

Speech by the High Representative and EU Special Representative, Miroslav Lajčák, to the Parliament of the Federation of BiH



Mr Speaker, Ladies and Gentlemen,

It was reported in the press last week that I was preparing two speeches ahead of my appearance here today – one to be delivered in the event that we secured a last-minute agreement on police reform and one to be delivered if no agreement was reached and if – as an inevitable consequence – Bosnia and Herzegovina found itself falling far, far behind its neighbours on the road to European integration.

I only prepared one speech because there is only one possible agenda for Bosnia and Herzegovina – the European agenda, the agenda that is supported by the overwhelming majority of this country's citizens, the agenda to which, again and again, you have claimed to be committed.

I will not dwell on the fact that a police reform agreement was not reached by the deadline. Yesterday I delivered my message saying that it will depend on the political party leaders whether the situation changes. It is clear to everyone what is at stake and what is required to achieve further

progress in the process of European integration.

There is more work to be done before we can say that the issue of police reform is being addressed in line with the expectations of the European Union. But what I am seeing is a new level of engagement by political leaders and this is certainly positive and encouraging. It has always been up to the political leaders to find a solution and compromise. That is the European way of conducting politics.

I really want Bosnia and Herzegovina to move forward on its European path and to succeed. That is why, when I spoke to EU Enlargement Commissioner Ollie Rehn about recent events, we agreed that, having in mind encouraging developments, the European Commission could wait a few more days. Now we, the European Union and the International Community, expect that BiH leaders will do their best to come to an agreement as soon as possible – an agreement that will meet the European requirements and will have the necessary political support.

Now is the time to leave behind the negative rhetoric and engage in constructive political dialogue in order to find a solution, which is closer than it seemed only a few days ago. It would be a pity to miss that opportunity!

This is why I wrote one speech, not two – because the European agenda remains the same: the steps that must be taken in order to deliver positive change in Bosnia and Herzegovina remain the same.

These days I have spoken about the likely consequences of renouncing this country's European future. I want to make clear today that these consequences are happening already.

Bosnia and Herzegovina is falling behind. Isolation will happen slowly, the country will stagnate; economic growth will slow down, the opportunities to build prosperity will be fewer, which will for sure reflect on the political situation.

The path is the same. The agenda is the same; the reforms that have to be agreed and implemented are the same.

Mr Speaker, Ladies and Gentlemen,

Last week I spoke to the RSNA and the first thing I want to stress is that the order of my addresses is not symbolic in any way and no significance should be attributed to it. I have equal respect for the parliamentarians of both chambers.

When I spoke to the RSNA last week, and when I addressed the BiH Parliament several days before that, I called for an end to the megaphone polemics that have taken the place of normal politics in this country since spring last year. I pointed up the danger of generating fear through insensitivity, and I stressed that when you clear away the negative perceptions that surround a whole series of key issues you discover that there is actually a large measure of consensus on matters of substance.

The destructive dialogue must stop and it must stop now. It must be replaced by a direct, frank and constructive dialogue. This is the only way that we will be able to accomplish more in the coming year than was accomplished in the last year.

No one, I think, will argue that the political atmosphere which has prevailed since last spring has produced anything positive and constructive. Ratification of CEFTA and the enactment of the Higher Education Law by the State Parliament represent very modest achievements over eighteen months – eighteen months of parliamentary activity, whether in the State Parliament or in this assembly.

I do not believe that anyone in this parliament can argue that you have made progress.

Countries that seriously embraced their European agenda had to adopt and implement thousands of laws every year; they had to subordinate their activities to that process. Their political

will was the same regardless of which party or coalition was in power. I know this from personal experience.

In all countries, it was the political elites that had to explain and persuade their citizens to support key reforms necessary for their own good and their European future. This challenge seems to be the opposite in Bosnia and Herzegovina: it seems to me that it is the citizens here who have to persuade the politicians that it is integration that leads to overall progress.

Yesterday, upon an invitation of the leaders of the Republic of Croatia, I paid a working visit to Zagreb. Neighbouring Croatia, which is the nearest to joining the European Union in this region, promised to help with the transfer of experience from the process they have been through. This shows clearly that your neighbours do not want BiH to be last on the road to the European Union.

You received a mandate from your electorate to make progress. While the easiest thing to do is to blame someone else, I want you to honestly ask yourselves: what have you personally contributed to make the lives of your citizens better, to generate progress?

Mr Speaker, Ladies and Gentlemen,

Last week, in my address to the RSNA representatives, I called them to explain, give arguments, persuade and communicate.

If I think that something I'm about to do might make some of my neighbours nervous then I go and talk to them first and allay their fears. That's not enlightened statesmanship; it's just common sense. It's what millions of citizens do regularly in their daily lives.

Today, I make the same appeal to you.

