#### ABOUT THE REPORT

This report is the product of a series of meetings held from March to September 2000 at the United States Institute of Peace. These meetings examined the peace process in Bosnia and Herzegovina in the five years since the signing of the Dayton Accords in order to develop strategies and recommendations to enhance the process. The report analyzes the implementation of Dayton, outlines goals for the next five years, and identifies policy options to enhance Bosnia and Herzegovina's transition to self-sustaining peace and multi-ethnic democracy.

Written by Jon W. Western of Mt. Holyoke College and Daniel Serwer, director of the Institute's Balkans Initiative, the report includes contributions by program officer Kurt Bassuener and research assistant Samantha Williams. For more information, see pages 11–12.

The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate specific policies.

November 3, 2000

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# Bosnia's Next Five Years Dayton and Beyond

# Briefly...

- The collapse of the Milosevic regime in Yugoslavia and the emergence of a democratic regime in Croatia offer an historic opportunity to accelerate Bosnia and Herzegovina's movement towards democracy, security, and prosperity.
- Five years after the signing of the Dayton Peace Accords, Bosnia's democratic transition is still in midstream. The process initiated at Dayton remains crucial to completing the journey and should not be abandoned.
- Important progress has been made, but critical problems must be solved in the next five years in order to make Bosnia and Herzegovina a functioning state that can integrate with Europe and trans-Atlantic security structures.
- The potential of the Dayton Accords has not been fully exploited either by the Bosnians or the international community. More rapid and vigorous implementation is required to avoid cementing the division between the two entities that comprise the country.
- In some specific and important respects, the Dayton framework prevents Bosnians from being citizens with equal rights throughout the country, favors nationalist parties, and makes self-sustaining peace difficult to achieve.
- Measures that go beyond Dayton are needed now: constitutional changes, military and intelligence integration, and abolition of ethnically based restrictions on citizens' rights.
- The regional situation is ripe. Political changes in Croatia and Serbia and within Bosnia away from the nationalist forces that made war in the 1990s make it possible for the international community to move more aggressively to break financial and military ties between Belgrade and Bosnian Serb nationalists, just as the link between Zagreb and Bosnian Croat nationalists is being broken.
- Even as available international financial resources decline, Bosnia needs a stronger U.S. and European political commitment to civilian implementation and more vigorous interpretation of key Dayton provisions.

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# Bosnia and Herzegovina at Midstream

In the five years since the war, the international community's investment in Bosnia has stabilized the country's internal security and rebuilt much of its physical infrastructure. [Editor's note: While "Bosnia and Herzegovina" is the correct term, we will sometimes use for the sake of simplicity only the term "Bosnia," as is common in English usage.] Freedom of movement (but not of residence) has become a reality, albeit an imperfect one. Institutions based on the rule of law and basic elements of civil society are emerging. The country has held openly contested state-level, entity, cantonal, and municipal elections (run by the Organization for Security and Cooperation in Europe, OSCE); these elections were dominated however by wartime nationalist parties that remained committed to maintaining de facto division of Bosnia along ethnic lines. Returns of refugees and displaced people have markedly accelerated over the last two years. Life in Bosnia at least appears normal for some.

Nonetheless, critical problems remain. The peace process continues to be dependent on the international community. Many of the promises and opportunities embedded within the Dayton framework are still unfulfilled. The public institutions that have been created in the past five years are not yet effective, professional, or self-sustaining. The economy is entirely dependent on international assistance, which is declining; economic failure could well threaten political gains. Bosnia has been reconstructed in a form that too closely resembles the pre-war situation, with nationalists so far dominant in both the Bosniak and Croat Federation and the Serb Republika Srpska (RS).

The wartime nationalist political parties—the Bosniak SDA, the Bosnian Serb SDS, and the Bosnian Croat HDZ—persist in obstructing Dayton implementation. During the war, each of these nationalist parties gained a large measure of control over its respective ethnic group and established separate governing institutions. In the post-war era and in direct conflict with the principles of Dayton, these parties and their elaborate patrorage systems have continued to propagate ethnic insecurity and separatism in order to maintain control over the country's political, military, and economic resources. This contradicts Dayton's principles, but it has been abetted by some of Dayton's provisions.

