

# **Speech by the High Representative, Paddy Ashdown: “Then and Now – Peace-Building Challenges in Bosnia and Herzegovina”**

## **Getting Better**

*Policy Forum, Dayton*

Since I took up my duties as the International Community's High Representative for Bosnia and Herzegovina three and a half years ago I have often remarked publicly that the days when the future of BiH could be discussed and decided at an air-force base in Ohio have long since passed.

Well, this is certainly the right time and the right place to make it clear that I have nothing against the air force base in question.

It is a very fine air force base in a very fine city, and, indeed, the value of the work that was done here in Dayton ten years ago can be judged today by its results.

It was work of lasting moral and political value.

The Dayton talks ended three and a half years of carnage.

Even the fiercest critics of Dayton and the process that it launched do not deny that it saved lives. This was its signal achievement.

It is important that we make a clear distinction between the settlement itself and the settlement *process*.

The settlement was negotiated here over a period of weeks.

The process has continued ever since. The negotiations have never stopped.

It is the Dayton *process* that has sustained BiH on its long journey of recovery.

To understand how far the country has come, It is only necessary to note that, only ten years after that terrible war, BiH is now about to begin to enter the process which eventually leads to full European Union membership- something which was inconceivable three years ago, let alone ten

This is the same country whose negotiators ten years ago retained, as part of their strategy the option of a return to war. It is the same country whose citizens a decade ago had been consigned to live in deprivation and fear.

And now it is poised to enter the EU.

All of us, I think, acknowledge that BiH has come very much further very much faster than most people could have hoped when the agreement was signed not far from here a decade ago this week.

And one of the chief reasons for this is because the Dayton Agreement contained a judicious mix of enough firmness to maintain peace, with flexibility to enable reform

What have we learned from the Dayton process in Bosnia and Herzegovina?

Well. I'd say a key lesson has been that political settlements are not – cannot be – written in stone.

Interpretation, implementation, modification *must* be part of making an agreement work.

They have made Dayton work.

The first phase of implementation was characterized by impressive military compliance and scandalous political evasion.

The interpositioning of NATO-led troops along the front lines in the space of just three weeks in the winter of 1995 was a remarkable example of resolute and effective military deployment.

Since the first days of that deployment, peace and security in Bosnia and Herzegovina has not been challenged. The successive reductions in the size of the peacekeeping force reflect a process of steady consolidation. The continuously diminishing 6,000-strong European Union force which is currently deployed has the capability to maintain a safe and secure environment in a country where the armed forces have been right sized and brought under the democratic control of the state.

The early phase of political implementation was, as we all know, considerably less satisfactory.

In the months after Dayton , wartime racketeers consolidated their stranglehold on local administrations. Those who had done well out of the black market during the war set themselves up as suppliers of goods at inflated prices in an environment of acute scarcity.

In this phase, political implementation was characterized by reluctance, incapacity and obstruction.

It took time for the International Community to address the problem. The initial focus was on holding free and fair elections. Three general elections were conducted in the first seven years. It is not inaccurate to conclude that each successive poll was freer and fairer than the one before – but these polls took place in an environment that was severely distorted by political, social, demographic and economic anomalies.

As the political parties poured energy into delivering makeshift assistance to their constituents (typically by diverting international aid from its intended purpose) and vying for the spoils of office, the real political situation was one of stasis and decay.

This was obscured by the volume of aid pouring into the country in the early years. But by the late 90s it was clear that the problem must be tackled.

The second phase of the Dayton process saw the introduction of the Bonn Powers, at the end of 1997, enabling the High Representative to cut through the thickets of obstruction by removing recalcitrant officials and where necessary enacting reform legislation. Together with this there was a new focus on making the political and economic institutions *work* as opposed to propping them up with international largesse.

Deep and lasting foundations for sustained reform had to be laid, and this meant modifying some of the core provisions of Dayton . Reforms agreed by the principal political parties in April 2002 designed to facilitate implementation of the Constitutional Court 's ruling on the Constituency of Peoples inaugurated this process of difficult but necessary overhaul.

Difficult because it involved reopening issues that had proved exceptionally sensitive at Dayton.

Necessary because this was the only way of addressing fundamental injustices in the fabric of BiH's political structure and the only way of preparing the country for the European Union accession process.

BiH as it stood at the start of this decade was still a long way from meeting modern European norms in regard to political representation, civil rights, ease of access to legal redress and basic administrative efficiency.

The model through which we have sought to deliver effective

reforms within the context of BiH's particular social and political requirements has been to create the basic institutions of a light-level state, governing a highly decentralized country.

This is a model that has evolved through the Dayton Process. It is a logical corollary of Dayton and it deals with key issues that could not be dealt with in a satisfactory way at Dayton.

In constructing this model we have sought to take BiH to a destination that, by a huge margin, the majority of its citizens want to reach. To move irreversibly on course to effective statehood, and onto the path that leads to the EU and to NATO.

As of this Autumn we are on that road.