Some of you may be inclined to protest that you have always

done this. Believe me, I am not a stranger to the nuances of BiH politics. I am very well aware that the communities in this country could teach a thing or two to the people of other countries, when it comes to inter-communal dialogue. But I am equally well aware – as is every person in this chamber – that the polemics of the last year have damaged the spirit of Bosnia and Herzegovina's peace settlement, even if politicians have been careful to keep within the letter of Dayton. The result has been a new wave of fear among the people and a hardening of positions among their leaders. If anyone here thinks this is a positive development, perhaps you would be so good as to explain exactly in what way it can be considered positive.

Dayton established and enshrined a sovereign, independent Bosnia and Herzegovina and two Entities in it, with clear specifications as to how the Constitution can be changed. This agreement has kept the peace for more than a decade and it will continue to keep the peace. The international community remains and will remain one hundred percent committed to this constitutional arrangement until a new one is agreed.

Those who question this agreement – whether calling for the dismantling of the Entities on the one hand or the secession of the RS on the other – are wasting time.

If it were simply a matter of time-wasting that would be bad enough. But it what is worse than that – they are generating fear. This is why practically nothing has been achieved for more than a year.

This is why we failed to secure an agreement on police reform. This is why we are not about to initial a Stabilisation and Association Agreement.

Let me be absolutely clear: when it comes to wasting time and generating fear, neither side has been blameless – not those who have denigrated the integrity of Bosnia and Herzegovina,

not those who have questioned the right of the Entities to exist.

Well, the period of recklessness and intransigence that has delivered nothing can be brought to an end quickly if we shift the focus of public debate from pipe dreams to practical politics. If we do that, this time next year we may be partners with the European Union, together with the countries in the region.

Mr Speaker, ladies and gentlemen,

Last week in the RSNA, I had some very concrete messages for Republika Srpska, and today, I am going to mention some issues that are within the competency of the Federation.

Mostar

When you look at the Federation of Bosnia and Herzegovina one would be remiss to not specifically mention one example where many – but unfortunately not all – differences were overcome. It is the unification of the City of Mostar – which can be viewed as a microcosm of the Federation itself.

While Mostar has its problems, it is nonetheless the only city in the Federation BiH where one people are not under domination of another.

The process of unification of the City – which has crept forward, but is still not complete – succeeded in its initial phases due to the direct involvement and commitment of key people.

However, that commitment to unification has on occasion been set aside by the parties who periodically seek to use Mostar and its citizens as tools for their political ambitions.

That war of words, increasing tensions, does nothing to help the people of Mostar.

The result is that rather than resolving their disputes through normal political dialogue, the parties turn to the OHR to decide for them – and then they criticize those decisions. At some point, the party leaders must assume full responsibility for the unification process.

Mostar today is a city on the rise, but despite the monumental efforts of the international community, with the support of the domestic authorities, it remains damaged, both physically and spiritually. I urge you to help the city recover fully, through supporting unification to the end and directing more funding towards its complete reconstruction.

The Federation is still crucial to Mostar's success, and I believe Mostar's success is crucial to that of the Federation.

Education

Education is often on the Federation's agenda and the adopted reforms are welcome, but they have largely remained on paper. Therefore the education sector continues to be an open wound in the Federation, a fact confirmed again at the beginning of this school year in a number of ethnical and religious incidents in a number of schools throughout the Federation of BiH.

There has been little progress on the elaboration of new institutional structures and improved quality or equality of provision in the BiH fragmented, under-funded and, in more than one aspect, discriminatory educational system in BiH.

The underlying problem is that you have not found a way to keep party politics out of education and out of classrooms.

The general trend is not towards post-war reintegration, but towards maintenance of discrimination either through assimilation or division along "ethnic" lines. Although present across the BiH, this trend is more obvious in the Federation, and especially in those cantons where we still

have the embarrassment of “two schools under one roof”. In Čapljina, for example, pupils of one primary school started the new school year with two-week delay due to a purely political dispute.

I am aware that cantons have the main responsibility for education, but the solution for these problems must be found at all levels of government.

Media

The third important reform is certainly the reform of the public broadcasting system.

Allow me to be completely frank here: too much time was wasted on this reform too, solely on account of narrow political interests. The facts are as follows. The current Law on the Public Broadcasting System of BiH, which was adopted by this assembly at the end of 2005 and which fully reflects the EU principles pertinent to public broadcasters, guarantees equal rights with regard to representation of three official languages and programmes promoting the cultural heritage of all three constituent peoples. These issues have been at the core of fierce political debates during last several years, however the highest judicial authority of this country confirmed that the Law on Public Broadcasting System of Bosnia and Herzegovina is not destructive for the vital national interests of the Croats, or any other people in BiH. This law is already in the implementation phase.