To promote their agendas, the nationalist parties have concentrated their power at the entity level—in the Federation and the RS. Cooperation between the entities is limited, and even within the Federation Bosniaks and Croats maintain separate, parallel lines of authority. All three parties, but especially Croats and Serbs, have blocked efforts to develop central institutions, which remain weak and ineffective. Organized crime and other unregulated activities that originated during the war continue to corrupt the economy; there has been little development of the central government economic regulatory structures that are necessary to an open, free market economy. Despite explicit provisions within the Dayton framework requiring all parties to facilitate refugee and minority returns and to cooperate with the International Criminal Tribunal on Yugoslavia (ICTY), potential returnees continue to face security, property, housing, economic, and education obstacles. The most notable war criminals remain at large, sheltered by nationalists in Republika Srpska and to date by the Serbian government.

International community efforts in Bosnia have been mixed. On the one hand, the international military presence (now SFOR) has deterred a resumption of ethnic violence. The international civilian presence (coordinated by the Office of the High Representative, OHR) has condemned the nationalist parties for obstructing Dayton implementation and in the past three years has increased intervention in the decision-making process at the central, entity, cantonal, and municipal levels to unblock obstacles the nationalists have put in the way. It is now common for the OHR, which was created by the Dayton agreement, to establish the country's legislative agenda at all levels and occasionally to institute provisional laws and regulations.

On the other hand, the international community's cautious interpretation of Dayton,

lack of political will, and concerns about depriving Bosnians of "ownership" of the process have hampered efforts to limit the advantages of nationalist parties. Throughout most of the past five years, OHR has limited its interventions to ad hoc reactions to specific instances of obstruction and violations of the General Framework Agreement rather than taking a comprehensive approach to implementation that would fundamentally shift power away from entrenched nationalist elites and lead to the emergence of self-sustaining democratic institutions.

The next five years of Bosnia's transition will be critical. While international cooperation with—and accommodation of—the nationalist parties may have been necessary to end the war, continuing in that direction would preclude completion of the transition to a multi-ethnic democracy. The emergence of a strong, non-ethnically based Bosnian Social Democratic Party, of moderate Croat parties and individuals, and of more moderate Serb parties is creating improved conditions for Dayton implementation. The dramatic political changes in Belgrade and Zagreb remove major obstacles to breaking the nationalists' grip on power in Bosnia. International policy towards the new governments in Serbia and Croatia should require a verifiable end of financial and military assistance to Bosnian Serb and Croat nationalists.

Weakening the nationalist parties and their patronage systems is necessary but not sufficient to make Bosnia a functioning modern democratic state. Without the corresponding development of self-sustaining democratic political and economic institutions, criminal economic and political activity could lead to the collapse of the Bosnian state.

The next five years will require sustaining and retooling the international commitment in Bosnia. It is important to consolidate the gains to date, deprive nationalist parties of the unfair advantages they achieved at Dayton (and later), and build effective institutions.

Why Dayton Remains an Important Instrument

The Dayton Accords were a territorial and political compromise that ended the war in Bosnia. They froze in place the warring parties by establishing two entities, with Bosniaks and Croats in control of 51 percent of Bosnian territory and the Serbs controlling 49 percent. Together, the Bosniak/Croat Federation and Republika Srpska were to constitute a single state. Dayton did not, however, require the dismantling of the wartime regimes: armies, administrative structures, police, and other security services remained in place. Some argue that an agreement of this sort, after five years of only modest success in implementation, needs to be replaced entirely.

Those who would like a quick end to the interrational military commitment in Bosnia sometimes propose partition. They believe that Bosnians would rather live apart, a notion belied however by the difficulty of ethnically cleansing them during the war. Today, there is no official public support for partition in Bosnia, except among extremists, who are declining in importance. Even nationalists accept that Bosnia and Herzegovina is going to remain one country, though many of them would prefer that it not have an effective central government. There should be no illusions about partition: only a three-way partition would be conceivable, and if SFOR were withdrawn it would lead to war. If war were to be avoided, a greater military presence than exists today would likely be required.

