

Speech by High Representative Valentin Inzko at the Estonian International Centre for Defence Studies

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Political Melodrama Must Not Obscure Real Progress

Ladies and Gentlemen,

Let me begin by thanking the Estonian International Centre for Defence Studies for kindly inviting me here today. As an Austrian diplomat serving in Bosnia and Herzegovina I believe I can offer a useful perspective on current European issues. At the same time, I believe there are things that we can learn from Estonia's recent experience that will help Bosnia and Herzegovina make progress along the path to full Euro-Atlantic integration.

Following independence Estonia was able to carry through the transition to market democracy and integration in Euro-Atlantic structures. It is taking Bosnia and Herzegovina longer and the process has been beset by difficulties, but we are on the same road and we are determined to reach the same objective.

Perhaps I could also draw attention at this point to the fact that Estonian personnel have served in the IFOR, SFOR and EUFOR peacekeeping missions and in the EU Police Mission in Bosnia and Herzegovina. This is a helping hand from one country to another and will not be forgotten.

Bosnia and Herzegovina's contribution to Europe

Bosnia and Herzegovina has an enormous contribution to make to the rest of Europe.

Its integration in Euro-Atlantic structures will benefit not only the people of Bosnia, but also citizens right across the continent, because it will open up new markets and create opportunities to enhance a cultural dialogue that is indispensable for Europe's long-term prosperity and security.

Perhaps this is something that can easily be grasped from the vantage point of Estonia, a country that has created for itself a dynamic and valued role inside the European Union.

Ground prepared for economic take-off

New economies have a natural capacity to produce new products. In this respect Bosnia and Herzegovina is not yet in a position to compete in this way – but it *can* get to such a position, and it *will* get to such a position if we can resolve some of the political difficulties that have preoccupied us in recent years.

But when I tell you that the State Parliament has only adopted 4 new laws since the 2010 elections you will understand that this is way too little for a State seeking to join the EU and NATO.

However I truly believe that Bosnia and Herzegovina has the capacity to succeed; for example Bosnia and Herzegovina is in the enviable position of being the sole electricity *exporter* in Southeast Europe.

Moreover, despite political obstacles, Bosnia and Herzegovina has one of the most stable currencies in the region. The BiH Central Bank has built up an enviable reputation for reliable macro-economic management, and the state-of-the-art indirect taxation system introduced in 2005 is modern and efficient.

Serious problems remain, but much of the ground has been prepared for economic takeoff.

Real progress being made

Let me briefly outline for you the major political developments in recent months.

After 6 years of open challenges to the Peace Agreement, the first months of this year have heralded a long awaited return to progress.

Following the October 2010 general election, it took the main parties a full 16 months to build a working consensus that made it possible to form a BiH Council of Ministers. Just in the last week, as some of you may know, disagreements within the ruling coalition have culminated in ongoing moves to push out one of the larger parties and reshuffle the cabinet.

We shall see how the current government crisis will evolve but it is clear that the protracted uncertainty over the state government since the 2010 elections has contributed to an atmosphere that has scared away investors. In a global economic downturn this is a problem that Bosnia and Herzegovina could certainly have done without.

But political melodrama should not be allowed to obscure the fact that Bosnia and Herzegovina has made – and continues to make – real progress. It may be a case of two steps forward, one step back – but the country is moving in the direction that its citizens want it to go, and that is into the European Union and NATO.

What is needed now is focused political consensus.

This is something that the International Community cannot impose. Bosnia and Herzegovina's elected leaders must build this consensus by themselves.

We have already seen evidence that they *can* move forward. In

March the party leaders reached agreement in principal on resolving the issues of ownership and use of state and military property – which have been sticking points for years. Implementing this agreement in regards to military property will send a positive signal to NATO that the BiH leadership is serious about fulfilling all the requirements for NATO membership.

Implementing the agreement will also bring the country closer to fulfilling the conditions laid down by the Peace Implementation Council Steering Board for the eventual closure of my office, the OHR.

Another major step forward was taken last month when my colleague and principal deputy, in his capacity as Brcko Supervisor, was able to announce the suspension of day-to-day international supervision by the end of August. At the same time I announced that the Brcko Final Award Office in the District will be closed by the same date.

