

Speech by High Representative and EU Special Representative Valentin Inzko at the Japan Institute of International Affairs

Tokyo, 23 August 2011

OHR Will Focus on its Core Tasks

Ladies and Gentlemen,

I would like to begin by thanking the Japan Institute of International Affairs for organising this forum. Since I became High Representative and EU Special Representative in Bosnia and Herzegovina, in March 2009, I have visited Tokyo three times and on each visit I have taken part in discussions at the Institute. I have found these encounters to be invaluable – in acquiring a deeper understanding of Japan's objectives in the Western Balkans and also as a means of exploring Japan's unique and positive role in Southeast Europe.

I was last here in October 2010. Clearly, the terrible events of March this year have altered many aspects of Japan's political, economic and social outlook. I would therefore like to take this opportunity to extend a message of solidarity from the people of Bosnia and Herzegovina to the people of Japan.

In the days immediately after the tsunami, a spontaneous civic initiative in Bosnia and Herzegovina raised money to provide relief for victims of the disaster. Compared to the scale of

the physical damage, this gesture may have been modest, at least in material terms, but I hope that those who were directly affected by the tragedy may have found some comfort in the fact that citizens in a country on the other side of the globe, who have themselves experienced enormous suffering in the last two decades, offered a helping hand in the moment of crisis.

Japan and Bosnia and Herzegovina

In my remarks here last October I explored the nature of Japan's engagement in the BiH peace process. I noted that Japanese assistance worth a quarter of a billion Euros has played an important role in transforming the country's infrastructure, while Japan's diplomatic engagement has contributed to the long-term objective of building a viable democracy.

I noted too that in Southeast Europe, Japan is entirely without historical baggage. It is free of cultural and political associations that could complicate its engagement. In this respect Japan has enormous freedom of action.

I concluded my remarks by pointing out that the BiH economy – although it is currently suffering as a result of domestic political gridlock and the global economic crisis – has nonetheless been transformed in the last fifteen years and the country could be an ideal platform for Japanese investors and manufacturers.

Since I spoke here, major changes have taken place in BiH politics and in the International Community's engagement in the country. I would like to comment on these changes today, and I would like to stress that Japan can play a key role in addressing current challenges not despite its cultural and geographic distance from the Western Balkans but precisely because that distance means that Japan is perceived in a unique way by BiH partners and its views are treated with

enormous respect.

A backward turn

After a long period in which substantial progress was achieved and real benefits were delivered to BiH citizens, politics has taken a backward turn.

This negative trend started about five years ago. The political atmosphere deteriorated further before the October 2010 elections and has remained unpromising since then. The Dayton system has been rendered dysfunctional as parties have abused the checks and balances that were designed to protect constituent communities but which were not designed to undermine the country as a whole.

As a result of the deterioration in political conduct and rhetoric Bosnia and Herzegovina has been beset by a new round of political, social and economic problems.

Take the examples of the extremely serious 13 April RS National Assembly conclusions and the decision to hold an anti-Dayton referendum in the Republika Srpska. Instead of us seeing a maturing political class capable of working effectively within the construct of the Dayton framework we have to prevent some of the most serious challenges to the Peace Agreement that we have seen in the last fifteen years.

As if this was not enough, we are also seeing a continuation of nationalistic anti-Dayton rhetoric that challenges the very fundamentals of the Peace Agreement, most notably from the RS. In the last few weeks I have been required to point out the false nature of a series of statements claiming that Bosnia and Herzegovina is a "state union" when it is nothing of the sort. Article I of the BiH Constitution makes very clear that the Bosnia and Herzegovina is a state.

What worries me just as much as this is the approach emanating from the SNSD in Banja Luka which views every issue from an

entity perspective to the detriment of the country as a whole, including the Republika Srpska.

It is precisely this policy approach which leads me to believe that the weeks and months ahead will be challenging as we seek to ensure that a State government is finally appointed, that a State budget is finally adopted to enable institutions to function and of course to explain to those who seek to challenge those State institutions that they must change their approach and start to work constructively within those institutions to improve their functionality and effectiveness.

In both entities fiscal pressures will undoubtedly lead to a rise in political tension and this needs to be watched closely.

As you may be aware, it is now almost a year since the general elections and no government has been formed. Political leaders have shown little shame or even unease over their failure to fulfil the basic obligation of democratic representatives – which is to run an effective government that can serve and protect citizens.

This completely unsatisfactory situation has highlighted the limitations of Dayton.

When there has been enough political will to make the Dayton system work, it has worked better than most people could have imagined.

When political will has been absent, the system simply closes down.

Political will has been largely absent for the last five years and the result has been misery for the people of Bosnia and Herzegovina.

