Inaugural Speech by Paddy Ashdown, the new High Representative for Bosnia & Herzegovina

Introduction

It's great to be back.

And a great honour to be taking over from my distinguished predecessor, Wolfgang Petritsch. He has left us with a foundation to build on and, with your help, I intend to build on it.

My wife Jane and I are really looking forward to making our home here for the next few years, and I am looking forward to working with you as you travel on the next stage of your journey towards statehood and Europe.

But that destination is not yet assured, for there is a fork in the road ahead of us.

One road leads back to division and instability.

If we take this road, then this country will become an island of squabbling refuseniks left behind by its neighbours who are already moving ahead to their European future. A place that the international community cannot leave because of instability. But in which they have lost patience and interest.

The other road leads to a different kind of future.

The one most people here want.

The one the international community supports.

And the one I remain confident we can - together - achieve.

This road is the road of reform. If we have the courage to take it, it will lead us to statehood, prosperity and ultimately to membership of the European Union itself.

For BiH, our European destination is not some abstract idea – some piece of meaningless political jargon.

It means a better future for you and your children. It means providing new jobs, giving the young a better education, and giving every citizen confidence and security.

That is the choice ahead of us. Stay as we are and be left behind. Or push forward with reform, and create a new future for this country.

So my aim is simply stated:

It is to work with the people of Bosnia and Herzegovina to put this country irreversibly onto the road to statehood and membership of Europe.

Please note. I do not say this will be either easy or quick.

But if I didn't believe it could be done, I would not have accepted this job. I have grown to love this country very much. I believe in Bosnia and Herzegovina. And I believe in you.

The Past Six Years

Now, I am a rather open person. And I will tell you honestly what problems lie ahead.

But first, let us recognise how far you have come already.

You know, some complain that Bosnia and Herzegovina has been making progress too slowly. And it's true that we must now go faster.

But building peace after war is no easy thing.

If my home of Northern Ireland had made as much progress in thirty years as BiH has made in six, the conflict there would have been over much sooner.

Bosnia and Herzegovina is at peace.

Refugees are returning in huge numbers.

Freedom of movement has been restored.

You have joined the Council of Europe.

And the ethnic tapestry of Bosnia and Herzegovina's proud past is slowly being mended and restored.

There are now mosques in Prijedor, Bosniak businessmen in Doboj, Bosnian Serb communities in the Neretva valley and a Bosnian Croat community in Bugojno. A Bosnian Serb has been appointed chief of police in Drvar, a Bosniac, as deputy police chief in Srebrenica.

You are entitled to feel proud of these achievements.

But we are still far from our destination. There is much – and especially much that is difficult – yet to do.

But I cannot do it for you. You have to look to yourselves.

So a good motto for Bosnia and Herzegovina on the next stage of the journey would be, to paraphrase John F Kennedy, "Do not ask what the international community can do for you. Ask first what you can do for yourselves".

"Ne pitajte šta medjunarodna zajednica može uraditi za vas. Pitajte prvo šta vi možete uraditi za sebe."

Do that, and I am confident we can succeed.

Priorities for the Future

But huge problems confront us.

Next year, BiH's debt will leap from KM160 million to more than 235 million.

At the same time, foreign aid, on which we have become far too dependent, is going to fall year after year.

Rising debt, falling aid, and, because we have not reformed fast enough, little prospect of attracting inward investment to close the gap.

The pressure on government expenditure will be severe.

So we have no option but to take a long hard look at how Bosnia and Herzegovina is governed.

You have 1,200 judges and prosecutors, 760 legislators, 180 Ministers, four separate levels of government and three armies – for a country of less than four million people! You have 13 Prime Ministers! That's a Prime Minister for every 300,000 citizens!

The cost of government in BiH is a staggering KM1.8bn — and that's just for the government machine itself, it doesn't include the cost of services such as health, education and pensions. That means that just paying for politicians and bureaucrats costs every citizen of working age in BiH KM900 every year — that's almost 3 months' wages for the average worker!

