Remarks by the High Representative, Mr. Carl Bildt, to the National Press Club

The Peace Process in Bosnia is on course.

That is the first part of my message here today.

But it remains fragile, and it is by no means irreversible. It will need continued attention and commitment from all of us in the international community if Bosnians of all nationalities are to be induced to turn their backs for good on ethnic division, hatred and war.

That is the second part of my message today.

And the two parts form one whole. We are making progress – but we have to understand that there is no such thing as a surgical strike-approach to peace-making.

A perception sometimes exists that implementation of the Dayton Agreement, in particular of its civilian parts, could be completed within a specific period, and at that point all reasons for rivalry will disappear. The logic of war will fade away, and harmony will descend from heaven to prevail throughout the region for the foreseeable future.

This sort of thinking is naive and dangerous.

It is naive in that the peace process behind the civilian part of implementation will take years, if not decades or generations.

It is dangerous in that it drives policy into a mode of short

term micro-management, neglecting the long-term strategic vision which is required.

And it is a strategic vision that we truly need in order to succeed over time with what we jointly have undertaken in Bosnia.

Not a policy of ever-changing dead-lines and rhetoric without reality. But a policy which we can sustain and support over time – and which everyone understands that we can sustain and support over time.

The Dayton peace agreement came after massive European and US failures to devise and agree on policies which could, first, prevent the war in Yugoslavia from happening or, secondly, bring it to a reasonable end before the cost in terms of both human lives and political principles became too high.

But after these massive failures and 42 months of war came the resounding success. In Dayton and in Paris. But a success built on a peace agreement more ambitious than any such document in modern history – perhaps in history overall. Not only to end a war – but to rebuild a country and a society.

The leaders of Bosnia's three national communities, weary after the years of war, accepted the necessity of the peace. But they did it grudgingly and not without reservations.

And we must understand that their strategic objectives, incompatible as they partly are, did not change with three signatures on a piece of paper. They remain different, and as the process of peace implementation has proceeded, it has become clear that these leaders often – to turn Clausewitz on his head – see peace as the continuation of war but by other means.

There is no denying that the first year of peace implementation was in essence a success.

The basic military tasks – the separation of forces and the establishment of the Inter-Entity boundary line – were completed without being challenged. And there was a resounding start to the far more complicated task of bring the country back together again through the September election and the subsequent setting up of the common institutions of the country.

There was one serious failure – although it was in essence pre-programmed in Dayton – in the massive exodus of frightened Serbs from Sarajevo as parts of the city was transferred to Federation control.

As we are now progressing with the far more complex tasks of building a common state, we are increasingly confronted with the more long-term issues which it is only natural that the peoples of the country and in the region are asking themselves.

And the more they see the outside world discussing the end of its mission in Bosnia in one form or another, the more likely they are to look at their future in terms of the different national agendas which so far have been contained within the Dayton framework.

The last two months have seen an upsurge in such speculations, fueled by a feeling that the commitment of the international community to Dayton and to peace will end with the departure of SFOR as announced for mid-1998.

The discussion within the Bosniac community – the Bosnian Muslims – about “reserve options” is to a large extent a reflection of this. So are some of the political struggles we can see taking place in the Republika Srpska, and among some of the Bosnian Croats, who are also waiting to see what will come by way of political change in Zagreb.

On the everyday issues of concern to ordinary people, we see the peace process moving forward.

So far this year, the numbers of refugees returning from other countries are 30-40% higher than our predictions. We have more than 10.000 people crossing the inter-Entity boundary every week on the UNHCR bus lines, with numbers increasing, and the lines soon to be handed over to private bus-lines. Last year the Muslim holiday of Bajram with its visits to the graves of relatives was a period of extremely high tension, continuous confrontation, violence and even casualties. This year there have been more than a hundred organized large-scale visits across the IEBL, some with several hundred people and in extremely sensitive areas, without as much as a single incident being reported.

But it is at the strategic level that there is a risk that the uncertainties of 1998 and beyond will increasingly start to influence the political development of 1997.

And it is this situation that we must increasingly start to deal with among the countries of the Steering Board of the Peace Implementation Council.

After a good start, we need a strategic concept for the years ahead in order to be able to make good on the investment in peace and stability we have made. Such a strategy must fall into place this year in order to withstand the strains – and meet the challenges – of 1998 and beyond.

It must be based on a proper recognition of our fundamental interests in the country and in the region.

We have a fundamental interest in preventing war and conflict in this part of Europe. Americans and Europeans have learnt alike during this century that sparks here can have profound consequences far wider.

This applies not only to Bosnia. It applies to the entire region. And there is a close inter-relationship between Bosnia and the rest of the region.

We also have, more immediately, an interest in reducing the strain on primarily European societies by making it possible for the more than one million refugees to start to return to their homes and to their country.

The necessary strategy must be broad-based. It must carry the support of the United States and Canada, the countries and the institutions of the European Union, our new partner Russia as well as Japan.

In my view it should be based on

- three broad challenges in order to block any alternatives to the Dayton road block
- three supporting challenges that can accelerate the process of building a common state
- three regional challenges to create the wider framework without which the stability of Bosnia's peace will be in danger.

