

Speech by High Representative and EU Special Representative Valentin Inzko To a Conference of Ambassadors and Heads of Mission of BiH

Ingenuity and Investment

Ladies and Gentlemen,

I was particularly pleased to accept Minister Alkalaj's invitation to take part in this gathering because as a professional diplomat I feel at home among you and as a professional diplomat whose career has been directly connected to the fortunes of Bosnia and Herzegovina perhaps I will be able to offer some insights on strategic and practical challenges faced by ambassadors and heads of mission representing this country around the world.

Small Can Be Beautiful

One thing on which we can all agree, I think, is that the job of representing Bosnia and Herzegovina brings with it particular challenges. It was the British political philosopher Walter Bagehot who pointed out that "an ambassador is not simply an agent; he is also a spectacle." By which I believe he meant that the resources at an ambassador's disposal are intertwined with the capacity to discharge the office.

The resources available to BiH ambassadors are modest. There are sound financial reasons for this. It's worth remembering,

too, that resources available to ambassadors from small countries are generally modest – I know, because I'm also from a small country.

However, some small countries have been able to leverage the advantages that come from modest size into substantial influence in international relations.

It can be done.

And I believe it can also be done by Bosnia and Herzegovina and its diplomatic corps.

This isn't to pretend that BiH diplomats aren't hamstrung by severe practical constraints, but to argue that the constraints can be overcome, or at least circumvented. At the same time, I can assure you that the International Community will continue to lobby strenuously in order to ensure that the Foreign Ministry and other State institutions are properly resourced. But even as the key issue of resources is being addressed, the work of the Foreign Ministry has to continue and that requires creativity.

Ingenuity and Investment

One of the many things that impressed me when I came here immediately after the war was the *ingenuity* that seems to be woven into the fabric of BiH society. In the most difficult circumstances people found – and still find – remarkably inventive solutions. It is ingenuity in diplomacy that allows small countries to compete with large ones.

But this only works if it goes hand in hand with good organization.

Perhaps the area of investment promotion offers a good example of this.

Bosnia and Herzegovina has a competitive workforce and enjoys geographical proximity to major markets. It is an attractive investment location.

Why has this not been translated into desperately needed jobs in villages and towns across the country?

In my view, at least part of the answer lies in a lack of organization – and among those who must address this are the responsible staff in international missions.

BiH embassies are not properly connected to the municipal offices through which investment can be turned into new jobs on the ground.

Making this connection doesn't require money or other scarce resources.

It simply requires organization. The embassies need up-to-date data on investment opportunities in Bosnia and Herzegovina, and they need to have at their fingertips the contact details – including the relevant official handling inward investment – of every municipality in the country.

This is considerably less glamorous than, for example, tackling the issue of Bosnia and Herzegovina's prospective seat on the Security Council – but it's about jobs, and that matters more than most things to citizens.

Let's say I am an Austrian with ten million marks to spend – (well, the part about being an Austrian is true!) – and I'm thinking about putting my ten million into a new business in rural Bosnia and Herzegovina. As the head of mission, my first contact with the country, do you have ready access to municipalities where my money might find a welcome home, and the German-speaking officials in those municipalities who can ensure that I receive a full briefing, today if possible, on how easy and profitable it would be to set up operations in Bosnia and Herzegovina?

You *should* have this information, and with proper liaison among the Foreign Ministry, FIPA, the Ministry of Foreign Trade and the municipalities, this information could be collated and supplied, and regularly updated.

Not a matter of resources but a matter of organization. Not a matter of international prestige or recognition, but a matter of creating new jobs in Bosnia and Herzegovina.

Reflecting a Complex Political Reality

It may be that the practical challenges of representing Bosnia and Herzegovina can be overcome more easily than the political challenges, but here too, I believe a creative and proactive response may neutralize some of the major constraints.

All of us understand the particular difficulty of reflecting the aspirations and demands of a political system as fractious as this country's. Indeed, as High Representative and EU Special Representative I have several times found myself making the case for Bosnia and Herzegovina at an international forum while political representatives of the country have publicly squabbled at the very same forum.

This makes *my* job difficult – I can understand how hard it must make the job of ambassador or head of mission.

But it does not make the job impossible.

In the final analysis, the ambassador represents the *country* not a particular part of its political establishment, and if necessary the ambassador has to represent the country *despite* the political establishment.

The French dramatist, Corneille, famously remarked that, "He who plays advisor is no longer ambassador."

Well, I think Corneille was wrong (and, interestingly, in

political terms Corneille is perhaps best remembered for his insubordination to Cardinal Richelieu, his political master.)

I believe that BiH ambassadors *must* be advisors – they must *advocate* as well as implement policy and the reason for this is that they understand Bosnia and Herzegovina's interests internationally to a degree that most domestic politicians do not.

Two things perhaps illustrate this point.

The first is the extraordinary performance of the BiH negotiating team in the run up to the signing of the Stabilisation and Association Agreement. The diplomats completed their work more than a year before the politicians completed theirs, even though the time difference could have been – and *should* have been – a matter of weeks. The diplomatic establishment completed its tasks efficiently, creatively and in a timely way. The political establishment squabbled and backtracked.