The truth is Bosnia and Herzegovina spends far too much money on its politicians, and far too little on its people.

And we have no option but to change that.

And the same is true for defence.

Proportionately, BiH spends twice as much on defence as the United States, and four times more than the European average.

Why? Who do we think we are defending ourselves against? Serbia? Croatia? Today, these countries are focused on European integration, not territorial expansion.

A great American statesman once said:

"Every gun that is fired, every rocket made, signifies a theft from those who hunger and are not fed — from those who are cold and are not clothed. The world in arms is not spending money alone — it is spending the sweat of its labours, the genius of its scientists, the hopes of its children."

There is probably no place on earth to which that applies more, than Bosnia and Herzegovina – except, perhaps, North Korea!

This is nothing short of madness when many people here are struggling just to feed their families.

So there is no alternative to reform and to setting clear priorities.

Here are mine:

First Justice. Then Jobs. Through Reform.

Prvo Zakonitost. Zatim Zaposlenost. Kroz Reformu.

<u>Justice</u>, because the rule of law is the starting point – the essential requirement for a decent life for the people of BiH and for progress in everything we do.

<u>Jobs</u>, because employment is the key to human dignity and to a decent future for our children.

<u>And reform</u>, because we cannot have either justice or jobs if we don't first change the system that has denied both to far too many, for far too long. I shall return to these priorities in detail, with some specific proposals, later in this speech.

Dayton and the Future of BiH

But first a word on Dayton.

The peace agreement that was drawn up in Ohio in 1995 was designed to end a war, not to build a country.

Dayton is vital. Without it there would be no peace.

But Dayton is the floor, not the ceiling.

It is the foundation for the state we are trying to construct. And like all foundations, it must be built on.

Now, I know there are those who believe that the letter of Dayton is all that protects their identity and safety.

To them I say this:

I will never permit any constitutional change that fundamentally threatens the identity or security of any of Bosnia and Herzegovina's constituent peoples.

It is a characteristic of modern, successful European states that they see diversity not as a threat but a positive advantage.

That's why governments right across Europe are becoming increasingly decentralised and power is being increasingly devolved.

But there is a world of difference between a diverse society and a divided society. Between a decentralised state, and a fractured state.

Those who oppose any moves to build state institutions seem

not to understand that. They believe that we can be accepted into Europe as two, or, as some even say, three failed statelets within a failed state. That the status quo is a viable option for the future.

This is just nonsense. And those who propose it, openly or secretly, jeopardise our children's future and perpetrate a cruel illusion on the people they claim to represent.

More extreme, and more detached still from the new political reality, is the idea that the old, destructive wartime dreams of a Greater Croatia and Greater Serbia can still be revived.

This is not going to happen.

The international community will not let it happen.

And both Zagreb and now, increasingly, Belgrade, have made it clear that they do not want it to happen either. They know that their future, as part of Europe, is linked, quite as much as ours, to BiH's success and the region's stability.

So we have only one realistic future – to make Bosnia and Herzegovina work.

But how?

Some argue that the answer lies in a single great event, a second Dayton, or something similar. I disagree.

What we are involved in here is not an event but a process.

Our task is not to submerge or destroy ethnic identities. It is, patiently, to build a state that protects those identities, celebrates them and harnesses them for everyone's benefit. A state that enables people to value their Bosnian identity, at the same time as valuing their ethnic identity.

But ultimately, it isn't constitutions that make a state, it is people. And it is the people – <u>all</u> the people – of Bosnia

and Herzegovina, who will determine the success or failure of this country in the future. The different peoples of BiH are the pillars that support the state – that give it its strength. Remove any one of these, and the whole thing will collapse.

We succeed together, or we fail together.

It's as simple as that.

If this country cannot find the humanity to put aside its hate, it cannot have a future for its children.

My vision of Bosnia and Herzegovina is of a modern country whose state level institutions do only what is necessary, but do it effectively.

A country whose democratic decisions are made at the lowest level consistent with efficiency.

A country whose citizens' rights are protected individually by powerful human rights laws and a strong system of justice.

