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*'What is the effectiveness of international measures undertaken during and after the Bosnian war (1992-95) concerning country's political, economic and societal reconstruction and integration on the international scene?'*



## [ BOSNIA-HERZEGOVINA ]

**'WHOSE COUNTRY IS IT ANYWAY?'** (DAVID CHANDLOR)

Throughout centuries numerous emperors and cultures have left traces in today's Bosnia and Herzegovina, above all the Roman, Ottoman and Austro-Hungarian ones. During the four hundred years long Ottoman Empire lasting until the nineteenth century, many Bosnians converted to Islam, making Bosnia-Herzegovina a border line between the Islamic and Christian worlds. However, the mixed Muslim, Croat and Serb populations used to live peacefully side by side for a long time until the day the nationalism became bigger than human reasoning.

### **A text about time**

Long have I lain here before thee  
And after thee  
Long shall I lie

Long  
Have the grasses my bones  
Long  
Have the worms my flesh  
Long  
Have I gained a thousand names  
Long  
Have I forgot my name

Long have I lain here before thee  
And after thee  
Long shall I lie

Mehmedalija "Mak" Dizdar (1917-1971)

Famous Bosnian author

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## Introduction

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Many different explanations about causes of conflicts, conflict prevention or post-conflict challenges can be found in numerous books today. In times of globalization and growing interdependences between various political, social and economic actors, the conflict potential did not disappear. On contrary, it becomes more and more apparent that the assurance of individual interests in this profit-driven environment also necessarily implies conflict situations. Often conflicts can be used as a constructive mean for fostering advancement. However, they might not always be of peaceful nature and thus can have disastrous consequences.

In general, a conflict is a phenomenon occurring on various stages of inter-human relations and defining them in their psychological or social nature – so far the try of an explanation since scientists still cannot agree on a consistent definition. In every day's life, the term conflict has a very strong negative connotation and is being mostly used to describe violent divergences. In general one differentiates between aim driven and means/resources driven conflicts (Brockhaus Encyclopädie Online, 2007, '*Konflikt*').

An aim driven conflict refers to two or more conflict parties (individuals, groups, states, international organizations) trying to reach an incompatible aim. A mean/resources driven conflict refers to two or more parties striving for the same aim, which however only one of them can reach or the two parties have different views on the use of means in order to reach the aim (Brockhaus Encyclopädie Online, 2007, '*Konflikt*').

Inter-human conflicts can appear in various forms as e.g. fights, games or debates. In situation of emerging fights, one party wants to hurt, destroy, suppress or displace the other one (Brockhaus Encyclopädie Online, 2007, '*Konflikt*').

The conflict in Bosnia emerged in its strongest form the fight, as the result of an inconsistent aim. The three different ethnic groups were not able to agree on the governance and territorial distribution of the country. All three of them had different views on how this aim could be reached.

Conflicts can be resolved either through the appearing of comprehension and compromise of the conflict parties or a resolution can be proposed/imposed by a third (more powerful) party. This can take over the role of a conciliator trying to understand the contradicting views and giving advice on how to

reach a compromise. Therefore, the understanding as well as the will to cooperate are the most important preconditions.

The resolution of a conflict creates an agreement between the conflict parties, however, leaves behind typical post-conflict effects. Regarding this issue from today's point of view, the following aspects can be seen as characterizing of a post-conflict situation. The *presumption* supposes that two parties, originating from one and the same country got involved in a violent conflict which through the help of a third one got settled down.

First of all, after a violent conflict a country finds itself with no functional institutions. The institutional structures are either being completely destroyed or are being blockaded by one of the two opponents. Since the institutions are being hindered from their work, the whole state apparatus is not being able to function. Obligations as the imposition of taxes, the organization of elections or the healthcare system, to name only three, are standing completely still. Democratic processes are not taking place since the assurance of top-down and down-top processes is not given. The inhabitants are not having the chance to make their voice heard and to participate actively in the state building process. An already dysfunctional society due to mistrust or hatred as consequence of the conflict (Brockhaus Encyclopädie Online, 2007, 'Konflikt') is additionally being blockaded through the lack of institutions. In such an accumulation of different contra-productive conditions, rights of minorities can easily be violated. The economy, having collapsed completely most of the time, cannot take over the role of a saving anchor. The industry is standing still as well as the state machinery, in most countries the main employers. But also small private businesses are not functioning due to missing purchasing power in the country or the deficit on resources. Economic collaboration with partners from the outside is thus also not being possible not only because of the destroyed infrastructure. Additionally, foreign investments are staying absent due to missing state regulations on property rights and guarantees. In such a situation the unemployment rate is always catastrophic and the self-sufficiency of the population difficult to realize. Humanitarian crisis are very much possible at this stage where the dissatisfaction of the population is huge and the conflict potential constantly rises. Such an environment contains various characteristics favoring organized crime.

A post-conflict state finds itself in a transition from a violent conflict to a functioning society. Thereby, sociopolitical and socioeconomic aspects are being in the center of focus. The state reconstruction is being closely related with the reconstruction of the civil society and with the reconstruction of the

economy. Only if those very much interlinked aspects are being dealt with correctly and sufficiently, a reconstruction of the country and its nation can be successful.

In order to launch this reconstruction process, a post-conflict country is most of the time dependent on external help. This support includes technical as well as economic means and is being taken over by international organizations. In a post-conflict area those are supposed to take over the role of a neutral arbitrator necessary to assure the cooperation between the two former opponents.

Conflicts are a phenomenon which can either be regarded positively or negatively. They can produce war and poverty for some, whereas for others prosperity and progress. The most important for the time after the conflict no matter which nature is to reestablish a healthy climate in which its reoccurrence will be hindered.

This research report is concerned with the role of the International Community in regard to conflict resolution and post-conflict reconstruction in Bosnia and Herzegovina. It elaborates on the measures undertaken by external actors in order to resolve the conflict and subsequently eliminate the typical post-conflict effects. Additionally, it examines the effectiveness of those measures in relation to political, economic and societal reconstruction of the country.

Research has been conducted from a student's point of view and relevance has been determined to personal reflections supported through discussions with neutral individuals. This report is not relying on original research but on already existing literature from various Bosnian and international authors.

Being touched by the conflict personally as a Bosnian citizen it was very interesting for me to investigate the causes of the war and the later conciliation initiatives of the different European and non-European countries. Additionally, researching on the various attempts of the International Organizations to reinstall stability and to reconstruct Bosnia's former multiculturalism and identity proved to be very informative.

I would like to thank all my friendly and helpful advisors who supported me through constructive discussions and helped me to complete this report.

## Summary

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The focus of my desk research concentrated on answering the following question:

*‘What is the effectiveness of international measures undertaken during and after the Bosnian war (1992-95) concerning country’s political, economic and societal reconstruction and integration on the international scene?’*



In this research report, which is divided into five chapters, I am trying to analyze the following aspects in a chronological order:

- the emergence of nationalism/conflict
- the conflict resolution measures of the International Community and their effectiveness
- the reconstruction initiatives of the International Community and their effectiveness
- a theoretical proposal concerning the unbundling of sovereignty from territory as an alternative to the Dayton Peace Accords and its evaluation

The fifth and last part will consist of an evaluation of the various aspects and contain a short sum-up of what has been reached so far in Bosnia and Herzegovina and where the country stands today regarding international, above all European politics.

So, the first chapter elaborates on the causes and reasons for the Bosnian war. Thereby, great emphasis is put on finding the roots for the huge outbreak of nationalist feelings in the region in the beginning of 1990s. Consequently, it is necessary to look back on the events of the 14<sup>th</sup> century occurring in the area of former Yugoslavia. In this chapter the path of Bosnia and Herzegovina from the late history, through the different Empires, the World War II and Tito’s Yugoslavia is demonstrated. The focus stays directed towards the emerging nationalist aspirations till the beginning of the war in Bosnia.

The second part of the first chapter is marked by the changes taking place in world politics in the beginning of the 1990s. Through the collapse of the Soviet Union and the disappearance of the communist threat, the Yugoslav region lost its attractiveness as the strategic partner to the West. The attention was drawn away and the region left over to itself. After Tito’s death, his idea of multiculturalism started coming more and more to an end and with the election of nationalist politicians finally buried. So, the steadily rising claims of the different people of Yugoslavia for self-determination

brought the construct of governance to a collapse and gave several former republics their independence. Bosnia's claim for independence however, proved very complex due to different demands of its three people. Since those demands could not be satisfied peacefully the war was started. But what has been the international reaction?

So, the second chapter is going to focus on the different approaches of the world community in order to resolve the conflict. I am going to take a look on the different peace plans proposed to Bosnia and elaborate on each one. Thereby, the question why several of them failed and finally the Dayton Agreement could only bring peace I will try to answer. Thus, detailed information on the content of the final peace agreement are going to be given which will help to answer the former question why it had to be Dayton. Its consequences have been very significant for Bosnia as a state since it legalized Bosnia's division in two entities and created a very complicated governmental structure.

The third chapter is dealing with various international organizations' initiatives concerning Bosnia's political, economic and societal reconstruction. Their work is taking place in accordance with the Dayton Agreement as a support for the successful implementation of the rules and directives outlined in the contract. In this framework, the OHR, the Organization for Security and Cooperation in Europe, the World Bank as well as the EU got active technically as well as financially in order to reconstruct the Bosnian state and implement democracy. All together, this chapter is going to portray the different mandates of those organizations and to evaluate their success in reconstructing post-war Bosnia.

The fourth chapter is going to take a look on realist and neo-realist views on the construct '*state*' and compare them with the complex situation in Bosnia. As a balance to them and as an alternative proposal for the Bosnian state the theory of Rory Keane concerning the unbundling of sovereignty from territory will be shown. Can sovereignty be unbundled from territory, is this the case in Bosnia and could it possibly be in the future. This approach is going to be commented in detail in the fourth chapter.

The last chapter is going to mention once again many aspects of the different initiatives undertaken by the International Community in order to resolve Bosnia's conflict and to make it a functional democratic state. Thereby, the facts and arguments are going to be shown regrouped in a short and clear order helping to finally evaluated them all together. How effective have the international measures finally been in Bosnia and Herzegovina and have they meanwhile succeeded the reconstruction.

The report will be completed with a short personal review.

# I. The Emergence of Nationalism/Conflict

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## 1.1) *Causes and reasons for the Bosnian war*

It was nationalism that led the Yugoslavian state to a complete breakdown and the former republic Bosnia and Herzegovina into war in the beginning of the 1990s. This has not been only a result of the evanescent East-West conflict or simply the result of Tito's death. Europe and the rest of the world were not prepared for this crisis although, looking back through history, it could have been found sufficiently signs. As the most apparent reason for the outer misunderstanding of the conflict one can regard the difficulty to date back its roots. This misinterpretation was one of the reasons for the late and restricted international actions during the Bosnian war. However, it is much disputed where to place the beginning of the conflict between the former Yugoslav nations. Some scientists believe it to be in the Middle Ages, whereas others as Marie-Janine Calic find it in the 19<sup>th</sup> century (Calic, 1996, *Krieg und Frieden in Bosnien-Herzegowina*, p. 21). Although the nation building process of the south Slavic peoples began in the 19<sup>th</sup> century first, the Serbian nationalists made also use of the early Balkan history during the war in Bosnia to proclaim the pretended differences. With the breakout of the war, they kept on emphasizing this issue which soon became recognized by the western politicians and media. The nationalistic leaders as Milosevic and the Bosnian Serb Karadzic succeeded in giving the Battle of Kosovo from 1389 where the army of Serbian prince Lazar was beaten by the Ottoman Empire an enormous importance (Almond, 1994, p. 190). Between 1435 and 1463, the Turks conquered Bosnia whose majority of the population converted to Islam until the 18<sup>th</sup> century and so, the special Bosnian ethnic group, the Bosnian Muslims (Bosniaks) emerged.

In the Serbian national mythology this incident plays a huge importance. It is in this period of history that the deprecation against everything not Serbian and especially Turkish and Islamic started developing. This was one of the main reasons for the huge outbreak of hatred against Bosnian non-Serbs and above all Muslims during the war in the 1990s.

In the 19<sup>th</sup> century the very famous battle got its political characteristic finally, when the Serbs and Croats launched the autonomy and freedom movement against the centuries long Turkish occupation. It should be joined by Bosnia and Herzegovina later on, too. So, it was in the 19<sup>th</sup> century that the basis for a 'Great Serbia' was created – as demanded by the Serbs.

After the Turkish-Russian war in 1877/78 Bosnia gained a temporal autonomy which came to an end at the Berlin Congress (June/July 1878) by giving Austria the right to occupy BiH. The formal annexation of the country in October 1908 caused a Europe wide crisis and fostered the tensions existing between the Serbian and Austrian-Hungarian Empires. Also the Croat/Serbian relation got a special note since the catholic Croats supported the Austro-Hungarians and not the Greek-orthodox Serbs. However, the western empire gave BiH a constitution and a Parliament. The great Serbian aspirations in the country however did not come to an end and on 28 June 1914 the heir to the Austrian throne Franz Ferdinand and his wife got killed by the Serbian secret organization 'Black Hand' ('Bosnien – Geschichte', 2007, 'Definition' para.2). This was the prelude for World War I.

During the breakdown of the Austrian-Hungarian Empire as a result of the World War I, BiH's newly created Parliament (30 October 1918) announced its accession to the common Kingdom of the Serbs, Croats and Slovenes. Consequently, it was proclaimed 1 December and since 1929 called Yugoslavia.

During World War II Bosnia got occupied by German troops and attached to Croatia. It became the center of terroristic operations of the Ustaša, the right wing fascist Croatian liberation movement, fighting against the Serbs and later also Bosniaks ('Ustascha', 2007, 'Definition', para. 1 and 2). Thus, the Ustaša movement supported the German troops actively. Until October 1942 the Partisan movement of the Četnici (Serbian liberation movement) succeeded in reoccupying territory and beating the Germans, who finally left the region in April 1945. After the rearrangement of the Yugoslavian state (1943/45) and the creation of a government in April 1945, BiH gained the status of a constituent republic, a right guaranteed by the Yugoslavian constitution (31 January 1946).

The killings of WW II were responsible for the continuation of already existing anti-sentiments among the peoples also in Tito's Yugoslavia. As president he tried to integrate the thinking of 'Brotherhood and Unity' (Brotherhood and Unity, 2007, Definition) and also to suppress all nationalistic thoughts throughout his time in office. He divided Yugoslavia in 6 Republics, where beside Serbia, Croatia, Montenegro, Slovenia and Macedonia, Bosnia and Herzegovina obtained also this right. Kosovo and Vojvodina received the state of provinces. The division of the country Tito made without any involvement of the different peoples what had dissatisfaction as a consequence. Once again the existing sentiments got emphasized.

