

evidence of progress and hope of an early exit.(Graham 1998)

The saga of successive elections and their sub-optimal results – voters' persistence in electing the usual nationalist and often anti-Dayton suspects - continued through 1997 and 1998. These patterns, particularly at the municipal level, drastically slowed the rate of refugee returns, which in turn limited what could be undertaken in respect of longer-term reconstruction and development. The existence, despite IFOR, of significant areas of non-compliance with Dayton – not to mention violence - in both the RS and the Croat areas of the Federation, also meant that economic and humanitarian progress was very unevenly distributed across the country and virtually nonexistent in many areas. Much of the “dull stuff” (Patten: 2001 quoting Tim Judah) that the EU was doing had the virtue of providing immediate, practical returns to ordinary Bosnians – public transport up and running, houses rebuilt, water and electricity restored, and so forth – but in the absence of a more coherent, long-term and higher-profile strategy, Brussels risked always being vulnerable to the sometimes-unintended local effects of others' policies.

Recognizing this, the EU began, in 1997 and 1998, to give more coherence and focus to its work in Bosnia. Taking its cues from the 1997 London meeting of the PIC, the Commission began to focus more closely on the crucial linkage between refugee returns (to which the bulk of its early spending had been directed) and economic reconstruction. Other areas given new priority were economic reform (privatization and freeing of markets), job-creation, rebuilding of technical and social infrastructure, institution-building and administrative reform. From 1998 on, the three principal foci of EU action became: first, institutions – the national-level administration, the customs service (corrupt and ineffective in controlling borders, especially between the RS and the FRY), broadcasting, the courts, and the Dayton institutions for human rights, the ombudsman and property claims; second, economic reform – modernizing the banking and financial systems, clearing obstacles to trade and investment, promoting privatization, developing local industries and SMEs, and re-establishing agriculture; third, social cohesion and development – particularly in health and education.

In the first three years of the Dayton regime, therefore, the EU emerged as an omnipresent if low-profile player in the complex enterprise of rebuilding and reforming the Bosnian state, economy and society. In addition to its role as a provider of economic and technical assistance and as overall coordinator of the international reconstruction project, the EU retained its difficult governance of Mostar, until replaced in January 1997 by the OHR. Brussels also encouraged, and later took the lead in, the Royaumont Initiative, a multilateral effort to encourage and harness the efforts of NGOs, initially in Bosnia but eventually in the Balkan region as a whole. It was learning on the job, trying where possible to adapt development and peace-building lore from experience elsewhere, and engaged in constant self-assessment and adjustment to the shifting circumstances of those early years. The EU did appear, however, to be searching without much success for a more coherent strategy for Bosnia and the region – one that would not only do its appointed task better but also move the EU into a more powerful and prominent position in the complex of overlapping and often competing agencies that made up the Bosnian protectorate.