

# Transcript of the Press Conference on the RS Government's obstruction of Key Reforms

## Principal Deputy High Representative, Larry Butler

Good morning. In the interest of efficiency and respecting your time as well, I know 9:30 in the morning is a little early, earlier than we normally do it, but this is an important topic and we wanted to get on with it.

Ambassador Ney and I have called this press conference in order to address a problem that threatens the very real prospects Bosnia and Herzegovina now has of moving forward with EU integration, and of attracting investment, creating jobs and naturally, improving living standards.

A month ago, Ambassador Ney and I visited Banja Luka and we met with PM Bukejlovic and members of his government and we were accompanied by representatives of the European Commission as well as OSCE, to present him with a list of laws whose adoption was being hindered or obstructed by this Government.

We pointed out that these laws have to be adopted in order for Bosnia and Herzegovina to move forward into the Stabilisation and Association process.

We pointed out that by blocking these laws, the RS Government itself is endangering the very process of European integration that the Prime Minister has told me personally he strongly supports. We asked that he take action within a couple of weeks or at least respond to us.

It's been a month, it's December 2nd now and there hasn't been

any progress to report.

There has been a real atmosphere of celebration since last week when Commissioner Olli Rehn came to Sarajevo to launch the SAA talks. Bosnia and Herzegovina has entered a new era. It's left the one of intervention into integration. The start of these talks are a substantial agreement and achievement.

But the start of these talks are the very first steps in the European integration process. To deliver on the benefits of that era to citizens, the BiH authorities must continue to move forward with a broad range of challenging reforms.

This was sharply illustrated with the release this week of BiH's Competitiveness rankings. To remind you, while there was some progress, the overall picture was not flattering to BiH, especially in the regional context.

Yet the government of the Republica Srpska is moving in exactly the wrong direction. We have a saying, that if you are not part of the solution, you are therefore a part of the problem. Instead of fixing the problem, the RS is causing the problem. It is blocking a raft of legislation in an attitude that is much more reminiscent to 1997 than appropriate to the end of 2005 and in a State with aspirations for EU Accession.

I just want to give you a quick example of the kind of obstruction that I am talking about, and this is a relatively new example. Minister Colak recently called a meeting on anti-terrorism – this is an issue that I am sure you will agree with me, is of prime importance to this country. Yet the RS Head of Police Dragan Andan refused to attend or respond to the invitation because Minister Colak used the Croatian word "Ravnatelj" for Director, rather than the Serbian word.

If this attitude does not change, the whole process of normalisation and integration in Euro-Atlantic structures is going to slow down – or even grind to a halt – and this is just as your train to Brussels is getting ready to leave the

station.

So, we have prepared for you a list of laws that are being obstructed by the RS government. You can pick them up on your way out.

But now I would like to turn to my colleague, the Senior Deputy High Representative Ambassador Martin Ney, to take you through the specific instances of obstruction.

### **Senior Deputy High Representative, Martin Ney**

The examples that I am about to give you are not about high principles or high politics. They are matters that affect the every day life of citizens of BiH and of the RS. They are about the functionality and they are about the economic sustainability of this country.

In the economic sphere, the RS Government refuses to support a state level Law on Obligations. This compromises the creation of a single economic space, which is an absolute pre-requisite for attracting investment and creating jobs. No state level Law on Obligations, you don't have a basis for attracting investment.

The RS Government refuses to allow the state to issue bonds to settle debts for frozen foreign currency savings. This sounds very technical, it's not. This not only slows the process of resolving BiH's internal debts, but will result in citizens in the RS receiving a entity level bond with a market value substantially less valuable than a State issued bond.

In agriculture, it refuses to allow the state to coordinate and develop agricultural policies. This only maintains the unacceptable levels of rural unemployment, and makes it more difficult to obtain international financial assistance for agriculture. This affects the lives of the citizens.

In education this affects the youth. In education, the RS

Government refuses to support an effective State level Higher Education Law, which is fully in compliance with the Bologna principles. We need an effective state level law, otherwise Bosnia and Herzegovina cannot comply with international obligations it has accepted on education. What does it mean for the young people? It would mean that Universities outside Bosnia will not accept the qualifications granted by the Universities in Bosnia; and it also means that there can not be mobility between students in Bosnia and Herzegovina and students studying abroad. This affects our young people and their future in Europe.

In defence, the RS government is refusing implement the decisions on Defence Reform that have been adopted by the RSNA

The list goes on. As Ambassador Butler has mentioned the list is handed out to you, please check on the details.

But the important message is this one. This is the responsibility of the RS Government, not the responsibility of the International Community.

Now that the SAA process has begun, the International Community is scaling back its role in BiH politics.

In the past, Politicians of this country have relied on the OHR to do the heavy lifting, now that the SAA process has started it must recognize its own responsibility in doing the reforms that are necessary for the citizens in this country.

It is the people, it is also up to you as journalists to put pressure on the authorities to resolve this issues. The RS Government has no reason to damage the interests of citizens. It is electoral suicide to do so.

But if the RS Government does not change now it risks being changed by the people next October.

So the RS Government should act, and it should act quickly.

Thank you very much.

### **Questions and Answers:**

#### **Sead Numanović, Dnevni Avaz:**

Based on your last sentence that the government of the RS could be kicked out of the office by the citizens on the next elections, does it mean that the OHR is not going to intervene or to remove Mr. Bukejlović, but rather to wait?