The overall challenge is to prevent the agendas of the different national leaderships from breaking out of the Dayton framework. This is obviously the basis for our work in the years ahead. We must, through our policies, be prepared to block any possibility for any political leadership in the country and in the region to pursue anti-Dayton options.

First, we must be prepared to block the military option.

The temptation to resort to the military option is still there. It hangs over the political process, undermining the moderates and reinforcing those who are willing to play on the forceful factor of fear. It is vital for the next phase of the peace process that the military option be blocked off, and seen to be impossible, not only for a limited period of time, but permanently.

To that end, SFOR must retain its deterrent capabilities throughout the period until its final withdrawal. In the

meantime, security arrangements for the post-SFOR period must gradually be fleshed out. Otherwise, the political leaderships will plan for the worst over this period, reckoning with a security vacuum which they will fill offensively or defensively if this seems necessary or indeed desirable.

We must make abundantly clear that a resumption of hostilities will not be tolerated. Period. This must be made clear in political terms now, and the means to enforce it by continued deterrence must be developed during the SFOR period.

And we must understand that to deter military options requires military force – it is an illusion to believe that political structures or beefed up international police forces will suffice.

Secondly, we must block the secession option.

Bosnia was not the first option for substantial segments of either the Serbs or the Croats of the country, and for a considerable time to come, this is likely to continue to be the case.

In order to truly secure a united and sovereign Bosnia, we must be able to block not only overt secession, but more importantly the tendencies towards creeping secession that have become all too obvious on the ground.

We must not tolerate either the Republic of Croatia or the Federal Republic of Yugoslavia extending – just to take examples – their telephone systems, their mail systems, their trading arrangement, their citizenship arrangements and even their police systems into the territory of Bosnia and Herzegovina without the consent of its legal and political authorities.

We must close the “treaty gap” in Dayton by harmonizing the treaty arrangements between the two entities and their immediate neighbors. This will not be possible without strong

US and EU pressure, and might well be more difficult with Zagreb than with Belgrade.

We must – just to mention one obvious example – eliminate de facto Federation military treaty links with Croatia if we are not ready to accept similar links between the Republika Srpska and the Federal Republic of Yugoslavia.

Thirdly, we must be clear and consistent in blocking also the domination option.

The core of the political part of the peace process is the concept of power-sharing between the three constituent nationalities of Bosnia. And for this to work, we must prevent one group – specifically, the Bosniacs – from monopolizing powers and institutions or not sharing powers in the way foreseen in the peace agreement.

This is essential for there to be a future for a united Bosnia. If the common state over time is not seen as common by all of the peoples of the country, I do not believe that there is any amount of force which can keep it together.

Also here, we must be more vigilant and assertive in our approach.

We must insist on decisions soon on a common flag and common state symbols. We must make clear that, after a specific time, we will no longer deal with Ambassadors of Bosnia not appointed or confirmed by the new multi-ethnic Presidency. We must neither accept nor organize mono-ethnic foreign visits, and we must insist on properly coordinated mandates from the common institutions for all Bosnian representatives we are negotiating with or making agreements with.

If the international community can block these three anti-Dayton options, then we can ensure that the political development of the country is kept within the framework of the peace agreement. And it will be up to the political leaders of

the country to continue the difficult process along the path of compromise and reconciliation.

This is the minimum. This we cannot abstain from. This is our fundamental responsibility.

But we must, in my opinion, be prepared to be more ambitious, although this will be more demanding in terms of resources, attention and involvement. We must be prepared to support the process of economic reform, of democratization and of institution building in order to overcome over time the horrible consequences of war.

There are three important supporting challenges I see in this regard.

The first is to facilitate fundamental and radical economic reform in the country.

It should be noted that I am talking primarily about economic reform by Bosnians – not the economic reconstruction assistance which we are offering. Because however important our help in reconstruction is, we will not be able to sustain it at present levels for a long time to come.

And when our immediate efforts start to decline then, it will be the commitment of the authorities of Bosnia to radical economic reform now that will determine the economic and social development of the country.

It must not be forgotten that Bosnia's economy is the victim not only of nearly five years of war, but also of almost fifty years of central planning and socialism. Each in itself bad – in combination simply devastating.

My office is working intensively with the authorities in Bosnia on the Quick Start Package of basic laws and budgetary decisions in order to pave the way for an arrangement with the International Monetary Fund, for a Donor's Conference and for

agreements on debt rescheduling with the Paris and London clubs.

Progress could – and should – have been faster. But progress is being made, and I remain hopeful that we will jointly succeed during the next few weeks.

But this is only the first start, after which must come the processes of privatization, de-regulation, tax reforms and other measures to truly open up the economy and create better conditions for the future.

It must be recognized that this is also the precondition – among others – for the return of the refugees. No one in his or her right state of mind would take his or her family back to a country without an economic future, to face social despair and desperation.

The second supporting challenge is to start transforming the political landscape, that means democratization.

Over time we must break the hold of the three nationalist parties and open up the political debate, making way for new, democratic, forces. An open society, based on the principles of democracy, will make a policy of creating ethnic ghettos impossible to sustain.