Throwing Dayton out would be a mistake. Important provisions of the Dayton Accords have not been fully exploited. Dayton provides the international community as well as Bosnian institutions considerable authority to interpret its provisions and move the country in the right direction. It also strengthens the central institutions over time.

In December 1997, after two years of persistent obstruction by nationalist forces and very little progress, the Peace Implementation Council (PIC) established at Dayton met in Bonn, Germany and dramatically increased the powers of the high representative to

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# Bosnia and Herzegovina



From the Perry Castañeda Library Map Collection, University of Texas at Austin. (Status of Brcko to be determined by arbitration.)

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make binding decisions—including the authority to remove obstructionist officials. More recently, OHR created the state border police, which is proving an important addition not envisaged in the Dayton Accords. The Bonn powers underscore the authority of the international community under Dayton, an authority that should not be given up until the international community is certain that peace is self-sustaining.

The Dayton Accords also include provisions that gradually increase the scope of the central institutions. The functions of the commissions on human rights, displaced people and refugees, and preservation of national monuments established in annexes 6–8 transfer to Bosnia's central government five years after the signing of the Dayton Accords (unless the parties agree otherwise). This could give the central institutions substantial authority over human rights and return of people to their homes in both entities.

The Dayton constitution gives priority over all other law to the rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its protocols. This provision has not yet been exploited vis-à-vis laws at all levels of government in Bosnia. Doing so would likely undermine the bases of nationalist party power and enhance the rights of individual citizens regardless of ethnic identity.

The Constitutional Court of Bosnia and Herzegovina has the required authority under the Dayton constitution. So far, it has forced important changes to the law on the prime ministry, requiring a single prime minister rather than a rotating tripartite prime ministry. It has also announced a decision against provisions in the entity constitutions that deny equal rights to all people in both entities by defining the RS as a state of the Serb people and Bosniaks and Croats as constituent nations in the Federation. The court has decided that Serbs, Croats, and Bosniaks are constituent peoples on the entire territory of Bosnia and Herzegovina. These rulings have established the Constitutional Court as a strong central institution with the potential to alter fundamentally Bosnia's ethnically based system of power and administration. It merits strong international support.

Dayton is an underutilized platform allowing for stronger and more aggressive efforts to expedite the building of democratic institutions and processes. The critical question, however, remains one of international and Bosnian political will. If current trends hold, electoral results in Bosnia will create an improved local environment, at least in the Federation. The situation is ripe for a more aggressive international effort to exploit the potential of the Dayton Accords over the next five years.

An Agenda for the Next Five Years

A re-invigorated commitment to the Dayton process, with the vision and will to go beyond Dayton when needed, is Bosnia's best hope. Outlined below is an agenda and objectives for the next five years as well as a set of policy options to move Bosnia in the right direction.

#### Political and Economic Institutions

**Objective:** For Bosnia and Herzegovina to approach negotiations with the European Union (EU) for an association agreement with a unified economic space and functioning, democratic institutions at the state, entity, cantonal, and municipal levels.

The distribution of power among Bosnia's many layers of institutions requires rebalancing. The concentration of power at the entity level is a major impediment to Bosnia's transition to a multi-ethnic democracy and greater integration with European political and economic institutions. There is a need to strengthen Bosnia's central institutions as well as to provide effective governance at the cantonal and municipal levels. Strength-

The situation is ripe for a more aggressive international effort to exploit the potential of the Dayton Accords over the next five years.

ening the central government at the expense of the entities will be opposed by some Serbs and Croats, who prefer devolution of power to local institutions where they are in some localities a plurality or majority. It is therefore important to strengthen cantonal and municipal structures in those areas where more local control is appropriate. The Bosnian state will never be as centralized as the French one; it can, and should, permit local governments significant powers, provided they are not exercised in ways that infringe upon the rights of minorities.

