Triennial Statement of Accounts: Wolfgang Petritsch's departure

The High Representative for BiH, Wolfgang Petritsch, is leaving Bosnia and Herzegovina next week, after a nearly three-year long mission: our journalist analyses the performance of the Austrian diplomat and his Office, refers to major events which took place during his mandate, investigates as to the situation he inherited from his predecessor Carlos Westendorp and situation he has left in BiH for his successor Peddy Ashdown…

Return of refugees, strengthening of state institutions and Alliance's advent to power

Major Achievements of Petritsch's Engagement in BiH!

Over the last three years, the laws Petritsch that Petritsch passed increased rapidly the rate of Annex 7 Implementation – Change of authorities in Croatia and Serbia helped the High Representative in the implementation of reforms in BiH – The poorest results in economy, privatization and economic reforms – Petritsch's disagreements with USA and United Kingdom

By Danka Savic

"I am leaving BiH with no doubts in my mind that I am handing over a solid framework to my successor Paddy Ashdown…", Wolfgang Petritsch said in his last address as High Representative in BiH before the OSCE Standing Committee at

the end of last week in Vienna. Nearly three years ago, a months after he arrived to Sarajevo in late summer 1999, Petritsch described his ambitions in BiH before the Security Council in New York as follows:

"It is not my intention to be only the third High Representative in order. I do not request any additional powers or increased budget. I request your support to strengthen the implementation of the civilian agreement of the Peace Settlement and its fundamental mechanism, the Office of the High Representative…"

UNEXPECTEDLY BRISK START

Priority in his work, he announced at that point, will be to strengthen the state institutions and rule of law, economy and return of refugees. In addition, instructions which he received from other representatives of the International Community, members of the Peace Implementation Council in BiH, gave him freedom of action. On the international level, the interest in Bosnia and Herzegovina had significantly decreased, foreign donors and western countries were very upset because of funds they spent in BiH and poor progress. Message, which they sent to Petritsch, before he assumed his duty in BIH, could be formulated as follows – use your powers to a maximum, impose laws which domestic authorities obviously do not intend to adopt.

At the end of October same year Petritsch imposed a set of property laws while at the end of November in a single day he dismissed 22 local officials for obstructing the implementation of the Peace Agreement. Concrete results ensued soon after the adoption of the property legislation. Even during the following year 2000 the number of minority returns of refugees and displaced persons reached the figure of 67,000 while during the year 2001 that figure was increased to 92,000. Compared to the situation he had encountered mid 1999 (at that time return was so slow that had the trend continued

tens of years would be necessary that “all people go to their homes”) the situation changed significantly during last year: Annex 7 of the Dayton Agreement can be fully implemented during the forthcoming four years. Political obstacles to return, which still exist, were thus considerably removed by force, while the lack of financial assets for reconstruction, impossibility of employment and lack of basic conditions for living, that is weaker and weaker incoming donations, has become main impediment because of which the return is not exercised in bigger numbers at present.

Since August 1999 through March 2001 Petritsch passed 146 decisions based on which he imposed laws, among which is the Law on Border Service, he passed amendments to the Law on Travel Documents, he introduced new common passport, set of economy-related laws etc. At the same time during the said period he dismissed sixty-odd local officials. The impression gained was that Petritsch did a fine job in a relatively short time. Furthermore, year 2000 started in encouraging manner from the view of changes in political atmosphere in the neighborhood, too. After ten-year long rule of the HDZ the opposition six-member coalition came to power in Croatia and everyone in Bosnia predicted that the changes in the neighboring country would soon reflect on BiH, as well. Delighted by changes in Croatia Petritsch at the time stated: **“I am an optimist regarding the future conduct of financial transfers from Croatia to the Croats in BiH. The Croats in BiH cannot develop their feeling of belonging to Bosnia and Herzegovina as long as Zagreb secretly ‘jumps in’ with payments for salaries to the Croat leadership, for the Croat military forces in BiH; it pays pensions to war victims, disabled war veterans, pays for Croat Television Erotel, allocates dubious economic loans.**

Such transfers will, in my opinion, be abated here but even if certain amounts continue to arrive from Croatia to BiH it will have to be in a transparent way.”

ALLIANCE FOR CHANGES PROJECT

In parallel, he announced that during the year 2000 he would specifically fight for separating political competencies from the economic ones and would particularly focus on economic reforms. **"My office, together with other organizations dealing with economic issues – World Bank, USAID, European Commission etc. – identified what would need to be changed. The privatization process is in front of us and the major issue is the establishment of sound banking system, which means closing the payment operation bureaus…"** the High Representative said at the beginning of 2000. It is necessary to mention here that Petritsch was the one who played crucial role in preventing illegal privatization of Hotel Holiday Inn but as shown later he did the least in the economic sector in BiH. If we are here to sum up all he managed or failed to do in BiH in last three years during his mandate the progress in economy field certainly cannot be something he may be proud of. Such success somehow reveals how much the International Community in BiH often fails to coordinate its activities and how much it is not unique. The OHR, as leading organization for the implementation of the civilian part of the Peace Agreement, among others, lobbied with other donors to get engaged in BiH but at the end it may not decide what sectors and projects the donors would spend money on here. During last years the leading donors in BiH, World Bank, USAID and the European Commission were allocating donations according to their own assessments and the OHR often had no saying in that.

