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“Future Relations between BiH and the International Community”

The circumstances surrounding us have changed considerably since my previous presentation in October 2010 and since the tragic earthquake and tsunami in March. The citizens of Bosnia and Herzegovina (BiH), who have endured their own bitter suffering over the past 20 years, collected what modest donations they could and extended a helping hand to those afflicted by Japan's March disaster. In the course of the peace process, BiH has received from Japan 250,000 euros in assistance and has put this aid and that from other countries to good use in modernizing its infrastructure and developing into an independent state. Of late, however, there have been some setbacks in the political situation.

1) Setbacks

BiH was impacted by the global economic crisis, and the political situation had begun deteriorating even before the October 2010 general elections. The Dayton system created by the Dayton Accords is no longer functioning properly. The party elected has failed to fulfill the government's constitutional check-and-balance functions. As a result of this political attrition, BiH is facing political, social and economic difficulties.

The April 13 approval by the BiH Republika Srpska of a resolution to conduct an anti-Dayton referendum is one example of the country's political problems. However, BiH joined the United Nations as a Member State on May 22, 1992. The Dayton Accords call for increasing BiH's efficacy not as an ethnic group or a centralized power but as a state, and advocate the continuance of that state.

In addition, fiscal pressures have undoubtedly brought on political tensions, and budget issues and related matters merit careful attention. Although a year has passed since the general elections, the political leaders have not fulfilled their fundamental responsibility as representatives in a democracy to efficiently run a government that protects its citizens. Unemployment in BiH has now risen to 43%. International monitoring of BiH has diminished, causing political instability that in turn brings about poverty and crime.

2) Positive elements

Our priorities are resolving these problems and returning to the path of prosperity toward admission into the European Union.

Serious challenges at the same time constitute serious opportunities. There are more encouraging elements than there are elements of political instability. First, large numbers of refugees have returned. Injustices are being righted, and war crimes trials are proceeding smoothly. Both Karadzic and Mladic have been sent to The Hague at the urging of the international community and our office, and their support networks have ceased to function.

As a long-term endeavor, BiH's judiciary and border guards have been rationalized and modernized, and are now able to protect the safety of citizens. Fifty BiH soldiers have been dispatched to Afghanistan and other locations as contributions to the international community. At the same time, the three postwar ministers of defense have now been consolidated into one, symbolic of the progress of peace.

The country's infrastructure was destroyed in the war, but it has been restored as well as modernized. Japan, the Soviet Union, and my own country of Austria have experienced destruction leading to such a rebirth. BiH has achieved industrial growth as well. For instance, automotive parts for Germany are being produced in BiH, and exports have grown by 10, 20 or even 30% at individual companies.

On the topic of energy, BiH is exporting electrical power. Large rivers traverse BiH and, with 64% of hydroelectric power still not being used, there is ample leeway for taking advantage of it. BiH can supplement hydroelectric power with other renewable energies such as wind, geothermal and thermal power. Countries reconsidering their energy policies in light of the Fukushima nuclear power plant accident have been seeking to invest

in BiH.

The encouraging economic and political growth in neighboring countries will likely have an impact on BiH as well. Neighboring countries have elected presidents and are seeking to revitalize their lands. Croatia and Serbia have opted to join the European Union, and Montenegro will become a candidate for membership this year. This would result in BiH being surrounded by EU member states or member candidates. To ensure that the Balkans do not become a “black hole” for Europe, BiH is also expected to join the EU.

3) Re-establishing BiH's international presence

As of September 1, 2011 the mandate of the EU Special Representative will be exercised by the Head of the EU Delegation. Dietmar Schweissgut will be the EU Ambassador to Japan, and on September 15 Peter Sorenson, a Balkans expert, will be appointed the EU Special Representative for BiH.

The EU Special Representative has carried out its mandate since 2002. After adoption of the Lisbon Treaty, the EU's role should have expanded and that of the Office of the High Representative (OHR) shrunk, but political instability means that the OHR must continue to play a prominent role.

The EU Special Representative is stipulated in the constitution as an office for dispute resolution. Until an alternative approach can be found, however, the OHR will likely continue to be needed. The BiH is heading into a period of chaos, and the OHR must look for the causes of political failure and establish an environment conducive to difficult political debates.

BiH boasts a plethora of economic resources and a highly-skilled and capable citizenry, but politicians have undermined these economic and human resources. Convinced of the need to rectify this, I solicited ideas from 100 people running companies as one of my last tasks as the EU Special Representative. In three weeks, I received 100 sets of policy recommendations that I posted on the Web and then had published in pamphlet form. These ideas came from professional businessmen, so they are all undoubtedly feasible. I hope Peter Sorensen will carry on this approach.

The people of BiH have talent and potential. Among their numbers are Nobel laureates in literature and chemistry, Oscar winners, and Palme d'Or recipients, and the football coach Ivica Osim is particularly well-known in Japan. We would like to provide this wealth of human resources overseas with a stage for performing in their own country.

What I would like finally to emphasize is that Japan's contributions are essential elements of the peace process. Funding for the OHR has declined year by year, but I would like to offer my thanks to the EU as the largest donor, the US the next largest, and Japan at 10% the next after that. We hold embassy-level meetings in Sarajevo every Friday, where we have heard a variety of opinions from Japan, and we are receiving support from the European Affairs Bureau of Japan's Ministry of Foreign Affairs. I have high expectations of future collaboration between BiH and Japan as well as the rest of the international community.