The second example concerns the visa regime. We have, as everyone is bitterly aware, just experienced a major set-back – but it should be stressed that it was the effective manner in which BiH representatives in Brussels and in European capitals lobbied for the country to be moved to the Schengen White List that prompted the EU to agree the terms of the Visa Liberalisation Roadmap in the first place. It was the politicians, not the diplomats, who were unable to implement the Roadmap requirements.

On this issue, happily, we have witnessed an encouraging political response to the set-back: with the recent passage of four laws related to visa liberalization which had previously failed in the parliamentary assembly, we saw evidence that BiH political representatives *can* work out their differences.

On visa liberalization and other elements of the EU integration agenda the international community will continue

to support positive and progressive political forces, and that should make the lives of BiH diplomats considerably easier.

I have launched, together with the European Commission, a process of sustained and focused dialogue with State and Entity authorities designed to facilitate steps that will take the country closer to Europe. These are incremental practical steps against which no mainstream politician in BiH has ever publicly disagreed. In this sense, the path ahead is clear – something that I hope can be communicated effectively to capitals in countries that have close relations with Bosnia and Herzegovina.

See, Know, Believe, and Be Undeceived

There is another quotation from Corneille that can be usefully applied in diplomacy. It is this: “I see, I know, I believe, I am undeceived.”

I see – I see that some of Bosnia and Herzegovina’s problems are of a complex nature. But I also see that there are myriad problems that *can* be solved and solved quickly and that the solutions to these problems do not have to wait until the more difficult ones are dealt with.

I know: I know that in Bosnia and Herzegovina things are not always as simple as they appear. There is often a rather large gap, for example, between public policy and political reality.

This is not ideal, but it’s a fact of life and we have to deal with it.

As a diplomat I have often found that the best way to solve a problem is to shine a light on it. If an individual or a group of individuals is vigorously opposing a policy to which all are publicly committed, let’s let everyone know about this opposition and let’s let everyone know what’s behind it.

The phenomenon is not unique to Bosnia and Herzegovina but this is certainly a country where politicians routinely shroud self-interest under a mantle of high principle.

Privatisation and free trade, for example, are dirty words in Bosnia and Herzegovina even though they have been lynchpins of the prosperity that Europe has enjoyed for twenty-five years. There is no doubt in my mind that the sale of nationalized industries, particularly in the late nineties, was routinely botched, and there is no doubt in my mind that economies experiencing the rigors of free trade go through pain before they experience gain. But there is equally no doubt in my mind that the most eloquent opponents of privatization and free trade have been those who benefited from the status quo. The fact of the matter is that a majority of citizens would benefit from a functioning market economy that is plugged into the regional and global trading structure.

This is the principle that underpins the prosperity of the European Union, and it is this principle that underpins the economic regeneration of Southeast Europe being orchestrated by the Regional Cooperation Council – which as many BiH citizens may not know has its headquarters in Sarajevo.

Privatisation and free trade will bring new industries, new companies, new jobs and new possibilities to this country. That is what it has done elsewhere on the continent. How do you protect domestic industries? By making them more competitive, not by shielding them from competition – and, believe me, we tried that in Austria for decades and the result was slow economic growth and less choice and substandard goods for Austrian consumers!

But this is a two-way street. BiH producers are right to complain when they are asked to compete against imports while their own products do not enjoy a level playing field in foreign markets – and this is clearly an area where the Foreign Ministry and Ministry of Foreign Trade must set in

motion a politically-backed, properly organized and focused campaign. The bottom line is this – it isn't BiH consumers who should be urged to buy Bosnian, but consumers in BiH's natural export markets who should be urged (and able) to buy Bosnian.

I believe. I believe in Bosnia and Herzegovina. At the time I was invited to apply for the position of High Representative and EU Special Representative I was already slated for another post. I had looked forward to become the Austrian ambassador to the Czech Republic. In addition to being a position of importance, in a country that is one of Austria's closest allies and among people for whom I have the highest regard, the ambassador's accommodation in Prague happens to be the only one of our residencies that is housed in a palace – I cannot say that the prospect of living in a palace left me entirely unmoved.

But I chose instead to accept a job that, of its nature, has no security of tenure, where instead of following the clearly prescribed strategy of my own Foreign Ministry I have to decipher the shape of an evolving supranational strategy, and where my living quarters are comfortable – but not palatial.

I chose the second option because I believe that Bosnia and Herzegovina can be a prosperous and stable democracy fully integrated in Euro-Atlantic institutions and that I can contribute to making that happen. If I didn't believe this I wouldn't be here.

I believe the OHR and the EUSR, working with Bosnia and Herzegovina's other international partners, can help this country move in the direction that the vast majority of its citizens want to go.

I believe in Bosnia and Herzegovina, in its people and in its future.

It may be presumptuous to say this, but I think this belief should constitute the principal motivation of every member of

staff in every one of this country's diplomatic missions.

Not only will Bosnia and Herzegovina survive – it will survive and *prosper*. If that belief underpins the country's diplomacy, then its diplomacy will succeed no matter what the constraints.