But this does not mean that I do not understand criticisms referring to the current situation within the public broadcasting system. I agree with most of these myself. However, we should focus on the resolution of the problem, not rejection of the system. The resolution of the problem means using the existing legal mechanisms and agreed-on rules and not the continuous refusal of solutions without proposing alternatives.

I am reminding you of the fact that the time in which different public broadcasting models were discussed has gone and that the model as defined in the Law on public broadcasting system of BiH has been assessed as the only financially tenable model, which at the same time satisfies cultural, traditional and other needs of peoples and others in BiH.

However, it is precisely obstructing the enactment of the Federation legislation that allows for deviations from the solutions established under the law, which really represent a good basis for the creation of this system to the satisfaction of all citizens of BiH.

There is a task pending before your Parliament: and that's harmonization of the proposed law on the public broadcasting service in the Federation of Bosnia and Herzegovina. A Joint Parliamentary Committee has been formed and its work has to be accelerated. There is no doubt that you will also bring this task, like all the previous tasks, to an end. Your constructive role in all reform processes that Bosnia and Herzegovina has been undergoing is undisputable.

Therefore I would call on all those who have so far been disputing the implementation of the adopted regulations and preventing the adoption of the only remaining law in this area to re-examine their views with respect to this so as to make it possible to finalize this reform.

Allow me to make a specific note here. The Federation cannot, and must not, be seen through the prism of Bosniak-Croat interests only.

Although many of you in this parliament have had no difficulty in identifying and bemoaning numerous lapses in the other entity, you seem to assume that all is well in the Federation when it comes to respecting the multi-ethnicity of this country, and the rights of all constituent peoples and

'others'. It's not really the case!

I welcome the fact that after the last elections all the seats reserved for Serb delegates in the Federation House of Peoples are filled.

I hope that this will bring a new quality to political life of the Federation of BiH making it a truly multiethnic community where all the three constituent peoples and "Others" may pursue their cultural, linguistic, religious and all other rights.

By not insisting on this, you reinforce those who stand for making the other entity exclusively for the Serbs. May I remind you that all constituent peoples are constituent on the whole territory of BiH.

In terms of this, you have to emphasize the need for full respect for human rights as well as for decisions by those institutions in charge for the protection of these.

Still, the greatest challenge for the Federation of BiH lies in the economy.

While industrial growth in the Federation during the first seven months in 2007 grew by almost 13 percent there is a real risk that this year's public finances in the Federation, both at the entity and the cantonal levels, will come under severe pressure as a result of unfunded pre-electoral hikes.

The recent budget rebalance was necessitated by pre-election promises and subsequent salary increases. Untargeted subsidies erode the financial integrity of the government and do not help those who are most in need. A case in point is the regulation adopted by the Federation Government in August 2007 enabling all former Federation Army members and members of the Federation Defense Ministry to retire with an average pension of 650 KM.

Some pre-election pledges are simply unsustainable and blaming the earlier composition of the Parliament makes little sense, as the same parties, more or less, remain in power and many of you here had delegates' mandates in the previous composition as well.

Do not misunderstand me: a social safety net needs to be ensured for the most vulnerable category of the population. However, this does not entail providing handouts for the most effective pressure groups only.

It is unfortunate that the budget rebalance of 150 million KM entails only a relatively modest investment in infrastructure and development projects, while the bulk of funds will be directed to new social transfers and salaries, even though some public workers in the Federation of BiH have average salaries comparable to the highest salaries in the country.

While pressure groups have managed to secure special treatment, there is a lack of funds for the most vulnerable people in society, and very little is left for investments into development and job creation. Without investment and economic growth it will not be possible or sustainable to ensure continuation of social programs or their increase.

Unemployment affects young people disproportionately. According to the BiH Labour Force Survey of 2006 around 62 percent of those aged between 15 and 24 are out of work. This is economically, socially and politically unsustainable. It is difficult to expect that young people will acquire relevant work habits and start contributing to the society only when they are 24 and over.

It's not all negative. I want to take this opportunity to pay tribute to the successful effort of the Federation Parliament and Government to consider the Personal Income and Profit Tax laws; this should have a major positive impact on the business environment, it is a step forward towards the single economic

space in BiH, which will in turn help boost job creation, the single most important task facing the authorities across the country at every level.

However, more radical steps need to be taken, and this also includes reviving the almost moribund privatisation programme that appears not to be for the benefit of the people who built these companies but for the benefit of political parties in power.

Mr. Speaker, Ladies and Gentlemen,

You as parliamentarians have enormous power and responsibility. You are the people's representatives and you must show that you are working in their interest and not in the interest of your political parties.

I will closely follow your work and will work together with you to make Bosnia and Herzegovina more efficient and ready for its European future. This has to be our common task.

Thank you.