Towards the end of the 1960s the Muslims in Yugoslavia received the status as an ethnicity, being recognized as an individual Yugoslav nation as the Serbs, Croatians, Macedonians, Montenegrins and

Slovenes have been all the time. However, Bosnia was set to be the home for all the three peoples. Consequently, the Serbs and the Croats made territory demands. Paradoxically, receiving the nationality right, the Muslims became susceptible to Serbian and Croatian pressure. Sometimes this even led to the backbiting of their nationality, by calling themselves simply Yugoslavians.

After the death of Tito (1980) the situation in Yugoslavia started escalating and the national movements became more and more strong. Reform process started taking place in entire Yugoslavia including BiH. The change of the Constitution (31 July 1980) and the declaration of sovereignty (1 August 1980) were fostering the elimination of the one-party system in the republic. Despite the general spirit of change the Bosnian Serbs were refusing the change of the system and tried to hold on to the common Yugoslavian state. Slobodan Milosevic who became president of Serbia in 1989 was able to revive the nostalgia for 'Great Serbia'. The loss of Tito, who was always trying to fight nationalist convictions and division, accompanied by the steadily collapsing economic system, eliminated the barriers for nationalism and ended the epoch of socialism. Warren Zimmerman, former U.S. ambassador to Yugoslavia between 1989 and 1992, describes Tito's missing ground for democracy as one of main failures for the Yugoslavian state. He says that *'there were no democratic filters to prevent the most virulent nationalists from rising to the top'* (Zimmermann, 1994, 'Bosnia: A Short History', para. 4). However, if simple 'democratic filters' as proposed by Zimmerman would have prevented the accumulation of complex nationalist convictions and the subsequent Bosnian war stays questionable.

After the first Bosnian elections under the umbrella of the more party system 18 November/2 December 1990 for the Parliament and the Presidency, the three ethnically based parties, the Bosniak Party of Democratic Action (SDA), the Serbian Democratic Party (SDS) and the Croat Democratic Community (HDZ), became the most influential ones. The leader of SDA, the Muslim Alija Izetbegovic, was elected for President 19 December. After a national referendum and against the opposition of SDS on 15 October 1991 BiH declared its Independence. Consequently, the Serbian Members of Parliament founded an own one in Pale. The referendum required by the European Community and organized 29 February/1 March 1992 was boycotted by the Serbian population and lead to more tensions. The voters turnout was about 64,3% and 99,4% of them voted for the independence of BiH ('Bosnien – Geschichte', 2007, 'Definition' para. 3). Even though the first proclamation of independence was recognized internationally, the Bosnian officials did not hesitate to hold it for a second time. However, neither this nor the new three nations Constitution arranged by the European Community could prevent the

emergence of the segregation war between the Bosniaks/Croats and Serbs as well as the redistribution of territory.

The Muslim Bosniaks representing about 43,2% (1991) and thus the biggest population of BiH were trying to keep the construct of the multiethnic 3 nations state. Izetbegovic was putting a huge effort in keeping Bosnia together, and the Bosnian Serbs a part of it. He clearly rejected Croatian demands on expelling them from the government. However, the Bosnian Serbs were pursuing the idea of a state in which all the Serbs would be unified. Serbia's President Milosevic and the Bosnian Serbs leader Karadzic were aiming at the accession of Bosnia to Serbia, or rather all the Serbs living outside (including those of Croatia) and creating the looked-for 'Great Serbia'. By a share of population of ca. 31,8% (1991) they demanded more than 65% of the territory (Bosnien – Geschichte, *'Verlauf des Krieges'*, 2007,). Consequently, not being satisfied with the development of the situation, and having a military advantage (control of weapons of the Yugoslav army), the Bosnian Serbs occupied more than two thirds of the Bosnian territory. Thereby, they actively got supported by the former Yugoslav army. This operation was quickly given the name 'ethnic cleansing', referring to Serbian but also Croatian actions against other nationalities. The war and the displacement made an enormous number of people to refugees, until 1995 around 2.2 Million (Bosnien – Geschichte, *'Verlauf des Krieges'*, 2007,).

### *1.2) Political post-Cold War Rearrangements*

The American and European actions during the war in Bosnia cannot be considered without taking a look upon the Western policy towards Yugoslavia during the Cold War. The United States as well as Europe had to reconsider their policies after the collapse of the Soviet Union what partially explains their hesitation and late intervention during the war. During Tito's government the Yugoslavian state had consciously chosen the path of socialism; it was not imposed by the Soviets although the country possessed close ties to the Union. Yet, these ties were broke by Tito in 1948 and had closer collaboration with the USA and the West as a consequence. Because of its strategic position, Yugoslavia became important for the protection of Italy and Greece but also very interesting since it chose for its own third way. However, at the end of the East/West conflict in the 1990s, the region lost its attractiveness and the Western attention started disappearing. In this moment when the world turned its back to the region, the nationalism was able to break out.

It was the time of European rearrangement and the period of United States' unclear role in Europe. Since more and more former eastern states liberated themselves from communism, Europe was losing

its relevance. And as the Yugoslavian crisis broke out, the continent received the chance to prove its new power and create a new sphere of influence. Europe was convinced to solve the crisis alone. The former Luxembourgian Minister of Foreign Affairs, Jacques Poos expressed it as following: *'This is the hour of Europe. It is not the hour of the Americans.'* (Riding, 1991, European Leaders Seek Common Line on Crisis, in New York Times, p. 4)

The US republican Bush administration accepted this proposal and left the Europeans alone with the conflict resolution. However, a new problem appeared since it was not clear which European nation would take the lead. Many saw the chance for the newly unified Germany to integrate itself on the political scene by getting involved. Additionally, it possessed long-term ties with the region.

The start of international engagement in the Yugoslav crisis can be divided into four phases, whereof the first one took place till summer 1991. It was the time of American and European reluctance while the nationalism was spreading out. In the second phase the Bush administration left the conflict resolution completely to the European Community. Germany got more and more under pressure to do something and so, pushed for the recognition of Croatia and Slovenia through the EU, whereas France and Great Britain only hesitatingly wanted to accept that. They did not only fear a too great influence of the new Germany, but also the traditional centuries old linkages with Serbia hindered them from easily supporting the German effort. The third phase can be placed into the year 1993 when the American President Bush got replaced by Clinton and a certain climate change towards the war in Bosnia started emerging. In the fourth and last phase the United States and President Clinton retook their leading role in Europe and interacted actively in the war, by a US led NATO mission (Witte, 2000, pp. 6-7).

The rearrangement of the world politics got stagnated due to American re-enforcement of its position.

## II. Conflict Resolution

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### 2.1) *International engagement in BiH- Peace Plans towards Dayton*

In 1991 the International Community started slowly realizing that the conflict potential in the Yugoslavian region was high and especially in Bosnia with its three different peoples and three different demands on territory. So, in September 1991 a peace conference on the situation in Bosnia took place in Lisbon focusing on the resolution of the emerging issue. So, a plan was created by José Cutileiro, the Portuguese diplomat and the Briton and former NATO Secretary General Lord Carrington. It was aiming at a share of powers between the ethnic groups in the whole state administration and the decentralization of the central government. The plan took the Swiss model of cantons as an example. Consequently, the country would be divided in districts assigned to Serbs, Bosniaks or Croats (Cutileiro-Carrington Plan, 2007, Definition, para. 1). However, the weakness of this proposition was the assignment of areas to ethnic groups also in cases where an ethnic majority was not clear. First this plan got accepted by all three ethnic leaders; yet, after some consultation talks with the American diplomat Warren Zimmermann, it should be rejected by Alija Izetbegović. Scientists and politicians claim today that the reasons for Izetbegović's refusal were *'assurances of U.S. support for a full independent nation'* (Zimmermann, 2007, Definition, para. 2).

In June 1992, with the deployment of United Nations Troops (UNPROFOR) the first territorial engagement of the International Community began in Bosnia and Herzegovina. The United Nations Resolution 758 [5] of the Security Council (June 1992) approved the mandate for the UNPROFOR mission in Bosnia from September, 4 months after the approval of the mission in Croatia. The tasks and obligations included humanitarian aid in the whole country and *'the protection of civilian refugees when required by the ICRC (Resolution 770 [6])'* (Krech, 1997, p. 29). The UNPROFOR (supported by NATO) should also have power over the air space.

In January 1993, the European Community representative Lord Owen and the UN negotiator Cyrus Vance began promoting their plan to the Bosnian leaders and in February it received the approval of the UN Security Council. The proposal consisted of the idea to divide Bosnia and Herzegovina into ten independent areas which should be founded on ethnicity. Additionally, it provided guarantees for a healthy minorities' representation. According to the Vance-Owen idea, the Serbs who in 1991 made up 33% of the population would receive the greatest part of territory, 46%; the Muslims who in the same

year possessed 44% of the population were assigned 30% and the Croats with only 18% should receive 24% of the Bosnian territory. Obviously, this plan favored the Croats most, who immediately recognized it as good one. The Muslims did not immediately refuse it although they were not satisfied. In May 1993 however, the Serbs refused the plan through their newly established independent assembly. Having occupied about 70% of the Bosnian territory at that time, they did not want to accept only 46%. Next month the Vance-Owen plan was finally seen as not realizable. It has been the last option to keep a unified, federal BiH with central administration in Sarajevo. (Vance-Owen Plan, 2007, Definition, para. 3)

In the same month a meeting of the world powers US, Russia, France, Great Britain and Spain was held in Washington concentrating on the establishment of 'safe areas' in BiH. As a basis they should contain the previous Vance-Owen plan, fall under international supervision and have access to humanitarian aid. On 7 May 1993, Bihac, Gorazde, Sarajevo, Zepa and Srebrenica were declared as 'safe areas', as UN-security zones. Alija Izetbegovic rejected the creation of the 'safe areas' and called them not realizable. The UN decided to send about 7,600 soldiers in order to protect the civilians in those areas (Vance-Owen Plan, 2007, Definition. Para. 4). Those soldiers operating under the mission called UNPROFOR were authorized to use force if the completion of that aim was threatened. From July 3 1992 until 31 January 1993 the humanitarian actions undertaken by UNHCR and supported by UNPROFOR were able to absolve 2, 476 flights bringing about 27, 460 tons of food, medicine and other humanitarian means (Krech, 1997, p. 29). The distribution of the aid proved as very difficult since the cooperation with local authorities was hindered, even through violent attacks. However, the UNHCR succeeded in providing more than 34,600 tons of food to around 800,000 concerned inhabitants in about 110 municipalities in whole Bosnia and Herzegovina (Bosnien – Geschichte, *'Verlauf des Krieges'*, 2007,).

The conservation of the state Bosnia and Herzegovina as one unit was one of the most important demands of the International Community. However, this demand proved often as impossible due to the advancement of war and the consequences of territorial gain by the Serbs. Against the protest of the Bosniaks, the Bosnian Serbs declared several times the occupied territories as independent. The most crucial one was the proclamation of the *'Serbian Republic' – 'Republika Srpska'* in January 1992 and the final one of 7 April 1992 with the capital Banja Luka and the President Radovan Karadzic (Krech, 1997, p. 37). The official aim of this new 'state formation' was the accession to the newly created Yugoslavia now only consisting of Serbia and Montenegro. Additionally, with the proclamation of the Bosnian Serbs, also the Bosnian Croats did not hesitate to proclaim a Croatian Republic, called *'Hrvatska Republika'* or more commonly used *'Herceg-Bosna'* on 3 July 1993. The capital for this 'Republic' was decided to be Mostar

and the President Mate Boban ('Mate Boban', 2007, 'Definition' para. 3). In the end, the Bosnian Muslim leader Izetbegovic had to agree on the practical elimination of the former Bosnian state and all its functional official organs. This had also as consequence that the areas the Bosniaks were able to control, was by now reduced only to 1/5 of the whole state territory. Consequently, a division of Bosnia and Herzegovina into 3 different parts was finally undertaken and should follow also in practice. Despite the strong struggles and fights the Bosnian Muslims and Croats had among each other in Central Bosnia and the Herzegovina region, a common agreement could be reached, making those two counterparts to future cooperators. This agreement could be made due to Russian and American conciliation efforts and a peace agreement signed in Washington in 1994. The condition and basis for this ceasefire and cooperation was the mutual agreement on the creation of an 8 districts Bosniak-Croat 'Federation of Bosnia and Herzegovina. The Federation contract was approved by the Bosnian Herzegovina Parliament, a common Constitution accepted and Kresimir Zubak was assigned first President. The Serbian Parliament refused this step completely (Föderation Bosnien und Herzegowina, 2007, 'Definition' para. 5). All together, through the creation of the UNPROFOR task force by the United Nations, the embargo on weapons against the war leading parties and the deployment of NATO planes, the International Community was trying to make the war come to an end.

On 25/26 April 1994 an international 'Contact Group' was created consisting of USA, Germany, France, Great Britain and Russia aiming at the solution of the ongoing war in BiH. On 5 July 1994, the group agreed upon a concrete division of BiH, resulting in the following distribution of the territory: 49% for the Bosnian Serbs and 51 for the Bosniak-Croat Federation. However, the Serbs refused that proposal supported by a referendum and continued their attacks on Sarajevo but also the UN-security zones (Krech, 1997, p. 39). The Serbian invasion in the cities of Srebrenica and Zepa (11/25 July 1995) resulted in an active military engagement of the International Community. The London conference consisting of 16 UN members (21 July 1995) approved this military intervention of NATO and UN which lead to a slow change of the situation inside the country. This conference was followed by an agreement concerning the Constitution and the division of the territory based on ethnic characteristics (Conference of Geneva, 8 September). The demarcation was set in a subsequent agreement on 10 October. The creations of borders lead to an immense move of refugees fleeing from the concerned regions (Krech, 1997, p. 46).

The United States effort to reach conciliation had grown meanwhile and the Clinton administration was pushing for an end of the war. The former European initiatives supported by the UN were simply not able to solve the problem and terrible killings were going on. Finally, the Americans arranged a

conference at US air force base in Dayton, Ohion, where Yugoslav-Serbian (Milosevic), Croat (Tudjman) and Bosnian (Izetbegovic) leaders participated between 12 and 21 November 1995. The American pressure for an agreement was enormous and the leaders, literally locked up on the base, had to come to an agreement. It was the last chance since all the previous ones had failed. At the end of the conference, the so called 'Dayton Agreement' was proclaimed as the precondition for the subsequent Paris Peace Agreement. The Dayton Agreement was the formal basis for the ethnically defined division of BiH in two entities: 'Serbian Republik' (RS) and the Bosniak-Croat 'Federation of Bosnia and Herzegovina' (FBiH). The basis for this division was the plan of the International Contact Group referring to the at that time present military occupation. The city of Brčko, having the characteristic of an important passage for the new both entities received a special status in the division procedure.