Weakening the entities, which are institutionalized versions of former warring parties, is feasible. Eliminating the entities—as some have proposed—is an appealing proposition to those who want to see Bosnia and Herzegovina more fully integrated. But the necessary political will can only be generated if the Republika Srpska continues to resist Dayton implementation. Any future RS government should understand that holding on to a definable Bosnian Serb territory is only possible in the long term if the provisions of Dayton on human rights, refugee returns, and war criminals are fully implemented. Understanding of this point will come more quickly if Serbia ends direct support to nationalist political forces in the RS.

Increasing the stature of the central government is vital. It needs its own source of funds that does not depend on the entities. Without an effective central government, there has been no movement toward the development of cohesive central regulatory structures in either public administration or the economy, with the important exception of the Central Bank. The key wealth-producing industries in energy, telecommunications, and transportation are controlled at the entity (and sub-entity) level. Where privatization has gone forward, it has usually benefited the ruling parties and their patronage networks, and has not generated fair market prices for enterprises or given an already skeptical—and often cynical—population any reason to believe politicians on the whole are engaged in anything more than self-enrichment. The country lacks a plan for stabilization and structural adjustment programs and continues to run unsustainable trade deficits. Croat, Serb, and Bosniak representatives approach international financial institutions separately and without clear backing by the government of Bosnia and Herzegovina. The banking system is grossly underdeveloped and tied to party patronage networks. While the transportation and rail systems have been substantially rebuilt since the end of the war, they are not integrated across entity borders for commercial purposes and are rarely used.

The Dayton constitution includes provisions for group rights and ethnic representation that are inimical to the development of democracy. These provisions are hangovers from practices of Tito's Yugoslavia and need at the very least to be revised so that they do not favor extreme nationalists. This will require some constitutional changes. Particularly important are changes in the presidency, where the Dayton constitution favors ethnic bloc voting and limits from which entity candidates of particular ethnic groups can be nominated. The power of the upper house of the central Parliament, where representation is ethnically based, needs to be curbed, or the method of selection of its members changed.

The Dayton constitution includes provisions for group rights and ethnic representation that are inimical to the development of democracy.

#### POLICY OPTIONS

- a. The high representative should ensure that the central government has a reliable source of revenue that does not depend on the entities.
- b. The OHR should move aggressively to sever nationalist party control over public resources, reverse abusive privatizations, and punish the obstruction of Dayton obligations and OHR directives.
- c. Serbia, encouraged by the international community, should end support to all political forces in Bosnia and Herzegovina that obstruct the Dayton process and should publicly recognize Bosnia's territorial integrity, as Croatia has done.

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- d. The international community should target aid, other assistance, and diplomatic communications to central institutions in those areas that are within their competence and de-emphasize nationalist-controlled entity institutions.
- e. The international community should also direct assistance and support to cantonal and municipal institutions in those areas within their competence, both to mitigate concerns about over-centralization and to provide self-government outside of nationalist-controlled entity structures.
- f. The international community should refuse to deal with separate Bosniak and Croat lines of authority within the Federation as well as with Republika Srpska officials acting independently of the government of Bosnia and Herzegovina in areas outside entity competence.
- g. In consultation with the new Bosnia and Herzegovina Parliament, OSCE and OHR should enforce the Constitutional Court decision on constituent peoples, including reflecting it in a new election law.
- h. The constitution of Bosnia and Herzegovina should be amended:
  - to give all citizens of Bosnia three votes for the presidency, one for each
    of the representatives of constituent peoples
  - to allow presidential candidates to originate from any part of the country
  - to curb the nationalist abuse of the upper house of Parliament
- The European Union should insist that the government of Bosnia and Herzegovina establish central economic and regulatory institutions that are required to make the country a single economic space.
- j. The government of Bosnia and Herzegovina should enhance efforts to promote a professional civil service, providing incentives to recruit, train, and retain highly qualified individuals and establishing stronger oversight mechanisms to identify bureaucratic waste, fraud, and abuse.
- k. The government of Bosnia and Herzegovina should take over, as provided in the Dayton constitution, the operation of the commissions on human rights, refugees and displaced persons, and national monuments.

