

**BOSNIA'S NOVEMBER ELECTIONS:
DAYTON STUMBLES**

18 December 2000

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BOSNIA'S NOVEMBER ELECTIONS: DAYTON STUMBLES

EXECUTIVE SUMMARY

Despite five years and five billion US dollars of international community investment in Bosnia, the 11 November Bosnian elections demonstrated once again that international engagement has failed to provide a sustainable basis for a functioning state, capable of surviving an international withdrawal.

The elections highlighted once again the near complete failure -- in the face of determined nationalist extremism -- of an international approach that places emphasis on hopes that moderate, co-operative Bosnian partners will come to power through elections. The elections also revealed the complete unsuitability of the present Dayton constitutional structures, as well as the international community implementing structures and policies. The false premises upon which current international community policy is based will continue to produce few positive results, particularly in the near power-vacuum created by these elections. It thus remains the case, that were it not for the significant international presence in Bosnia, and especially the NATO presence, the Dayton Peace Accords would rapidly unravel.

Many in the international community had naively hoped that democratic change in Zagreb and Belgrade would translate into change among Bosnia's Croats and Serbs. To the contrary, these democratic victories appear to have energised Bosnia's ethnic extremists. The pre-election campaign of the Croat Democratic Union, for instance, was based on separatist rhetoric and defiance of the international community. Bosnian Serb candidates -- including western favourite Mladen Ivanic -- linked the position of the Republika Srpska (RS) as a part of Bosnia with Kosovo's position in Yugoslavia (FRY). Vojislav Kostunica, Yugoslavia's new President, openly supported the Serbian Democratic Party (SDS) of Radovan Karadzic.

The precise impact of the election results will be impossible to gauge until coalitions are formed, a process which could last well into the first months of 2001. Even then, the resulting coalitions may be extremely fragile, and therefore unable to act decisively in key areas of peace process implementation. These coalitions may prove highly unstable, and could end in votes of no confidence by mid-year 2001, forcing new elections. Should the coalitions hold together, they may prove unable to overcome the nationalist parties' efforts to obstruct the Dayton Peace Accords.

Elections at the level of the Bosnian central government, the Federation and the Cantons, failed either to oust the nationalist parties entirely, or to give them an absolute victory. In the RS, the SDS came out as the clear victor, winning the presidency and vice-presidency, and achieving a clear lead in elections to the RS National Assembly. Mladen Ivanic's Party of Democratic Progress (PDP) performed sufficiently well to ensure him the premiership of the RS, as well as to enable him to set conditions for entering

into coalition with the SDS. Ivanic's entry into coalition with the SDS could cost the RS all US aid, in which case the harsh economic and social conditions in the RS could overwhelm the new government.

In the Federation, the HDZ won an absolute majority among Croat voters. The SDP scored a higher vote than the SDA, but with smaller margins than expected. SDS and HDZ scare tactics evidently persuaded some Bosniacs of the need to maintain ethnic unity in the face of continued Serb and Croat homogenisation, by voting for the hitherto dominant Bosniac party, the SDA or by voting for the Party for Bosnia and Herzegovina (SBiH), led by wartime Prime Minister Haris Silajdzic.

A major winner in these elections is Haris Silajdzic, whose SBiH gained sufficient votes to make him the king-maker in several Federation cantons, the Federation parliament, and quite possibly the BiH parliament. Highlighting the international community's failure to implement the Dayton Peace Accords, Silajdzic has laid out significant conditions that the international community must meet if it wishes him to enter into a ruling coalition with the SDP and other non-nationalist parties. He has refused to enter any coalition unless the international community can guarantee a significant increase in refugee return, the dismantling of parallel institutions in the Federation, the functioning of the central government and necessary steps towards sustainable economic development.

Silajdzic's conditions, though they may seem radical to some elements of the international community and provoke cries of "blackmail" and "unacceptable", are simply a call for the international community to implement Dayton. Thus Silajdzic is the first Bosnian politician to hold the international community to account for its share of the responsibility for the non-implementation of Dayton and to challenge it to meet specific time deadlines to implement certain portions of the Accords as the price for his participation in an SDP-led coalition. Moreover, Silajdzic has set specific deadlines, so that failure to achieve certain goals in implementing Dayton could cause him to pull out of any ruling coalition.

Silajdzic's demands seem to acknowledge the reality that no matter how the coalitions are formed, both the BiH and Federation Parliaments may well remain ineffectual, due to obstruction by the SDA, HDZ and SDS. These parties together may have sufficient votes to obstruct key legislative reforms and disrupt the functioning of the central government.

Given the series of disappointing election results since the first post-Dayton elections in 1996, it is time for the international community to rethink an inherited strategy that places unrealistic hopes on elections. Instead, the international community should fully exercise the powers given to it under the Dayton Peace Accord to attack the economic and political causes of the tenacity of Bosnian nationalism.

This report highlights critical issues demanding immediate decisions: How is the influence of extremists to be curbed? To what extent should the international community try directly to manage a protectorate in Bosnia? And to what extent, and in what respects, should the governance provisions in the Dayton Agreement be modified? Each of these issues will be the subject of forthcoming ICG reports.

Sarajevo/Brussels, 18 December 2000



BOSNIA'S NOVEMBER ELECTIONS: DAYTON STUMBLES

I. CONTEXT OF THE ELECTIONS

Since 1996 the international community has mistakenly seen elections as a symbol and proof of progress in Bosnia. In spite of obvious evidence that Bosnia was not ready for elections in 1996, nor for that matter in 2000, the international community pushed the voting ahead prematurely. Predictably, this has entrenched in place those vested nationalist interests, which could exert the most pre-election leverage using patronage, fear, and intimidation. This was done without regard for the need to sever the link between ruling political parties and the state-owned economy, with all its resulting sources of political and economic patronage. As a result, the international community has experienced extreme difficulty building up the supporting structures which would give an election some purpose and authenticity, such as a free media; the habit of exposing incompetence and corruption; development of effective, between-elections party structures; and a functioning civil society. Only by constructing such structures could the international community have hoped to create -- over time -- the conditions necessary for people to vote on the basis something other than their most raw hates and fears.

In spite of the lack of these necessary preconditions, on 11 November 2000 the Organisation for Security and Co-operation in Europe (OSCE) organised, financed and supervised the third general election in Bosnia and Herzegovina since the cessation of hostilities in November 1995.¹ Citizens from both entities voted for representatives at the state level of government in the BiH House of Representatives. At the entity level, Federation voters elected members to the Federation House of Representatives and the ten Cantonal Assemblies, while Republika Srpska (RS) voters elected representatives to the RS National Assembly, as well as the President and Vice President of that entity. Due to obstruction by Bosnia's Serbs -- who delayed seating the democratically elected Bosniac members of the Srebrenica Municipal assembly -- a special election was also held in Srebrenica to elect the government of that municipality.

Prior to the election, the Permanent Election Commission (PEC), led by the OSCE, introduced a number of changes to the election Rules, as instructed by the recent Brussels Peace Implementation Council (PIC).² These included a new method of voting for the Federation House of Peoples, whose members are elected by Cantonal Assemblies, a new system of locally based constituencies for the RS National Assembly, and a preferential voting system for the positions of President

1 In addition to three general elections, held in 1996, 1998 and 2000, the OSCE also organised municipal elections in 1996 (Mostar only), September 1997 and April 2000, a special election in Mostar in 1997, and a special election for the Republika Srpska National Assembly in 1997.

2 *Declaration of the Peace Implementation Council*, Brussels, 23-24 May 2000.

and Vice President of the RS. The open list system, in which voters have an opportunity to specify the candidates, and not just parties of their choice, was carried over from the previous elections. These changes were designed to bring the Bosnian electoral process closer in line with European standards.