In December 1995 the UNPROFOR troops were replaced by the OSCE mandate what resulted in the deployment of an international peace task force lead by NATO officials. The official name was IFOR which changed to SFOR from December 1996.

## 2.2) *The Dayton Peace Accords*

*'And to my people, I say, this may not be a just peace, but it is more just than a continuation of war. In the situation as it is and in the world as it is, a better peace could not have been achieved. God is our witness that we have done everything in our power so that the extent of injustice for our people and our country would be decreased.'* (Holebrooke, 1998, p. 311)



This was Alija Izetbegovic's first comment on the Dayton Peace Agreement after its signing in Paris on 14 December 1995. Consequently, Serbia, Croatia and Bosnia had to recognize each other as sovereign states and deny the use of weapons against each other (Keane, 2002, p. 70). It finally brought an end to four years of killing where about 250,000 people died and more than 2.7 million had become refuges.

The Dayton Peace Agreement contained in the end 11 Annexes concerning the following aspects:

- **Annex 1A/1B:** The parties had to accept the military and stabilization conditions of the agreement; NATO led troops IFOR, later (1997) SFOR.
- **Annex 2:** Accept the borderline between the Federation and RS.
- **Annex 3:** Approve the election program for BiH.

- **Annex 4:** Approve BiH's Constitution.
- **Annex 5/6/7/8/9:** Approve the agreement of arbitration and commissions on Human Rights, refugees, displaced persons (DP), national monuments and public corporations.
- **Annex 10:** civilian implementation
- **Annex 11:** International Police Task Force (Keane, 2002, p. 70).

The Dayton Accords (DA) did not only change BiH's complete political structure as set in the Annex 4 but also contributed to a transformation of name from 'The Republic of Bosnia and Herzegovina' to simply Bosnia and Herzegovina. Furthermore, a system of governance was elaborated, giving a foreign 'High Representative' the highest decision-making authority. This Representative obtained the authority to implement laws and to remove and replace elected officials. He received an observer as well as an actor role, assuring the implementation of the DA. The International Community hoped to prevent a new escalation of the conflict by creating this position.



*The map shows the two entities, the Federation (light) and RS (dark). Furthermore, one can see the distribution of the international IFOR/SFOR troops and their countries of origin, resembling very much to the division of the city of Berlin by the allies after WW II*

As a further result of the DA the Federation of BiH received a *rotating Presidency* which is including a *Council of Ministers* and a *bicameral Assembly* known as Troika (three), however, not being able to apply any valuable national authority over the two entities representing non-sovereign states (Keane, 2002, p. 70). Thus, the Federation was having two different armies, two communities with an *Entity Presidency* and a bicameral *Parliament Assembly*. At the local level *Cantonal* and *Municipal* assemblies were created (Keane, 2002, p. 70). In turn Republika Srpska is having an elected Presidency, an elected National Assembly and Municipal Assemblies (see table 1). All together, Bosnia and Herzegovina is having a multi-layered type of government (also see table 1). The role of the OHR is thereby being very important, being responsible for the advancement of the nine layers of governmental institutions.

The first layer is being composed of the Constitutional Court with nine members, thereof four selected by the House of Representatives of the Federation and two by the national assembly of Republika Srpska. The other three members are appointed by the European Court of Justice. The second layer is

the central government whose power is very much restricted. This central government is being represented by not one but three presidents who rotate. The subsequent third layer is the executive branch of the central government, the council of ministers, which is appointed by the BiH Presidency. This one has to be accepted by the BiH House of Representatives as well as by the High Representative.

**The Governmental Structure of BiH as set in the Dayton Accords Annex IV**  
***(Keane, 2002, pp. 151-152)***

<b>Peace Implementation Council (PIC)</b>	
<b>Office of the High Representative</b>	
<ol style="list-style-type: none"> <li>1. Constitutional Court of Bosnia and Herzegovina</li> <li>2. Presidency of BiH → Troika (elected)</li> <li>3. Council of Ministers (selected)</li> <li>4. Bicameral parliamentary assembly</li> </ol>	
BiH House of Representatives (Elected)	House of People (Selected)
<b><u>Federation BiH</u></b>	<b>Republika Srpska</b>
5. Federation Presidency (elected)	R.S. Presidency (elected)
6. Federation BiH Bicameral Assembly	R.S. National Assembly (Elected)
BiH House of Representatives (Elected)	House of Peoples (Selected)
7. Federation BiH Cantonal Assemblies (10 elected)	(none)
8. Municipal Assemblies (elected)	Municipal Assemblies (elected)
9. Voters Federation BiH	Voters R.S.

**Table 1**

At the fourth layer one finds the bicameral BiH Parliamentary Assembly being divided into House of Representatives and the House of People. The fifth, presidency layer is being shared by the Muslims and Croats according to the rotation system and RS.

The sixth layer is a copy of the fourth layer in the Federation, whereas in RS there is only the national assembly. The following layer in the Federation is set together out of ten Cantonal assemblies. Layer eight in both entities represents the elected municipal assemblies, followed by the last layer, the voters. No matter, how necessary a peace agreement has been, the outcome is regarded as unjust by all involved. Above all the Bosnian Muslims see themselves as the biggest loser of the war considering the fact that before the war they were constituting more than 43.7% of Bosnian population and in the end were appointed together with the Croats (17.3% in 1991) only 51% of the territory. Considering these data one could argue that the Serbs had 'won the war', as Keane argues in his book on Post-Dayton Bosnia (Keane, 2002, p. 73).

### *2.3) Why it had to be Dayton - Evaluation*

The different peace plans from 1991 till the final Dayton one aimed at ending the killings but also satisfying the three different demands on territory and self-determination. After the collapse of the Soviet block and the rearrangement of the world, the focus slide away from the Balkan region which has been before an important strategic point for the West before. There, the western countries Greece and Italy had to be protected from Communism and so, the Domino effect on the European continent avoided. But the wind of change in the communist countries brought also the Yugoslavian federation to a breakdown. So, it did not take long till nationalist sentiments broke out in Bosnia and separation thoughts of the different people were proclaimed.

Immediately before the definite outbreak of the war in 1991, the Cutileiro-Carrington Plan was dismissed. Its great weakness was the proposition and the assignment of areas to the ethnic groups also in those cases where an ethnic majority was not clear. Obviously, the different leaders, above all the Muslims did not want to accept it, although the idea of a Swiss-like cantonal system was basically not bad.

The Vance-Owen Plan proposed in 1993 was finally not accepted by the Bosnian Serbs, although, granting them 46% of the territory with only 33% of the total population. One of the weaknesses of this plan was the distribution of the territory among the ethnic groups. There was no equal distribution

made concerning the financial value of the areas. Agricultural areas or fallow land obviously do not have the same value as areas with a high density of industries or mineral resources. So, as the famous American Journalist Peter Brock wrote in his book 'Dateline Yugoslavia: The Partisan Press' (1993), if the Serbs would have not rejected the Vance-Owen plan they

*'would have only received \$ 6.1 billion of the total \$31.5 billion assets in Bosnia' and 'none of the known deposits of bauxite, lead, zinc, salt, or iron; none of the ten hydroelectric plants; 160 of the 960 kilometers of railroad lines; 200 kilometers of the improved roadways; and the loss of 24 percent of the land that they had held for generations.'*

The West, above all the EC had started with a wrong view on the conflict, believing the countries would simply need a conciliator, whereas it was about much more. Territory demands from all the three ethnic groups for same territories, for resources but above all control and power. So, the European policy concentrated on the humanitarian issues, while the United Nations vulnerable to influences from different sides, tried to take over a conciliator role.

Looking back, the Vance-Owen plan has been the last opportunity for keeping an unified federal Bosnian state. However, it was missing support from the European powers but also Russia, having centuries long strong relations as well as religious ties with the Serb people.

Finally, the Dayton Agreement in 1995 was able to bring peace to the already totally destroyed Bosnia and Herzegovina. Many thousands of people had died meanwhile while the complex conflict could not be resolved. Once again in Europe's history it was the United States of America helping the countries to settle down a conflict on the own continent. The European Community, being far away from a coherent Union, harmonizing the different individual interests of Great Britain, France and Germany, failed completely with its Balkan policy. Those countries were playing an abstinent observer role in the beginning of the conflict when nationalist sentiments had not yet completely broken out and conciliation would have been possible. It stays arguable if not some responsibility for the great casualties number could maybe be attributed to those countries, too.

However, the Dayton Agreement brought peace and together with it many other side-effects. It can only be regarded as a peace agreement, ending the war and the killings in Bosnia and Herzegovina. At the same time this Dayton Agreement legalized the creation of Republika Srpska, an entity based upon

genocide as defined in the 1948 Genocide Convention. The International Criminal Tribunal for the former Yugoslavia (ICTY) constituted it as such on 26 February 2007. The Dayton Agreement did not possess a concept for a well-functioning state. It gave high interventionist rights to a foreigner, the High Representative and created a constitution which is favoring ethnic discrimination. Thus, the presidency of the country should have three representatives, a Bosniak and Croat one from the Federation and a Serb one from Republika Srpska. This is an incredible example of discrimination, since it is legally forbidden for e.g. a Muslim/Croat living in the RS, or a Serb living in the Federation to run for office. Different observers speak from '*electoral apartheid*' in this context and additionally, it is a violation of the Helsinki Accords of 1975 on human rights and against discrimination based on ethnicity, race and religion. It was signed by 35 countries including US, Soviet Union and numerous European countries. Moreover, BiH is a member of the OSCE organization which also opposes any kind of discrimination. BiH is also being part of other agreements like the 'International Convention on the Elimination of All Forms of Racial Discrimination' putting a great emphasis against discrimination in political life. Paradoxically, the Bosnian constitution which is given by Dayton rejects any discrimination of the electoral rules set in the accords itself on the other hand, however.

The Dayton Agreement has not succeeded in preserving Bosnia's multicultural society but has rather divided it. Even though many refugees could return to their homes in ethnically clean areas, they have to live there today as minorities with very low rights in practice. Common institutions have been built up, meanwhile there is even a common passport existing, one currency, a high court and a taxation system, but a common police system, not based upon ethnicity is still missing. Policemen who committed cruel war crimes are still being in office in RS and thus hindering the creation of a healthy civil society.

12 years after Dayton the powers of the High Representative need to be minimized. The current HR, the German Christian Schwarz-Schilling saw the transfer of powers to Bosnians themselves, as his main goal for his term in office. However, this is also proving difficult since the Bosnians have first to learn to be individually responsible. This responsibility feeling was taken away from them through the International Community for 12 years. Nevertheless, this process has to take place in order to give the country new self-confidence and trust in a better future. Bosnia's people and politicians have to move away from the Dayton constitution which is focusing mainly on an ethnic apartheid and make a huge step towards one, based on democratic and equality values. This is the only way leading to the European Union and a better economic future. Europe has learned and is taking its role seriously today, by helping the country

to fulfill the conditions for entering the Union. In today's world faced by threats as terrorism and other transformations, the EU cannot allow itself to fail again and to lose the transatlantic competition a second time. The Dayton Agreement stays very disputable and controversial due to its contradictory results but to end up with Alija Izetbegović's words, Dayton may not have been a just peace, but it was definitely more than a continuation of war. It is now up to new generations of Bosnians and politicians to turn away from the past and look to the future.

### III. Reconstruction Initiatives

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#### *International Organizations and their role in BiH*

The war had come to an end and it was immediately clear that the creation of common institutions, at least symbolic ones, was needed and essential for a new start. The revival of multi-ethnic facets was the only way to bring the different people closer again. The aim to make Sarajevo a bridge between the Federation and Republika Srpska failed unfortunately with creation of an own RS capital, Banja Luka. Anyway, the creation of common institutions was closely linked to the elections which were finally held in spring 1997. Those first elections after the war, organized by the OSCE staff were seen by the Serbs as the final legalization of RS, whereas the Muslims wanted to proof the pre-war state when they possessed the majority.

In RS there were only two parties competing, the SDS (before led by Karadzic) and the SMP, closely related to its Serbian counterpart. In contrast, the amount of parties in the Federation was much higher, including the Muslim SDA (Izetbegovic), a new Pro-Bosnia Party (Silajdzic) as a direct challenger of SDA and liberal Social Democratic Party (Lagumdzija). Despite the positive attempt undertaken by the new parties in the Federation to early challenge the democratic structure, in the end the three leading ethno-national parties SDA, SDS and HDZ (Croats) won the majority of the votes. Evidently, war sentiments were still present in many minds which got emphasized in the elections and 'only a Peace Agreement' was not able to eradicate those. Nevertheless, the formation of multi-ethnic parties and institutions stayed the major aim for the future, since the international community regarded those as the only mean for democratizing BiH and creating an ordinary civil society. In reaching this aim, (inter/national) Non Governmental Organizations, seen as an opposition to nationalist parties, were expected to take over the major key role, due to their large impartiality and thus ability to range and interact between the different parties (Keane, 2002, p. 79). Furthermore, 'NGOs are necessary [...] in order to form a dispersed horizontal sovereignty' argues Keane in his 2002 published book (p. 87).

Thus, different international organizations were assigned to take care of social, political and economic reconstruction in BiH. The formal authorization was given to them by the Dayton Agreement. Evidently, their field of work and the active engagement varied according to organizations' orientations and specializations. The following text will discuss the differing reconstruction initiatives undertaken by the Office of the HR, the OSCE, the World Bank and the European Union.

**External agencies and their role**

<b>Annex</b>	<b>Area of Authority</b>	<b>International Body</b>
1-A	Military Aspects	NATO (IFOR, later SFOR)
1-B	<i>Regional Stabilization</i>	<i>OSCE</i>
2	Inter-Entity Boundary	NATO (IFOR, later SFOR)
3 <i>Article II.3</i>	<i>Elections</i> <i>Provisional Election Commission PEC</i>	<i>OSCE</i>
4	Constitution	High Representative (HR)
Article IV	Constitutional Court	European Court of Human Rights
Article VII	Central Bank	IMF
5	Arbitration	(Entities)
6 Part B Part C	<i>Human Rights Ombudsperson</i> Human Rights Chamber	<i>OSCE</i> Council of Europe
7	Refugees and Displaced Persons	UNHCR
8	Commission on Public Corporations	European Bank for Reconstruction and Development
10	Civilian Implementation	High Representative (HR)
11	International Police Task Force	UN

**Table Source:** *The General Framework Agreement for Peace in Bosnia and Herzegovina, 1995*. Other important international bodies include: Council of Europe, European Union, United Nations Mission to BiH (UNMiBH), World Bank.

