, as a candidate for the joint presidency, probably has better prospects than his party more generally in the forthcoming elections. That said, two other Croat candidates, Gradimir Goyer of the SDP and Senka

²² Letter of 5 August 1998.

²³ Under the DPA, Bosnians only have one vote at the Presidential level. Article V, paragraph 1 of the Constitution of Bosnia and Herzegovina states that: "Members of the Presidency shall be directly elected in each Entity (*with each voter voting to fill one seat on the Presidency*)". Serbs and Bosniacs in the Federation can, however, vote for the Croat member of the Bosnian Presidency since they can use their vote for either the Bosniac or the Croat seat. Again according to Article V of Annex 4 of the DPA: "The Presidency of Bosnia and Herzegovina shall consist of three Members: *one Bosniac and one Croat, each directly elected from the territory of the Federation*, and one Serb directly elected from the territory of the Republika Srpska." Emphasis added.

Nozica, of the Republican Party, are also likely to benefit from the support of Serb and Bosniac voters, taking votes away from Zubak.

VI. PROPAGANDA WAR

As the election approaches, campaigning between the HDZBiH and the NHI has become increasingly bitter, with attempts on both sides to discredit their opponents.²⁴ Thus, for example, key HDZBiH figures have suggested that Zubak is a pawn of the international community, and that he is aiming for a unitary Bosnia. Such accusations attempt to undermine Zubak's credibility as a truly Croat representative, which is important in an electoral system in which national affiliation is for most people the key factor in voting. Similarly, the revelation that he had early on been a member of the Bosnian Army has been used to try to discredit him among Croats. Worse still, Jelavic has claimed that Zubak before the war worked for the Yugoslav military counter-intelligence service, KOS, and that he attended a KOS course in Pancevo, in Serbia, in 1980.

Lozancic has also come under fire for his alleged activities as the HVO commander in Zepce. He has been accused of turning over Irfan Afanovic, a deputy of the main Bosniac party, the Party of Democratic Action (SDA), to the Serbs, who interrogated and allegedly tortured him. It has also been alleged that during the Bosniac-Croat war Lozancic was in contact with Serb representatives. Lozancic has made counter-accusations, claiming that early in the Bosniac-Croat war he was twice ordered by the HVO headquarters to enter into contact with the Serbs near Zepce, to evacuate the Croat population from the area and burn all property.²⁵ He thus sought to underline how little HDZ leaders had cared for the Croats in central Bosnia; he also asserted that Tadjman had said that he was not interested in Sarajevo, Bosnia or the problems of Bosnian Croats, but only in west Mostar, where it was necessary to concentrate Croat strength.

On the other side, NHI figures have pointed to the dubious activities of the HVO logistical centre in Grude, seeking to tarnish Jelavic with the suggestion of corruption. They have also pointed to the role of Hercegovacka banka, which since its foundation last year has become the most important bank in the region, and which includes in its managing committee noted HDZBiH hardliners, such as the cantonal ministers, Valentin Coric and Jozo Maric, the principal of the Franciscan house in

²⁴ *Globus*, 31 July 1998, on the Bosnian Croat propaganda war; interviews with Lozancic, Jelavic and Zubak in *Nacional*, 15 July 1998; 22 July 1998; and 5 August 1998 respectively.

²⁵ Interview in *Nacional*, 15 July 1998.

Mostar, Jozo Zovko, and the HVO general, Stanko Sopta (Miroslav Kutle has also been linked with the bank).

Such accusations levelled against Jelavic and his hard-line associates might make only a limited impression on many Croat voters, especially in Herzegovina. There it has long been widely known that some leading HDZBiH figures have enriched themselves through various corrupt and outright criminal practices (in some cases have been involved in war crimes). The means by which the HDZBiH maintains its control, through intimidation and a climate of fear, is probably enough to ensure that many will continue to support it, whatever the revelations. If Ivica Lucic were to release any further information from his alleged arsenal, that would be awkward for the HDZBiH, but potentially also for those former senior HDZBiH figures in the NHI who lived with such practices for so long.