The OSCE continued to enforce election rules prohibiting candidates from illegally occupying the property of refugees and displaced persons, striking the candidacy of a number of individuals from parties across the entire political spectrum. In an attempt to weaken political party control over the assets of publicly owned companies, the PEC's Rules and Regulations required candidates to submit financial disclosure forms (FDF), stating that they did not serve on the boards of public companies.

The Election Appeals Sub-Commission (EASC), the body responsible for disciplining candidates and parties that violate the PEC Rules and Regulations, investigated and sanctioned cases in which parties or individual candidates engaged in inappropriate campaign practices. Violations of campaign financing requirements, the election-day campaign silence rule, the rule against hateful campaign messages, and other provisions, resulted in the removal of a number of candidates from voters' lists. Application of the Rules and Regulations may have been somewhat inconsistent, as will be shown later in this report when we examine the OSCE's somewhat weak response to the actions of the HDZ and its leader in Bosnia, Ante Jelavic.

In general, a hopeful atmosphere prevailed in the international community in the period leading up to the election, with many stating that these elections would bring sweeping political changes. Since the last general election in 1998, democratic changes -- first in Croatia and then in Yugoslavia -- had created euphoria in the international media and among Western policy makers, who hoped that change in Zagreb and Belgrade would translate into change in Bosnia. After all, five years had passed since the signing of the Dayton Peace Accord and the international community had spent over 5 billion US dollars to rebuild Bosnia and create the conditions for a sustainable peace.

The April 2000 municipal elections seemed to have provided signs of encouragement to back up this optimism.³ Among Bosniacs, the relatively multiethnic Social Democratic Party (SDP) had made significant gains, while a low turnout among Croat voters suggested that the Bosnian Croat electorate -- although lacking a real alternative -- was questioning the Croat Democratic Community's (HDZ) ability to advance and protect Croat interests. In the RS, Mladen Ivanic's Party of Democratic Progress (PDP) had turned in a surprisingly good performance in its first outing in the April municipal elections, seemingly setting the stage for a relatively centrist Serb political party to make gains. RS Prime Minister Milorad Dodik also held out the promise -- however unrealistic -- of turning in a sufficiently strong election result to form an anti-SDS coalition with Ivanic's PDP, Biljana Plavsic's Serb National Alliance (SNS) and other members of the SLOGA coalition. The time seemed ripe for an election result that would confirm that Bosnia's Serbs, Bosniacs and Croats could begin to move away from narrow ethnic politics and begin to move towards European integration.

³ See *Bosnia's Municipal Elections 2000: Winners and Losers*, ICG Balkans Report No. 91, 28 April 2000.

Unfortunately, the hopes and efforts of the international community ignored certain political realities. These included the SDP's weak appeal among non-Bosniac voters, the absence of any Croat party capable of defeating the HDZ, the collapse of Dodik's "liberal" SLOGA coalition in the months leading up to the elections, and newly-elected Yugoslav President Vojislav Kostunica's open support for the SDS. In this political climate, the SDS, HDZ and SDA successfully exploited the rhetoric of fear and hate. The HDZ in particular exploited the tactics of the international community to portray itself and the Croat people in Bosnia as oppressed underdogs, thus whipping up popular feeling and bringing out the Croat vote in support of itself. A number of voices, particularly in the HDZ and the SDA, interpreted the OSCE's newly-announced election procedures - the procedure for electing representatives to the Federation House of Peoples and the OSCE's anti-corruption campaign -- as attempts by the international community to engineer opposition gains. These parties capitalised on these criticisms to gain some voter support.

A. A Close Race: The SDA And SDP

In the November 2000 elections, the most realistic hope for democratic change in Bosnia lay in the probable success of the multiethnic SDP among Bosniac voters. The April 2000 elections had demonstrated a trend of increasing support for the SDP among a Bosniac electorate that appeared ever more dissatisfied with the corrupt SDA. Although the SDP had only small success winning the support of non-Bosniac voters, it was thought that the party could go into a post-election coalition with the more forward-looking Serb and Croat parties to create change in the national government.

Still reeling from their losses in the April 2000 municipal elections, which were worsened by a misconceived pre-election campaign slogan that emphasised the misery of the previous ten years ("10 of the most difficult years together"), the SDA entered the November general election campaign fighting for its life. The party came under daily attack in the local (and sometimes international) press for corruption scandals, particularly involving the SDA Prime Minister Edhem Bicakcic, who the leading Sarajevo newspaper *Dnevni Avaz* turned into a poster boy for corruption. These scandals showed that the SDA, through its misuse of funds and corrupt practices, bore significant responsibility for the poor economy, non-payment of pensions, lack of assistance for war invalids, the squandering of international assistance and the abuse of the privatisation process, all to the detriment of ordinary Bosnians.

An OSCE anti-corruption campaign, held before the elections, urged citizens throughout BiH to "Vote Down Corruption." The SDA took personal affront, responding with a not-so-subtle campaign poster urging "let's vote down injustice and lies." This kicked off an aggressive SDA campaign that included a poster attacking the SDP as a party ushering in a return to the communist era in which Serbs would dominate the government. Playing off the impending success of the HDZ and SDS, another SDA poster reminded voters, "Each has selected his own [ethnic group]: What about you?"

Several inappropriate SDA campaign activities, particularly in Tesanj and Travnik, led to sanctions by the EASC. But overall, the general campaign of the SDA met

with marginal success. In contrast, the relatively vague platform of the SDP gave the impression that this party was counting on the support of the international community to carry it through the election.

B. Enter Silajdzic

An uncertain political variable entered into the crucial race between the SDA and the SDP: Haris Silajdzic. The wartime Prime Minister of the Republic of Bosnia and Herzegovina, Silajdzic had split from the SDA after Dayton and formed his own party, the Party for Bosnia and Herzegovina (SBiH). In the 1998 elections, the SBiH joined the SDA and other Bosniac nationalist parties to form the Coalition for a Whole BiH (KCB). In the April 2000 municipal elections, however, Silajdzic's party ran on its own, distancing itself from the SDA and serving as something of a centrist alternative between the SDA and the SDP. Silajdzic ran on a platform calling for the immediate and vigorous implementation of the Dayton Peace Accords, particularly refugee returns (Annex 7), the functioning of state and joint institutions (Annexes 4 and 9), and the dismantling of the entities. This final point, the dismantling of the entities, alarmed many Serbs in RS and led the OSCE to strike one candidate from the SBiH party list for Canton 4, but it also made the SBiH one of the only parties with a concrete, forward-looking platform.

With a close race between the SDA and the SDP, Silajdzic had the potential to play a crucial role in forming governments at the Canton, Federation and National levels. He was expected to achieve a sizeable minority of the vote, perhaps enough to swing the election, but no one really knew whether he would favour an SDP or an SDA post-election coalition, or any coalition at all.

C. Croat Voters And The HDZ

The biggest problem facing the HDZ in the pre-election period was a potentially low turnout of Croat voters, already evidenced in the April municipal elections. To get out the vote and ensure that this vote would be for the HDZ, the party had to stress the message that the Croat people in Bosnia were threatened with extinction at the hands of other, larger groups and a hostile international community. This meant associating the party and its leading figure, Ante Jelavic, with the Croat people as a whole. The election campaign was highlighted by a highly provocative and controversial poster, which featured the word "determination" on a white background with the Croat national symbol on the top half of the poster. The bottom half of the poster, against a black background, featured the phrase "or extermination." The message to Bosnia's Croats was clear: vote for the HDZ or face extermination. The HDZ campaign continued in this vein right up until the elections, successfully bringing out most of the Bosnian Croat vote behind the HDZ.

