

First, let me thank the Helsinki Commission for organizing this briefing. My remarks today will assume a basic understanding of recent political events in Bosnia and Herzegovina (BiH), and I would be happy to answer any questions or clarify any points later.

The political situation in Bosnia and Herzegovina has been deteriorating for years, but it is the worst that I have seen since I became involved with the country and its political leaders in 2001. Though I see no prospect of conflict, neither do I see any ready way out of the current stalemate. With the failure of political parties to form a government more than nine months after a general election, the country's progress on NATO and EU integration is floundering.

The United States has ceded the lead in Bosnia to the EU. While this makes sense in terms of the process of EU integration, Brussels has had difficulty managing and understanding the politics of the place, and has been far too reactive to crises. The draw of EU membership has been much less effective as an incentive for reform and compromise in Bosnia than in other east European candidates. There had been speculation earlier in the year about a new package of EU sanctions to be used in response to anti-Dayton actions or efforts to block or slow BiH's EU integration. It was always unclear if a EU member state consensus existed for such tougher measures, and apparently it does not. The U.S. must, therefore, remain actively involved in Bosnia in full partnership with the EU and its member states.

The basic political problem in BiH lies deeper than the failure to form a State government, the marginalization, as many Croats see it, of the two principal Croat parties within the Federation or the recent RS threat of a referendum on state institutions. These are symptoms of the underlying disagreements about the nature of the State and these differences have defined conflicting positions on such issues as constitutional reform. At one end of the spectrum is a vision of BiH as a unitary and citizen-based state. At the other is a loose federation with ethnic-based rights and protections. Discussion of these issues will continue, but the international community must be firm in dealing with obstruction, violations of Dayton or any threat of dismemberment of the country.

At the meeting of the Peace Implementation Council or PIC earlier this month the international community heavily criticized political leaders for failing to form a state government, but showed no appetite for intervening

directly in the politics of government formation. Party leaders must reach agreement among themselves on this question, and it seems clear that only a broad coalition that includes the principal Bosniak, Croat and Serb parties can form such a government. The international community must press party leaders for the earliest possible action along these lines.

Some politicians in Bosnia believe that a highly and further decentralized BiH can enter the EU. I do not believe such a state structure is compatible with meeting the responsibilities of membership in NATO and the EU. Some basic reforms to improve the functionality of the Dayton State will be essential, but they do not have to result in a centralized or unitary state. But my recommendation to a new State government would be not to make constitutional reform a priority. It will take time to restore the trust and confidence that has been squandered over the past few years in political infighting before constitutional reform can be dealt with.

A new government coalition should focus on the economy, improving the climate for foreign investment, fighting corruption and resolving the issue of defense property. The latter will open the way to progress on BiH's Membership Action Plan and eventual membership in NATO. This will not only contribute to Bosnia's security and political stability, but also in turn enhance its attractiveness to foreign investors. Once such a track record of cooperation and a reduction of tensions is achieved, political leaders can, as they eventually must, turn to constitutional reform. Some of the constitutional proposals made by the U.S. and EU in the recent Butmir process may be worth reconsidering when that moment comes.

The EU needs to strengthen its presence in Bosnia. It has recently appointed a new head of mission to its delegation in Sarajevo. His arrival in the country should be speeded up. He is a knowledgeable and able diplomat. He will inherit the title of EU Special Representative. However, he needs to be given real authority over such things as the use EU resources and policy formulation regarding Bosnia. Currently the EU delegation is largely a team of technocrats focused on the details of the enlargement process. The EU mission staff needs to be beefed up to include analytical and public affairs capabilities so that mission can play a central role in developing a real European vision and strategy for dealing with Bosnia, as well as have the capacity to implement it. The alternative will be the "least common denominator" approach agreed among EU member states, which has characterized policy generated in Brussels to date.

As an incentive to climb down from the threat of an RS entity referendum in June, seen by many as a clear violation of Dayton, the EU offered the RS and BiH a “structured dialogue” on the state court and prosecutors. Presumably the EU intends to discuss the courts and criminal justice system in terms of EU requirements. The EU should consider broadening that dialogue and using it as an opportunity to educate BiH politicians and the public on what needs to be done institutionally and in terms of constitutional reform to move ahead on the Stabilization and Association Agreement and BiH’s candidate status in the EU. Subjects such as the need for a state supreme court, compliance with the Sejdic-Finci European Court decision on the rights of non-constituent peoples and a so-called EU clause in the Dayton constitution to give the State a lead in negotiations on enlargement should all be addressed.

For the part of the United States I recommend that it reconsider an idea that originated here on Capitol Hill a few years ago. This is the appointment of a special representative or envoy for the western Balkans. The U.S. team working on Bosnia is extraordinarily dedicated and competent, but a solution of Bosnia’s complex political problems will require better coordination not just between Washington and Brussels, but also between Washington and EU member state capitals as well as other important regional actors. If possible, such an envoy should work in tandem with a European counterpart to develop a more proactive approach to Bosnia. Such a position would be a full time job and cannot be done by someone with broader responsibilities sitting in Washington. I know there is strong support for this idea among old Bosnia hands both in the U.S and Europe.

I do not underestimate the difficulty of reaching agreement on such issues as government formation, constitutional reform or defense property. The measures I have outlined can strengthen the hand of the international community as it works to help find solutions to these issues. We need to work to assure the Serbs that the ultimate goal of reform is not elimination of their entity, assure Bosniaks that reform will produce a more functional and integral BiH that will enter NATO and the EU, and assure Croats that by opening the way to BiH’s integration into the EU, the position of Croats will be improved and their exodus from the country reversed.

I am currently working with a small university in Bosnia, a partnership with the State University of New York (SUNY) at Canton. The university seeks

to build a multi-ethnic student body with campuses in Tuzla, Banja Luka, Sarajevo and Mostar. Its mission is to educate a new generation of students that shares a common vision of a Bosnia fully integrated into Europe. Our students have met with members of the Helsinki Commission. The sooner such a generation can assume positions of leadership in business and government, the sooner Bosnia will be in a position to find political compromises for the longer term benefit of all of its citizens.