Hardship and bitter disappointment have not been confined to one community or to one part of the country. Unemployment,

poverty and crime – the inevitable legacy of political swagger and incompetence – have affected citizens in every part of Bosnia and Herzegovina.

All of this has happened coincidentally with the withdrawal of the International Community from day-to-day intervention in BiH politics.

Positive factors

Our number-one priority at the present time is to resolve these challenges and get Bosnia and Herzegovina back on the road to prosperity and full Euro-Atlantic integration.

However, I want to make it clear that there are tremendous opportunities as well as daunting challenges – and there are important factors in the overall equation that are significantly more positive than the immediate political situation.

Bosnia and Herzegovina is a country that has the capacity not only to *survive* but to *prosper*. And it will succeed if its citizens make their representatives change course.

Here are just a few of the positive factors:

- Mass refugee return, actively sustained by the International Community, has helped to address injustices perpetrated during the conflict, as has the campaign to bring those accused of war crimes to trial.
- A long-term effort to improve the police and judicial system has achieved some success.
- The armed forces have been streamlined and modernized and Bosnia and Herzegovina is now a member of NATO's Membership Action Plan. BiH contingents serve in international peacekeeping operations and the armed forces have a growing capacity to provide security to BiH citizens.
- Infrastructure destroyed during the war has been

replaced by more modern and efficient infrastructure (something that many countries, including Japan and my own country, Austria, experienced after the end of World War Two).

- Bosnia and Herzegovina now has a modern and efficient fiscal and regulatory system, and the economy has the potential to return to robust growth when political gridlock has been resolved.
- The only net exporter of electricity in Southeast Europe, Bosnia and Herzegovina is endowed with enormous – and still largely untapped – natural resources.
- Finally, neighbouring countries have elected governments that are focused on moving from the failed agenda of the war and its aftermath to a constructive and forward-looking agenda of reconciliation, European integration and rapid economic growth – and it is not too late for Bosnia and Herzegovina to benefit from this positive regional momentum.

These are building blocks of success.

A dysfunctional political establishment is preventing the people of Bosnia and Herzegovina from using these building blocks, but this cannot continue indefinitely. There are already signs that popular dissatisfaction is starting to exert a restraining influence on political leaders. Citizens forced to live in an environment of poverty and crime will eventually tire of party bosses who specialise in blaming others instead of producing practical solutions to everyday problems.

A reconfigured international presence

Against this backdrop of domestic political gridlock, the International Community has undertaken a strategic reappraisal of its engagement and is reconfiguring its presence accordingly.

As of 1 September the mandate of the EU Special Representative will be exercised by the Head of the EU Delegation. This is an important change. The overarching template of Bosnia and Herzegovina's post-war recovery is based on Euro-Atlantic integration. Through its reinforced presence in the country the EU will be able to offer BiH citizens a more coherent, consistent and compelling partnership.

This is good news for BiH citizens and good news for all the international partners who are working in the country together with the EU.

Since 2002 the mandate of the EUSR has been exercised by the High Representative, and for a period this double-hatting proved to be effective, particularly when positive political and economic developments logically inclined towards an increase in the EUSR's role and a corresponding reduction in the role of the OHR.

However, in light of the deteriorating political atmosphere it has, unfortunately, become clear that the constitutionally mandated role of the OHR remains essential if Bosnia and Herzegovina is to complete its recovery.

Not only will the new international reconfiguration make the EU more effective, it will allow the OHR to focus on its own core tasks.

OHR's role is to maintain an environment in which BiH politicians can do the work they were elected to do. Bosnia and Herzegovina is not a protectorate but a sovereign state that, for clear historical reasons, provides in its constitution for an institution that resolves political and procedural conflicts. Until an alternative is found, the OHR will be a necessary mechanism to prevent the political system from being blocked by procedural disputes and to prevent challenges to the Dayton Agreement.

The OHR's mandate is distinct from – but consistent with – the

mandate of the new reinforced EU presence.

We are moving forward into what will be a turbulent period. The underlying causes of political failure will have to be addressed and resolved. The OHR must therefore operate in a dynamic and effective way, maintaining an environment in which difficult political discussions can be undertaken and brought to a successful conclusion.

This can be achieved as long as the International Community remains engaged and determined.

A change of course

Bosnia and Herzegovina has enormous natural and economic resources and it has skilled and talented citizens, but its prodigious capacity to succeed is being undermined by politicians who have grown accustomed to failure.

This can and must be corrected.

And the International Community must continue to work with the people of Bosnia and Herzegovina to effect a real and positive change.

As a country that is respected and trusted by all communities, Japan can play a unique and positive role in securing this change.

Here in Tokyo I want to stress that Japan's contribution to the BiH peace process is recognised and deeply appreciated by the people of that country. Japan is an indispensable element in the successful outcome of our present collective effort. It has played a key role until now and I fervently hope that it will continue to do so.