Interview: Christian Schwarz-Schilling, High Representative for BiH

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SRNA: Do you think that establishing a Sarajevo Commission will help the reconciliation process and establishing the truth?

Christian Schwarz-Schilling: The formation of the Commission became a big political issue. This is a shame because the real issue at stake is the truth about the fate of those who went missing during the BiH War. I'm sure that the victims' families and friends would rather have this knowledge than see a thousand Commissions formed. And I hope that this Commission will make a difference to them.

SRNA: There has been a lot of reactions on possible referendums in RS. What's your opinion?

Christian Schwarz-Schilling: I have been very clear on this issue. The legal situation is straightforward. Republika Sprska is an Entity within the State of BiH . As such, it has no jurisdiction to organise a referendum on secession. Raising this issue is, therefore, irresponsible and provocative. The International Community will not allow the sovereignty and territorial integrity of Bosnia and Herzegovina to be endangered.

SRNA: Your comment on explanation that statements on referendums are the result of calls for the abolition of RS, which come from FBiH?

Christian Schwarz-Schilling: I have been in politics for long enough to realise that those who have raised the referendum

issue have a variety of reasons for doing so and leave it to BiH commentators to draw their own conclusions. However, this is not the core issue. The core issue is that talk of a referendum has distracted attention from the agenda of urgent reforms that will help to create jobs and improve living standards. Republika Srpska has, I repeat, no jurisdiction to organise a referendum and talk of referendums is not going to end poverty; it is not going to bring in investment; it is not going to create a single job or put a single meal on the table.

SRNA: Why did the International Community not react sharply, as they did because of referendums, on statements coming from Sarajevo , which have called for the abolition of the RS?

Christian Schwarz-Schilling: It is a fact of life in BiH that the International Community and I will always be accused of being soft on one group and hard on another – and vice versa. The big issue in this instance, however, is the office that is involved. The Prime Minister of an Entity has a special duty to uphold the constitution and a responsibility towards all BiH citizens – Bosniacs, Croats and Serbs – in that Entity. Talk of unconstitutional and anti-Dayton activities is not worthy of that office.

SRNA: Has the political situation been radicalised between Banja Luka and Sarajevo after recent disputes?

Christian Schwarz-Schilling: Inflammatory language is never constructive. However, I suspect that most people in both Banja Luka and Sarajevo are fed up with constant bickering by political elites and there is a clear and widespread feeling that while politicians squabble, everyday issues are being neglected. More jobs, decent pensions, better schools and hospitals – these are the issues that people care about.

SRNA: Are you an optimist when it comes to constitutional reform?

Christian Schwarz-Schilling: I am and have to be an optimist because of the importance of this issue to the future of BiH. Constitutional reform is essential to streamline the government, to make it more efficient and to prepare BiH for the challenges of European integration.

SRNA: In your opinion, what would be the best solution for BiH Constitution? Do you see RS in it?

Christian Schwarz-Schilling: The best solution is one that is agreed among the people of this country, one that is acceptable to all peoples of this country and one that assists BiH in its efforts to join the European Union. I am disappointed that the package of constitutional reforms that was put to the Parliament in April was rejected, but take heart from the fact that a clear majority of parliamentarians supported it. I hope that those parties that supported constitutional reform will take up the issue again after the elections.

SRNA: Your comment on business environment in BiH?

Christian Schwarz-Schilling: The business environment is getting better, but it could and should be better. The successful introduction of VAT, the merger of the customs services, improved regulation of the utilities sector and the slow but sure improvement in standards of corporate governance and the rule of law have all had a positive impact on the business environment, as has the streamlining of the company registration system. Last month, Moody's Investor Service upgraded Bosnia and Herzegovina 's credit rating from B3 to B2, recognising its improved economic prospects. However, we have to do much, much more to create more jobs and raise living standards. Before the October elections candidates have it in their power to support the enactment of the Law on Obligations, which will modernise the commercial code and thus encourage investment and help create jobs; to enact the Salary Law, which will harmonise the pay of civil servants and

parliamentarians and keep this within limits that the country can afford; and to centralise the banking supervision system, which will further protect the savings of small depositors.

