Article by the High Representative, Carl Bildt: "Beyond Grand Speeches"

A new gloom about the prospects of Bosnia seems to have descended on western capitals. Representatives of the three constituent peoples of the country constantly point out the failures of the other two to implement the peace agreement fully. Politicians used to the clear-cut policies of war have had difficulty adjusting to the more complex politics of peace.

Yet things are moving forward. It is not unusual to see more civilian airliners than military transport aircraft at Sarajevo airport. The common institutions of the country, set up under the <u>Dayton peace agreement</u>, are meeting regularly without the help of outsiders.

Building the common institutions of the Bosnian state is vital. According to the peace agreement Bosnia will have a minimum state, with limited but clear competencies. Most of the powers will lie with the Muslim-Croat Federation and the Republika Srpska.

Our work now is concentrated on getting the new council of ministers, and then the parliamentary assembly, to agree interim laws to make their state exist beyond diplomatic speeches. Considerable progress has been made on the laws, regulations and budget decisions necessary to pave the way for a stand-by arrangement with the <u>International Monetary Fund</u>.

Important issues remain. Monetary unification, by the establishment of a central bank, has not been fully agreed, in spite of the provisions of the constitution.

On the Bosniac (Moslem) side some seem to believe that every

move that does not immediately bring about a unitary state spells the death of their Bosnian dream. To overcome the deep divisions of the country — and make partition impossible — will take longer than most people realise.

The international community has devoted significant resources to Bosnia, and will continue to do so for some time. But we must work out how to scale back resources committed to Bosnia without jeopardising the peace.

We must focus on a strategy that blocks the opportunities for political leaders in Bosnia and the region to pursue policies that run contrary to the core of the peace agreement.

Yet it must also be a strategy that reduces our responsability for day-to-day micro-management of the divisive issues.

Three dangers must be countered. The first is the military option. All leaders must realise that a renewal of fighting will not be tolerated by the international community.

This is obvious as long as the <u>SFOR</u> (stabilisation force) is in place, but must be equally clear after it leaves. Only with the military option removed will it be possible to concentrate on the political agenda.

Secession by the Serbs and Croats in Bosnia, which could come in creeping and hidden forms, must be resisted. In recent months there have been moves to reforge the old alliance between president Slobodan Milosevic in Belgrade and Mr Radovan Karadzic in Pale. Agreements have been concluded which, in parts, contradict the spirit and letter of Dayton. This must not be tolerated.

There is equal reason to be more concerned with long-term Croatian intentions. Only the most sharp-eyed would notice that they had entered another country when crossing the border between Croatia and the Croatian-controlled areas of Bosnia. What they see is the same flag, currency, stamps, telephone system, police uniforms, and TV and newspapers.

The international community must be clearer in safeguarding the integrity of Bosnia.

The third danger is dominance by the Bosniacs, paying only lip-service to the concept of power-sharing and effectively monopolising power for themselves. There are clear indications that the Bosniacs are continuing to finance and operate old mono-ethnic structures and organs which should have been closed down in favour of the new multi-ethnic ones.

If the military option, as well as the secession and domination options, are blocked by the international community — and this is feasible — the country's politicians will have no choice but to pursue painful compromises aimed at moving towards the goals of Dayton.

The international community must be ready to help in several areas, but the overall responsability for the pace of development must rest with the national leaderships.

Bosnia is only one part of the wider instability and insecurity of south-eastern Europe. The situation in Albania has once more highlighted the challenges we will face in years to come.

The need to forge a strategy for stability and integration in the area as a whole should be clear to everyone. Here rests the ultimate test for the EU's common foreign and security policy, not to mention the new trans-Atlantic relationship and the evolving partnership with Russia.

Carl Bildt