

Speech by High Representative and EU Special Representative Valentin Inzko



End the Economic Crisis and Reopen the Door to Europe

Ladies and Gentlemen,

Soon after I began my work as High Representative and EU Special Representative I accepted an invitation to participate in a debate with BiH students. I was happy to do that because I am well aware that ideas and initiatives emerging from the universities can help to get Bosnia and Herzegovina out of its present very serious difficulties.

That is why I am here today. I want to explain to you how I see the country's predicament and what I believe must be done to address this predicament. At the same time I want to hear what *you* believe can be done to resolve the crisis.

As to the predicament itself: I will speak plainly. The economic situation is critical – and every serious effort to limit the spread of unemployment and poverty has been blocked because of the political impasse that has now existed for more than three years.

In case anyone asks what the International Community is doing about this, perhaps I should begin by making it clear that the International Community is doing a great deal.

Just in the last two years the 20 leading bilateral and multilateral donors to Bosnia and Herzegovina have allocated 1.2 billion Euros to development projects in this country. Of that figure, 355 million Euros takes the form of grants.

Just to give you a sense of how the International Community its backing its words with deeds I should point out that the value of projects financed by the European Commission in Bosnia and Herzegovina tripled last year.

The country's progress towards membership of NATO and the European Union has taken place in the context of sustained and very practical assistance. Every step that Bosnia and Herzegovina has had to take has been accompanied by tangible help.

To take just one example: in order to fulfill the requirements that will make it possible for BiH citizens to travel to EU countries without first having to apply for a visa, the BiH authorities had to introduce biometric passports. To help the BiH authorities do this, the EU provided technical assistance, including financial assistance worth 400,000 Euros for the purposes of establishing the digital signature infrastructure, and an additional 200,000 Euros to set up the mechanism for fingerprint matching. The German Government provided a further 150,000 Euros to the BiH Border Police to buy biometric passport readers that will be installed at the busiest international border crossing points.

The International Community doesn't simply set conditions. It offers real and immediate assistance to meet the conditions.

Clearly defined roles

Now, with regard to the International Community's *political* engagement in this country there appear to be two predominant schools of thought.

One holds that we should do much more.

The other holds that we should do much less.

In fact, the role of the International Community in Bosnia and Herzegovina, like the role of the domestic authorities, is laid out in the Dayton Peace Agreement. And, under the terms of the agreement, the High Representative is “the final authority” regarding its interpretation.

So it’s not really a matter of doing less or doing more. It’s a matter of doing what we are mandated to do under the peace process.

The Dayton Peace Agreement established the system of government that must now fix the problems of Bosnia and Herzegovina. In the final analysis it is the domestic authorities – not the International Community – that must address and resolve the present crisis.

If they cannot do that, then it is up to the people of this country to change the authorities.

Does this mean that the International Community is washing its hands of Bosnia and Herzegovina?

Absolutely not.

The International Community continues to be fully engaged in making the Dayton system work – a task specifically mandated to the High Representative under the Dayton Peace Agreement.

Poverty and distress

I have now spent nearly a year working with the parties to try to achieve political consensus.

Without this consensus, the current system cannot work.

But, of course, it's not simply a matter of the *system*.

It's a matter of people's daily lives.

Without political consensus, the people of this country cannot hope for things to improve.

The absence of consensus has brought poverty and distress to the country and to most of its inhabitants.

I am shocked – and you should be shocked too – that this has apparently not been sufficient to make the party leaders act.

Regardless of the suffering that surrounds them, they have resolutely failed to take steps to fix the economy – steps that they agreed long ago they would take as part of the European integration process.

For the record, these include enacting a Law on Obligations, modernizing the Banking Supervision system and establishing a Social and Economic Council – all of which can be done quickly and all of which will help attract investment to Bosnia and Herzegovina and create jobs here.

Indignation and anger

In order to fulfill the duties of my office I have a number of instruments at my disposal. However, the most effective instrument that can be used to resolve three years of political deadlock is not the OHR: it is the indignation and anger of the people of Bosnia and Herzegovina.

The people of this country are suffering.

They should make their representatives aware of that.

The question is not what the OHR or the International

Community should do to get this country back on track.