Of key importance to Zubak and the NHI is that they should be able effectively to deliver their message to the Bosnian Croat electorate. Here they are at a disadvantage, in that the key Croat media outlet, Croatia's television station, HRT, has been partial against them. At the beginning of August the European Union delivered a demarche to the Croatian government concerning the presence of HRT in Bosnia.²⁶ The international objections to HRT are essentially twofold:

- Firstly, from a legal perspective, HRT's use of frequencies allocated to Bosnia, without the permission of relevant Bosnian authorities, is against international standards. In addition, HRT's programmes are transmitted across Bosnian territory using repeater transmitters which had, in many cases, been seized from the Bosnian radio and television company, RTV BiH. The demarche demanded that HRT co-operate with the relevant Bosnian bodies, such as the Office of the High Representative (OHR) and the Independent Media Commission (IMC) over these media issues. There have been calls from some quarters for HRT simply to be denied use of the repeaters and frequencies.
- From a political point of view, the demarche also objected to the content of HRT's reporting, that it gave too much air-time to Jelavic and other HDZBiH figures, to the detriment of Zubak and other Bosnian Croat leaders. HRT is also accused of a pattern of inaccurate, one-sided and tendentious reporting on Bosnian affairs. This situation in which a station from another country seeks to influence political events in Bosnia is judged by the demarche to be unacceptable.

There is some international reluctance to shut down HRT in Bosnia. However, the international community has served notice that its

²⁶ ONASA, 2 August 1998; *Jutarnji list*, 6 August 1998.

performance is being monitored, and that the option of taking severe measures remains if the station's performance does not improve.

VII. CRIMINAL CONNECTIONS

The pervasive climate of fear and intimidation in western Herzegovina is linked to the influence there of organised criminal gangs. These corrupt and outright criminal elements are intimately linked with individuals in the Bosnian Croat political leadership, and they have used their power for their own enrichment. Not only has this poisoned Croat society in those regions, and undermined the development of a functioning Bosnian state, but it has also had negative consequences for Croatia, especially for the neighbouring regions of Dalmatia. The international community is well aware of the prevalence of criminal gangs in Croat-controlled regions of Bosnia, which, Westendorp recently asserted, can be characterised as Mafia.²⁷ Their power undermines the implementation of the DPA; for example, while foreign donor aid is sustaining Bosnia, funds are being denied to the Federation budget by criminals, usually with close political connections, who are avoiding the payment of taxes and customs duties (in Bosnia, indirect taxes such as customs duties and the sales tax are the main contributors to the budget).

The European Union's Customs and Fiscal Office to Bosnia and Herzegovina (CAFAO) has identified ways in which the payment of customs duties is avoided. Goods are registered by customs officials as they enter the country, and the duty should be paid when they reach the final destination, at which time the form issued at the border is stamped to confirm that payment has been made. There is evidence that the documentation is often falsified, so that no actual payment is made. There is also evidence of co-operation among criminals belonging to different ethnic groups across the two entities. For example, CAFAO believes that many goods entering the Federation which are registered as going to Republika Srpska, are in fact delivered in the Federation, while false documentation of the goods having arrived in Republika Srpska, and of customs duties having being paid, are then supplied. Doubtless fees are paid for such corrupt services. Another method of avoiding paying duties is to register them as going to firms which do not in fact exist. The goods then go missing, no duty is paid, and the recipient cannot be traced. The lorries which carried the goods can, however, be traced, as CAFAO has demonstrated.

²⁷ Interview in *Globus*, 24 July 1998.

Avoidance of the sales tax is probably an even bigger problem in terms of the amount of revenue lost to the budget. In order to tackle this problem, detailed investigations of enterprises suspected of irregularities would need to be carried out. A major problem here is enforcement. Many of the enterprises concerned have close political connections, and are able to deny the authorities access to their records. Even if the authorities had the will to carry out serious investigations, would-be investigators can easily be frightened off. This web of politics, crime and cronyism, supported by fear and intimidation, will ultimately need to be tackled if the hard-line Bosnian Croat leadership is to be defeated. Such an outcome would also make a major contribution to the building of a functioning Bosnian state.

VIII. CONCLUSIONS

The split in the HDZBiH and the formation of the NHI represents an important change in the Bosnian Croat political landscape, which enhances the prospects for implementing the DPA. While the NHI is essentially another ethnically-based party, its commitment to supporting and promoting Croat interests throughout Bosnia, and to enabling the return of refugees and DPs to their homes, is an important shift away from the HDZBiH's concentration on the solidly Croat areas of western Herzegovina. It thus represents a clear break with any lingering ambition to move towards the breakaway of a pure Croat region of Bosnia, to join with Croatia.