How will a seat on the UN Security-Council raise living standards in BiH?

Let me conclude with two topical issues.

The first concerns the possibility of Bosnia and Herzegovina securing a non-permanent seat on the UN Security Council.

I believe this would represent a further important step in the country's resumption of full sovereignty, and I will do whatever I can to support the initiative.

But while securing a Security Council seat would be an important diplomatic coup that would raise the international profile of Bosnia and Herzegovina, citizens might view this with less excitement than diplomats.

And why shouldn't they?

Citizens will rightly ask: how many jobs will this create in Bosnia and Herzegovina? How much will it improve the standard of living here? How much crime and corruption will it help to eliminate?

There are good answers to these questions – not the least of which is that a higher international profile will mean more investment which in turn will mean more jobs – but let's be honest: that's not an argument that will cut much ice with people who have been promised jobs for a decade and watched the promise broken year after year.

So at the same time that I lend my support to the effort to secure a Security Council seat for Bosnia and Herzegovina I will advocate a closer and more productive connection between the Foreign Ministry, the Ministry of Foreign Trade, FIPA and the municipalities – so that diplomacy can start delivering material benefits – in the form of investment and jobs – sooner rather than later.

Let me also mention, here, that to secure a successful participation in the Security Council, BiH will not only need to be able to formulate a unified position on key issues at the political level (BiH Presidency), but give itself the means to carry it out at the 'technical'/diplomatic level. In other words, your Representation (UN) needs an adequate staffing and funding to carry out this demanding task.

Europe, NATO and the Future

The second topical issue is the EU integration agenda over the next six months or so. Before the end of 2009, this project requires an orchestrated and highly demanding series of diplomatic steps. As I mentioned earlier, we are starting to see a serious political response to the task of fulfilling the remaining tasks on the Visa Liberalization Roadmap. As you know, not only did BiH politicians lose credibility domestically as a result of their failure to take necessary steps in time to have visa restrictions lifted at the end of this year, the country as a whole lost credibility internationally. Over the last two or three months there has been a spate of negative reporting on Bosnia and Herzegovina, highlighting political gridlock, the re-emergence of nationalism and the profligacy of the country's inefficient administration. It is a matter of the utmost urgency that we start to reverse these negative perceptions. The fact is that there *is* now some progress, however limited, on visa liberalisation – BiH embassies must begin to communicate a

more accurate, and more positive picture of the country.

Bosnia and Herzegovina still has work to do to get the candidate status for the membership in the European Union. With regard to this, it is absolutely imperative that every positive development – and there are positive developments – on the integration path is fully understood in Brussels and in EU capitals. I have to admit that it was difficult for me to explain the fact that for such a long time there was no director of the Directorate for European Integration, and the main foreign-policy priority of this country is the membership in the European Union. This issue is no longer outstanding. When I say that, I also have to say that I do not want to go into the story on the “ethnic representation”. I will leave it to domestic politicians. The rewards of candidate status – financially and in terms of other types of cooperation – are substantial, and it should be the task of the BiH diplomatic corps to ensure that when this comes within reach the rest of Europe is fully aware of how much progress BiH has made.

The same applies in regard to Bosnia and Herzegovina's effort to secure NATO membership. NATO is a military alliance of countries that share common values and those values are reflected in each country's institutions and political culture – so joining NATO is not just a matter of completing an ambitious military restructuring programme. It is a matter of completing the country's political and institutional rehabilitation – and every positive development in this respect must be communicated effectively in NATO capitals. Part of the broader agenda, as you know, is the solution to the issues of Defence and state property in Bosnia and Herzegovina. Without clarity of ownership the Ministry of Defence cannot and will not make the necessary capital investment in the armed forces and its real estate – and this would make Bosnia and Herzegovina considerably less attractive as a potential NATO member.

There are a number of ways in which Bosnia and Herzegovina can

make its progress towards greater Euro-Atlantic integration easier, and some of these ways fall within the specific remit of the Foreign Ministry. It goes without saying that this country can learn from others, particularly close neighbours that have already completed the journey. The Slovenian experience, in terms of practical, legal and administrative preparations offers itself as a useful model, and I believe that programmes designed to share this experience through seminars, conferences and exchanges of best practice can usefully be expanded.

It also goes without saying that the more regional momentum towards European integration builds, the better it will be for each country. We must therefore foster maximum cooperation among countries in the region so that progress in one benefits the others. In this regard, it has to be said that the delay in appointing a BiH ambassador in Belgrade certainly isn't helping Bosnia and Herzegovina's European integration prospects.

Energy and talent

I have spoken at some length, but that's because I believe each of the points I have outlined today is crucial for the wellbeing of Bosnia and Herzegovina and its citizens – and you, the country's international representatives, play a role in maintaining that wellbeing that is entirely disproportionate to your numbers.

Two things are indisputable – Bosnia and Herzegovina has a lot of problems and Bosnia and Herzegovina has a lot of reserves of energy and talent. It is our task – those of us in BiH institutions and those of us who work for organizations that are charged with helping this country – to make certain that the second of these facts prevails over the first. I believe that it can. I hope that you do as well.

Thank you