### 3.1) *OHR's mission in BiH and its accomplishments*

The 'Office of the High Representative' (OHR) was created in the framework of the Dayton Agreement and should take over a monitoring and implementing role of the agreement. The High Representative (HR) is also taking over the role of a European Union Special Representative (EUSR). Annex 10 of the Dayton Agreement outlines the field of responsibilities to be taken by the HR in order to pave the way for Bosnia to become a democratic society with functioning institutions and this are the following:

1. Observing the realization of the Dayton Agreement
2. Keeping contact with the signatories of DA and assuring its fulfillment
3. Organization ('giving general guidance') of restructuring agencies in order to foster civil society reconstruction
4. Resolving problems (interfering) in the sphere of civil society reconstruction
5. Joining conference of donor organizations
6. Reporting progress to the UN, EU, USA, Russia etc.

(The Mandate of the OHR, 2006)

Over the past 12 years the sphere of influence of the HR has expanded. In the beginning of his term in office he was mainly responsible for the accomplishment of the elections in 1996 and the collaboration of the war parties. Later on his work concentrated more on institution building and thus, was aiming at increasing the rights of the civil society.

The OHR with its first High Representative Carl Bildt (1995-1997) possessed only few intervening powers until 1997 and so, was not able to interact into the happenings in the country. Through the strengthening of the OHR influence in Bonn (Germany) on 9 and 10 December 1997 the High Representative received the authorization to dismiss politicians out of office and replace them as well as to create laws through order in order to implement the DA. Another mission was the introduction of the rule of law, amelioration of the police and judiciary system and the introduction of approaches for a more comprehensible constitution. This extension of powers of the HR was named '*Bonn Powers*'. It was the initiation for a stronger presence of the International Community in Bosnia and Herzegovina.

Immediately after the '*Bonn Powers*' came into effect, Carlos Westendorp the High Representative at that time introduced measures which quickly brought along some noticeable progress. Thus, common car code plates were introduced resulting in more freedom of movement. Citizens could move around more easily since feeling less recognized and thus more free. Further on, in 1998, Westendorp introduced a new law concerning citizenship, he also established a new currency, Convertible Mark, a new flag and also a new national anthem. Additionally, Westendorp dismissed numerous politicians who were hindering the implementation of Dayton. However, also in this phase no substantial progress could be noticed when it comes to the state functionality, the prevalence of ethnic sentiments or the disastrous economic situation. So, the OHR developed more and more its political power in the country.

In August 1999, Westendorp was replaced by the Austrian Wolfgang Petritsch who tried to use the political changes in Croatia (death of President Tudjman) and Serbia (October Revolution/dismissal of President Milosevic) for further reforms. He tried to draw the elite's attention to the real problems of the country and introduced the concept of '*ownership*' (International Crisis Group, 2007, p. 5). It was addressing the awareness for responsibility of the local population and their leaders. By doing so, he was also trying to reduce the dependency syndrome by getting away from an '*aid driven*' to an '*investment driven economy*' (Petritsch, 2001, p 149). The work of Petritsch was characterized by his increasing use of the '*Bonn Powers*' which he justified through the necessity for reforms. In 2001 there

have been 54 decrees with which he intervened into the political happening of BiH, in 2002 already 153 and more than 100 dismissed public servants.

In 2002 Paddy Ashdown replaced Petritsch as the HR. Lord Ashdown 'wielded the Bonn Powers, boldly, leaving behind perhaps the strongest legacy of any HR.' (International Crisis Group, 2007, p. 5) In four years of his term in office he dismissed the most politicians and in total made 447 decision; Westendorp had made only 76 and Petritsch 250. However, further progress could be reached like the finalization of the value added tax, implementation of property rights regulations or the military reform.

In January 2006, the German Christian Schwarz-Schilling took over the role of the HR. During his first TV address to the Bosnians he announced a radical change: '*Bosnia and Herzegovina must be fully sovereign. That means I must step back*'. (International Crisis Group, 2007, p. 6) This statement has caused some astonishment and disorientation firstly. Schwarz-Schilling named the constitutional reform, presidential elections (October 2006) and the Stabilization and Association Agreement (SAA) as his main policy priorities. The Elections took place without any difficulties and meanwhile a government of mixed parties could be established and also some progress concerning SAA reached. However, the constitutional reform is still being far away from accomplishment. Although, not his priority field of actions, Schwarz-Schilling was also not able to reach some harmonization of the Bosnian educational or the police system, latter being a precondition for the SAA.

In June 2007 Miroslav Lajcak, a Slovak diplomat is going to take over the role of the HR, maybe as the last one International Crisis Group, 2007, p. 6). By looking back on the missions the HRs had to accomplish one should leave out any sentimentality. Those diplomats have done much for the country by introducing reforms local politicians would not have had the courage in order to implement the Dayton Agreement. However, through the increased use of the 'Bonn Powers', Bosnia was more and more pushed into the role of a protectorate where decisions were not taken by Bosnians and if, could anytime be changed if they did not fit in the international agreement framework. The HR put a great emphasis on democratization and then it seems very paradoxical that in regard of this aim, he did dismiss democratically elected politicians and appointed new ones himself. Petritsch's great aim was cutting down the dependency syndrome, what if one considers the over 440 interventions of HR Ashdown was a complete failure. Bosnia's political elite, although not being that much in favor of the HR role, finally accepted it since it would not need to justify itself in front of the population. The uneasy decisions were taken away from them and thus, the development of own responsibility completely hindered – something which should exist in a well functioning state in order to ensure the democratic

climate. In Bosnia, the High Representatives were often regarded with mistrust, as not really devoting themselves to the country's interest but rather shaping the country's laws and institutions in a way the HR's home country could profit of it later on. No matter how much criticism can be attributed to the position of the HR, fact is that in the still tensed environment the ethnic groups can very hard reach agreement among themselves. One can only imagine how hard it has been directly after Dayton, a peace agreement nobody was really happy with but consequently should impose its directives. If there would have been no HR it stays very much questionable if any of the democracy fostering measures would have been introduced. And there is an other point of discussion which arises. Is democracy per decree a sufficiently democratic mean of implementing democracy? The High Representatives have done their work as democratically as the Dayton agreement made this possible. All together they have reached some progress in bringing Bosnia forward; however, huge tasks stay still not accomplished:

1. Constitutional Reform
2. Judiciary Reform
3. Police Reform
4. Military Reform
5. Educational Reform

(International Crisis Group, 2007).

### *3.2) OSCE's mission in BiH and its accomplishments*

The OSCE started its mandate in Bosnia and Herzegovina in 1995 as the result of the Dayton Agreement. In the Agreement it was set that the OSCE should help the country to overcome the consequences of war and become a stable society based on democratic values. The organization should work on the abolishment of ethnicity differences which are the first precondition for reaching this aim. With 27 offices and five regional centers the mission was started (OSCE, 2007). Directly after the war in 1996 the main work of OSCE concentrated on the organization and observation of the first post-conflict elections. This was an immense task since the country was completely devastated, all democratic networks ruined with a population full of hatred and fear of a war continuation. Dissatisfaction and anger about what happened filled the atmosphere in which the OSCE had to install poll station, register voters and assure an acceptable turnout of votes. It was a difficult task but the OSCE succeeded in accomplishing this

mission although the result itself was disappointing (OSCE, 2007). The wounds of the war could not heal in the short period after the Dayton Agreement and the nationalist parties won the elections remarkably. This was the reason why the OSCE mandate was continued and subsequently also focused on other areas.

Besides the organization of the elections, OSCE's mission concentrated also on the observation of human rights abuses and on the disarmament and security building measures. Therefore, the organization focused on 'top-down' methods as the arrangement of democratic elections but also on the 'bottom-up' ones as the reconstruction of the civil society. OSCE recognized the very important role of the civil society since, as announced by the Security Council in June 2004 on civil society, it

*'[...]has a key role to play in peace-building and post-conflict reconstruction, as it is considered a primary source of local ownership, legitimacy and sustainability of reforms of state and political institutions and socio-economic development in post-conflict settings'. (Caparin, 2005, p. 69)*

Additionally, when one concentrates on the security building,

*'[...] the involvement of civil society is considered a vital element in effective and accountable governance of security institutions and in the long-term success of democratic reform efforts'*

as Ball argues in his paper on 'Good Practices in Security Sector Reforms' of the year 2000 (Caparin, 2005, p. 69).

So, in order to strengthen the civil society and thus the security and stability of Bosnia and Herzegovina after the catastrophic elections result, the OSCE focused on creating inter-ethnic, inter-entity dialogues (Stoessel, 2001, p. 7). Therefore, it started cooperating with various national and international non-Governmental Organizations, considered to be the heart of every civil society. However, the main emphasis was put on the national ones since it seemed to be the most effective way in fostering democratization. So, in 1998, the OSCE opened six 'Democracy Centers' providing information for local population on this issue but also trying to create a basis for local NGOs (OSCE, 2007). It also organized various workshops throughout the country on the creation of an NGO, trying to motivate local people to get active and take over responsibility themselves. It trained about 3000 local election observers from 159 local organizations (Stoessel, 2001, p. 7). In general, the OSCE was willing to support various

projects based on the inter-ethnic background, as trainings for journalists, students, teachers but also politicians in order to establish the desired dialogue and reach a move towards a functioning multicultural society (Stoessel, 2001, p. 8). So, it also tried to develop multi-ethnic parties through educational programs for politicians, the involvement of media and women. A great emphasis was also put on the issue of education, above all the assurance of it also for ethnic minorities in the entities. The same goes also for the healthcare of returnees to regions where they constitute a minority.

All together, the OSCE has put a lot of effort in reconstructing Bosnia's civil society and democratic networks and consciousness. Through the huge emphasis on democratic electoral processes and the training of local election observers, the OSCE has succeeded in developing Bosnia's electoral elite. So, the presidential elections held in October 2006 could be organized by Bosnians themselves without any support of the OSCE. This time it simply took over the role of an observer. The organization of the elections has been a success in the Federation as well as in Republika Srpska and can be regarded as huge step towards the democratization of the society (OSCE Press Release 3 October 2006).

From 1995 till 2002 there were no regulations concerning the rights of NGOs in BiH existing, thus, hindering their registration and work (Caparin, 2005, p. 77). Through the support of the OSCE a legal framework could be established in September 2002. The great attention the organization had devoted to the reconstruction of civil society, however, is not seen only as positive by some observers. They argue that:

*'due to the failure of international community to facilitate progress in reconciling Bosnia's various ethnic groupings and reconstructing the social, political and economic bases of the country, it has turned to promoting and building civil society as a mean of democratizing the country.'* (Caparin, 2005, p. 78)

An other point of criticism which arose concerning civil society building is that international donors and partners of NGOs as the OECD was/is, focused too much on the creation of civil society organizations and their skills training. By doing so, they created dependencies of donors' interests and decreased their credibility. Finally, the Bosnian people received the impression that the NGOs were not working for their interests (Caparin, 2005, p. 78).

One of the most significant criticisms that can be attributed to the OSCE mission in BiH – besides all the good will to stabilize the country and reinstall multiculturalism – is the way how it tried to manifest the

democratic culture. The theory of the OSCE to *'teach democracy to Bosnia'* (Chandler, 1999, p. 47), not only a post-conflict but also a post-socialist country with all the additional side-effects of the former regime, proved very wrong. This was the same case with the supposition that ethnic antipathy could be resolved through democratization processes. Unfortunately, it could not since ethnic hostility is being widely spread even today 12 years after the war.

The OSCE who was supporting the multiculturalism tried to organize fair elections but it also made the mistake to tell Bosnians which parties they should vote for: liberal, multi-ethnic and above all pro Dayton ones (Stoessel, 2001, p. 9). It observed the political parties which in the end had to sign a contract that they would not attack the Peace Agreement if they get elected. Many Bosnians rejected this superiority since it contradicts democratic values itself.

From a non-planned protectorate, BiH has become one over the past years. Although it might look that the OSCE has cut down its interventions as the organization of 2006 elections organized by Bosnians themselves let assume; however, till the Dayton Agreement is valid its superiority and final decision making ability will stay. OSCE has reached some progress in Bosnia, and is going to continue its work focusing now mainly on Human Rights. Nevertheless, it has done many mistakes throughout the whole mission. On the one hand, those mistakes are very much understandable since the Bosnia mission has been the first one of this nature in organization's history. The OSCE did not possess any experience in the field of post-conflict reconstruction and thus had to face its first challenge after the collapse of the 'Iron Curtain' (Stoessel, 2001, p. 4). On the other hand, it has been the Bosnian people paying the price of a test case.

### *3.3) World Bank's Policy and Engagement in BiH*

The Bretton Woods agreement of 1944 was the first step towards the creation of today's worldwide operating World Bank. The ratification of the agreement which followed two years later, aiming at the revival of European economy after World War II was the cornerstone for the International Bank for Reconstruction and Development (IBRD) which is meanwhile one of in total 5 institutions of the World Bank and the International Monetary Fund (IMF) ('Internationaler Währungsfond', 2007, 'Definition', para. 1). So, until today the Bank is being engaged in post-conflict reconstruction around the world, however, the standards have changed meanwhile. The emergences of many new countries after the collapse of the Soviet Union and thus the conflicts arising in the beginning of the 1990s posed a great

challenge for the Bank and its partners. During the last two decades the Bank has lent about US \$ 6.2 billion whereby about 33% were invested into so called multi-sector projects, aiming at stabilisation of the macroeconomics and the renewal of social and economic structures world wide.

During the conflict in Yugoslavia the World Bank stopped its financial assistance to the country. Even though the Yugoslavian state was undergoing some transformation, its debt did not vanish and consequently, it was distributed among its former republics. In the beginning of the year 1993 the Bank's management announced the requirements for the 5 new countries concerning their own membership. Thus, they had to agree to the Bank's debt proposal as well as to the adjustment (Annex 1). The Bank took thereby into account the different aspects evolving out of the conflicts touching the countries and their development. During the war in Bosnia the World Bank was in so far involved that it was only observing the situation and not being active anyhow by implementing policies. In March 1994 after the Dayton Agreement, the international community asked the Bank to become active in the country. However, the Bank was very reserved in its accommodation, claiming that constant borrowing was not reasonable considering BiH's non-existing membership and its refunding difficulty. The present debit which increased during the war amounted already to 400 Million US Dollar and was a dramatic condition for country's economy and general situation. Finally, the Bank agreed to support Bosnia after the cease-fire seemed to be meant honestly, thus, the peace project a long lasting one. Consequently, other international partners agreed to support the peace project as well.