An OSCE change to the Provisional Election Law in October kicked off a battle between the international community and the HDZ. The new rule changed the system for electing members to the upper chamber of the Federation Parliament, the House of Peoples. Under the old system, the leading Croat parties in each Cantonal Assembly appointed Croat members to the Federation House of Peoples and the leading Bosniac parties appointed Bosniac members. This essentially assured an upper house packed with deputies who would do the bidding of the ultra-nationalist parties. Under the new system, the Cantonal Assemblies would

elect the deputies to the House of Peoples by popular vote, meaning that Bosniac representatives would have a say in the selection of Croat members, and vice-versa. The new rule was intended to give smaller parties in the Cantonal assemblies a voice in the selection of the House of Peoples. It also had a far more practical purpose from the point of view of the international community: it would ultimately dilute the influence of the nationalist parties, by forcing candidates for the House of Peoples to moderate their political statements in order to win support from the other ethnic group.

Although the content and intended effect of this rule was good, the timing one month before the election played into the hands of the HDZ propaganda machine. The HDZ protested that the new rule attacked the rights of Croats, by diluting their influence in the face of the Bosniac majority.

The HDZ responded by holding an "All Croat Congress" in Novi Travnik during late October, in which a number of other Croat political parties participated. With the HDZ playing the leading role, representatives supported the idea of holding a referendum on the rights of Croats, to be held on the same day as the elections. This referendum essentially sought to affirm support for the *de facto* third entity of Herceg-Bosna, using the fears whipped up by the HDZ in its pre-election campaign, which presented the Croats as a threatened people in Bosnia.

In a decision which did not come until *after* the election, the Election Appeals Sub-

Commission (EASC) determined that holding the Croat referendum on election day represented a violation of the campaign silence period on election day, as stipulated in the election Rules. Although a number of Croat parties participated in the congress, the EASC found in its investigation that "the HDZ almost exclusively took an active role in supporting, promoting and exploiting the referendum as part of a general election campaign."⁴ The effect of this referendum on Bosnia's Croats could only have been disruptive to the entire electoral process, and certainly served as an open form of pressure on Bosnia's Croats to vote for the HDZ. Nonetheless, the OSCE and OHR permitted this referendum to go forward.

In reaction to the referendum, the EASC struck the two HDZ candidates with the most votes from the Cantonal Assemblies in Cantons 2,6,7,8 and 10, where the referendum was most actively promoted, on the grounds that it violated the election silence period. This decision further stipulated that the mandates of the HDZ for those seats had also been lost and would remain vacant. While it is unlikely that this decision actually effected the overall majorities in the Cantonal governments, it does dilute somewhat the HDZ's voting power in electing members to the Federation and BiH House of Peoples.

During the pre-election period, a number of HDZ campaign advertisements and statements by candidates provoked the censure of the EASC, as having the potential to incite violence or promote hatred. For example:

- The EASC found that an HDZ television advertisement contained imagery "that was unduly provocative and could spread ethnic hatred", and directed that

4 "EASC Meets, Issues Several New Rulings," OSCE Press Release, 15 November 2000.

HDZ candidates would be struck from the voting lists on a daily basis until the advertisement was withdrawn.⁵ Following this decision, the HDZ issued a press release attacking RTV Mostar and specifically its general manager for reporting the advertisement to the EASC. The press release accused the station of being "under the ideological influence of the Mostar SDP and spreading hatred for everything that is Croat", and suggested that the general manager would like to see a return of the Ottoman Empire to exterminate Croats. Following the press release, the station and its general manager received numerous threats.⁶

- The EASC struck a number of HDZ candidates from the voter lists in Canton 2 for improperly attempting to influence the Odzak municipal court and municipal election commission.
- The HDZ's campaign slogan, "Determination or Extermination" was found to foster ethnic hatred and the EASC directed the HDZ to remove or cover material containing the slogan. At the same time the EASC struck the first candidate from the HDZ list in Canton 8 for statements by HDZ officials which called for using "extra-institutional measures" to achieve political goals. These statements were found to violate the provisions of the Dayton Peace Agreement regarding elections.

In addition to these judgements, the EASC also censured the HDZ for obstructing an investigation into improper campaign-financing practices. The final decision stated that the HDZ "deliberately and systematically obstructed the audit of its financial records by an OSCE audit team". As a result, the EASC struck Marko Tokic from the candidate list for the BiH House of Representatives, Mato Franjicevic from the list for the Federation House of Representatives and Dragan Covic from the list for the BiH House of Representatives.

All of these measures were exploited by the HDZ to feed the legitimate concerns of everyday Croats about their place in Bosnia and Herzegovina. Over the past ten years, the HDZ has presented itself as the only party capable of protecting Croat interests. However, by obstructing the functioning of the Federation and national governments, opposing minority return, and seeking a separatist agenda, the HDZ has effectively worked against the interests of ever-day Croats. Now that Zagreb has clearly indicated that it will respect Bosnian sovereignty, Bosnia's Croats feel uncomfortable about being forced to work within the framework of a Bosnian state, something they fought long and hard to destroy. Unfortunately for the international community, its hopes that a non-nationalist Croat party with credibility among significant numbers of Bosnian Croat voters would emerge have been disappointed. Most Bosnian Croat voters remain unconvinced that their interests are best protected within a multi-ethnic Bosnian state.

D. Voters In Republika Srpska

The international community hoped that recent democratic changes in Serbia would translate into positive change in the RS, particularly by weaning voters

⁵ "EASC Issues Rulings on Five Cases," OSCE Press Release, 31 October 2000.

⁶ "OSCE Condemns HDZ for Targeting RTV Mostar Journalist," OSCE Press Release, 3 November 2000.

from the hard-line nationalist SDS towards Mladen Ivanic's relatively centrist PDP or Milorad Dodik's Party of Independent Social Democrats (SNSD). Declining popular support for Dodik -- a result of corruption charges -- led the international community to shift support away from him and towards Ivanic. However, it was naive to think that changes in Serbia would affect positively the Bosnian election result, with the exception of the position of the Socialist Party of Republika Srpska (SPRS), which had been closely associated with former Yugoslav President Slobodan Milosevic, and which lost credit following his defeat in September's Yugoslav elections. Newly elected Yugoslav President Vojislav Kostunica openly supported the SDS, travelling to Trebinje in southern RS at the invitation of SDS leader Mirko Sarovic to attend the re-interment ceremony of the famous Serbian poet, Jovan Ducic. In addition, officials from Kostunica's Democratic Party of Serbia (DSS) campaigned for the SDS inside RS.⁷ When Dodik travelled to Belgrade in late October Kostunica refused to meet with him. This was a deliberate snub of Dodik, who had gone out on a limb to offer Kostunica and the Serbian Democratic Opposition (DOS) the use of broadcast facilities in the RS to help them circumvent Milosevic's control of the media during Yugoslavia's election campaign.

In private, many international officials acknowledged that an SDS victory was likely, and some began discussing banning the party prior to the elections, on the grounds that indicted war crimes suspect Radovan Karadzic continued to control the party's day to day activities, that the party worked openly against the Dayton Peace Accords and that it harboured war crimes suspects.⁸ Opposition to banning the SDS may have arisen in part out of the fear of creating a political crisis for Kostunica, who would have been forced either to offend the international community by supporting the SDS, or to side with the international community, which would have earned him unpopularity in Yugoslavia. In addition, some in the international community also stated that they did not wish to disenfranchise the significant portion of the RS electorate that supported the SDS, although just such a disenfranchisement had occurred in November 1999, when the OSCE banned Nikola Poplasen's Serbian Radical Party (SRS) from participating in the elections. There was a further concern that a threat to ban the SDS would simply lead to greater support for it.