Although the NHI will attract considerable support from Croat voters in some areas of Bosnia, outside of Herzegovina, in central Bosnia and Posavina, its overall prospects in the current political climate and with the present electoral system, are likely to be limited. Many voters, in Herzegovina and elsewhere, will continue to vote for the HDZBiH, perceiving it as the strongest advocate of narrow Croat interests. Zubak may, however, present a stronger challenge in the election for the joint presidency than his party will be able to do overall. That said, there exists a dynamic in Croat political affairs, both in Bosnia and in Croatia itself, which is likely to lead, before too long, to deeper changes in the Croat political scene. It is thus of great importance that Zubak and the NHI should become the strongest possible alternative to the HDZBiH in these elections, so as to be able to take advantage of the long-anticipated changes when they occur.

Deeper changes in Croat political affairs can be expected as long-standing divisions within the HDZ in Croatia come to a head, with significant implications for the links between the HDZBiH and Zagreb, and

for relationships within the HDZBiH. As discussed above, the Dubrovacka banka affair again revealed the divisions in the HDZ in Croatia, which can broadly be characterised as being between hard-liners and moderates. Key figures on both sides of the divide maintain close connections with Croat political figures in Bosnia. Since the death of Susak, these links have become more complicated, as there is no longer one figure in Zagreb holding all of the strings in Bosnian Croat politics. The balance in Bosnian Croat politics is thus much more fragile, as the recent split in the HDZBiH most clearly demonstrated. Relative hard-liners in Zagreb, such as Pasalic and Rojs, are closely linked with the HDZBiH leadership. On the other side, the most prominent moderate HDZ politician in Croatia, the foreign minister, Mate Granic, has stayed above the tussles over Dubrovacka banka and Herzegovina. Nevertheless, among his "friends" in Zagreb, Zubak in a recent interview cited Granic.²⁸ It can thus be seen how divisions in Zagreb are mirrored in divisions in Bosnian Croat politics.

The HDZ is a broad political movement, representing a wide range of political views, united by the personal authority of the leader, Tudjman. Before and during the war the various strands were also united in their desire to assert Croatian sovereignty, and then to win the war. However, since the end of the war, such national issues have gradually assumed less importance, as more normal political issues -- the economy, social conditions, unemployment -- have attained greater prominence. This development has sharpened divisions within the HDZ, between moderates who welcome the transition to peacetime issues and hard-liners whose attention is still focused on national issues associated with the war. However, the continued presence and authority of Tudjman has maintained the balance between competing factions in the HDZ. In addition, Tudjman has himself kept the agenda focused on wartime issues, including his obsession with splitting off parts of Bosnia and joining them to Croatia. He is, however, old (76), and has for some time reportedly been suffering from terminal cancer. His departure from the Croatian political scene will result in the divisions in the HDZ coming into the open.

As Tudjman ails, a period of instability on the Croatian political scene is likely. Ultimately, either the moderates in the HDZ will triumph over their hard-line foes, or the HDZ will split. In the latter case, the more moderate tendency in Croatian politics would also likely prevail, as the popular and internationally respected Granic would attract much support. As peacetime issues have assumed overriding importance for most Croats, the agenda of the hard-liners has no future. Most of the other significant political factors in Croatia, including the Social Democratic Party (SDP) and the Croatian Social Liberal Party (HSLs), which have recently

²⁸ Interview in *Nacional*, 5 August 1998.

announced that they will co-operate in elections in Croatia,²⁹ are also committed to fulfilling Croatia's commitments under the DPA.

The movement of Croatian politics in a more moderate direction, inclined to co-operation with the international community, will wholly alter the Bosnian Croat political scene. Deprived of support from Zagreb, and with the separatist option definitively closed off, the cause of the HDZBiH hard-liners will be irreversibly under-mined. It will then be crucial that there will already be in place a strong, credible Croat alternative to the HDZBiH, and it is thus important that the NHI should perform as well as possible in the coming Bosnian elections. The days of the Croat hard-liners in Bosnia are probably numbered, and having in place an alternative that would push for Bosnia's reintegration would have enormous benefits for the international efforts to build a stable Bosnian state.