So, the World Bank decided to become active in Bosnia and Herzegovina and had to set a plan on how to do so first. A '*Bosnia Working Group*' (BWG) was created which started working together with the Dutch government, granting additionally to the American 250,000 about 1 million US Dollar and enabling the start of the project. Subsequently, in 1995 three meetings with Bank representatives and BiH officials took place in Warsaw, Poland, in order to set the outline for Bank's actions. During the first meeting (January) the following areas for cooperation were discussed: 'reconstruction, economic recovery, economic transition, and financial normalization' (Kreimer, Muscat, Elwan & Arnold, 2000, p. 31). Yet, the Bank emphasized the conditions for BiH's membership once again, thus, a proper plan for the refundment to the Bank. The second meeting held in June was mainly focusing on the economic reconstruction, launching a research concerning the current needs the different branches were dealing with. The cooperation with the 'European Bank for Reconstruction and Development' (EBRD), the 'International Management Group' (IMG), the 'Soros Foundation' and the 'World Health Organization' (WHO) were thus initiated (Kreimer, Muscat, Elwan & Arnold, 2000, p. 31). The ERBD was mainly

concentrating on issues concerning telecommunication and transportation, thereby placing main importance on railways. The last meeting of this character two months later concentrated on institution building and the identification of main rebuilding needs. Consequently, an immediate cost estimation of 5 billion US Dollar was calculated, enabling further donations. Following, a reconstruction plan presented by BiH's Minister of Finance to the Bank was approved by 37 present members and organizations (Kreimer, Muscat, Elwan & Arnold, 2000, p. 32). The financial support should start immediately after the peace agreement was perceived by all participating parties as absolute.

As a novelty in the sphere of international relations and cooperation between countries and international institution, the involvement of the Bank during the peace talks of Dayton can be regarded. Never before, the Bank had been invited to join such a meeting. It was an emphasis of the close cooperation with the main donor the United States and the interrelatedness of political and financial ties.

### *Trust Fund Establishment / Bank Membership / Market-Based Economy*

One of the first and most important actions the Bank had to undertake in Bosnia was the reassuring of future donors. So, a structure had to be established quickly animating donors to invest and assure the progress of the country. Following, a two-way interlinked strategy was launched what means: Reconstruction of the country was immediately supported through 150 million US Dollar, granted by the Trust Fund for BiH (TFBiH) although BiH was not a member yet; 125 million of the 150 million US Dollar were granted under terms of credits given by the International Development Association (IDA) (long-term finance at no interest) and 25 million US Dollar as a grant (Kreimer, Muscat, Elwan & Arnold, 2000, p. 33). In the first quarter of 1996 a Dutch fund was also created, granting about 10 million US Dollar for reconstructive projects. Although it was clear from the beginning on that the Bank membership for Bosnia and Herzegovina would be difficult and above all the refunding of the debts, the Bank did not hesitate to help Bosnian authorities with the coordination of reconstruction projects. The Trust Fund was financed from the surplus account of the International Bank for Reconstruction and Development (IBRD), which has been established to make Bank's interaction in emergency reconstruction situations possible – before BiH was able to borrow through the usual Bank procedures. However, in March 1996 a guideline for the access of BiH to the Bank was presented to the Management Board of the World Bank, including a repayment plan. The '*Consolidation Loan Package*' obligates Bosnia and Herzegovina to refund the present as well as new debts in a period of 30 years. Additionally, 5 years as a 'grace period' were included (Kreimer, Muscat, Elwan & Arnold, 2000, p. 34). In general, for paying back the

debts countries often made use of donors' money, own savings and additional sources. For BiH, however, this was no option and consequently, the Bank had to find a way how to help the country and simultaneously ensure its own integrity. Thus, the only solution was to make use of the same approach as in the case of Bangladesh as it became independent of Pakistan.

Generally, the Bank did not get involved in debts rearrangements until the case of Bangladesh occurred. After its independence of Pakistan Bangladesh became a member of the Bank and responsible for the grants given to Pakistan and investments made on the new country's territory. Since the newly emerged country did not immediately possess much credibility, donors' implication stayed very reserved. So, the Bank decided to help the country and transform the loans into a '30-year IBRD loan and outstanding credits into a new 50-year IDA credit.' (The World Bank, 2007) So, there are many similarities between the Bangladesh and Bosnia case, since it was the first example for the later to be examined.

Like Bangladesh, Bosnia:

- Developed out of a present or former member of the Bank, Yugoslavia;
- is agreeing on responsibility for a division of the debt of the former member;
- has small creditworthiness for refunding the earlier as well as new debts due to armed conflict in its territory; and
- is a country for which rearrangement would effect into an amelioration of the refunding ability

Because of the huge damage caused in Bosnia during the war and the resulting breakdown of the production capacity, the Bank decided to follow the Bangladesh principle also due to the existing parallels. So, the country was able to make great use of 'concessional financing' and thus, start cutting down its debts immediately. On the other hand this gave the Bank a security that the procedure would not lead to a 'write-off or forgiveness by the IBRD' (The World Bank, 2007).

### *Bosnia becomes a World Bank Member*

This plan got accepted by the Bank management as well as the other members what resulted in the acceptance of Bosnia and Herzegovina in the World Bank Group on 12 March 1996. This was quickly followed by the acceptance of the International Finance Corporation (IFC), and also the one of the Multilateral Investment Guarantee Agency (MIGA), which was launched in December 1996 and aiming

at the encouragement of foreign private investment through guarantees (e.g. risk insurance etc.) (European Union Investment Trust Fund, 2007).

The plan for the consolidation of the grant included three different grants amounting to ca. 650 million US Dollar. It was so arranged that it considered the foreign investment animations in order to decrease Bosnia's debts at the IBRD. Due to the acceptance of the plan the country became able to lend new money under IDA conditions.

### *Transition to a Market-Based Economy*

In order to assure the transition to market based economy in Bosnia and Herzegovina huge emphasis had to be put on institution building as well as the restructuring of policy concerning companies and banks. Companies were willing to quickly proceed the privatization and first steps towards this direction were absolved. An exchange of ideas in the different branches of the government was introduced aiming at reforms. Following, in the Federation six laws concerning privatization were presented to the entity parliament. Also the Bank got involved in this happening by launching several projects, as e.g. allowing credits and supporting a new 'BiH Microcredit Bank' as well as the 'EBRD Equity Fund project' (The World Bank, 2007). Concerning the political risk which was seen as the major obstacle for private foreign donations the guarantee assurance was created.

However, in practice many matters stayed unarranged. There was no plan on how to initiate the privatization issue, or what is going to happen with former state owned companies. Although the population was largely approving a privatization, ethnicity and politics stayed the major factors influencing this development until today.

### *3.4) European Union's strategy in BiH*

Since the end of the Bosnian war through the Dayton Agreement, the European Union has actively and financially supported Bosnia and Herzegovina on its way to become a functioning state based on democratic values. The programs by which the EU supported BiH did not only focus on the stabilization process but contained also initiatives on infrastructure, education or civil society reconstruction. In the latter field of initiatives it worked closely with numerous European NGOs which possessed a better access to the areas due to their size and coordination. However, in the field of political and military stabilization, the EU made use of its own know-how and equipment.

The EUMP program is an initiative launched by the EU in January 2003 in the framework of the European Security and Defense Policy (ESDP) in order to deal with rule of law issues and the

restructuring of the police. It replaced the International Police Task Force (IPTF) of the United Nations and became responsible for the implementation of Dayton requirements under Annex 11. The EUPM mission should first last only three years; however, the mandate was extended till the end of 2007. The EUPM mission is focusing on the creation of a *'sustainable, professional and multiethnic police service in BiH, operating in accordance with best European and international standards'* (EUPM in Bosnia, 2007, para. 1). Besides the police reform a great focus is also given to the fight against organized crime in the country. The achievement of progress in this sector is enormously important for BiH in order to participate in the 'Stabilization and Association Process' of the EU whose signing is a precondition for entering the Community.

In March 2000 a 'Road Map' has been published by the European Union on BiH's start of negotiations concerning the Stabilization and Association Process (SAP) necessary to accomplish in order to enter the Union (EUSR, 2006). In total, the Road Map was containing 18 preconditions. The completion of each of those requirements, seen as a checkup for Bosnia's will to solve political and social problems, proved to be very hard. Finally, it was only due to High Representative's intervention that some progress was reached. First in September 2002 the accomplishment of the Road Map was announced by the European Commission. During the EU summit in Thessaloniki in June 2003 Bosnia's perspective inside the Union was emphasized and 5 months later the negotiations for the Stabilization and Association Agreement (SAA) started as a result of the fulfilled pre-conditions (EUSR, 2006). 16 further conditions were set for a successful signing of this agreement. The conclusion date, end of 2004 the European Commission hoped for should prove as illusionary. After the Federation and RS finally agreed on one State Ministry of Defense, on reforms of the police and on one Public Broadcasting System (PBS), negotiations for the Stabilization and Association Agreement could be started in 2006 (European Forum, 2007, *Negotiations on the Stabilization and Association Agreement (SAA)*', para. 22).

The European Union is also militarily being active in BiH through the EUFOR mission, which ended the NATO-led SFOR mission. With 6, 000 soldiers, EUFOR is being responsible for the implementation of Annexes 1A and 2 of the Dayton Accords, for the stabilization of the country and the fulfillment of the SAP requirements. The EU troops are also in charge of collaborating with the International Criminal Tribunal in The Hague (ICTY) and arresting war criminals. In December 2006, the EU Commission announced a reduction of the soldiers to 2,500.

From 1991 till today European Union's financial aid to BiH amounts to almost 2.5 billion Euro. In the framework of the OBNOVA and Phare programs focusing on refugee return and the reconstruction of BiH between 1996 and 2000, the country profited of donations amounting to 890.700 million Euro. Moreover, the EU countries donated some additional 1.8 billion Euro financial aid also for the reconstruction of the country (The European Commission's Delegation to Bosnia and Herzegovina, 2007, para. 2). In May 2000 the European Commission exchanged the former reconstruction programs Phare and Obnova by a united one, the so called: 'Community Assistance for Reconstruction, Democratization and Stabilization (CARDS)' (The European Commission's Delegation, para. 1). Since 2001, Bosnia has received about 240 million Euro in accordance with the CARDS program. The aim of the new program stays the same, which is the development of BiH for subsequently entering the Stabilization and Association Process. Due to BiH's lack of properly functioning state institutions since the war, the EU has set a great emphasis on this issue. Furthermore, it is also aiming at a strengthening of democratic structures and laws. Therefore, it is giving the country structural aid on how to overcome the sociopolitical and economic struggles and become a well-functioning market economy. Additionally, the EU supported very much the refugee return and enforced the rights of minorities.

In order to launch the economic development in Bosnia, the EU focused in the beginning on establishing a free trade area, facilitating the trade in general but also creating better conditions for foreign investment. So, the trade collaboration (beginning 2002) was one of the main aspects of European initiative for rebuilding the country. For making the transition to the market-oriented economy easier for the country, the Union proceeded in an asymmetric manner, enabling BiH to import to the EU area without paying taxes – while not yet making use of the vice versa principle. Bosnia and Herzegovina was thus able to make 80% of its exports to the EU duty-free. In June 2000 the Commission extended the scope of products including now agricultural and fishery ones (The European Commission's Delegation, para. 13). The imports from the Balkan region to the EU amount to 0.6% of all imports into the EU area and are not considerably influencing Union's economy as the Balkan one.

In Bosnia and Herzegovina the European Union concentrated very much on infrastructure reconstruction considering it as an essential mean to foster economic development but also animate inter-regional and inter-country socioeconomic relations.



Of particular strategic importance therefore is the Corridors V (5c) supposed to go through the country. The route is planned from the north of BiH to the southwest, connecting cities as Doboj, Zenica, Sarajevo, Mostar and ending in Croatia then. The work on the corridor has meanwhile begun and it is being regarded positively by the EU, giving so the opportunity to BiH to profit of the 'European traffic network and the European economic and social structure' (Corridor Vc, 2007, Definition). So, beside the financial support for the construction of the corridor, the EU also financed railway and road reconstructions along the corridor. Furthermore, in the year 2000 it made donations for the reconstruction of three bridges in the country; the Samac bridge which is connecting BiH with Croatia in the northeast, the Gradiska bridge connecting BiH to Croatia in the northwest and the Karuse bridge close to the city Doboj. Furthermore, the 3 airports have been renewed, in Sarajevo, Banja Luka and Mostar. In total, during the past years the EU Commission has helped Bosnia with ca. 70 million Euro in reconstructing the infrastructure (The European Commission's Delegation, 2007, para. 15).

Besides the infrastructure reconstruction the EU supported also the educational sector in BiH in terms of the planned common European Education Area program. So, after the end of the war universities and schools were soon reopened again. The EU considers education as the main cornerstone for a democratic environment and a healthy civil society. Thus, economic development would more easily be reached if the ethnic aspects disappear in the background though. Thus the EU created the Tempus program allowing universities from inside and outside the EU to get into contact and exchange students and teachers. BiH has been participating in this program since 2006 (The European Commission's Delegation, 2007, para. 19).

When looking further on society reconstruction, one has to mention that the EU has supported the refugee return enormously in Bosnia. Therefore, around 40,000 homes were rebuilt in the whole country stimulating whole regions by encouraging some private businesses and co-operations. For the society rebuilding part the EU needed help from NGOs in order to be able to implement small regional plans into practice. Additionally, the NGOs participated in reconstructing inter-ethnic relations, fostering human rights and animating inhabitants to get actively involved in the democracy rebuilding processes in the regions. The European Union also supported the development of state structures and laws in Bosnia providing experts and scientist for giving advice (EU in Southeast Europe: The EU in Bosnia and Herzegovina). But also the field of the media was supported financially. An explicit plan was set in order to support independent media, trying so to promote a multiethnic society and common collaboration. But Europe's engagement went further, since it also helped the country to clear the mine fields

remaining after the war and bringing death majorly to children. Around 15 million Euro have been provided to southeast Europe by the Commission for the demining whereof most of the money went to BiH. But, EU's help to BiH had started early when providing humanitarian aid to Bosnia and Herzegovina during as well as after the war through the ECHO program. This financial aid amounted to more than 1 billion Euro. The European Community Humanitarian Office worked very closely together with NGOs but also International Organizations as e.g. the Red Cross. During the war in the country, ECHO accomplished the greatest humanitarian mission ever taking place in Europe.

All together, the European Union was very actively providing financial aid to the war damaged Bosnia and Herzegovina, trying to rebuild its political culture, the economy but also eradicate the inter-ethnic sentiments remaining in the heads of the population. So far, considerable progress has been reached, above all concerning refugee return, however, the privatization of former state-owned companies is still being very slow. Consequently, this is also hindering the already very weak Bosnian economy to progress, create work places as well as an own-earned prosperity. Since Bosnia is still being too much dependent on foreign donations, an individual drive for change is lacking.