The pre-election period saw an increase in nationalist propaganda in the RS, as in the Federation. Incidents involving SDS members included verbal threats against journalists by an SDS activist in Banja Luka and by the head of the Dobojski SDS.⁹ The SDS also successfully galvanised RS voters around fears of a unified Bosnian army and a unified Bosnian education system, in which Serb children and youth would be harmed by exposure to other ethnic groups. One month before the elections, members of the SDS helped organise a week-long violent protest by Bosnian Serb high school students in the Brcko district. The students -- many of whom were bussed in from Bijeljina -- were accompanied by teachers and other

⁷ "Kostunica Rescues Bosnian Serb Nationalists," *Institute for War and Peace Reporting*, BCR 201, 6 December 2000, http://www.iwpr.net/index.pl5?archive/bcr/bcr_20001206_1_eng.txt.

⁸ ICG recommended such a course in its report *War Criminals in Bosnia's Republika Srpska: Who are the People in Your Neighbourhood*, ICG Balkan No. 103, 2 November 2000: see further below.

⁹ The latter instance involved an individual allegedly linked to violations of international humanitarian law during the 1992-1995 war. See ICG Balkan Report No. 103, *War Criminals in Bosnia's Republika Srpska: Who are the People in Your Neighbourhood*, 2 November 2000.

adults. They protested violently against sharing a school building with Bosniac students, against the concept of a multi-ethnic district and against the international community. The students held banners in support of Karadzic and former Bosnian Serb military leader and indicted war crimes suspect Ratko Mladic, and brandished Serb nationalist symbols.¹⁰ Their protests included destroying the property of returning Bosniac refugees.

Nationalist sentiments in the RS were further raised by political developments in the Federation, including the Croat referendum that was depicted as a referendum for a third entity. In response, Serb politicians promoted the idea of holding a referendum on RS independence. The campaign platforms of some Federation parties, particularly Haris Silajdzic's Party for BiH (SBiH), angered Serb voters by advocating the elimination of the entity system.

US Ambassador to the UN and Dayton Peace Accord architect Richard Holbrooke made a high profile visit to Bosnia two weeks before the elections. During his visit, Holbrooke made repeated and highly publicised statements calling for the OHR and OSCE to ban the SDS from participating in the elections. These statements received front-page press coverage both in the Federation and RS, and were used by SDS propagandists to mobilise the RS electorate.

It is possible that an ICG report on Serb war criminals that called for the banning of the SDS,¹¹ released just before the election, may marginally have boosted the SDS. This report referred to the fact that the OSCE had already banned the SRS in March 2000, and suggested that similar measures be taken against the SDS. The recommendation was based on the continued influence on the party of its founder and former leader, Karadzic, under whom it had played a crucial role in ethnic cleansing and war crimes committed between 1992 and 1995. Continued SDS obstruction of the Dayton Peace Accords -- the report argued -- reflected a continuation of the party's war aims, as well as the continued presence of numerous war crimes suspects in its ranks. But, whatever influence this report may have had on the RS electorate was certainly slight. It was entirely predictable that the SDS, in the political environment that has prevailed since 1995 and which remains substantially unaltered today, would pick up most of the SRS vote and emerge victorious. It is hard to argue that it was substantially affected by Holbrooke's, the ICG's or any other international intervention in favour of banning the SDS. Optimistic international expectations of any other result in the RS were naïve.

The OSCE ultimately decided not to ban the SDS, arguing that this would represent a significant disenfranchisement of potential SDS voters. Such an argument ignored the reality that the SDS would probably pick up the majority of votes lost to the SRS, following the banning of that party by the OSCE. In fact, in the BiH House of Representatives race in November 2000, the SDS gained the same percentage of the vote received by the SDS in 1998, plus the percentage of

10 A member of the Brcko District Interim Assembly, appointed by the international supervisor in Brcko and alleged to have played a key role in the wartime ethnic cleansing of that municipality, was reportedly involved in these demonstrations in Brcko. See ICG Balkan Report No. 103, *War Criminals in Bosnia's Republika Srpska: Who are the People in Your Neighbourhood*, 2 November 2000.

¹¹ Ibid.

the vote received by the SRS in 1998.¹² The refusal to ban the SDS also ignored the fact that an SDS victory would mean two more years of continued obstruction of the Dayton Peace Accords, thereby prolonging the OHR quasi-protectorate and the length of time required to transform Bosnia into a truly democratic and functional state.

II. THE ELECTION RESULTS: WHAT ARE THE CONSEQUENCES?

In comparing the 2000 general election final results to those of 1998, the international community can take some comfort in the improved rating of the SDP among Bosniac voters in the races for the Federation and BiH Parliaments. Still, the SDP did not finish as well as most had hoped, with the Bosniac nationalist SDA coming in less than a percentage point behind the SDP in the BiH parliament race, and finishing ahead of the SDP by just under a percentage point in the Federation parliament race.

Among Croat voters, the majority remained loyal to the nationalist Croat Democratic Community (HDZ), which nearly maintained the same level of support as in 1998, winning the third highest percentage of support in the BiH and Federation Parliaments. The HDZ won majorities in the Livno and Western Herzegovina Cantons and led the races in the Middle Bosnia, Posavina and Herzegovina-Neretva Cantons.

From the point of view of international hopes for greater progress in implementing Dayton, the most discouraging aspect of the 2000 general election results was the success of the SDS in garnering votes from the banned SRS, and the collapse of the SLOGA coalition of opposition parties. This resulted in a clear lead for the SDS among RS voters in the races for the BiH Parliament, the RS National Assembly, and the RS president and vice-president.

Given these election results, over the next two years the international community can expect continued obstruction, in particular from the HDZ and SDS, regarding the strengthening of Bosnia as a single state. This will include fierce resistance to the unification of the command structures of the three armies, the implementation of a recent Constitutional Court decision on the constituent peoples and the creation of a single economic space in Bosnia.

The nature of this obstruction will depend on the coalitions formed in the national and Federation Parliaments, as well as in the RS National Assembly over the next few months. This paper discusses in detail below the difficulties of forming coalitions excluding the SDS, HDZ and SDA in these bodies. The EASC has already struck HDZ mandates in some of the Cantons, and other seats have yet to be allocated. This leaves open the possibility that the international community could award or punish some parties with seats, in such a way as to change the possibilities for coalition-building. The OSCE may take further administrative actions to punish parties for violations of the PEC Rules and Regulations. Because this could include the loss of seats, the analysis presented below could be subject to change.

¹² For these and other final election results, see the OSCE BiH Internet site: www.oscebih.org.

A. BiH House Of Representatives: SDP Lead, Nationalists Could Obstruct

The BiH parliament is composed of two chambers, the House of Representatives and the House of Peoples. The general public directly elects candidates to the House of Representatives, with voters from the Federation electing candidates for 28 of the 42 seats, and RS voters electing the remaining 14 seats. The second chamber, the House of Peoples, has 15 members who are elected by the entity parliaments. This section will focus on the race for the House of Representatives, as the final composition in the House of Peoples will depend entirely on the coalitions that are formed in the entity parliaments.

With the release of the final election result, OSCE representatives were quick to point out that the three main nationalist parties, the SDS, HDZ and SDA, lacked the combined majority necessary to form a government on the national level. An analysis of the distribution of seats suggests that such a coalition would indeed fall short of a majority, with 19 out of the 22 seats needed for a majority. The SDP, with a narrow lead over the SDA, has offered to go into coalition with any parties -- other than the SDS, HDZ and SDA -- that accept a basic pro-Dayton platform. Recent meetings among several parties from the Federation -- SDP, SBiH and the moderate New Croat Initiative (NHI) of former Bosnian presidency member Kresimir Zubak -- have raised speculation about the possibility of a coalition. Such a coalition would have only 15 seats, necessitating the involvement of parties from the RS, including Milorad Dodik's SNSD and Mladen Ivanic's PDP, and a number of smaller parties, in order to attain a working majority. Such a coalition might prove difficult to form, particularly given strong differences between Silajdzic and Ivanic, who while perhaps moderate in comparison with the SDS, is nevertheless a nationalist; Ivanic has declared that he would never enter into coalition with Silajdzic. Furthermore, Ivanic's decision to enter into a coalition with the SDS in the RS parliament could exclude his participation in a national level coalition that excluding them.

