

Keynote Address by HR/EUSR Valentin Inzko



What Does It Matter to You?

Ladies and Gentlemen,

The issue facing Bosnia and Herzegovina between now and 3 October is whether the election can put an end to the dysfunction and stalemate of the last few years and get the country back on the high road to stability, prosperity and Euro-Atlantic integration.

But the only way that issue is going to be addressed is if citizens insist that candidates explain how they will make the next four years different from – and better than – the last four years.

This campaign is being fought in dramatic circumstances.

More than half a million working-age BiH citizens are unemployed.

Job losses haven't been confined to one part of the country or one Entity. Every community, every village, every town has been afflicted by the social and economic scourge of mass unemployment.

And as unemployment has risen, the investment that is

desperately needed in order to create new jobs in Bosnia and Herzegovina has fallen sharply.

The authorities will argue that they do not have the resources to tackle the massive problems created by the economic downturn.

This is true.

Last year's collection of public revenue in the RS and the Federation fell below previous years. The International Community, as you know, has stepped in to ensure that the Entity governments have at least the resources that are necessary simply to carry on providing basic services.

But the fact that the Entity and State governments do not have money to spend on job creation does not mean that they are powerless. There is a huge amount that they can and should do.

No one needs to *invent* a strategy to get Bosnia and Herzegovina out of the economic crisis. The strategy has already been drawn up and agreed by the ruling parties, as well as by other parties that are not in the coalition.

The European Partnership lays out in detail the steps through which Bosnia and Herzegovina can move from instability to stability, from poverty to prosperity, from isolation to integration.

And besides laying out the needed steps, the European Union offers, through the prospect of closer ties and eventual integration of Bosnia and Herzegovina to a large political and economical bloc, clear perspectives for stability and prosperity.

This has been reconfirmed, once again, only two weeks ago when foreign Ministers from the European Union, as well as High representative Ashton, Commissioner Füle and others, gathered in Sarajevo to reiterate the EU's commitment to BiH and to the

region, in helping the next steps to be taken.

For Bosnia and Herzegovina, in the economic sphere, these steps include:

- Mapping out a clear and realistic course towards growth by implementing a BiH Development Strategy;
- rebuilding the country's productive base through an Industrial Strategy;
- implementing an effective Export Promotion Strategy;
- boosting job creation by making it easy instead of hard to do business in Bosnia and Herzegovina;
- helping the banking sector channel more funds into new BiH companies, by modernising the banking supervision system;
- giving citizens the benefits of Bosnia and Herzegovina's huge natural resources by implementing an Energy Strategy; and
- ensuring that job creation and poverty reduction are the top priority of government, by organising proper coordination of economic policy.

The men who are now in power agreed to do all of these things, but they haven't done them all. Now they are asking citizens for another four years in office.

They should explain what they intend to do differently if they are given another chance.

Who Decides What the Election is About?

One reason of the lack of progress in passing reforms, and consequently of the level of unemployment, is that public debate in Bosnia and Herzegovina is controlled by a small number of people.

In other countries this level of unemployment would top the

nightly news and would dominate campaign coverage.

But here, what is discussed and what is not discussed remains under narrow control.

This isn't done through outright censorship but by making the issue of so called *national interest* dominate political discussion to the exclusion of everything else – especially what is of practical interest to all.

Party leaders talk about how they will protect national interest, rather than how they will serve citizens.

But these two things are not mutually exclusive.

And the only way to promote everyone's interests is to serve citizens.

Serbs, Croats, Bosniaks and all others are all suffering from unemployment.

Serbs, Croats, Bosniaks and all others are all suffering from increased crime and corruption.

This means that the authorities have not served sufficiently well their citizens.

If the people of Bosnia and Herzegovina want more and better results delivered, they have to demand a different kind of election campaign.

The Real Agenda

As well as being High Representative I am the European Union's Special Representative – so, helping the BiH authorities take steps that will bring the country closer to Europe is part of my job, but let me stress – the election campaign is not about implementing a political agenda for its own sake. It is about *delivering the positive results* that implementing that agenda

will make possible.

It is about creating jobs.

It is about increasing investment.

It is about reducing crime and corruption.

It is about improving public services.

Every candidate should talk about jobs, and investment and public services.

Because today in Bosnia and Herzegovina

- there are *fewer* jobs than there were four years ago;
- there is *less* investment than there was four years ago.

Candidates need to be persuaded to talk about this.

More than half a million people have lost their jobs or have failed to find a new job in the last four years.

Those half a million have spouses and parents and children.

That amounts to a majority of citizens whose priority in these elections is fixing the economy and creating new jobs.

The questions which the heads of government and the assorted party leaders must therefore answer are:

What are you going to do to promote a BiH Development Strategy, and an Energy Strategy, and an Industrial strategy, and an Export Promotion Strategy, and a single Law on Obligations; and a modern Banking Supervision System and proper ministerial coordination of economic policy?

The people of this country have more than half a million reasons to demand a satisfactory answer.

They Can Tackle the Crisis if They Want to

The Entities do not have the funds to alleviate the terrible ravages of unemployment and poverty – but the authorities at every level of government *do* have the ability to organise their work so that it delivers better results, and they will have the European Union's support in doing this.

This will only happen after the October vote if candidates campaign on how they are going to ensure that the work at every level of government is organised in a better way.

There are fundamental problems with the BiH governing structure. Everyone recognises that and a great deal of effort has gone into finding agreement on better decision-making mechanisms. Those efforts have failed until now, but that is not the end of the story.

The fact is that the present system *can* be made to work better if those who are elected to operate the system *want* to make it work better.

This is a key point.

Those who are in power now and those who will be in power after 3 October can make the BiH government system produce employment, economic growth, stability, and integration in Europe – *if that is what they want to do*.

And if that is what they want to do, the present election campaign should be focused on *how they intend to do it*.

What Does It Matter to You?

One of the great battles of eighteenth century Europe was fought between the House of Stewart and the House of Orange on the River Boyne in Ireland. After the battle, King William of Orange crossed the river in a small boat. The boatman, not

knowing who his passenger was, asked who had won the battle.

"What does it matter to you?" William replied. "You'll still be a boatman."

That is the attitude that kept millions of Europeans in subjugation and poverty before the advent of democratic politics and democratic government.

It is exactly the attitude that needs to change in Bosnia and Herzegovina.

What does it matter to you? You'll still be unemployed.

What does it matter to you? You'll still have to send your children to schools with leaking roofs and unheated classrooms.

What does it matter to you? You'll still have to pay a bribe to get a doctor to treat you.

The Future of Four Million People

Well it *does* matter to you.

This election is not about a handful of powerful politicians and the chairs they will get to sit in after 3 October.

It's about the future of four million people.

This election is about a country where unemployment has rocketed and where crime and corruption are making life intolerable for honest citizens.

For years now, a huge amount of political discussion has gone into whether we should still have an Office of the High Representative and whether the occupant of that Office should make more or less use of executive powers.

Well, let me tell you today, that in a democracy it is the people who have executive powers. They can use those powers at the general election – and they can use those powers in the next four months by demanding that candidates explain why they haven't fixed the economy and how they propose to perform better after 3 October in order to take the country closer towards the EU.

That is the way to end the dysfunction and stalemate and get this country back on the high road to stability, prosperity and Euro-Atlantic integration.

Thank you