A country whose governments at all levels, though established through the will of the majority, cannot endanger the rights, traditions or identities of individual citizens or groups, however small.

And, incidentally, one indispensable ingredient of that kind of modern European state is that its judiciary, its central bank and its public broadcasting service must be independent and <u>absolutely</u> free from political interference. There can be <u>no compromise</u> on that if BiH's route to Europe is to remain open.

But Bosnia and Herzegovina's route to statehood isn't just about structural reform. It is also about political leadership.

No state has ever been built - no people has ever prospered -

unless they can produce from amongst themselves leaders who have a vision that transcends faction, who have the ability to put the interest of the country first and who have the courage to take the risks necessary to lead.

Bosnia and Herzegovina has not so far produced enough leaders of this sort.

Perhaps part of the reason is because we, the international community, have intervened too frequently, interfered too much and not given enough space for others to act.

I shall also have to use the High Representative' powers from time to time. But I regard these powers as acceptable only if they are used on behalf of the people of Bosnia and Herzegovina as a whole.

I have concluded that there are two ways I can make my decisions. One is with a tape measure, measuring the precise equidistant position between three sides. The other is by doing what I think is right for the country as a whole. I prefer the second of these.

So when I act, I shall seek to do so in defence of the interests of all the people of Bosnia and Herzegovina, putting <u>their</u> priorities first.

And time after time the people have told us what their priorities are: Justice and Jobs. And they are mine too.

<u>Justice</u>

Firstly, justice.

We do not have effective justice in this country.

Bosnian justice works too often for the powerful and the politically connected, not for ordinary people.

It may well be that the grip of nationalism in Bosnia and Herzegovina is, slowly – too slowly – weakening. But the grip of criminality and corruption is strengthening. And this poses a direct threat to every single one of us.

For ordinary people, the rule of law is vital – and not just for their security.

Businessmen need the law to start their businesses, to get investment and to trade.

Victims need the law to get protection and justice.

Voters need the law to hold their politicians to account.

And, perhaps more than anyone else, refugees need the law to return to their homes — something that remains as central for me as it was for my predecessors.

You see, the failure of law in BiH today imperils human rights, impedes economic recovery, deters investors and separates Bosnia and Herzegovina from Europe.

We must put this right.

That is why working with you to establish the rule of law will be my first, and my top, priority.

There must be nobody above the law, and no place beyond the law, in Bosnia and Herzegovina.

Thanks to the UN mission we have now created a cadre of well trained and, in the main, reliable and committed policemen. But our police all too frequently cannot rely on other parts of the justice system.

BiH has twice as many judges per head of population as Germany, which itself has more judges than any other country in Europe. Yet each German judge deals with four times as many cases per year as each Bosnian judge. That's too many judges for too little justice.

And the consequence? Tens of thousands of innocent people are left waiting to have their cases heard, while criminals continue to operate with impunity.

That is why I will press ahead with comprehensive reform of our judges, prosecutors and courts, until we have a judicial system that ordinary Bosnians can trust.

But the rule of law isn't just about the courts. It means having clean government too.

Bosnia and Herzegovina needs a non-politicized civil service that is accountable to its people, accessible to its people and committed to serving its people.

Being in Government must be about helping the public, not helping yourself. And to make sure that it is, we must shine the bright light of public scrutiny into every corner of government in BiH.

And our laws will have to be looked at too.

That is why I am setting up a new legal reform unit, consisting mainly of Bosnians, to look at our laws and to recommend reforms that make it easier to get justice and jobs for the ordinary citizen.

But if we are really serious about justice, we must go further still. We must cut out the cancer at the heart of Bosnian society: organized crime.

It is time to take on the high level criminals — the war profiteers who have now turned to smuggling weapons, fuel, drugs and even people. And it is time to confront their friends and accomplices in positions of power — those who have ruthlessly exploited Bosnia and Herzegovina's national wealth for their personal profit. So here is a 5-point crime action plan I shall be proposing to your government:

First. Set up a special court-chamber to take on sensitive, high profile cases.