# Military and Intelligence Structures

**Objective:** To transform the three armies and intelligence services and enable the country to enter NATO's Partnership for Peace (PfP) with a single integrated command and control structure under civilian control at the central level within five years.

The security environment in Bosnia today is artificially stable, because of the international military presence. The international Implementation Force (IFOR) and the follow-on Stabilization Force (SFOR) have established calm and stability. Since the end of the war, there have been few major incidents of organized inter-ethnic violence, and almost all of them involved returnees. SFOR maintains an active and visible presence throughout the country and continues to be an effective deterrent against military clashes.

Each of the three ethnic groups in Bosnia continues to maintain an army, which creates risks of renewed war as well as obstacles to self-sustaining peace. These armies remain postured against one another. All three forces maintain active intelligence gathering and order-of-battle doctrines to fight against one another. The Dayton Accords required the joint presidency of Bosnia to name a Standing Committee on Military

Each of the three ethnic groups in Bosnia continues to maintain an army, which creates risks of renewed war as well as obstacles to self-sustaining peace.

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Matters (SCMM), to serve as a coordinating mechanism of Bosnia's armed forces. The SCMM did not begin to function until July 1999, and only then at the insistence of the international community.

There is a rough balance of military capabilities between the entity military structures. The Bosnian Army has been the main beneficiary of international (mainly U.S.) efforts to "train and equip" and has become confident that it could win a war against the Bosnian Serb Army (VRS). The Bosnian Croat Army (HVO) remains dependent on Croatia, though transparency regarding the aid it receives and planned reductions will give it an incentive to integrate better with the Bosnian Army.

The Republika Srpska Army (VRS) relinquished much of its heavy weaponry after Dayton and has since been straddled with financial problems that have gutted its training, recruiting, and retention. IFOR, not the VRS, ensures the military security of the Republika Srpska. Nonetheless, the VRS has remained closely tied to the Yugoslav Army (VJ) in Belgrade—officer pay and personnel actions have been coordinated through the VJ—and it maintains a highly professionalized officer corps with significant capabilities. Any withdrawal or reduction of the international community would significantly raise the risks of a war whose outcome cannot be predicted with certainty.

The existence of three competing armies undermines efforts to make Bosnia and Herzegovina a single country and to begin the process of developing relations with NATO. The armies serve as powerful instruments for emotional appeals to promote ethnic myths and insecurity. They provide nationalists with organizational resources and bureaucratic patrorage networks that help sustain their hold on power. In addition, VRS and HVO ties to Serbia and Croatia respectively have kept alive hopes for "Greater Serbia" and "Greater Croatia" and clouded prospects for Bosnia and Herzegovina.

The critical need for Bosnia's military structures over the next five years will be to move toward integration and away from three separate armies postured against each other. If they cannot move quickly toward integration, there will be no alternative but to disband all of them and start afresh with a fully integrated force, perhaps based on the state border police.

The funding streams and budgetary sources of the Bosnian Army and VRS military structures are illicitly shielded from civilian and parliamentary oversight and from the international community; Croatia and the HVO have made substantial progress towards transparency, but it remains unclear whether the HVO will move toward greater integration with the Bosnian Army or seek instead to associate itself with the organized crime networks that operate with impunity in Croat-controlled parts of the country. The lack of transparency serves to undermine the credibility and effectiveness of the institutions that should administer civilian control of the military, including both parliaments and defense ministries. Security imperatives are used to shield not only the exact degree of military spending but also the use of illegal money channels to promote corrupt political and economic activities.

Although all three military structures have been reduced in size over the past five years, the financing of three separate military structures continues to be an enormous burden on a country with systemic financial troubles. The opportunity cost of maintaining these separate military structures is considerable. The money might otherwise be spent on minority returns, economic development, pensions, health care, and many other programs.

#### POLICY OPTIONS

- Under SFOR supervision, the SCMM should arrange for each of the three armies
  to identify all its funding sources in public and should oversee creation of a
  transparent budgetary process with no operational financing from abroad.
- b. The international community should end cooperation with the ethnically based intelligence services.

