

money taken from state-owned companies. They are above the law of the land and regularly disregard court orders at party instruction. They answer to the ruling party and are not publicly accountable. In addition, freelance fraud, corruption, and cronyism exist within the bureaux themselves.

Control over the PBs means control over the budgets and expenditures of the police, pension fund, health care, education, state-run enterprises, and private businesses. As long as the ruling parties control the economic system and the finances of the municipal administration through the PBs, it will be impossible to effect systemic changes.

Recommendations:

The PBs must be dismantled rapidly! Any and all subsequent reforms depend on their elimination! The international supervisor should eliminate the PBs over a 60-day period according to the following time schedule:

D - 30

- Parallel PBs notified of impending closure;
- Controllers told of new jobs with tax agency (see page 6);
- International liquidator appointed to supervise shut-down of the three parallel PBs.

D DAY

- PBs lose monopoly on payments processing;
- Businesses have 30 days to shift their accounts from a PB to a private bank.

D + 30

- PBs close doors;
- PB property privatised.

Benefits:

- Some black market business will become legitimate, increasing the tax base;
- Incentive for businesses to locate in Brcko;
- Destroys the ability of parallel institutions to raise and collect taxes, and to fund themselves;
- Strengthens the commercial banking sector;
- Breaks stranglehold of political parties on governmental organisations;
- Breaks stranglehold of political parties on the economy;
- PB property can be privatised and sold to banks.