An important part of this is creating a new media climate. Without it, the political situation will never change. The Open Broadcast Network project, carrying the programs of TV-IN, remains despite all its problems the only enterprise with any prospect of making significant inroads into the existing, nationalist monopolies.

Aggressive support should also be given to smaller independent media, too, which have the best chance of developing the ability and the courage to support opposition politicians in all parts of Bosnia.

The most galling immediate challenge in this field is the local elections in September of this year, where the attempt will be made to transform approximately 130 local ethnic dictatorships into almost the same number of multi-ethnic democracies.

The quality of these elections will be crucial, not only for their own sake but also in paving the way for the national and entity elections in September 1998. These latter elections will truly set the tone for the medium-term destiny of democracy in Bosnia.

And the third supporting challenge is to help and assist in the building of the common and critical institutions of the country.

The common institutions will need our help and assistance for some time to come. And we must recognize their critical role. If they go forward, there is hope for the peace process. But were they to stall or to fail, then partition would risk becoming permanent, and peace will be imperiled.

But apart from the true common institutions – the Presidency, the Council of Ministers, the two houses of the Parliamentary Assembly, the Constitutional Court, the Central Bank and the Standing Committee on Military Matters – we must also be ready to assist in building up the critical institutions within the two entities.

The police are of particular importance. The role of the UN International Police Task Force has been and will continue to be of critical importance for the restoration of a sense of security for ordinary citizens. All in all, UN-IPTF has been a success story, with the close integration established between UN-IPTF, SFOR and my office the key to a far more assertive approach than normally the case in operations like these. This must now be carried forward in the restructuring and retraining of the local police forces. This is the critical

train and equip program for the future of the country.

These three supporting challenges are important in order to help Bosnian society to move towards more democracy, more human rights and effective economic development.

But we must never neglect the regional context. The war did not start in Bosnia, and no end is yet in sight for the tensions and turmoil in the surrounding area.

There is sometimes talk of an exit strategy from the country or the region. In my opinion, this is not only unrealistic, but also wrong-headed.

What we need is not an exit strategy for us, the internationals, to depart, but a proper entry strategy so that the country and the region can play a full part in the structures and networks of cooperation and integration in Europe and in the global community. It is only by such an entry strategy that we can secure the long-term stability and prosperity of the region.

The first challenge in this regard is to create a viable regional economic space.

Nearly all of the economies of the region have been devastated by war or its effects. Even under the best of circumstances, it could take decades to recover only to 1990 levels. We will witness upheavals and chaos throughout the region until there is the prospect of economic and social progress. The great Serbian crisis is – just to mention the most obvious example – still ahead of us.

Here, the European Union has a crucial role to play. The recent steps decided as part of its regional approach are encouraging. But I would like the Union to be more visionary and more daring in its approach to this important part of Europe.

If the conditions are right, it should be ready to consider a customs union or even an internal market arrangement for the entire area in combination with development of key trans-European networks and other efforts.

The second regional challenge which I see is full compliance with the obligations of the International Criminal Tribunal for Former Yugoslavia, ICTY.

This is not only a Bosnian issue. It is a regional issue. Ethnic cleansing was not invented in Bosnia, and if we cannot act against those responsible for it there, or in Vukovar or in Knin, we cannot deter those who might well consider it in other parts of the ethnic mosaic of this part of Europe.

The credibility of the efforts of the international community is at stake here. In Bosnia, time is running out. In the region as a whole, the issue is as important as it is in Bosnia itself.

And the third regional challenge which must be met is the challenge of a regional security arrangement.

In 1991, there were no foreign soldiers in this area. But today, there are 3.500 soldiers in southern Hungary, 3.500 soldiers in Croatia, 32.500 soldiers in Bosnia, 28 military observers in Montenegro and Croatia, 1.500 soldiers in Macedonia and soon 6.000 soldiers in Albania.

And this is hardly the end of the story. We must recognize the reality that we are dealing with a volatile region, and we cannot do so effectively without an element of military deterrence and military support for the foreseeable future.

A regional security arrangement, which should also bring clout to our determination to block the military option in Bosnia, might well be based on the Partnership for Peace structures of NATO, but must also contain a pattern of military deployment and presence which truly reflects a far wider wider political

commitment to the stability of Europe and the region.

The United States will remain a critical part of these efforts. It has declared its commitment to the security and stability of Europe also by basing military forces there, although reduced in numbers in recent years.

But the geographical pattern of deployments in Europe over the years to come might well have to be different from the pattern of the past. Bosnia and the region might be as important for the overall effort to create stability in Europe in the future, as Berlin was in the past. If we can meet these three broad challenges, and the three supporting and three regional challenges, I see no reason to be pessimistic about the joint endeavour on which after so many mistakes we embarked in the summer of 1995.

I truly and genuinely believe it can be done. But it is up to us – to the governments around the tables of the international councils – to decide whether it really will be done.

The peace process is on course – so far. After 42 months of brutal war, we have had 17 months of the beginning of peace. Now, we must make certain that this process continues, and the peace process stays on course for the years to come.