Even if the SDP's leader, Zlatko Lagumdžija, succeeds in forming a coalition against the nationalists in the following weeks -- which is by no means a foregone conclusion -- such a coalition would be so fragmented politically and ideologically that the passage of laws in the state parliament could prove extremely difficult. The SDA, SDS and HDZ, on the other hand, need only three more votes to block any given issue on which they can agree.

The BiH Parliament is ostensibly responsible for aspects of foreign policy and trade, the state borders and the regulation of telecommunications, utilities and electricity. In the past, representatives in this body have obstructed its functioning, ensuring that these responsibilities remained in the hands of the three *de facto* entities. As a result, the High Representative has been forced to impose virtually all laws relating to the functioning of Bosnia's central government. Examples of such laws, obstructed by the SDS and other nationalist parties and eventually imposed by the High Representative, include most recently the Law on the Court of Bosnia and Herzegovina, forming a central court; amendments to the Law on Travel Documents, creating a single national passport; and the State Border Service Law.

With the continued influence of the SDS, HDZ and SDA in the BiH Parliament, their ability to block any piece of legislation by picking up only three extra votes and the fragmented and potentially unstable nature of any non-nationalist coalition, the functioning of the Bosnian state will likely require the continued frequent protectorate-like interventions of the OHR.

B. Federation Races

1. Federation Parliament - Silajdzic As King Maker

Like the BiH Parliament, the Federation Parliament consists of two chambers, the Federation House of Representatives and the Federation House of Peoples. While the populace directly elects the 140-member House of Representatives, the Cantonal Assemblies elect the House of Peoples. Given the new voting law for the Federation House of Peoples, that different Cantons elect different numbers of representatives of already specified nationalities, and the extremely close result in some Cantons, it is still difficult to predict how the House of Peoples will look.

In any event, the absence of a clear winner in the race for the Federation House of Representatives means that – as at the national level -- a majority consensus will be difficult to form. Another similarity to the BiH House of Representatives is that a government including the SDP will be impossible to form without the support of Haris Silajdzic's SBiH. Even so, given the present seat allocation, a coalition between the SDP, SBiH and NHI would have 60 of the 71 votes required to form a majority, while an SDA/HDZ coalition would have 63 seats. As at the national level, the outcome will be determined largely by the decisions of smaller parties. As a result, the Federation government is likely to function poorly, with the real decision-making power remaining at the cantonal level.

2. The Cantons of The Federation

The Bosniac-Croat Federation of BiH contains ten cantons, administrative units similar to a county, each consisting of several municipalities. There are no cantons in the RS, the municipalities being the next administrative level below the entity. The Federation constitution endorses the principle of decentralisation, which gives a significant degree of power to the cantons. This includes budgetary control over the municipalities and a significant say in appointing directors of public companies. The control of cantons by the SDA and the HDZ, either with exclusive majorities or through the existence of parallel governments and institutions in Canton 7, is the backbone of the *de facto* continuation of Herzeg-Bosna and a parallel Bosniac-controlled entity within the Federation.

In November 2000, the SDP achieved clear victories only in the Sarajevo and Tuzla Cantons. It finished neck and neck with the SDA in the Bosnia-Podrinja Canton, and came in close behind the SDA in the Zenica-Doboj Canton. In these four Cantons, as well as the Una-Sana Canton, the SDP could still form governments, but only with the support of Silajdzic's SBiH. The SDA and HDZ have the votes to form coalitions in the Middle Bosnian, Posavina and Herzegovina-Neretva Cantons, while the HDZ received

outright majorities in their traditional strongholds, the Western Herzegovina and Livno Cantons, with 70.5 per cent and 55.1 per cent of the vote, respectively.

3. Haris Silajdzic: Forcing The Hand Of The Protectorate

As in past elections, the international community had already decided which parties and politicians had the potential to push implementation of the Dayton Peace Accords months before the actual election. Hopes were placed on Zlatko Lagumdzija and the SDP in the BiH and Federation parliaments, and Mladen Ivanic's PDP and Milorad Dodik's Party of SNSD in the RS. A clear victory for the SDP and the PDP would have been interpreted as a sign of hope and could have meant long-awaited real progress on refugee return and the functioning of state institutions.

As already argued, hopes of such a dramatic shift were always likely to be disappointed. Real progress would require a more radical and systematic approach by the international community. This would include the passage of new laws, the formation of a unified military command structure, and the implementation of a recent Constitutional Court decision on the constituent peoples of Bosnia. The election result, in which only the SDS in the RS Assembly gained a majority, confirmed this reality. However, the formation of coalitions that will include the multiethnic SDP is crucial to the current strategy of the international community.

Haris Silajdzic recognises these realities, and knows that the international community cannot attain its goal of an SDP-led national and/or Federation government without him and his SBiH. Starting from this point, Silajdzic has instigated a major political coup. He has announced that he will only join the so-called Alliance for Change if the international community pledges to implement a series of conditions drawn up by Silajdzic and the SBiH. Ironically, these conditions are nothing more than the terms set forth in the text of the Dayton Peace Accords, (PIC) resolutions and numerous agreements brokered by the international community. These include significant refugee return, the passage and implementation of laws essential to the functioning of joint institutions, dismantling the parallel institutions in the Federation and the vigorous implementation of other aspects of Dayton. Taking a cue from the PIC, Silajdzic has placed clear time deadlines for certain actions to occur. The failure to reach these benchmarks would prompt the SBiH to pull out of any governing coalition and go into opposition. Silajdzic has told the international community that it cannot have a government with the SDP unless they are willing to fulfil their responsibilities regarding Dayton implementation.

Silajdzic has always had a reputation for sticking to his principles, no matter the cost. Given the international community's current strategy of trying to work within the framework of a combined semi-protectorate/flawed democracy, it is unlikely that it will fulfil Silajdzic's relatively straightforward conditions within the required time frame. As a result, Silajdzic could withdraw from any coalition that might emerge by the middle of 2001. Should Silajdzic withdraw from a coalition, it could

lead to a no-confidence vote in the national, Federation, and cantonal governments, and force new elections to be held before the end of 2001.

C. Races in Republika Srpska

1. Republika Srpska National Assembly: Tenuous Coalition Without The SDS

In contrast to the Federation and BiH level legislative branches, which have two chambers, the Republika Srpska (RS) entity-level legislature consists of one house, the RS National Assembly, with 83 members. Under a newly promulgated PEC election rule, members of the RS National Assembly are elected by local constituencies. The Assembly has legislative authority within the RS over privatisation, police, military, and public services such as health care and education. Given that it is not at the mercy of powerful cantons, as is the Federation government, and that it is dominated by a single ethnic group, the RS National Assembly enjoys considerably more real power than its Federation counterpart.

The SDS emerged from the elections as the party with the single largest representation in the RS National Assembly, with 38 per cent of the vote. However, given the lack of a clear majority for any party, the selection of the new RS prime minister -- who must be appointed by the president and confirmed by the Assembly -- and the subsequent formation of the new government will depend on coalitions. Given the SDS's strong showing, that party would appear to be the logical choice to form a coalition and name the prime minister. Yet the SDS cannot form a coalition without Mladen Ivanic's PDP. Ivanic has now announced that he will enter into coalition with the SDS, where he will hold the post of prime minister in a new RS government.