Second. Complete the establishment of the State Court.

Third. Complete the process of creating a comprehensive legal framework so the police, prosecutors and courts have the legal tools needed to bring criminals to justice.

Fourth. Get the High Judicial Council operational by the autumn, so that BiH can have the high quality judges and prosecutors it deserves.

And fifth. Strengthen the systems that scrutinize government and prevent abuses of power in the public sector.

Jobs and the Economy

My second priority will be to create the conditions for jobs.

But creating jobs does not mean reverting to old style, topdown, government-subsidised work schemes. Because they don't work.

The challenge for us is not to try and revive failing public companies. It is, instead, to stimulate growth in the new private sector, and especially among small businesses, which are already becoming the engine that will drive BiH's economy.

None of this will be easy or painless. Things may have to get worse before they get better. It's tough making the transition from a centrally planned economy to an open market one. From a divided economy to a single economic space.

And yet at present, BiH makes that transition even more painful by actively discouraging investment.

If you want to invest in Bosnia and Herzegovina, just look at what you are faced with.

An unpredictable, inconsistent and often contradictory labyrinth of regulations and rules. Some formal, some informal. Some at state level, some at entity level, some at cantonal level and some at municipal level.

No wonder foreign investment amounts to a tiny KM85 per person here, compared to over KM640 per head in Croatia.

You know it takes almost 100 days on average to register a business here — ten times longer than in most other countries in the region.

Let me tell you a story. A true story.

I met a man recently who wanted to open a restaurant in Sarajevo – a pretty simple task you might think. But not, he soon discovered, in Bosnia and Herzegovina.

He required numerous forms and multiple permissions from almost everyone, including, if you please, the Ministry of Defence. The Ministry of Defence! To open a restaurant!

Months later, having got permission from the military, amongst others, he went to the Canton to get the final form. But the Canton informed him that he would first have to get hold of a municipal form. So off he went to the Municipality, who told him that they couldn't give him a municipal form if he didn't first have a cantonal one. So he took his money to Slovenia instead.

We might as well hang a sign on our front door saying, "Go home. We don't want your money here".

We have to change that. We have to transform BiH's image and its ways of doing business.

The only reason why the economy of this country is failing is

because we have refused to reform the system that dooms it to failure.

This country has huge potential. Just last year, Bosnia and Herzegovina carried away the largest number of medals at the Inventors' Fair in Paris, winning no less than 11 prizes.

And this year, Bosnia and Herzegovina won the Oscar for the Best Foreign Film.

For that one night in Los Angeles, the whole world saw Bosnia and Herzegovina, not as a source of conflict, but of creativity. Not as a problem to solve, but as a success to celebrate.

This is a country situated at the heart of a region poised for real growth. But if we are to take advantage of this, we must reform and invest – and the key investment is in our young people.

Because we have failed to do this, Bosnia and Herzegovina's biggest export today is its youth – its future.

This haemorrhage of the young and the talented poses perhaps the greatest long-term threat to this country. We will not succeed, unless we succeed in stemming or reversing this.

That means two things. First, providing our young with education and training, inside Bosnia, that equips them for success. And second, creating the environment in which education, talent and hard work can translate into jobs and prosperity.

The separate system of education along ethnic lines is one of the major things that holds us back. I have seen the corrosive effects of such division in education in Northern Ireland. I detested it there – and I like it no better here.

Education is not a luxury, it is a right. And reforming our school and education system is not an optional extra, it is a

core task.

If we don't bring our children together, to live and to learn, your country will never escape its past. If we don't look long and hard at the quality of teaching in schools and bring them up to European standards, your children will never have a future.

But education reform, like education itself, cannot be confined to schools. We must also make a priority of higher and further education.

We have seven universities in BiH, but not one offers an internationally recognized degree!

Our university system needs to be overhauled so students can get a first class education without having to leave the country. And we need better training too.

In the public sector, we need the speedy implementation of the Civil Service law. We can then get down to the real work of training officials and driving up standards in the public service.