For months, on the eve of administering November 2000 elections in BiH the International Community was focused on connecting opposition parties at political scene and thus facilitating that the changes, which had happened in Croatia at the beginning of the year, would be continued in BiH. Regular meetings were held with the presidents of the opposition parties, dinners, meetings, talks organized. To the fair extent the post-electoral Alliance for Changes is the

result of these efforts of the International Community, primarily the Americans and Britons, which had prevalent influence on its establishment. The Americans and Britons would later represent this as their great success and then ambassadors of these countries **Thomas Miller** and **Graham Hand** have never be fond of Petritsch. At the end of the same year they clashed in regard to another issue. The Americans, fearing the SDS electoral victory, presented request to ban the work of this political party but Petritsch did not want to do that deeming that such a move would only strengthen the status of the SDS in Republika Srpska. The split between then US Ambassador and the High Representative practically existed all the time during their mutual diplomatic service in BiH. Petritsch's relations with the Head of the UNMIBH **Jacques Paul Klein** were not any better, which made the Austrian's job even more difficult, bearing in mind how strong the US influence in BiH is.

WRESTLING WITH THE HDZ

If we put all this aside it still can be said that on the eve of administering general elections in BiH the International Community was unique in its position that the support should be given to the parties with no national features. Being exclusively occupied with how to strengthen multinational parties, which wanted that their representatives in the House of Peoples act on behalf of the party, and not as representatives of a people, just before general elections in BiH the OSCE passed a decision on the manner of appointment of representatives to the House of Peoples.

In informal talks, the international community representatives at that time recognised that such a decision, to some extent, endangers the position of Croats in BiH. Yet, they were not aware of the consequences that would ensue. They never suspected that they would do a great service primarily to HDZ whose popularity has suddenly increased after this decision. Thanks to this very decision, HDZ won the highest number of

Croat votes in the elections. On the election day this party organised a referendum and was later penalised by Wolfgang Petritsch (for violation of the campaign silence period) who removed HDZ top officials. Thereafter, HDZ boycotted participation in the legislature and executive, and by the beginning of March 2001 it declared the so-called Croat self-rule.

At the same time, Petritsch is starting to believe that the "Croat issue" is the most serious threat to the Dayton Peace Agreement and he is directing all his energy towards this issue. After the removal of Ante Jelavic, HDZ leader, and several of his top people, the Hercegovacka Banka action took place. Being convinced that the Croat self-rule should have been financed through this Bank, the international community concluded that the best thing to do would be to cut illegal financial channels and leave the "Croat self-rule" to die out. Cutting of money inflow channels through this Bank seemed to be successful in a political sense. However, the way in which this action was undertaken is more than an obvious example, to say the least, of poor functioning of the international community itself. OHR was embittered at SFOR's unpreparedness to meet reactions of Croats in Mostar, as well as the fact that their people were held hostages. In the following months even greater disappointment occurred – at the time when Hercegovacka Banka branch offices were raided and when their documentation was confiscated, Petritsch certainly did not believe that the investigation of financial malversations within the Hercegovacka Banka, which was opened later, would produce so poor results. No evidence was found on criminal transactions of the top HDZ officials, as expected. The following months were probably the most difficult period for Petritsch since his arrival to Bosnia. On the one hand, as we said, he was not American favorite, and on the other hand, he came into conflict with representative of the Alliance. The local officials harshly criticised him at the time of a tender announcement for the third GSM operator, accusing him of

offering the valuable state assets for peanuts and making catastrophic moves. Despite being publicly attacked more and more seriously in BiH, approximately at the same time a decision was made to extend his mandate in BiH for an additional year, i.e. until the beginning of summer this year.

During last autumn, he started putting greater pressure on the RS authorities, who were continuously blocking the work of the State Parliament as well as the adoption of a whole set of legislation at the state level. It was expected that concrete actions – removals of some RS officials – would have followed his verbal threats, but he decided not to take such steps. His fear to "remove" people who won a high number of votes in the elections ("through democratic means") in the RS, will affect his image in a way that the public will consider him as an insufficiently energetic and capable diplomat who resorts to compromises which are catastrophic for BiH.

CONSTITUTIONAL AMENDMENTS FOR THE END

He explained such behaviour on his part by saying: "**Due to the powers vested in me, the High Representative seems to be a well-meaning dictator. From the very beginning of my mandate, I have believed that this was necessary in a short-term…However, I knew that in a long-term this would be against the purpose of the international engagement in BiH. Both inside and outside my Office there was a constant debate going on among those who had a maximalist approach – to impose everything and thus finish the job – and those who feared that an energetic action would destroy civil society in a state which is weak anyway. I had to go both ways in my everyday job."**

Since the Government of the Federation and the Council of Ministers, after months-long delay, were established in March 2001 according to the general election results, Petritsch has issued (only) 59 decisions and removed only 7 local officials.

By the beginning of last year, at the insistence of the Party for BiH (it was this Party's condition to join the Alliance), constitutional commissions were established, and their work has been extended all over again, but without any visible results. In the recent months, it became obvious that Petritsch's main task, prior to his departure from BiH, was to find out a way to implement the Constitutional Court's Decision on Constituent Status of all Peoples in BiH. After endless and several-days-long negotiations which ended on 27 March, representatives of the Alliance parties accepted the Agreement on the manner of implementation of the Constitutional Court's Decision. The Agreement was also supported by the other representatives of the international community, including the Americans. The new High Representative Paddy Ashdown, who comes from Britain, an influential European state and a US ally, will certainly during his mandate in BiH, unlike his predecessor, always be able to count on such support.