SRNA: The International community has invested a lot of money in BiH. Don't you think that a greater proportion should have been invested in the revitalization of economy?

Christian Schwarz-Schilling: The first five years of the peace process were largely devoted to rebuilding BiH's infrastructure. This spending kick-started the BiH economy in the immediate aftermath of war and since then, as aid flows have declined, the economy has continued to grow. The key to long-term growth, however, is trade, not aid. The International Community has helped reshape BiH's business environment to help release the latent potential of BiH entrepreneurs and I am forever lobbying for measures, such as visa liberalisation, to improve conditions for these people. However, ultimately, it is up to BiH authorities to ensure that their country's economy is competitive in today's increasingly globalised world.

SRNA: There is a lot of talk of lifting the Bonn Powers. Can you say when this will happen?

Christian Schwarz-Schilling: This issue will be discussed at the meeting of the Peace Implementation Council at the end of this week. Clearly, it is in the interests of both BiH and the International Community for BiH to take ownership of the peace process and responsibility for its destiny. This issue also has to be addressed, if BiH wants to join the European Union, since BiH cannot enter the European Union through HR impositions.

SRNA: Are political leaders in this country ready to take responsibility for BiH citizens' destiny?

Christian Schwarz-Schilling: International support has been both necessary and helpful to BiH's post-war recovery.

However, Bosnians have contributed most to the reconstruction of their country. Without the effort of ordinary people and good will it would not have been possible to have achieved anywhere near as much. As a result, I believe it is realistic to expect Bosnians to stand on their own two feet and feel that the International Community should have greater trust in their abilities. Even if BiH political leaders don't always take the right decisions, they are capable of learning from their mistakes and turning that experience into something positive.

SRNA: Your comment on BiH in European integration process?

Christian Schwarz-Schilling: I have said many times that BiH has its place in EU structures. This has also been reaffirmed by all the key institutions in Brussels. I would remind you of the EU Council conclusion of 16 June, which states that the European Union will continue to assist Bosnia and Herzegovina in ensuring stability and progress on key reforms. The EU Council also urged the BiH authorities to ensure real and tangible progress in the implementation of police reform in order to maintain momentum in the SAA .

SRNA: When do you think BiH will meet requirements for signing of SAA?

Christian Schwarz-Schilling: I sincerely hope that BiH will be in a position to sign a Stabilisation and Association Agreement with the European Union this year. That said, this would require a significant acceleration of the pace that we have seen until now, especially with regard to police reform. This is a very technical process and the European Commission has frequently said that BiH has a professional and capable negotiating team. I my capacity as High Representative and EU Special Representative, I will do everything I can to contribute to speed the process.

SRNA: When can we expect visa facilitation?

Christian Schwarz-Schilling: I have been actively lobbying for liberalisation of the visa regime. It would help if the BiH authorities joined in the effort by speeding up police other reforms in the field of security. It is difficult to persuade EU Interior Ministers that they should listen sympathetically to proposals for the easing of visa requirements for BiH intellectuals, students and businesspeople when politicians here are dragging their feet on police reform and other security initiatives.

SRNA: Are officials in the West still interested in BiH? What was your impression when you met them?

Christian Schwarz-Schilling: We must be very aware that BiH no longer has the international prominence it once had. The focus of the world has clearly moved elsewhere. But this is not a bad thing since it is indicative of the progress that BiH has made. There, nevertheless, remains great interest in BiH, especially in the European Union and there is a determination to ensure that the peace process evolves into one of European integration. That said, BiH has to keep making the case for membership and the way to do that is to continue implementing reforms. That is why I am calling on BiH politicians to act this summer.