The international community -- particularly the United States -- pressured Ivanic to reject a coalition with the SDS and instead form a coalition with Dodik's SNSD. However, the alternative grouping proved numerically nearly impossible, and would have made any such non-SDS coalition nearly unworkable. Even if Ivanic and Dodik, the outgoing prime minister, had overcome their current differences, their combined support would have left them with only 22 seats, approximately 20 short of the 42 needed to form a majority. This would have required Ivanic to invite numerous smaller parties into coalition, including the non-Serb SDP, SBiH and NHI, as well as the problematic Bosniac nationalist SDA. Ivanic stated publicly that he would not enter into coalition with the SBiH, and a coalition with the SDA would be equally unpalatable. Ivanic also stated that it would be difficult, if not impossible, to form a government without the SDS. Many in the international community feared that a coalition between Ivanic and the SDS would further legitimise the SDS and maintain its stranglehold on political power in the RS. This, in turn, would lead to continued obstruction of the Dayton Peace Accords. For its part, the US threatened a cut-off of all aid to RS, should the SDS be included in an RS ruling coalition, leaving the entity in dire straits economically and socially. Given Ivanic's recent announcement of a coalition with the SDS, it now remains to be seen whether US officials will follow through on this threat.

2. Republika Srpska President and Vice President: SDS Victory

Prior to the election, the PEC promulgated a new rule allowing voters for the RS president to specify their first, second, third, etc. choices. This preferential voting system was designed to ensure that voters of smaller parties with little chance of winning would still influence the final result between leading parties. Given the fragmented opposition to the SDS, this system could assure that votes for minor opposition candidates would not be "thrown away". The international community had hoped that this preference system would result in no candidate getting 50 per cent in the first count, with the second count preferences giving Dodik a slight edge as President of RS. However, the international community may have misjudged popular discontent with Dodik, as the SDS candidate won this race in the second preference count, with 50.1 per cent of the vote. The new RS president and vice-president, Mirko Sarovic and Dragan Cavic respectively, will thus come from the SDS.

D. US And OHR Policy Responses

In their initial reactions to the election results, the US and OHR have displayed different approaches. The US approach has followed Richard Holbrooke's very direct approach and called for serious action against the SDS, while the European approach -- as exemplified by the OHR -- appears to be a continuation of the current policies. The only commonality among these approaches is the tacit admission that the election results were, at very best, very disappointing, and at worst, a severe blow to current international community policies.

The US approach has been characterised by a hard line against any participation of the SDS in an RS governing coalition. US diplomats -- most notably Special Envoy James O'Brien and Ambassador Thomas Miller -- have placed significant pressure on Mladen Ivanic, threatening to cut off all US aid to the RS, should Ivanic enter into coalition with the SDS.¹³ Given the current impact of this US aid as well as its focus on key sectors, such an aid withdrawal could prove a severe blow to the RS's already overwhelmed economy and government. Yet, as pointed out earlier in this report, Ivanic has chosen to go ahead and form a coalition with the SDS.

In contrast, the OHR has continued to work within the current framework. It has exacted promises from the newly elected President and Vice-President of RS, Mirko Sarovic and Dragan Cavic, that they will co-operate with the international community and work to fulfil their obligations for refugee return, economic reform, the fight against corruption, and implementing the property laws.¹⁴ Previous leaders of the RS have made similar promises in the past, and then immediately returned to their old policies of obstruction. Whether the current European policy will bear fruit is highly doubtful, particularly given Mirko Sarovic's recent highly publicised statement that RS lacked an applicable law to enable it to co-operate with the ICTY. This statement continued previous SDS traditions of

¹³ "SAD nece podrzati vladu u kojoj su predstavnici SDS-a," and Ako HDZ ne zeli ucestvovati u provedbi izbornih rezultata to je njihov problem," *Dnevni Avaz*, 13 December 2000, pp.4-5.

¹⁴ "Sarovic i Cavic spremni na saradnju," *Dnevni Avaz*, 14 December 2000, p.4.

obstruction by inaccurately invoking legal constraints, and it earned him a sharp public rebuke from the High Representative, Wolfgang Petritsch.¹⁵

Clearly, both the US and European responses to the election may prove futile. Both responses ignore the larger issue that the international community may shortly be faced with a power vacuum in Bosnia, as the various ethnic parties refuse to co-operate with international community efforts. Ivanic has now entered into coalition with the SDS on the RS level, and may be hard pressed to exclude them on the national level. In the meantime, the SDS leadership will probably rapidly break all its recent vague commitments to the international community. The HDZ could well continue to refuse to co-operate with the OSCE and OHR, or to join in the new governing organs in the Federation and national governments. If recent "encouraging" statements by the SDS cause the international community to continue its overly diplomatic stance towards this party, then the process of implementing the Dayton Peace Accords will quite probably revert to the *status quo*, with obstructionist forces successfully impeding implementation at every step of the way, once again underlining the futility of current implementation efforts.

III. HOW DID THIS HAPPEN?

Over the last five years, since the signing of the Dayton Peace Agreement, the international community has assisted Bosnia to the tune of over 5 billion US dollars in aid. Dispensed according to a sporadically applied principle of "conditionality", this assistance was meant to help reconstruct Bosnia, to promote the implementation of Dayton and to bring about sustainable peace. As a result of this investment, it is the case that much of Bosnia's infrastructure and housing has been reconstructed, citizens can move freely within the borders of their country and a small number of refugees and displaced persons have returned home.

And yet Bosnia's peace is fragile. As things stand, Bosnia will remain dependent on the continued presence of NATO troops for a considerable time to come. After five years, Bosnia's central institutions have yet to begin functioning in a meaningful manner. What little progress is made on the level of the central government is a result of near constant intervention by the High Representative. Such limited progress as there has been in implementing refugee return (Annex 7 of Dayton) has come as a result of pressure by the international community on the local authorities.¹⁶

A. Key Lessons

Although the recent elections signal increasing support for non-nationalist parties among Bosniac voters, they are unlikely to change the basic realities of Bosnian politics. Implementation of the Dayton Peace Accords, to the extent that it takes place at all, will continue to depend on the actions of international organisations. The international community is still a long way from achieving the goal of a

¹⁵ OHR Press Release, "High Representative clarifies RS obligations to ICTY," Sarajevo, 06 December 2000.

¹⁶ "Bosnia's Municipal Elections 2000: Winners and Losers," 28 April 2000, ICG Balkans Report, No. 91.

functioning state and a sustainable peace, such as would allow for an eventual international withdrawal.

These election results represent another in a long series of disappointments for international hopes that elections would bring to power moderate, co-operative Bosnian partners. They highlight again the failure, in the face of determined nationalist extremism, of an international approach that placed emphasis on hopes of progress through elections held in a deeply flawed political environment. Some key lessons need to be drawn from these elections regarding the international approach towards elections and the political parties in Bosnia.

1. Over-emphasis on Elections.

The emphasis on elections as a means of bringing to power more co-operative Bosnian partners should be dropped in favour of a more radical approach designed to change the environment in which future elections will be held. This emphasis on elections goes back to the mistaken decision to hold elections in the wholly unsatisfactory conditions of 1996, which gave democratic legitimacy to the parties responsible for ethnic cleansing, the SDS and the HDZ. Later elections, held within the same flawed framework, have repeatedly and predictably delivered victories for nationalist parties which continue to undermine international efforts.