The critical need for Bosnia's military structures over the next five years will be to move toward integration and away from three separate armies postured against each other. If they cannot move quickly toward integration, there will be no alternative but to disband all of them and start afresh with a fully integrated force, perhaps based on the state border police.

- c. OHR and SFOR should undertake to dismantle the existing intelligence services, vetting intelligence officers and reconstituting a new service concerned with threats to the territory of Bosnia and Herzegovina as a whole.
- d. Taking advantage of the new political situation in Belgrade, OHR and SFOR should end the VRS/VJ relationship by:
  - —ending VJ payment of VRS officers and the VJ role in officer assignments to the VRS
  - —prohibiting officer rotations between the VRS and the VJ as well as VJ advisers in the VRS
- e. SCMM should establish a unified strategic doctrine for Bosnia that identifies long-term strategic objectives, specific assessments of threat and integrated force requirements, and goals for Bosnia's relationship with Euro-Atlantic security structures.
- f. SCMM should begin joint planning, programming, and budgeting activities required to enter Euro-Atlantic security structures.
- g. The government of Bosnia and Herzegovina should establish parliamentary oversight of military and intelligence structures and institute parliamentary and junior officer corps exchange programs to promote greater awareness and understanding of civil-military relations.
- h. The government of Bosnia and Herzegovina should expand efforts to establish a multi-ethnic peacekeeping force from the three military structures for international deployment to UN missions.
- The SCMM should establish, with assistance from OHR and SFOR, a single staff college, a single military academy, and a single non-commissioned officer school.
- j. The international community should provide joint training and exercises, including some abroad, for the junior officer corps.

### Justice, Law Enforcement, Refugee Return, and Reconciliation

**Objective:** To ensure that all citizens enjoy the highest level of internationally recognized human rights and fundamental freedoms and that they have the right to return to their homes of origin and have their property restored to them.

The United Nations's vetting and retraining of Bosnia's police, and reduction of their numbers, is well along and will be completed in the next couple of years. The justice system, while still far from perfect, has improved significantly, with the Constitutional Court leading the way. Conflict of laws in the RS and the Federation remains a problem, including for foreign investors. Because it is now considered to be in both entities, the northeast Bosnian community of Brcko is making a particular effort to harmonize entity legislation through a special commission with international support. This work could contribute substantially to a similar effort at the central level. American assistance to law enforcement and justice reforms has been highly effective—this is an area of particular significance in which the United States excels.

Partly as a result of these law enforcement and justice improvements, returns of refugees and displaced people to their homes have increased dramatically in the past year, especially to areas within the Federation where the returnees are in the minority. Many more people have registered their intention to return, including large numbers who want to return to the RS. Returns have been most successful in rural areas, where SFOR

Returns are the glue that will hold Bosnia and Herzegovina together. It is for this reason that the nationalists have opposed them, and it is for this reason that the international community must support them.

A multi-ethnic Truth and Reconciliation Commission created by the Parliament of Bosnia and Herzegovina to complement the work of The Hague tribunal would facilitate the development of a credible and more unified historical understanding of the Bosnian wars, thereby helping to replace the group histories that can foment new conflict.

has aggressively supported and monitored them. Some resources have been shifted to aid returnees and the communities to which they are returning, but greater resources are needed, as is a consistent policy of favoring for reconstruction assistance those communities that have cooperated in the return process.

Vigorous enforcement of property laws is also critical. Especially in urban areas, returnees need assistance with housing, economic opportunities, and education to firmly re-establish them in their communities. Returns are the glue that will hold Bosnia and Herzegovina together. It is for this reason that the nationalists have opposed them, and it is for this reason that the international community must support them.