#### **SDHR, Martin Ney:**

I think the question reflects the thinking of the past. In the past it was always OHR pushing. If the authorities have not acted OHR would remove the person, would impose the laws. This is history. Now we have the SAA process. If the reforms are not done it is up to the RS government, up to the authorities in this country to do the reforms. You can't go for an SAA process and say "Hurray! We have made it. We are on track.", and then go back and say "Well, the heavy lifting still has to be done by the international community." It is the responsibility of the politicians in this country to do it. OHR can get you to the gate of Europe, but if OHR is required to act on issues that are required with the SAA you wait in vain for that. It is up to the citizens in this country to tell their politicians to act in their interest, to do the reform that will get them into Europe.

And this is what I mean by my last sentence, as a voter in this country I would be very critical to my politicians. I would look very, very precisely who are the politicians who are getting me into Europe and who are the politicians who, for whatever reasons, are obstructing the reforms that will get me a place in the European Union.

#### **Sinan Šarić, FTV:**

We have to hope that this happens in October, keeping in mind however, that we have learned through experience over the last ten years that the citizens of Republica Srpska always elect governments that obstruct Bosnia and Herzegovina 's path to Europe. What do you suggest we should do given the situation? We obviously cannot rely on an electorate that will elect a progressive government.

**PDHR, Larry Butler:**

I'm going to take the point of what we have accomplished over the last couple of years and what still remains to be accomplished. You will see from the list that you will get when you leave, the majority of the laws that are blocked by the failure or active measures by the RS Government were very much intended on completing the single economic space which equals jobs, equals prosperity, equals more revenues for governments, governments including the RS to spend on their citizens.

I personally will continue to be very heavily engaged in direct conversation and dialogue in finding ways to exert pressure on the politicians to come to the grips with what their obligations are, what their responsibilities are, as your country enters into the Stabilization and Association process. The international community is not responsible for electing or selecting your political representatives. This is a citizens responsibility. Bosnia and Herzegovina has transformed into an increasingly modern European democracy.

Ambassador Ney made an allusion to the responsibility of a free media to also play the role of public watch-dog in pointing out failures, obstruction and successes – because we have had successes. This is a very tight list of things which does not reflect all the other things that have been accomplished up until now. My concern is – as we head into an election year, as we start the SAA process, as Bosnia enjoys its best year of economic growth in a decade, in fifteen years

– you can't stop now, because your neighbours aren't stopping. They are undertaking reforms that are precisely in line with the list of examples that Ambassador Ney gives.

I can tell you right now that if I was a student or professor in this country...and you are the only country in Europe outside of the Bologna process. Your degrees are worthless, your teaching credentials are equally worthless, and it leaves you outside the mainstream of developments of modern European society and competitiveness. And that is what is driving us. We will continue to aggressively interact and engage with the politicians in Banja Luka as we do here in Sarajevo, to continue to facilitate and push forward the reform agenda which is incomplete and I have to tell you the bad news is it is never complete because the world economy is always developing. That is the response to your question.

### **SDHR, Martin Ney:**

Could I make one addition to the question. You have said that we cannot rely on the electorate. The word democracy comes from the Greek old language and it means *demos* + *kratos* – the people rule. We must rely on the electorate. The question is how do we enable the electorate to be critical, to be informed, and to take their interests in their own hands and this is where I suggest you have a role to explain to them what the issues are, what the reforms are, if they are necessary and who is standing for the reforms and who is blocking these reforms.

Let me make just a final point. The reforms that are listed on paper here, these reforms are not invented to please any Brussels bureaucrats. They are reforms that are necessary for the citizens of this country and the success of these reforms will say if this country is on a proper way to Europe or not. But it is for the benefit of the citizens here and in their interest, and not to please anybody in Brussels.

**Lejla Riđović, BHT:**

Are these reforms a requirement Bosnia needs to fulfill in order to start the Stabilization and Association Agreement? What could happen in the event the government of Republika Srpska does not carry out the reforms?

**PDHR, Larry Butler:**

The conditions for starting the Stabilization and Association negotiations were laid out by the European Commission's Sixteen Points in their Feasibility Study, and those conditions were met and they must have met just barely. Now as your country goes into the actual process of negotiating with the European Commission, precisely what the Stabilization and Association Accord looks like, the implementation of that starts simultaneously with the negotiations. And I draw from examples from countries that are much more advanced than your country – Croatia, Macedonia, Bulgaria, Romania.

You don't actually wait for the finished, approved, ratified document. But these are things which again are not bureaucratic exercises and it makes me happy because some wise guy decided that you had to do these things. They have been proven in the European Union to make a difference in your quality of life, your economy, the quality of your democracy and all of the other chapters – I think there is thirty four of them – that constitute eventual accession into the European Union. It's the first that leads towards membership. It's your first contractual relationship, accepting that you have been unique in Europe being the only country in Europe that did not have a contractual relationship.

So, these issues will come up. Some of the issues I have mentioned, and pharmaceuticals may be a good one and I know the law and obligations is another, reflects very near the lobby groups that are trying to protect monopolies or their own positions because they make money off of it to the



detriment of the people and society. This is a question of economic efficiency which does not jeopardize the State and it does not jeopardize the Republica Srpska as an entity. This is just plain common sense, this makes this country more attractive to investors both domestic and foreign. So, I have no doubt that many of these issues will come up as I know agriculture has come up in the context of how can you pretend to have a discussion with Europe over agricultural issues if you do not have a state level Ministry of Agriculture and the explanation from Banja Luka that the State can't afford to have a duplicate of the Ministry of Agriculture. It's kind of obvious what the answer is. I think that is up to the State and up to the entities to decide how best to defend the interests of Bosnia and Herzegovina's farmers and the people who consume the farm products produced here as well as imported from the rest of Europe.