

Summary of JIIA Forum Presentation

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Bosnia and Herzegovina after the 2010 Elections:

The Way Forward and the Role of Japan and the Wider International Community

Let me begin by saying what a pleasure it is to be visiting the Japan Institute of International Affairs, following up on my first visit in August of last year. Japan continues to play an important role in peace implementation in Bosnia and Herzegovina, a fact recognized not only by the rest of the international community but also by Bosnia's citizens. Japan's generosity in providing meaningful assistance for the reconstruction of Bosnia and Herzegovina does not go unappreciated. The minibuses donated by the Japanese government are still being used by numerous people as a means of transport in Sarajevo, and the studio equipment received as aid from Japan is being put to good use by the Public Broadcasting Service in Bosnia and Herzegovina. Japan has provided almost a quarter of a million euros in aid since the end of the conflict, and it additionally covers about 10% of the running costs of the Office of the High Representative. Japan has been a constructive partner in recovery, and it has many friends in Bosnia and Herzegovina as a result.

Fifteen years have passed since the end of the war, but the scars of this conflict remain deep. This year the bodies of 730 victims of the Srebrenica massacre were interred. One woman from Srebrenica who lost 22 members of her family in the hostilities continues searching to this day for the remains of her father and her son. On October 3 of this year, Bosnia and Herzegovina held its sixth general election since the war. The elections were free and fair, and the turnout was a high 56 percent. Although the machinery of democratic participation worked rather well, the political environment in which the elections took place was not nearly as satisfactory. The campaign was marked by an alarming rise in negative and divisive rhetoric, with political leaders regressing into a brand of chauvinism. Attention is now focused on the reforms to be undertaken on the basis of new post-election mandates, but the prospects are not necessarily bright. Cooperation between political parties is not going smoothly, and some of the same negative rhetoric that preceded the campaign

persists. Challenges to the Dayton Peace Agreement and the state have also continued, so I regret to say that my office still has a role in peace implementation. The ultimate aim of the Peace Implementation Council for Bosnia and Herzegovina is to eliminate its own role and posts, and it is unfortunate that this aim has yet to be realized. Nevertheless, there have been some developments that augur well for the future, including the liberalization of visas, the improvement of circumstances in the surrounding region, and the decline of nationalism at the grassroots level.

Keeping the focus on economic development is one reasonable option for bringing the country together. Beyond the twists and turns of its postwar political rehabilitation, Bosnia and Herzegovina has achieved a remarkable restructuring of its economy. Until the onset of the global recession, the country was repeatedly notching up the highest annual economic growth rates in Southeast Europe; since 1999 its currency has been the region's most stable. The VAT system introduced in January 2006 has increased public revenue while eliminating many of the opportunities for corruption. The country has a functioning customs service; it has reformed its public procurement system; it has aligned its accounting and auditing practices with international standards; it has strengthened market rules; and it has harmonized and simplified business registration procedures. In addition to Japan's crucial engagement in peace implementation, the conditions are ripe for Japan's engagement in a commercial sense. Bosnia and Herzegovina, at the heart of a Southeast European market of 55 million consumers, could become a natural partner for Japanese companies. Increased commercial ties not only hold out the prospect of significant mutual advantage, but they would also contribute to the kind of economic transformation that could help resolve at least some of Bosnia and Herzegovina's political difficulties.