## IV. Unbundling Sovereignty from Territory – Solution for BiH?

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Nowadays, many scientists are arguing about the different nation state models which are existing and their appropriateness considering the huge changes the countries and societies are going through. Due to various aspects as economic, military, political and social ones, the world becomes more and more miscellaneous and the nation states and their populations faced with new problems and challenges. The governments have to react to these developments consequently and try to handle the occurring changes as e.g. the transfer from societies based on one ethnicity to multi-ethnic ones. Other countries being faced with the fact of a multi-ethnic society throughout their whole history have to find solutions for divisive nationalist forces. On the one hand, they have to try to keep those divisive forces under the umbrella of one nation state and so, underline the sovereignty of the nation state itself; on the other hand they are not able to suppress and ignore emerging claims for territory and self-determination. Thus, there are many different views on how far sovereignty can be granted to specific units of one nation state and the ability to enter into international relations etc. And since the Dayton Agreement two-entities-Bosnia and Herzegovina, the question arises in how far each of them has the legal right for representation outside and the entering into international relations. How is it possible to integrate both of them under one governmental framework, by responding to the different ethnically based demands for governing and self-determination. In this following chapter I am going to mention the different theoretical approaches on sovereignty and what effect they would have if transferred to Bosnia and Herzegovina. Would their implementation allow BiH to become a functional multi-ethnic state and could those theories, as Keane's proposal of sovereignty unbundling, be considered as an alternative to the Dayton Accords, I am going to elaborate on.

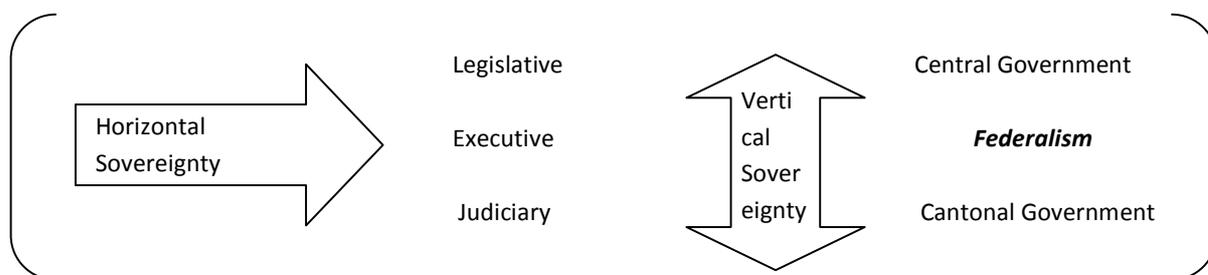
### 4.1) *Neo-Realist Approach on Sovereignty Reconstruction*

The neo-realist theory in general says that *'no spatial unit other than the territory of the state is involved in international relations. Processes involving sub-state units (e.g. localities, regions) or larger units (e.g. world regions, globe) are necessarily excluded.'* (Agnew and Cambridge, 1995, p. 82)

In fact, sovereignty is the instrument used by the nation state in order to preserve its authority over a territory and distinguish between the inside and the outside.

In contrast to this theory Rory Keane the author of the book *'Reconstituting Sovereignty'* (2002) advocates the introduction of a *'dispersed horizontal and vertical sovereignty'*, abandoning the

centralized state and making representation of multiple identities possible. Thus, legitimacy would be given to all people. According to his theory, *'Creating a dispersed horizontal and vertical form of sovereignty will enable the deconstruction of space, insofar as the legitimization arising from the correlation between space and sovereignty would be eroded.'* (Keane, 2002, p.22)



However, first of all, the difference between the two approaches on sovereignty has to be clarified. In the past the individual strong nature of the nation state was very significant. Horizontal sovereignty can decrease the influence of the nation state, by introducing services and duties for the inhabitants. Functionalism is often described as the best way by reaching horizontal sovereignty, since it does not focus on territory but mainly on the need (Keane, 2002, pp. 24-25). The aspect 'need' David Mitrany describes in his book *'The Functional Theory of Politics'* (1975, p. 132) being based on his study concerning the general meaning of 'need' in various countries. In his opinion the formation of economic and social institutions in crisis regions is very important for ensuring a long-lasting peace. So, he also argues, that the conflicts in the Balkans could have been prevented if one had tried to eradicate the social and above all economic problems resulting out of the Socialist regime. Furthermore, he argues that if the people have everything what they basically need, they would be satisfied and have no need to start a war. However, to make the horizontal sovereignty work, loyalty as well as identity have to be untied of monolithic aspects.

The vertical dispersal of sovereignty describes the identity as a construct of interrelated loyalties. They can be spatial or not, can be detailed however, should not make permanent division among two groups (Keane, 2002, p. 24). In a vertically dispersed sovereignty one describes oneself differently according to the specific situation and thus, decreases the influence of the nation state on identity. Consequently, in such a state construct all identities have the right to make their voice be heard on various levels and can simultaneously avoid to be governed by a small group of intellectuals (Keane, 2002, pp.24.-25). Referring this on BiH's case it would obviously result in more democratic procedures and would minimize the present exclusive state functions and responsibilities in terms of international relations. It

would strengthen the rights of communities by not trying to even out the cultural or other differences. The following emergence of space could be regarded positively in Keane's eyes since it could be advantageous for developing a multi-ethnic society.

In today's world where multiple identities are becoming more and more common, Keane (2002, p. 17) regards borders as an *'obstacle to emancipation'* and as a mean for only creating insecurity, dividing in us and them. In his eyes a combination of horizontal and vertical sovereignty would help fostering multiple identities and *'represent all peoples at all levels, thus creating human security.'* He is convinced that those two approaches compensate each other very well and *'allow (...) the development of human security, based upon a functional ethos.'* The mixed system of horizontal and vertical sovereignty would reduce the power of the nation state and also *'relinquish the ability of the state to 'include' and 'exclude' peoples by subverting sovereignty from the state.'* (Booth, 1991, p. 319) All together, this political model represents a complete change of powers than set during the Peace of Westphalia in 1648, where state's authority was an unquestioned fact.

#### 4.2) *Realist Approach on Sovereignty Reconstruction*

The realist point of view is claiming that everything what does not immediately belong to the small own radius is presenting danger in regard of peace. Apparently, it can be regarded as retarded in today's world which is growing more and more together and people from different cultures and with different religions are inevitably interacting with each other.

Progress and 'human emancipation' as described by Ken Booth (1991, p. 319) can only be reached if the old-fashioned centralized state structures get transformed. As the way of reaching this aim Rory Keane sees again a combination of the vertical and horizontal forms of sovereignty (2002, p. 113). However, a complete abandonment of the old state structures is in his opinion not necessary but on contrary could assist this mixture. He claims that the development taking place in Bosnia is rather a shift from the modern to postmodern structure.

The development occurring in BiH is aiming to react to different needs and circumstances. So, a realist approach to the situation, focusing on the importance of the monolithic culture would have only created more difficulties and tensions between the different ethnic groups. An implementation of this theory in Bosnia would have constructed a powerful central government fostering a homogenous society and eradicating the multi-ethnicity. This construct of governance would finally have favored one

ethnic group resulting in great disadvantages if not even ethnic cleansing of the other ones. Accordingly, one had to transform the habitual character of the state and respond to the special environment with the combination of horizontal and vertical measures as proposed by Keane (2002).

During the Dayton talks the politicians representing the three different peoples each tried to put their ethnic groups under the Westphalia umbrella. However, the international arbitrators did not accept that since it would have supported ethnically clean areas. So, the challenge for the Dayton Accords was to find a proper response to this very complex situation in Bosnia. Nevertheless, many see Dayton as a failure since it was not able to integrate a central government in the capital Sarajevo, and further on, it does not form a common nation state, but rather two nation state entities. Additionally, the incompetence of created joint institutions is an other proof of critics' arguments. On the other hand, the supporters see the institutions as only one branch of the vertical sovereign structure, and argue that from the beginning on the OHR was not supposed to implement institutions accordant to the Westphalia state model (Keane, 2002, p. 115).

A dispersed vertical sovereignty, focusing on multi-ethnic representation and the needs of the people, is in contrast to the realist approach trying to avoid a dominance of one people. The Dayton state structure is supporting the existence of entities, joint institutions etc. The success of such establishments stays questionable since many municipalities are being inhabited majorly by only one ethnic group. Thus there is little emphasis if some at all to create a structure able to respond to multiple needs. As a mean to cope with this stagnating process, Keane sees the return of displaced refugees, contributing to a more colorful climate in the municipality and so, urging collaboration (Keane, 2002, pp. 116-117). Furthermore, the presence of minorities would foster the growth of dispersed horizontal sovereignty, trying to respond to their needs.

In order to initiate such projects international as well as national humanitarian/development organizations were needed, since they try *'[...] to promote and protect human rights; create conditions for refugee return; provide health protection and build understanding and co-operation between different national communities.'* (Keane, 2002, p.117) Therefore, local and international NGOs are working together and improving the political knowledge which has been small in the post-war BiH. All together, Keane argues, that a positive implementation of horizontal sovereignty would encourage dispersed vertical sovereignty.

The education is beside the local institutional capacity an other area where the interlinkage between the horizontal and vertical sovereignty gets evident in his eyes. As an example one can take the Federation where ministers from the canton regulate the educational framework and the central government can give advice only. Consequently, the school structures are being developed according to the ethnic majority inhabiting the region/canton. The OHR and other NGOs are trying to implement measures creating a more multi-ethnic educational environment. So, an Italian NGO (*Nuovo Frontiera*) introduced an educational program while ECHO restored 165 schools between 1995 and 1998 supporting inter-ethnic relations (Keane, 2002, p. 118).

There has been improvement reached during the past years, however, still in 2002 institutions in the horizontal structure (the national/supra-national level) were not able to satisfy many basic needs as e.g. the electricity, transport or water ones. In Annex IX of the Dayton Peace Agreement it was set that in the fields of e.g. energy, postal or communication issues public corporations should be launched. However, as in the case of common institutions, also there a missing collaboration could be monitored, especially concerning the railway system – where still no planned train passage did take place (Kean, 2002, p. 119). Even though in the year 2002 the Federation and the RS were not willing to work together concerning the transmission of electricity e.g., the three state-owned and ethnically corresponding companies lunched first attempts of cooperation which is lasting until today. A mutual cooperation is very important regarding the future progress of the country. Only so a healthy economic climate can be created as well as proper function of public services, building a contrast to nationalist convictions.

The process taking place in BiH concerning the dispersed horizontal and vertical sovereignty shows first changes concerning the movement of 'sovereignty away from the center' (Kean, 2002, p.121). In order to strengthen this development, also in RS a cantonal system should be transformed. However, in the Dayton Agreement this was not set. Consequently, the OHR does not possess the right to become active and contribute to the creation of a better sensitivity towards minorities. The Inter Boundary Line (IEBL) going throughout the country and separating it in two entities is being a good example '*of unbundled sovereignty upon borders and territoriality*' (Kean, 2002, p. 123). A successful implementation of the two sovereignties should decrease the awareness concerning territory and boundaries.

#### 4.3) *The Brčko Case – Unbundling of Sovereignty from Territory*

The city of Brčko in the north of Bosnia is being the smallest border between the Federation and Republika Srpska, connecting eastern and western RS and creating an access to the Sava River for the

Federation. Obviously, Brčko is taking an important role for both entities and still not belonging to one of them. Very intensive talks during the Dayton arbitration led to the very special status of the city; it became an internationally controlled district, belonging as well as to the Federation as to RS.

*'From both a practical and theoretical perspective the most significant aspect of the Final [arbitration] Award is the fact that both entities can claim sovereignty over a unitary territory. In this sense sovereignty is not based upon territory, borders, power or authority, as both entities simultaneously hold the district, whilst the district shall be internally and autonomously administered by a District authority.'* (Kean, 2002, p. 123)

A city which before the war (1991) was home to 44% Bosniaks, 25% Croats, 21% Serbs and 10% other today is home for 45,000 Serbs, 35,000 Bosniaks and 15,000 Croats. The total population amounts to 100,000.

*'It is evident therefore that Serbs heavily ethnically cleansed Brčko during the war, the main victims being the Bosniaks. As a result of the war, the municipality has been split between the Federation and the RS and the town itself, situated north of the Inter Entity Boundary Line (IEBL), is 97.5% Serb, approximately 75% of whom are displaced persons from the Federation and Serb refugees from Croatia.'* (Kean, 2002, p. 123)

### *The creation of space*

The neglect of the idea seeing the nation state as the holder of sovereign authority stands in contrast with the realist and neo-realist views. Giving sovereign authority to the Federation only e.g. or the opposite to Republika Srpska could have led to great tensions since both entities make demands on the territory of Brčko. One identity would inevitably felt suppressed and created opposition against the 'others'. Thus, cooperation and a societal approach would already fail in the beginning. The International Community tried to solve this problem by giving jurisdiction to both parties and at the same time constructing a dispersed form of sovereign vertical authority in the area and between the Government in the capital (Kean, 2002, p. 124). Such a construct has in the eyes of Rory Keane *'succeeded in 'creating space' capable of accommodating all identities.'* This vertical sovereignty can be very well seen in the relationship of Brcko authorities and those ones in Sarajevo when it comes to matters that do not belong to the competence of the district. This vertical sovereignty can also be found in the relationship with functionalist institutions. Nevertheless, the simple creation of space does not necessarily immediately resolve all the present problems concerning inter-ethnic mistrust and the

feeling of security. This is the point where the implementation of horizontal sovereignty measures can play a relieving role and contribute to the emancipation of the society. Thereby, functionalist institutions as e.g. NGOs or other International Institutions can help divide and transmit the power from the center and assure a representation of the local peoples' necessities (Kean, 2002, p. 124).

Consequently, the creation of space can only be successful in so far it is accompanied by a deconstruction of sovereignty and a reduction of identity characteristics.

*'[...] such a process is necessary, as the traditional notion of sovereignty cannot respond to the challenges, which Bosnia holds'*

emphasizes Keane in his book and claims further that

*'The unbundling of sovereignty, therefore, signals in many respects a new departure in International Relations theory, capable of countering the realist model.'* (Kean, 2002, p.125)

An emancipation of the society can be fostered through e.g. an election reform, creating a more multi-ethnic society in Bosnia. Furthermore, the return of refugees is a very important aspect concerning the unbundling of sovereignty since this introduces a change in state centered power. This development can be emphasized through the support of NGOs helping local people to make use of their rights. All together, an unbundling of sovereignty leads towards the establishment of dispersed forms of vertical and horizontal sovereignty. The change of the state construct coming along with the dispersal of horizontal and vertical sovereignty is getting more and more obvious in Bosnia and Herzegovina. First of all, the attempt undertaken by the nationalists to transform the IEHL into a real border stays a failure, however, it is an example in how far the political powers are being relocated and are more and more moving away from the center. Second, the district of Brčko is the best example of the unique state structure evolving constantly in the country (Kean, 2002, p. 126). Nevertheless, one can say that the development towards a different state structure is still on an initial stage; however, Keane believes that the difficult ethnic intricacy will push such a development further in progress.