As you will know, Brcko, a strategically important town on the Sava River in Northern Bosnia, has been under international supervision since soon after the end of the war. Suspending supervision is a big step in the country's long road to full post-war recovery. It reflects the real progress that has already been made in Brcko District and in the country, and at the same time it creates conditions in which further progress can be made.

A whole new way of looking at society

However, we cannot be complacent. BiH is not a short-term challenge; the structural problems of the Dayton Constitution remain, and more importantly, the State is ill-equipped to defend itself from those who would question its existence.

And so while Dayton has ensured peace, changes are needed to make the country more functional.

In 2009 the European Court of Human Rights ruled that the BiH constitution, which is part of the Dayton Peace Agreement, violates the rights of citizens who do not belong to any of the three Constituent Peoples: Croats, Serbs and Bosniaks.

Two issues are raised by this ruling and perhaps the Estonian experience can shed some light on both.

Bosnia and Herzegovina's leaders must devise a constitutional mechanism that will protect the rights of communities but which will not in the process erode the rights of individuals.

This challenge can be met. Throughout Europe mechanisms are in place that protect communities without disenfranchising or otherwise damaging the interests of citizens *per se*.

The second issue raised by the European Court's ruling touches on the fundamental understanding of what citizenship means in a modern democracy.

The countries that emerged from the former Yugoslavia have had to reconnect with the basic premise that government is responsible to the people and not the other way around; they have had to embrace the paramount importance of transparency in government and administration, and they have had to recognise the indispensable role in a functioning democracy of free speech, free media, independent courts and a free market.

This is not simply a matter of introducing and following new rules.

This represents a whole new way of looking at society.

In Bosnia and Herzegovina, some citizens – and some politicians – are further along the road than others. In some cases we have seen citizens and citizens' groups take the lead in demanding new standards in public life.

Transparency, when supported by an active and assertive civil society, has the capacity to sweep away the old culture of

politics behind closed doors.

A triumph for EU diplomacy

I would like, before I finish, to touch on the new diplomatic scenario in Southeast Europe.

In recent years we have witnessed a social, political and diplomatic revolution in the Western Balkans, as one country after another has jettisoned the disastrous nationalism of the nineties and replaced it with a Europe-oriented pragmatism.

Croatia will become an EU member next year, while Serbia and Montenegro, Bosnia and Herzegovina's other immediate neighbours, are committed to European integration.

Incoming Serbian President Tomislav Nikolic has made some unfortunate comments, including recent remarks apparently seeking to deny the genocide that occurred in Srebrenica. These have sounded alarm bells – but I do not believe – or rather I sincerely hope – that Mr Nikolic, who won office on a pro-Europe platform, does not wish to destroy the European aspirations of his fellow citizens by reverting to the failed politics of chauvinism.

We are operating – and this applies in every part of the continent – in a climate that is overshadowed by the economic crisis. This means that the countries of the Western Balkans must attract and then hold the attention of Brussels – and the best way of doing that is to focus attention for good reasons, not bad ones.

The successful integration of Bosnia and Herzegovina in the European Union as a prosperous and viable market democracy would be a spectacular triumph for European Union diplomacy.

That is a welcome prospect in a difficult period.

But it remains critically important for the International Community to be united if we are to succeed. The OHR remains an

important complementing tool that safeguards the Peace Agreement and the sovereignty of the country thereby enabling the EU to focus on its agenda.

I still believe that 2012 can see major progress on NATO MAP and EU integration, but the parties must quickly find the political will to overcome their differences. The situation is frustrating because these are small issues compared to the structural changes that will be required if BiH is to join the EU.

Blazing a trail

When Estonia secured international recognition, the country's economic and diplomatic prospects were fraught with challenges. This is not an easy road. In the case of Bosnia and Herzegovina the road has been made more difficult and more painful by the legacy of a terrible war. Yet experience shows that obstacles can be overcome, difficulties can be resolved and the rewards of resolute reform and resolute diplomacy can be great.

I believe that despite the recent setbacks, Bosnia and Herzegovina has the capacity to complete its journey into Europe. Successful countries like Estonia have already blazed a trail and that is a trail that we are determined to follow.

Thank you