Ever since the first post-Dayton elections in 1996, elections have been held in an environment in which institutions lack credibility. The international presence is the only factor preventing a complete unravelling of the Dayton edifice. Fear of potential future conflict remains a defining feature in Bosnian voting behaviour. With the wounds of ethnic conflict still fresh, the 1996 elections allowed the same nationalist parties that had waged the war to participate in the first post-war elections. The naive assumption that elections would ensure democracy and peace ignored the fact that the nationalist parties had already used elections to achieve undemocratic goals once, in 1990. The framework within which international organisations are operating in Bosnia continues to be fundamentally flawed and dysfunctional. It is thus unsurprising that the wartime nationalist parties have remained strong in subsequent elections.¹⁷

2. The Effective use of the International Mandate.

The most egregious aspect of the first elections in 1996 was the fact the SDS, which organised the ethnic cleansing of non-Serbs through murder, rape, concentration camps, and forcible deportation, was allowed to participate. While international representatives convinced Karadzic himself not to run, the SDS campaign centred around him, just as the HDZ campaign centred around the Croat separatist aims of Herceg-Bosna.

¹⁷ ICG has, since the first post-Dayton elections in 1996, consistently argued that the international community's approach on elections has been flawed. See, for example, ICG Balkan Report No. 16, *Elections in Bosnia and Herzegovina*, 22 September 1996; Balkan Report No. 42, *Doing Democracy a Disservice: 1998 Elections in Bosnia and Herzegovina*, 9 September 1998; and Balkan Report No. 80, *Is Dayton Failing? Bosnia Four Years after the Peace Agreement*, 28 October 1999.

While actively promoting to Bosnians the idea that democratically held elections would be a major step towards sustainable peace, the international community faced a group of local partners not sincerely interested in the model of sustainable peace that they had devised: the Dayton Peace Accords.

One of the reasons for many of the failures to date has been an overly diplomatic approach by the international community towards parties whose express interest is in maintaining the spoils of ethnic cleansing, territorial and financial. While the OHR, OSCE and the SFOR have asserted their right to remove elected officials, ban political parties, impose laws, seize assets and arrest war criminals, these powers have been applied inconsistently. Thus Bosnian politics may be characterised as a paradoxical combination of flawed democracy and a semi-international protectorate in which the international community often appears reluctant to use its powers effectively. In order to lock in the gains that have been made over the last five years and make them sustainable, the international community should accept a responsibility commensurate with the powers granted it. This could include the more consistent and frequent use of the powers vested in the OHR as well as a clearer application of the OSCE's powers to ban parties and individuals from office who demonstrably work against the implementation of the Dayton Peace Accords.

B. Rethinking Basic Assumptions

Facing such determined opponents, the international community was further hampered by a rapid turnover of often unqualified personnel, lacking relevant experience, including sometimes in senior positions. Thus the approach towards obstruction was constantly changing and often based on incomplete information, lack of experience, and incompatible or conflicting theories of how to facilitate the speediest international pull out. International approaches were all too often based on a number of sometimes conflicting and false assumptions. These included:

- 1. "Democratically elected representatives can be convinced to do the right thing through a diplomatic process. Being un-diplomatic would lead us back into war."**

This assumption has been proven false time and again, as the international community has imposed a decision on Brcko, banned political parties from running for office and removed elected officials, all of which resulted in real progress and no significant unrest. And yet fears of being undiplomatic still plague decision-makers at the OHR and OSCE. This was demonstrated most recently in the failure to ban the SDS from participating in the November 2000 elections, even though it was in clear violation of several aspects of the PEC's election rules. As a result, one of the main parties responsible for the war in Bosnia is still a major political force in government. Long-term, sustainable peace in Bosnia will remain impossible as long as the SDS is permitted to participate in the political process.

The international community also responded relatively meekly to the numerous threats of Bosnian HDZ leader Ante Jelavic. Jelavic threatened

that the HDZ would no longer co-operate with the international community, that the party considered the OHR and OSCE *persona non grata*, and that the HDZ would boycott the election results. On election-day the HDZ initiated a separatist referendum. Changes in Croatia notwithstanding, the HDZBiH used the same antics, empty threats and complaints, as well as the same nationalist separatist rhetoric that has accompanied six years of obstruction to unified institutions and support for *Herceg Bosna*. As with the SDS, creating a sustainable peace in Bosnia and Herzegovina will be impossible as long as the HDZ remains active in the political process.

2. "Bosnia is a democracy."

The main objection to banning the SDS in the November 2000 elections was that to do so would disenfranchise a majority of the voters. This ignored the fact that Bosnia is already a semi-protectorate, in which voters are already subject to multiple constraints: the international community has set a precedent for banning parties, removing elected officials, imposing laws, confiscating evidence and arresting war criminals. It is time for the international community to stop making a sacrificial lamb out of the occasional individual official or party, admit that Bosnia is a quasi-protectorate and set clear performance benchmarks for all local political parties and officials. Having acknowledged that Bosnia is indeed a protectorate, the point will then be to use the opportunity that that offers in order to build a functioning, sustainable institutional framework.

3. "Local authorities must begin to take "ownership" of the institutions of the country, learning to run them without the help of the international community."

While good in theory, the concept of ownership was formulated not to create self-sustaining peace, but rather to facilitate an international pull-out. When local authorities, usually representing one of the nationalist parties, blatantly obstruct minority return, the functioning of state institutions or other aspects of Dayton, someone in the international community invariably argues against sanctions, as that would be taking "ownership" away from the Bosnians.

Yet since the beginning of the international community involvement in implementing the Dayton Peace Accords, local authorities have flagrantly refused to take ownership, concentrating instead on protecting their own narrow financial and political interests, at the expense of creating a functional state and economy. The continued refusal of local politicians to engage actively and constructively with the international community discredits the policy of ownership.

4. "Serbs, Croats and Bosniacs can live together and forget their hatred within the framework of the current system."

Bosnians could easily live side by side in a prosperous country in which they felt that their national rights were protected, and in which institutions

functioned and justice was served. One frequently hears international officials express the idea that Bosnia's ethnic groups simply cannot live together. This ignores the extent to which Bosnians are manipulated by ruling nationalist parties whose goal is to maintain their power through exclusive control over an economy divided into three parts, and who have an interest in perpetuating ethnic divisions in order to maintain a monopoly on wealth. Until the international community takes strong steps to cut off the illegal and quasi-legal financial supports to the nationalist parties, these parties will continue to waste the resources of the country on dispensing political patronage, and will remain in power.

5. "Generation change will eventually resolve the problem."

Many international community officials -- particularly within the EU -- have promoted the view that democratic change will take hold in Bosnia when the new generation of young people, who do not remember the war, come into their political prime. This theory is patently flawed. On the contrary, while the older generation lived, worked, studied and intermarried with members of other ethnic groups, young Bosnians today live in communities dominated by one ethnic group, attend segregated schools with separate, ethnically based curricula, and lack normal, every-day contact with other groups.

One need only look at the recent events in Brcko, when adults organised a protest of Serb high school students against sharing the same building with students of other nationalities, to see how the younger generation is being manipulated and socialised. These protests featured ultra-nationalist symbols, as well as banners supporting the indicted war criminals Karadzic and Mladic. The continuation of segregated education is an example of how years of nationalist obstruction and international community inaction have cemented the psychological divide between ethnic groups.

A poll of university students in the RS showed that 73.8 per cent think that the RS should either join Serbia or become independent.¹⁸ This reflects a view prevalent in the RS, where many people view their entity as sovereign, and a temporary stepping stone to full integration with Serbia and the Federal Republic of Yugoslavia (FRY). As such, they do not favour co-operating with the international community, the Bosniac-Croat Federation, or the central organs of government. They pass this view on to their children.