Transferring Keane's proposal concerning the combination of horizontal and vertical sovereignty as it is the case in the district of Brčko seems in today's Bosnia and Herzegovina unrealizable. He claims that a successful implementation of the two sovereignties would decrease the awareness concerning territory and boundaries and this might be true, however, it is hardly imaginable that Republika Srpska would

ever accept such a proposal. Republika Srpska itself agrees e.g. that changes of DA are necessary, but does not even want to consider any which could question its own existence, rights and sphere of influence. Refugees were able to return back homes however, most areas of Bosnia stay being populated by majorly one ethnic group where it is difficult to implement minority rights in practice. The assumption that the Brčko principle could work in the whole country stays rather a fairytale considering present situation where e.g. the two entities still cannot decide upon a common police reform. Obviously, Keane pleads for an unbundling of those responsibilities but it stays very open how they could be achieved now that ethnic structures and the entities division got very much manifested in the heads of the population.

Keane proposes a decrease of state's influence through '*dispersed horizontal and vertical sovereignty*'; however, it does not become clear in how far he would like to keep it, if at all. As in the case of the construction of the Corridor V, one can discuss if a centrally organized approach on such an important project for the whole region would not maybe function better, than many small units.

For today's BiH with still present ethnic antipathies, a broken economy and the urge to follow internationally imposed rules of law an unbundling of sovereignty from territory would be a too ambitious undertaking and finally not accomplishable.

## V. Evaluation/Conclusion

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A little bit more than 10 years ago, the crucial diplomatic attempt was initiated, trying to bring the end to the more than 3 years long Bosnian war. Two months later, the bloodiest conflict on the European continent since 1945 ended finally with the signing of the Dayton Peace Agreement by the three leaders: Slobodan Milosevic, Alija Izetbegovic, and Franjo Tudjman (from left). The actors of 1995



meanwhile disappeared from the political scene – they all died; most recently Slobodan Milosevic in the prison of The Hague where he was waiting for his sentence for war cruelty. But is the agreement of Dayton really already history as well? And how far did Bosnia and Herzegovina come until now, being a politically well-functioning and economically independent state with a tolerant civil society?

Ten years after the ending of the war in BiH, a huge inflation of opinions and evaluations concerning the current development of the country is existing. Most of them are being accustomed; at first counting several areas with seeming or real progress in order to be considered more critically afterwards, and thus, having the opportunity to make recommendations on how to improve the process. Most recently this recommendation urge was demonstrated by Paddy Ashdown, the former High Representative in the country during his farewell speech on 30 January 2006 (OHR, 'Farewell Speech', 2006). This speech was also proclaiming normality in Bosnia and Herzegovina basing upon a mutual acceptance of the ethnic groups but also the hard work of the International Community. Obviously, he was complimenting his own work, which very often was the target of enormous criticism from Bosnians and the Bosnian authorities as well as from reputable foreign observers.

When Marija Todorova is talking in her book about the Balkan countries as countries of contradictions, then the Dayton-Bosnia can be regarded as the best example of a society with enormous inconsistencies (1999, p. 14). An evaluation of Bosnia's development during the past 12 years thus appears also controversial and very dependent of a subjective perception of Bosnia's reality. Those particular perspectives are incredibly influencing the evaluation of the progress achieved since the Dayton Peace Agreement. If one takes the tragic war as the starting point, BiH has come far with its political development. However, if one considers the war and above all its reasons as the ethnicity-based-

territory-demands launched by politicians with private interests, then the opinions may strongly vary. Consequently, by evaluating the last 12 years of Dayton peace, one should neither be too optimistic nor too pessimistic. The actions undertaken by the International Community and international NGOs have to be regarded unemotionally in order to give a neutral assessment of the present 'status quo' in the country. Such unemotional and neutral position Tihomir Loza presents in his book concerning Bosnia's perspectives in regard of Dayton:

*'Of course, Bosnia started from a very low point. Along with ethnic pogroms, destruction and plunder, the country has suffered a devastating brain drain, losing much of its middle class. In fact, it is probably fair to say that Bosnia's social fabric has changed beyond recognition. But while an appreciation of the blows that Bosnia suffered during the 1992-1995 war and immediately after must inform any analysis of its development potential, Bosnia's sorry condition almost nine years after the war cannot be explained away simply by pointing to the gory past.*

*Sufficient time has passed for a new generation to appear, a generation of political, business and professional leaders who should be able and willing to carry the country forward. More than enough financial resources and expertise have been thrown at Bosnia since 1995 for its new development potential to make an appearance on the horizon. But stroll down and gloom peppered by a few exceptions to the rule. Put simply, Bosnia isn't working and it doesn't feel as if it will start to work soon. Yet it would be quite wrong to describe today's Bosnia as a totally dysfunctional society of a failed state. (...)' (2004, p. 205)*

So, what are the most significant constraints identified by Loza as reasons for the difficult situation in Bosnia also in the year 2007? How far did Bosnia get on its way from Dayton to Brussels with International Community's support?

### *5.1) The Controversial Character of Dayton*

The peace accord agreed in Dayton with its very controversial character, recognizing the forcibly occupied territories and ethnically based frontiers as well as trying to rebuild the multiethnic nature of Bosnia at the same time - in a very complicated construct of governance - has been a very difficult act of balance. However, it would be exaggerated to attribute all present problems of the country to the

Dayton construct. Dayton has brought an end to the war, nevertheless, during the past 12 years it developed from a lifejacket rather to a strait jacket, hindering development in the country. It became more and more obvious that the strongly decentralizing and ethnically based governance structure set up in Dayton is being a huge obstacle for Bosnia becoming a modern and well-functioning state. Furthermore, it became clear that the country's blown up state administration is not financeable. Together with the common institutions, the entities, the cantons, the special status of the city Brčko and the municipalities, an enormously huge state machine with 13 prime ministers, more than 120 ministers, around 750 lawmakers and 1200 judges and prosecutors is existing in Bosnia today. From the employed population every second is working for the state.

However, not only the Dayton concept created by the International Community and supervised by a High Representative with extraordinary wide powers, but also the lacking political will and compromise about a common path of Bosnia are responsible for Bosnia's still negative situation. This development is also being supported by the missing individual responsibility feelings and the small interest of the governing and profiting elite to change the situation.

### *5.2) Bosnia's development from the end of the war to increase of OHR powers*

The immediate period after the signing of the Dayton Agreement was characterized by the difficult restart concerning all aspects of life. A military stabilization was quickly guaranteed through the 60 000 soldiers of the IFOR troops (Peace Implementation Forces?). The physical reconstruction of the country was initiated as well supported through international donations. Until the end of 1998 around 2.7 billion US Dollars have been spent in Bosnia; thereof 70% in the Federation and only 30% in Republika Srpska (Nadoll, 1999, pp. 155-156). The economic situation was disastrous in the beginning, however, could improve a bit till 1997 due to international aid.

The civil reconstruction though proved much more difficult. A crucial mistake in the beginning were the soon elections in September 1996. Finally, this only underlined the power of the nationalist leaders throughout the governmental structure and deepened the resentments between the ethnic groups and the division of the country. Obviously, this was very hindering for further political, economical and civil progress. In the beginning the OHR possessed only few intervening powers and was not able to get involved in the happenings in BiH. Through the authorization of the High Representative to dismiss politicians out of office and replace them as well as to create laws through order, a strengthening of the OHR influence was decided in Bonn in December 1997 (*Bonn Powers*) (International Crisis Group, 2007,

p. 4). This was the initiation for a stronger presence of the International Community in Bosnia and Herzegovina. So, from 1997 the term 'Controlled Democracy' (Bojkov, 2003, p.41) became more and more known in Bosnia. The synonym 'Controlled Democracy' is very well summed up by Bojkov, as it can be seen in the table below.

**Elements of the concept of controlled democracy**  
**By Victor D. Bojkov (2003, pp.48-49)**

***Extract taken from the Southeast European Politics Paper Vol. IV, No. 1  
of London School of Economics and Political Science, UK:  
'Democracy in Bosnia and Herzegovina:  
Post-1995 Political System and its Functioning' (Bojkov)***

1. *'Imposition of controlled democracy is legitimized through reference to the security and welfare of the citizens of the polity and the inability of local politicians to achieve those objectives;*
2. *Controlled democracy is most cost-effective in small states – and hence more likely to be attempted within a small state;*
3. *Control, together with conditionality, is exerted and sanctioned by Western liberal democracies;*
4. *There are domestic institutions of decision-making that meet fundamental procedural requirements for democracy;*
5. *There exists a framework of permitted domestic action. If it is respected, control becomes monitoring, and vice versa. Unlike in the case of conditionality, l'exhibitionisme symbolique de la norme démocratique, which could be observed in most countries in Central and Eastern Europe, is not possible;*
6. *There is no universally agreed international norm or implementing mechanism. Consistency is logically lacking because power politics and foreign policy considerations often trump altruism;*
7. *The exerted control is not unilateral. There is agreement on basic principles of action among the actors involved, however institutional conflict is not precluded;*
8. *Paradoxically, the ultimate goal of controlling democracy is to strengthen domestic democratic political mechanisms and institutions and to engender mutual trust on the part of politicians and citizens that the only viable way to adjust differences is through a political process within the rule of law and through respect for human rights;*
9. *Stability and security is an equally at times even more important goal and a potent guiding principle of action.'*

The 9 bullet points can all be transferred to the Bosnian state and following this definition, evidently BiH can be regarded as such a construct of governance.

### 5.3) *Non-Nationalist Alliance vs. Ethnic Contrasts*

The coming into effect of the '*Bonn Powers*' enabled Carlos Westendorp the High Representative at that time to introduce new measures. So, quickly he established a common currency and a law on citizenship but also dismissed politicians hindering the DA implementation. However, also in this phase no substantial progress could be noticed when it comes to the state functionality, the prevalence of ethnic sentiments or the disastrous economic situation. However, the OHR developed so more and more its political power in the country but also a 'dependency syndrome' of the political and economic elite. The artificial economic development through international aid contributed to the emergence of a so called 'pension economy' (Ehrke, 2003, p. 136). In 1997 the economy grew up to 37%, the average salaries increased as well as the gross domestic product (GDP). Yet, a real stabilization of the economy as well as huge foreign investments into BiH were missing – despite the guarantee fund of the World Bank. According to scientific calculations, Bosnia would have even experienced a GDP decrease in the years 1998 and 1999 without foreign donations (Ehrke, 2003, p.140).

The elections in September 1998 emphasized the power of the nationalist cadres, by re-legitimizing the nationalistically oriented parties: SDA, HDZ and SDS. With their mutual policy of blockade and the misuse of citizens' sentiments for private reasons, they were expressing their opposed views on Bosnia's future. In August 1999, Westendorp was replaced by the Austrian Wolfgang Petritsch as HR. In the following elections in November 2000 and the first small success of non-nationalist parties a certain atmosphere of change appeared. The non-nationalist alliance of social democrats (SDP), the 'Party for BiH' (SBiH) and some other very small parties were able to create a coalition with some moderate parties from Republika Srpska and thus start governing. But within the governing mandate the non-nationalist coalition should prove as very fragile due to own heterogeneity but also due to ethnic conflicts and the difficult economic situation.

The death of the Croatian president Franjo Tudjman and the fall of Milosevic in the '*October Revolution*' new circumstances emerged and thus, new hope for the Bosnian peace evolution. The High Representative Wolfgang Petritsch tried to use this occurrence for further reforms. He tried to introduce the concept of '*ownership*' and also to get away from the '*aid driven*' to an '*investment driven economy*' (Petritsch, 2001, p 149). Petritsch's work was also characterized by the high use of the '*Bonn Powers*' what in his eyes was necessary in order to introduce reforms. The criticism for these actions was constantly rising while Petritsch did not succeed in cutting down the dependency syndrome.

During Petritsch's time in office and after the election of the non-nationalist parties the first demands for a change of the Dayton Agreement were made, however, strongly opposed by Republika Srpska. Furthermore, Bosnian Croats and the HDZ used this opportunity to claim for a third entity. The 'Mrakovica-Sarajevo Agreement' from 23 March 2002 and the subsequent constitutional reform was a first attempt to 'correct' Dayton. Thereby, it was agreed that all the three people are equal in both entities (International Crisis Group, April 2002, p. 4). Although this undertaking did not eradicate the predominance of the ethnic principle in practice, it was an important step on the way towards further changes of the Dayton construct. At the same time it consequently initiated a huge discussion concerning the Constitution. Despite the great difficulties concerning this issue, some reforms could be introduced. So, a new law concerning voting was adopted, some progress in the property return debate was reached and the accession of the country to the Council of Europe completed in April 2002. The years 2001/02 were marked by greater return of refugees, above all also minorities. Nevertheless, the great economic problems stayed despite World Bank's and European Union's attempts to stimulate the economy.

The elections from October 2002 confirmed the victory of nationalist parties as HDZ, SDS and SDA and thus a division of power and privileges reminding the pre-war situation. The reason for their success was above all the disastrous economic and social situation. Many voters were disappointed by the non-nationalist alliance and its failure to reach the promised goals. SDS, HDZ and SDA were still following the same political path as during their previous time of governing, still highly focusing on the national/ethnic aspects. However, meanwhile they learned by western politicians how to formulate and wrap their messages in a more moderate manner. The particular interest, corruption, slow/missing reform attempts and private interests of Bosnia's *status quo* are the characteristics of the new-old government.

Moreover, the bad economic situation is continuing until today with an unemployment rate of min. 40% (2001 est.) whereby, around 20% are working on the black market ('Unemployment Rate', 2003, 'Definition'). Thus, the GDP rate per person of 2004 was at a level of 1.800 Euro. With an average economic growth of 3 to 5% per year, BiH was able so far to only reach about 60% of the pre-war GDP level (WIIW, 2006, p. 3). According to reports of the United Nations Development Program (UNDP) around 20% of Bosnia's people are living beyond the poverty line and the class differences are increasing constantly (UNDP, 2005). The economic growth so far is still only as a result of international donations whereas direct investments are continuing to be very low, despite EU's and World Bank's initiatives in this field.

#### 5.4) *Bosnia: Country of Ethnic and Nationalist Elites*

The violent ethnicizing of Bosnia's society during the 1990s, the brutal war and the ethnically based Dayton-state are directing the thinking of Bosnia and Bosnians still nowadays. All other kinds of common historical experiences as the centuries long Bosnian continuity, the cultural commonalities and the common way of living got forgotten on the way. Everything not possessing an ethnic focus is seen as wrong and ideologically untrue in today's Bosnia and Herzegovina. Also 12 years after Dayton, political, social and economical questions are turned into 'vital national interests' of individual ethnic groups. So, ethnic/nationalist identifications are being the main key of the society. Every topic is being directed by the ethnic background so that BiH is being paralyzed by the ethnic component. This ethnic component of the war got recognized by the Dayton Agreement and transformed to the highest priority of the politics and the daily life. Consequently, today's BiH is being characterized above all by the non-existence of a homogenous and functional society. If one defines *society* by cohesion and share of common historical and current experiences containing a same view for the future, then the society of Bosnia is the exact denial of such a society understanding.