No one, inside or outside BiH wants to go back along the difficult and tortuous path that has brought us too this point. It has been a long hard struggle. The people of BiH have had to put up with hardship – often they have had to put up with hardship that could have been avoided if their political leaders had shown greater imagination and greater wisdom. But latterly the political establishment, for all its faults, has mustered the necessary courage and creativity to overcome the remaining obstacles.

I pay tribute to them for that.

I seem, one way or another, to have spent a good deal of my life fighting destructive nationalism – and I am not about to change now.

Nevertheless, I have to concede that the self styled "nationalist parties" who won the BiH elections in October 2002 have presided over the strongest period of change and reform in BiH's post Dayton history – and some, at least, appear now to want to internally reform themselves away from

the old style nationalism of the war years and towards more conventional center right European politics. I welcome this and hope it continues

And so, today, we have a remarkable view.

We can look back towards Dayton.

And we can look forward towards Brussels.

It is the European Union, and BiH's eventual accession to it, that must now exercise the preponderant influence on BiH's further progress.

The Peace Implementation Council has made it clear that, once the SAA process is underway, it is ready to begin phasing out the use of the Bonn Powers.

The Bonn Powers were instituted for a purpose.

They have largely served that purpose and are therefore less and less necessary.

At the same time the PIC has indicated that the inauguration of the SAA process will create appropriate circumstances in which to transition the position of High Representative into that of European Union Special Representative. This transition can, I believe shortly, begin, and could be completed, barring unforeseen circumstances, by the next general elections, in October 2006.

The evolution and subsequent phasing out of the OHR could then be viewed as a useful administrative and diplomatic footnote to the Daytonprocess.

All of us are well aware of the reliable capacity of organizations to perpetuate themselves. Provisional bureaucracies have a habit of grafting onto the body politic; temporary positions have a habit of becoming permanent.

That has not happened in the case of OHR and it has not happened *despite* the fact that the organization has assumed a central role in the political life of BiH.

We have sought to focus our efforts increasingly tightly on the key strategic tasks laid out in the Mission Implementation Plan (MIP), first published in January 2003 and updated at the start of each year since then. The MIP states clearly what has been accomplished, how OHR has to downsize and which realizable benchmarks must be set for what still has to be done.

The organisation's staff has been cut by nearly half, from its peak in 2002, and the budget for 2006 has also been halved to some 13 million Euros, compared to a total of 26 million Euros in 2004. We are now actively looking at ways in which OHR can transfer many of the functions that have fallen to it in the course of the last decade – from vetting ministers to drafting key pieces of legislation – to the domestic authorities.

Paper objectives, of course, can be met on paper. In judging the success of the Dayton process are we adrift from the day-to-day experience of the people of BiH?

Well BiH is not perfect, and I am the last person to pretend that there is not still a huge amount of work to be done.

Poverty remains a scourge; unemployment is unacceptably high; many gifted young people still choose emigration rather than committing themselves to living in a country characterized by overweening bureaucracy, minimal services, and too many incompetent and corrupt politicians.

But the economy is growing – this year faster than any other economy in the Balkans. Jobs are being created, though not fast enough. They are being created through investment and business development – not, as in the early years, through short and medium term international aid. Public services are improving, and will continue to improve as the increased

revenue derived from a significantly more efficient fiscal system comes on stream.

These improvements did not happen by accident. They are the results of reforms that have brought BiH closer to Europe. In the coming years the pace of reform will quicken – and the delivery of benefits should quicken too.

BiH is, albeit still too slowly, becoming a better place.

I first visited BiH in 1992. It was sliding into a cataclysm that brought tragedy to its people and shame to the International Community. I visited the country regularly during and after the war, and the last three and a half years as High Representative, charged with implementing Dayton , have been among the most rewarding of my professional life. Though things have got better in Bosnia , they haven't got better fast enough, and I am the first to recognize that.

So, the job of my successor, I believe, is now to concentrate on making the country function better in the interests of the citizens.

That means, principally, two things. Making the state institutions we have created in the last three and a half years, function effectively. And helping BiH itself function better – much better. No state can prosper which spends 70% of it's hard pressed citizens taxes on government and only 30% on citizen's services.

BiH MUST cut the cost of Government, which impoverishes the citizens and stifles the economy.

Constitutional change, now much talked about in BiH is not an end in itself. It is the means to create a state which puts service to its citizens before salaries for its politicians.

This task – of making BiH work better – is not an event, it is a process. And I am glad to say that, thanks to the work of

Don Hays and Bruce Hitchner in recent weeks, that process has now begun.

Progress so far has been modest – but the first steps of change through consensus have been taken – and that augurs well for BiH in the next phase of its march to full sovereign democratic statehood.

The important thing now is to keep that progress going and, probably not until after the 2006 elections, accelerate it.

I said when I arrived at the beginning of my mandate that Dayton had to be our foundation, but it could not be our ceiling.

And so it has proved.

The agreement whose tenth anniversary we celebrate today has given this remarkable little country peace after the terrible ravages of war. But it has also enabled the start of the reform process.

It is now up to the people of Bosnia and Herzegovina to continue that journey to a successful conclusion.

Thank you