The question is what the parties in Bosnia and Herzegovina are going to do.

And the answer is: they are not going to do *anything* unless *you* make them.

Hard hit higher education

Let me ask for a show of hands – How many people here are members of a political party? Put your hands up.

Well, I believe *that* may begin to tell us why the political parties perform the way they do – they do not have the benefit of *your* input.

Some of you may argue that all the parties are the same and you do not wish to dirty your hands with low politics.

That is the logic that leads to governments that are mediocre and ineffective at best – and corrupt and evil at worst.

The lack of mass participation in BiH politics has had disastrous results. You should know – the Higher Education sector has been among the hardest hit.

This country joined the “Bologna Process” in 2003. The Process, now a decade old, is designed to create a single “European Higher Education Area” by this year.

Is Bosnia and Herzegovina now part of that single European Higher Education Area?

No, it is not.

Because the authorities have failed to take the steps they promised to take when they signed the Bologna Agreement seven years ago.

The first generations of “Bologna” students have now graduated from BiH universities, but the opportunities offered by the Bologna Process are not open to them.

Their degrees and diplomas are not properly recognised even on the BiH labor market, let alone the European labor market.

The authorities have failed to agree on the Rulebook on academic titles, necessary for recognition of the new “Bologna” degrees, and therefore for mobility and employability of “Bologna” graduates in and outside Bosnia and Herzegovina.

Who should be outraged by this?

Well, all of *you*, for a start.

What are *you* going to do about it?

This is a good time to ask that question – because there’s an election coming up.

While we’re at it I should draw to your attention the fact that almost six years after the adoption of the state-level framework Law on Higher Education, some Cantons have not harmonised their own laws with this Law, and some public universities in the Federation have not been integrated as required by the Bologna Process – these are two issues that could usefully be raised with candidates during the election campaign.

End the economic crisis and reopen the door to Europe

The absence of progress in the education sector reflects an absence of progress across the board.

As you know, the European integration process can open the door to enormous possibilities for Bosnia and Herzegovina.

Let me be frank.

That door is at this point closed.

It hasn't been closed by the European Union.

It has been closed by the parties in power, which in three years have failed to implement a single significant reform required by the European Partnership or the Stabilisation and Association Agreement. And they didn't do their job regarding the visa liberalization. If they did, you wouldn't need visas today to travel to the EU!

In these three years, all of Bosnia and Herzegovina's neighbors have accelerated the pace of their integration in Europe.

The International Community is offering substantial and sustained practical support – but that support alone will not reopen the door to Europe.

The door can only be opened by this country's authorities, the present authorities or the authorities who are voted into office in October.

Let me repeat – these people will not do what is necessary unless *you* make them.

Between now and October, public opinion must be focused on the steps that have to be taken to end the economic crisis and reopen the door to Europe.

The most atrocious observation that I have heard made by political leaders is that nothing can be done this year as there is an election in October.

The fact is that much can be done *because* this is an election year.

The number-one priority of politics in this country today

Some people will stress that not all the party leaders are equally to blame. Some have been more intransigent or unimaginative or corrupt or stupid than others.

My response to that is that none of the leaders – including the least culpable – has done nearly enough to build consensus.

Consensus isn't something that just happens.

It isn't something that it would be nice for Bosnia and Herzegovina to have.

Consensus is – or ought to be – the number-one priority of politics in this country today.

It has to be forged with the utmost energy and focus and determination.

The absence of consensus is directly responsible for the poverty and pain that permeate the country.

Is achieving this consensus an impossible dream?

Of course it isn't!

Party leaders in this country routinely agree on how to allocate resources money and power among themselves.

If consensus can be built for the benefit of party leaders it can be built for the benefit of citizens.

If consensus can be built to award members of parliament a pay rise, it can be built to improve the business environment, get bank loans to small businesses, bring employers and workers together and create jobs.

If consensus can be achieved on the question of which political appointees get to run which state enterprises, then

consensus can be achieved on fulfilling the outstanding commitments that will get Bosnia and Herzegovina into Europe.

Consensus is not only possible; it is all around us – unfortunately, in politics at least, it has not yet been applied to the things that really matter.

This is an election year – which means it is a good year in which to ask why this is so.

Thank you