The recorciliation process in Bosnia and Herzegovina has only just begun. Leaders of the four major religious communities have all expressed a strong commitment to reconciliation and are cooperating actively within the Inter-Religious Council. But there has been no in-depth multi-ethnic investigation into the origins of the war nor an opportunity for victims to voice their anguish in a multi-ethnic forum. People indicted for war crimes are still at large, including the highest ranking of them. Without a greater sense of justice, and an accounting of war-time atrocities on all sides, Bosnia's reconciliation process cannot get far. Neither peace nor democracy can be built on amnesia. Ethnically biased history has often been used in Bosnia as a weapon for ethnic division and conflict. A multi-ethnic Truth and Reconciliation Commission created by the Parliament of Bosnia and Herzegovina to complement the work of The Hague tribunal would facilitate the development of a credible and more unified historical understanding of the Bosnian wars, thereby helping to replace the group histories that can foment new conflict.

#### POLICY OPTIONS

- a. SFOR should arrest Radovan Karadzic and other indictees, and transfer them to the ICTY.
- b. The governments at all levels in Bosnia should intensify the effort to enforce property, employment, and anti-discrimination laws, and to ensure compliance with the human rights provisions of the constitution.
- c. The international community should increase financial, material, and security commitments to minority returnees; communities that accept minority returnees should receive increased assistance for housing, education, and economic development.
- d. The United States should focus assistance on the law enforcement and judicial sectors: independence of the judiciary, rule of law structures, property rights, judicial oversight of civil and political rights, and central government police efforts to fight against crime, corruption, and drugs.
- e. The newly elected Bosnian Parliament should create a Truth and Reconciliation Commission, to complement the work of the ICTY.
- f. The United Nations should complete the vetting and professionalization of the police in both entities.
- g. The work of the Brcko Law Revision Commission in recorciling laws in the two entities should be used as the basis for a comparable effort at the central government level.
- h. The government of Bosnia and Herzegovina should establish transparent procedures and regulations for domestic and foreign investors.
- The Peace Implementation Council should integrate and adhere to Constitutional Court rulings in PIC Declarations and Steering Committee Communiqués.

## Conclusion

There have been significant successes in the five years since Dayton. These should not be understated. The war in Bosnia was extremely ugly and violent—especially against civilian populations—and it persisted for almost four years. The Dayton Accords ended the violence and established a framework upon which Bosnia has begun the transition toward a multi-ethnic democracy. The international community's efforts have been in the right direction.

Nonetheless, critical problems remain and additional objectives must be met in order to move toward a functioning Bosnia that can walk more under its own power on the road to European structures. Reducing or withdrawing international support for Bosnia's transition or re-opening and renegotiating the Dayton framework would almost certainly lead to a collapse of the successes to date. Continued international commitment to the process begun at Dayton, combined with limited but important changes to the Dayton structures, remains Bosnia's best hope.

The international community's effort in Bosnia has too often been fragmented, sending mixed signals and wasting resources. The international community should tighten its organization in Bosnia in order to better support the peace process. OHR should take a strong, commanding role, and missions of other international organizations should be reduced and folded into a more unified structure.

#### About the Dayton Upgrade Project

The Dayton Upgrade Project at the United States Institute of Peace held a series of meetings to examine the peace process in Bosnia in the five years since the signing of the Dayton Accords. Subjects addressed included post-war security structures in Bosnia, institution building, economic restructuring, ethnicity, and nationalism.

The hundreds of participants in the dozen meetings leading to this report came from a wide variety of organizations: nongovernmental organizations, U.S. Government, U.S. Congress, academia, news media, and international organizations. They participated in their personal capacities, with the assurance that we were "off the record" and that remarks of particular individuals would not be identified. None of the participants would agree with every word of this report, which is intended to reflect the general thrust of the discussion but cannot possibly record all the rich nuarces, details, and dissenting voices.

Among those who made presentations to the group were a prominent Bosnian Serb politician, a prominent Bosniak politician, a high-ranking UN official, a high-ranking NATO military official, several prominent Bosnia watchers from West European, Bosnian, and American nongovernmental organizations, a former prime minister, a high-ranking OSCE official, and several U.S. government officials.

The Institute is grateful for the contributions of so many people committed to the cause of peace in Bosnia and Herzegovina.

For more information, see our web site (www.usip.org), which has an online edition of this report containing links to related sites, as well as additional reports and other information on the Balkans.

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