The generation change theory also ignores the fact that large numbers of the most intelligent and capable young Bosnians are leaving for Europe and America in droves. These young people do not wish to place their lives on hold while they wait for the international community and local politicians to get their acts together. According to one recently conducted

¹⁸ "Potmulo negodovanje: istrazivanje javnog mnjenja: Studenti u RS," *Reporter*, 28 June 2000, pp.22-24.

poll, "62 per cent of youth in Bosnia and Herzegovina (BiH) would leave the country if they were given the opportunity."¹⁹

IV. WHERE ARE WE NOW?

Since the signing of the Dayton Peace Accords in November 1995, the international community has devoted significant resources to consolidating peace in Bosnia, reconstructing its war-torn infrastructure and building institutions. The sustained effort has brought success in a number of areas. Above all, the presence of NATO has enabled the military disengagement of the opposing forces in Bosnia and has kept the peace for five years. Progress has been made in creating common institutions and some attributes of a common state. For example, Bosnia has a central bank, a common currency, common license plates, common passports and common state symbols. The EU's Customs and Fiscal Advisory Office (CAFAO) has made progress in reforming the customs service. Several key laws have been passed, including a citizenship law and a telecommunications law. Property laws (crucial for, among other things, sustainable refugee return) are gradually being implemented. The long-delayed privatisation process appears finally to be moving forward. Payments bureaux and financial sector reforms are well under way, as is the restructuring of broadcast media. Refugee returns, although still far below desired levels, appear to be increasing.²⁰

The efforts of the World Bank, UNHCR, USAID, the EU, and other individual donor nations succeeded in reconstructing much of Bosnia's war-damaged public infrastructure. Today, Bosnia and Herzegovina has new roads, schools, hospitals, bridges, houses, and power lines, and in Sarajevo much of the wartime damage has been repaired. Yet all these successes share one common factor: the international community either imposed them or paid for them.

Nationalist politicians retain considerable appeal. Seeing little interest for themselves in doing more than paying lip-service to the implementation of the Dayton agreement, they have continued to thwart international efforts. Bosnian politicians have had little or nothing to do with the actual creation of policy, nor with its application. As Bosnia has come to resemble a quasi-protectorate, local politicians have had the luxury of being able to enjoy their positions without having to take responsibility for transforming the country and making it work. While they have not taken responsibility for running Bosnia, they have been very adept at frustrating international efforts to order the country in ways that frequently do not suit Bosnia's political elites, and at exhausting the international community in its efforts.

Yet, as the November election results demonstrate, none of the gains the international community has made to date appear to be self-sustaining, and few, if any, could withstand an international withdrawal. Were one to compare the post-Dayton structures and achievements to a building, one would be forced to admit that the walls are not yet capable of bearing a load. In the words of the Madrid Peace Implementation Council, "Bosnia and Herzegovina's structure

¹⁹ Survey conducted by Prism Research, cited in the UNDP report: "Human Development Report: Bosnia and Herzegovina 2000, Youth."

²⁰ "Bosnia's Refugee Logjam Breaks: Is The International Community Ready?" ICG Balkans Report #95, 30 May 2000.

remains fragile. Without the scaffolding of international support, it would collapse."²¹ A withdrawal by NATO and the panoply of other international organisations in Bosnia could result in the unravelling of the hard-won gains of international efforts, as well as, probably, in renewed hostilities.

Today's Bosnia and Herzegovina consists of three de facto mono-ethnic entities, with three separate education, healthcare and pension systems, three separate power systems and telephone systems, three separate armies and police forces, as opposed to the two prescribed in Dayton. A dysfunctional national government with no power, that is attempting to emerge from a protracted constitutional crisis acts as little more than a figurehead. Should the national government function, it would exist primarily on paper and operate at the mercy of the entities. The dysfunctionality of the BiH constitutional structures that give rise to this situation caused the architect of the Dayton Peace Accords, Richard Holbrooke, to state that the Dayton Peace agreement is "flawed in several key aspects," and "just won't fly." The most recent Peace Implementation Council concluded that: "narrow nationalistic and sectarian political interests have impeded everything from refugee return to economic reform to the functioning of government institutions." In other words, after five years and five billion dollars, the implementation of the Dayton Peace Accords remains very incomplete.

Nationalist political parties, including those responsible for the war, remain securely in power throughout the country. As a result of the 8 April 2000 municipal elections, and the more recent 11 November 2000 general elections, hard line nationalist parties have ensconced themselves in power in both the Serb and Croat majority areas. HDZ officials have now come out defiantly and refused to recognise the authority of the international community, including the OSCE Rules and Regulations, as well as a recent decision by the High Representative removing the Minister of Interior in Canton 10. All the while, the HDZ continues to maintain the illegal third entity structures of Herceg-Bosna. The ultra-nationalist hard-line Serbian Democratic Party (SDS) continues to operate under the leadership of indicted war criminal Radovan Karadzic. Throughout Republika Srpska (RS) indicted war criminals continue to influence and control political and economic life, particularly on the municipal level, where many of them are police chiefs, mayors, municipal councillors, and directors of public companies. Under their tutelage, the RS continues to oppose all efforts to fulfil even the simplest conditions of Dayton, while still opposing blatantly most efforts to increase refugee return and implement property laws. Although a new and supposedly moderate political figure -- Mladen Ivanic -- will now become the new Prime Minister of RS, real change seems distant.

Nearly six years after the signing of the Federation Agreement and five years after the signing of the Dayton Peace Agreement, only the Bosniacs appear poised to make significant political breakthroughs away from the narrow ethnocentric nationalist politics that destroyed the country. This is seen in the willingness among many Bosniacs to switch allegiance away from the SDA to the non-nationalist SDP and moderately centrist SBiH.

²¹ Madrid Peace Implementation Council, 16 December, 1998.

V. CONCLUSION

The key test for the international community in Bosnia is self-sustainability. To date it has failed this test. Five years and five billion dollars after the signing of the Dayton Peace Agreement, it's time for the international community to take a more systematic approach to implementing the Dayton Peace Accords, in particular in regard to those individuals and parties whose activities endanger Bosnia's chances for a sustainable peace. The investment of time and money must not be lost. Pulling out of Bosnia is not a viable option, as it would certainly lead to renewed conflict and probably renewed intervention at a later time.

After five years, the international community must devote renewed attention to actually implementing the Dayton Peace Accords. Only when the international community begins to accept responsibility for its poor performance and concentrate on implementing the provisions of the Dayton Peace Accords will it begin to achieve the preconditions necessary for self-sustaining change. Only then will Bosnia's Serbs and Croats follow the Bosniac lead and begin to move towards "normal" politics.

One of the tasks incumbent on the international community is to create an environment conducive to elections and multi-ethnic democracy. Creation of such an environment should not rely on the nebulous wishes of Bosnia's neighbours, in particular where -- as in the case of Yugoslavia -- newly elected leaders continue to openly support obstructionist nationalist elements and have yet to demonstrate their support for democratic change in Bosnia. Rather, should the international community wish to see true self-sustainable change, it will sooner or later have to undertake a more serious discussion of how to sanction nationalist obstructionists in a more systematic fashion, which would include severing their links with sources of political and economic patronage. The successful outcome of such an undertaking would require the international community to rethink the way it does business in Bosnia.

The November 2000 elections demonstrated that the international community faces a long tenure in Bosnia. It also proved the bankruptcy of the international community's policies for peace implementation, particularly the reliance on elections to create an atmosphere conducive to self-sustaining change. These failed international community policies have only prolonged the international presence in Bosnia, and prolonged Bosnia's extended political, economic and social agony. By prolonging its presence, the international community has also incurred the additional costs that will be necessary to remain in Bosnia. Every year wasted relying on faulty implementation policies means an additional year to get it right. How now to get it right will be the subject of forthcoming ICG reports.

Sarajevo/Brussels, 18 December 2000