IX. RECOMMENDATIONS

- It is important that in the pre-election period the NHI should be able to get its message to as wide an audience as possible. Firstly, the responsibility rests with the NHI itself, and with Zubak personally, to campaign as actively as possible, raising its profile among the Bosnian Croat public, in Bosnia and among the refugee communities abroad. In western Herzegovina in particular, the NHI faces a major challenge. Despite the climate of intimidation and fear which the HDZBiH cultivates there, the NHI may be able to reach at least some of the Croat electorate in those parts by direct, active campaigning.
- In order to promote a more level playing field for the NHI in the elections, the international community should do what it can to counter the intimidation of HDZBiH opponents, including. The OSCE and IPTF should in particular devote more resources to documenting the intimidation. Where intimidation is established, the EASC can punish political parties, as it already has done, by striking candidates from party lists. The OHR should remove any public officials involved and IPTF should decertify offending police.
- In order to improve conditions for the elections, the international community should closely monitor the relevant Croat media, especially HRT, to ensure fair and accurate reporting. HRT needs to be aware that its performance is constantly under scrutiny. Eventually its status in Bosnia should be normalised according to Bosnian regulations, but in the meantime the threat of closing it

²⁹ *Jutarnji list*, 6 August 1998.

down in Bosnia should be retained as an option if its news reporting does not improve. If HRT was prevented from broadcasting in Bosnia, the transmitters it is currently using could be given to Mostar-based HTV, a Croat station whose broadcasts must comply with Bosnian standards.

Given that the NHI is unlikely to be able to dislodge the HDZBiH in these elections, attention needs to be paid in the medium term to hastening the demise of the hard-line extremists within the HDZBiH who have long hindered the reintegration of Bosnia. As discussed above, much will be achieved by expected political changes in Zagreb. However, it is impossible to predict when such changes will come, and in the meantime steps should be taken to undermine the grip of hard-liners on Croat politics, especially in western Herzegovina.

A significant contribution in this direction would be made if effective action were taken against the criminal elements among the Bosnian Croats and others. This would both help in building a healthy Bosnian state and society, and would undermine the hard-line Croat leadership, with its criminal links. With this in mind, the ICG recommends the following:

- Action should be taken to tackle the widespread avoidance of customs and tax revenues, which denies revenue to the government budget, undermines the functioning of the Bosnian state, and provides a major source of enrichment to criminal gangs. CAFAO has already identified many of the tax-avoiding practices. It should receive maximum support from the Bosnian authorities and from the international community in implementing measures to tackle the abuses which it has identified. The benefits of vigorous action in this direction could potentially be huge, undermining the criminal underworld and the hard-line political leaders closely associated with it, and making a significant contribution towards building functioning Bosnian institutions. Given the potential benefits, the international community should reallocate resources towards CAFAO, to enable it to achieve its work as effectively as possible.
- Effective action in this direction also requires effective enforcement, involving arrests, criminal investigations and prosecutions, so as to remove criminal elements from political power and bring them to justice. The local police and justice authorities are not independent, and even Bosnian Croat officials who would like to move against the criminal elements would hardly be likely to dare given the climate of fear that pervades Croat-controlled

Herzegovina. The international community must therefore take the initiative and intervene to bring criminals to justice where the local authorities cannot or will not perform the task.

- A major share of the initiative for effective action against criminal elements among the Bosnian Croats needs to come from Croatia, as was the case in the arrest of Mladen Naletilic "Tuta", the most notorious criminal among the Bosnian Croats, in February 1997. Following Tuta's arrest and imprisonment the atmosphere in Herzegovina changed for the better. Given the poisonous effects of the presence of such criminal gangs in Bosnia on Croatia itself (many have close business and political connections in Croatia), it is hard to see how Croatia can continue for long to allow the situation in Herzegovina to continue.
- International pressure on Croatia, as a guarantor of the DPA, to use its influence to secure the compliance of the Bosnian Croats with the peace agreement, has been maintained for some time. That pressure should be extended to include insistence on Croatian co-operation in cracking down on the criminal elements in Bosnian Croat society, in the interests of both Bosnia and Croatia. By breaking the network of crime, corruption and cronyism which is at the heart of Bosnian Croat political life, a powerful blow would also be struck at the hard-line elements hindering the reintegration of Bosnia.

Sarajevo, 13 August 1998