#### 5.5) *International Community in Bosnia*

Some of the problems occurring in post-war Bosnia and Herzegovina in regard of state-building-process are the result of international engagement. International Organizations performing in the country since the end of the conflict like e.g. OHR (High Representative), SFOR, UN, EU, OSZE, Council of Europe, World Bank etc. were and still are showing many inconsistencies and so influencing Bosnia's development. Rivalry, competition, bad coordination and disagreement on competences between them as well as the lack of a clear strategy for state reconstruction are the main reason for many failures (Ivic and Perazic, SEECCN). Thereby, one has not to forget the considerable individual interests of the different international states as e.g. US, Russia, France, Germany or Great Britain – also trying indirectly to influence the happenings in the countries through the High Representatives.

Because of the early elections in 1996 and the lack of efficiency of the OHR the nationalist camps got strengthened in the economic as well as political fields of influence, continuing a policy of blockade and aiming at personal enrichment. Later on, however, due to the 'Bonn Powers' and the extension of OHR's influence, Bosnia became a sort of '*imperialistic protectorate*' (International Crisis Group, 2007, p. 4).

While for a long time the International Community was not paying any attention to criticism on its actions coming from inside of BiH itself, in 2003 there should be first criticism occurring also from foreign observers as e.g. David Chandler professor of International Relations at the University of Westminster, London. He criticized the denial of democratic self-determination right to Bosnians by the International Community and compares this denial with '*colonialist behavior*' (Chandler, 1999, p. 86). In general, the most criticism was direct towards the High Representative Paddy Ashdown (Great Britain) who dismissed the most state officials and ministers during his term in office. Criticism coming from David Chandler as well as from many different sides like the experts from the Berlin based European Stability Initiative (ESI) led to discussions and proposals on how to eliminate the '*benevolent despotism*' as described by the experts Felix Martin and Gerald Knaus from ESI (ESI, 2004). Thereby, a change of the Dayton Agreement was one of the most crucial facts of debate.

#### 5.6) *Discussing the Change of the Dayton Agreement: 'A Never Ending Story?'*

Since 2002 the discussion about changes of the Dayton Agreement is increasing constantly. It was determining the last years and is becoming a more and more important political issue in terms of the European Integration.

Since the beginning of the debate in 2002 there have been many concrete proposals on how to proceed. In the end of the year 2003, a group of reputable European politicians among others Tadeusz Mazowiecki or Doris Pack, was openly demanding a change of the Dayton Agreement and thus forwarding Bosnia's way towards Europe (Declaration, December 2003). The ESI presented a plan containing an abolition of the two entities and creating 12 equal cantons similar to the example of Switzerland (ESI, 2004). The discussion prevailed also in the following years 2004/05. One of the most recognized proposals concerning constitutional change and consequently the reduction of the *Bonn Powers* was announced in 2005 by a so called 'Venice Commission' of the Council of Europe. The 'Venice Commission' described the Bosnian Constitution after Dayton as '*anachronistic*', not belonging to today's time anymore. In Commission's view it is making the country unable to ever enter the European Union and become a credible international partner. Its proposal aims at the strengthening of the Bosnian state as a whole and thus reducing the entities' influence. This should be reached by consensus of all three Bosnian peoples (Slobodna Bosna, March 2005, pp. 23-25) and contribute to the improvement of Bosnia's presence on the international political scene.

During the celebrations for the 10<sup>th</sup> anniversary of the Dayton Agreement, the United States launched such an initiative by the former leader of the OHR, Donald Hayes. So, on 21 November 2005 the leaders of the biggest Bosnian parties came together in Washington and could agree on slight changes of the former peace agreement. Thereby, they agreed to strengthen the influence of the overall state president and to create two new ministries for the entire state till March 2006.

The importance of Bosnia's integration in the European Union is being considered as the most important aspect for country's economic and political future. The necessity to reverse Dayton and set the direction towards Brussels implying a constitutional reform is meanwhile being considered as inevitable by many experts. Christophe Solioz working at the Center for European Integration Strategies in Geneva said the following in his 2005 published book *'Turning-Points in Post-Bosnia. Ownership Process and European Integration'*:

*'This 'historic' position of Bosnia which is at the verge of leaving post-Dayton period of international reconstruction, state-building, and intervention to become a regular pre-accession and thus candidate for EU membership necessitates fundamental changes and strategic adjustments that must be introduced immediately.'* (Solioz, 2005, p.133)

Because of the elections of October 2006 the reform pace was kept on very low level due to strategic reasons apparently. Meanwhile, the new High Representative, the German Christian Schwarz-Schilling who took over office 1 January 2006 is trying to initiate a further breakthrough. His success has been very limited due to renewed elections the same year and rivalry of nationalist parties.

### 5.7) *From Dayton to Brussels*

*'To all intents and purposes Bosnia is a member of the EU; in fact more than this, Bosnia is the first genuine EU state where sovereignty has in effect been transferred to Brussels.'*  
(Chandler, 2006, *Bosnia: Whose country is it anyway?*)

After the societal transition from war to peace Bosnia and Herzegovina today, finds itself again in such a change-over situation. This time it is rather a symbolic one, the one from Dayton to Brussels (Solioz, 2005, p. 133), from political instability to a credible



internationally recognized partner. In BiH, Europe or the European Union is playing a crucial role in regard to sociopolitical issues. On the one, hand there is the criticism for the representatives of the

International Organizations who beside the Americans are primarily Europeans; on the other, hand it is actually the *'old Europe'* one expects to act and help reforming and strengthening the weird Bosnian construct of governance. The development of the new and modern statehood or as mentioned above sociopolitical questions are trying to be dealt with an *'European'* attitude. Europe is being the benchmark for integration on the international scene.

*But what were Bosnia's concrete steps on the way towards European integration so far?*

In March 2000 there has been a 'Road Map' published by the European Union on BiH's start of negotiations concerning the Stabilization and Association Process (SAP) necessary to accomplish in order to enter the Union (EUSR, 2006). In total, the Road Map was containing 18 preconditions. The completion of each of those requirements, seen as a checkup for Bosnia's will to solve political and social problems proved to be very hard. Consequently, it was only due to HR Petritsch's intervention that some progress was reached. First in September 2002 the accomplishment of the Road Map was announced by the European Commission. During the EU summit in Thessaloniki in June 2003 Bosnia's perspective inside the Union was emphasized and 5 months later the negotiations for the Stabilization and Association Agreement (SAA) started as a result of the fulfilled pre-conditions (EUSR, 2006). 16 further conditions were set for a successful signing of this agreement. The conclusion date, end of 2004 the European Commission hoped for should prove as illusionary. After some reforms were successfully introduced in BiH, as the defense policy and the police one, negotiations for the Stabilization and Association Agreement were started.

Besides the negotiations opening in January 2006, many structural difficulties are remaining in Bosnia hindering the integration process of the country. Also in the future, the implementation of the parliamentary set directives and the functionalism of the newly created institutions are going to pose a huge challenge and possibly create big difficulties. In reality this would mean, that the new laws are going to be implemented partially or not at all in the two entities and the institutions, though existing, however being inefficient to provide an instrument of control. So, this weak institutional structure and public administration is remaining a huge problem for Bosnia's EU membership, being strongly necessary in order to deal with Union's complicated administration. Consequently, this branch needs to be more strengthened in the future. At the same time BiH is a country with an enormously wide spread administration requiring about 60 to 70% of the state budget. A solution for this problem does not yet exist unfortunately.

However, the approach to the European Union has introduced a sort of reforming dynamic, so, that it is clear to everybody and above all the leading elite that Bosnia's future lies within Europe. During the last municipal elections the subject '*Evropa*' was one of the prevailing slogans (Evropska Unija i Bosna i Hercegovina, 2005). Despite this changing attitude of politicians, still their knowledge about the EU structures and the consequences of integration for BiH is very restricted. Nevertheless, Europe has developed to an image itself; Europe is the benchmark for necessary sociopolitical reforms but at the same time it is being misused for backwards oriented ethno-nationalist debates. So, many issues on self-determination and interests are being backed-up with reference to Europe now (Evropska Unija i Bosna i Hercegovina, 2005).

All together, there is no way found yet which leads Bosnia directly to Brussels. The approach reached so far was rather a consequence of High Representative's intervention than on Bosnian self-initiative. Gerald Knaus and Marcus Coxs, experts at the European Union Institute for Security Studies, speak in the Chaillot Paper No. 70, published by the Institute in October 2004 of an '*Europeanization by decree*' in Bosnia and Herzegovina (Knaus and Cox, 2004, pp 55-56). In fact, a self-initiated, conscious Europeanization is still not taking place in Bosnia due to ethnicity oriented aims, even 12 years after Dayton. Instead an immense public administration is successfully blocking further progress.

### *5.8) Summing Up In Few Fords*

It is evident that Bosnia has reached some progress on its individual way back to the international scene during the past 12 years and that international donations and know-how have been the main reason for this. Though, in the eyes of many Bosnians the international engagement in the country was launched too late. Europe not knowing where it was going itself after the fall of the Berlin Wall, hesitated too long and allowed nationalism too spread easily and very quickly throughout the countries of Former-Yugoslavia, destroying Tito's heritage of a common '*Bratstvo i Jedinstvo*' identity. And hereby, I consciously say '*identity*' and not the Yugoslavian '*nation*', keeping in mind the different streams of peoples who got intermixed through centuries long living together and then willingly or less willingly came to form the Yugoslavian state. Although, being brought under one umbrella, individual pre-Yugoslavian national identities were about to stay, however, receiving a more pluralistic characteristic through *Bratstvo i Jedinstvo*. Pluralistic identities are nothing new and in today's world everywhere present since people can identify with more than only one region, clothing style or language. Yugoslavia did not survive this accumulation of multiple identities, the concept European Union is founded on and

one is trying to pass on again to the three Bosnian people. On the one hand, it might seem ridiculous trying to preserve in Bosnia what already did not work in Yugoslavia; on the other hand, it might be used as an example of how narrow minded the human being can be when it comes to ethnicity, identity and territory. The demand for the exclusive right for a certain territory for only one people is hard to comment today where the world is getting more and more interconnected every day, where cultures get mixed and languages the most important mean of intercultural communication. Bosnian peoples do not possess a linguistic barrier hindering them from entering into a dialogue. They are sharing customs which are difficult to relate either to the Christian or Islamic background, families including all three ethnicities, however a mentality difficult to be understood from the outside. Consequently, many of the projects introduced by various NGOs on society building and ethnic dialogues failed. And it is understandable that only 12 years after an immensely bloody war, after Srebrenica, the failing Hague Tribunal and the hesitation of the International Community to arrest the war criminals Karadzic and Mladic, the inhabitants of Bosnia keep on living in hatred and mistrust. This tensed climate can only be felt directly in the country where victims and committers are forced to live door to door and in such an environment it is difficult to think of economic progress or European Integration. The Dayton Agreement can only be regarded as a peace agreement, ending the war and the killings in Bosnia and Herzegovina, but not as preparation for the international political scene. At the same time this Dayton Agreement legalized the creation of Republika Srpska, an entity based upon genocide as defined in the 1948 Genocide Convention. The International Criminal Tribunal for the former Yugoslavia (ICTY) finally constituted it as such on 26 February 2007 (Shaw, 2007, Global Policy Forum).

Bosnia has advanced if one takes all those aspects into account; it has overcome the war and tries now to overcome the wounds. The International Organizations have contributed a lot to the rebuilding of houses and infrastructure. A lot of money has been donated to the country but unfortunately not all of it was correctly distributed due to corruption. Institutions are being created, common car plates and passports introduced; a common educational plan however is still missing. How to portray the past now stays the crucial question; from whose point of view of the three people and how to implement it equally in the heads of the new generations in both entities. When an answer to this essential question is found, when Bosnians of all ethnicities have dealt with their past honestly, then all the other reforms are going to work successfully. First then, the international engagement in Bosnia will be a complete political, social and economic success and Bosnia ready for the international scene.

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## VII. Appendix

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### 1. List of Abbreviations

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<b>BiH</b>	Bosnia and Herzegovina
<b>BWG</b>	Bosnia Working Group
<b>CARDS</b>	Community Assistance for Economic Reconstruction, Development and Stabilization
<b>DA</b>	Dayton Accords
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ECHO</b>	European Community Humanitarian Office
<b>ESI</b>	European Stability Initiative
<b>EU</b>	European Union
<b>FBiH</b>	Federation of Bosnia and Herzegovina
<b>GDP</b>	gross domestic product
<b>HDZ</b>	Croat Democratic Community
<b>HR</b>	High Representative
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICRC</b>	International Committee of the Red Cross
<b>ICTY</b>	International Criminal Tribunal for the former Yugoslavia
<b>IDA</b>	International Development Association
<b>IEBL</b>	Inter-Entity Boundary Line
<b>IFC</b>	International Finance Corporation
<b>IFOR</b>	Implementation Force
<b>IMF</b>	International Monetary Fund
<b>IMG</b>	International Management Group'
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>NATO</b>	North Atlantic Treaty Organization
<b>NGO</b>	Non-Governmental Organization

<b>OHR</b>	Office of the High Representative
<b>OSCE</b>	Organization for Security and Co-Operation in Europe
<b>RS</b>	Republika Srpska
<b>SAA</b>	Stabilization and Association Agreement
<b>SAP</b>	Stabilization and Association Process
<b>SDA</b>	Party of Democratic Action
<b>SDS</b>	Serbian Democratic Party
<b>SFOR</b>	Stabilization Force
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNPROFOR</b>	United Nations Troops
<b>WHO</b>	World Health Organization

## 2. List of Organizations Dealing With the Research Topic

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The European Commission, Brussels  
 International Monetary Fund, Washington  
 World Bank Group, Washington  
 Institute of International Studies, Geneva (IUHEI – Geneva)  
 Geneva Centre for the Democratic Control of Armed Forces (DCAF)  
 Institute for Regional and International Studies. Sofia.  
 International Crisis Group.

## 3. List of Experts in the Research Area

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**David Chandler**, Professor of International Relations at Center for the Study of Democracy, Westminster  
**Noel Malcolm**, Author of various books on post-war BiH  
**Victor D. Bojkov**, London School of Economics and Political Science  
**Antonia Habova**, Institute for Regional and International Studies, Sofia  
**Rory Keane**, Author of the book *'Reconstituting Sovereignty: Post Dayton Bosnia Uncovered'*  
**Marina Caparin**, Geneva Centre for the Democratic Control of Armed Forces  
**Warren Zimmerman**, former US ambassador to Yugoslavia