But I have a wider vision, of a public service college – a center of excellence – through which all senior servants of the state will pass, giving BiH a public service rooted in the values of integrity and professionalism.

But crucial though these initiatives to increase the capacities of the people of BiH are, they will not, in themselves, lead to jobs.

So here is a 5 point action plan for employment:

First. Sweep away the unnecessary red tape and bureaucracy that makes it so difficult to run an honest business and drives so many into the grey economy.

Second. Develop laws that will help small businesses borrow

and expand.

Third. Create a single, user-friendly system for registering new businesses.

Fourth. Push forward the reforms on property and land ownership law, so that people can invest and plan with confidence.

And fifth. Establish accelerated procedures for dealing with business disputes.

Five specific, practical, achievable steps that we could start on now to attract new investment and jobs in the future.

Partnership

I turn now to the question of partnership.

To me, partnership means a more open relationship between the international organizations here and the people of Bosnia and Herzegovina.

I see myself not just as a representative of the International Community. I am also a servant of Bosnia and Herzegovina. And that applies to all my colleagues as well.

I have therefore asked that the BiH flag will be flown on all OHR buildings — and I hope that other international organizations will follow suit.

And when I have to travel abroad I shall wish to do so as a representative, not just of the international community, but of Bosnia and Herzegovina, under the BiH flag.

I want the Office of the High Representative to be open and accessible to the people of Bosnia and Herzegovina. So, starting today, I will be spending more time out of Sarajevo, meeting people from across the country, and listening to their views.

And I have given instructions today, that the iron gates at the front of OHR Sarajevo will be opened, and left open, except when a specific security threat requires otherwise.

I will also be increasing the number of Bosnians working within the OHR — including at senior level — as part of a broader drive to create a cadre of young professionals who will serve Bosnia and Herzegovina and push forward the reform agenda.

The Elections

Finally, let me turn to the elections. You wouldn't expect me to ignore this issue completely. After all, I am a politician!

The elections are now very close. Polling day may not be until October 5^{th} , but the deadline for registering is June 18^{th} – less than a month away.

It is not my job to interfere in elections. I will support actions and reforms, not personalities or parties. It is up to the people of BiH to choose their government. And it will be my duty to work with whatever government they choose.

So, from the people of Bosnia and Herzegovina, I ask only two things.

First, please vote.

Your votes are the building blocks which we shall need to create the new Bosnia and Herzegovina.

We have some very difficult decisions to take together in the next few years. A failure to vote will only make it more likely that those decisions will be made by a small minority more interested in defending the past, than in building the future.

My second plea is that you consider, very carefully, what it is you want before you vote.

Consider what you want for yourself.

Consider what you want for your family, for your children and for your country's future.

And then vote for that.

Too many people in all countries vote unthinkingly, because they have always voted that way.

Too many politicians use fear, rather than hope, to get votes.

Now is the time to vote for this country's future, not its past.

Now is the time to vote for hope, not for fear.

Peroration

I have tried in this speech to tell you of my hopes, the obstacles we will face together and what I will try to do, with your help.

You have come a long, long way. But we have a lot further to go, and we have to move faster.

Our task will be tough. Success will not come easy. But it can be achieved if we have the courage to work together, and the determination to reform.

For if Bosnia and Herzegovina doesn't reform, you will fail. And I will fail with you.

But if we make the changes that must be made, if we can reform

Bosnia and Herzegovina and put her irreversibly on the road to statehood within Europe, then the future we all want can become a reality.

Real jobs. Real justice. A modern country with a new future.

Now I know that, for some, this must feel a long way off. And I am very aware that, in this speech, I have outlined a highly ambitious programme.

But to all those who share this vision, and who believe Bosnia and Herzegovina can once again be a great place to raise your children, I say this:

You're right. This is a beautiful country. It is as rich in talent and potential as any in Europe.

I believe in Bosnia and Herzegovina.

But what really matters is that you believe in yourselves.

Because if you do, I promise you, no matter how long it takes, you will succeed.