

**U.S. Ambassador Maureen Cormack: Policy Dialogue with Future Leaders
University of Sarajevo, April 10, 2015**

Good Morning!

I want to begin by thanking Rector Avdispahic for the invitation to come speak with you today, and many thanks to all of you distinguished faculty and students for the warm welcome and for taking time out of your classes to join me. It is an honor for me to be speaking in such a historic institution, but I hope that today we can look forward to the future. I'm going to talk for 15 to 20 minutes, and then really want to hear your thoughts and questions. The most valuable part of my first months in Bosnia and Herzegovina has been the opportunity to talk directly with the people of this country – and today is my first chance to speak directly with a group of university students such as you.

Monday will be my three-month anniversary in BiH, and I have been fortunate enough in that time to meet with everyone from heads of government and industry, to NGO leaders fighting for gender equality, to budding entrepreneurs, farmers and senior citizens just hoping their pension checks come through. I've traveled to Doboje and Maglaj, Mostar and Trebinje, and to Srebrenica. One of the questions I've frequently posed in my quest to gain insight on BiH is "who are the next generation of leaders of this country – the ones to watch?" Interestingly, many in the establishment have told me they don't know, but when I meet young people, they often tell me they *are* those future leaders. I hope that here today, many of you plan to be future leaders of this beautiful country. As such, I hope that today we can have an honest and open exchange.

Honesty is crucial between true friends, and the U.S. has demonstrated that it is a true friend of BiH. In the nearly two decades since the signing of the Dayton Peace Accords, we have invested over 1.7 billion dollars in the reconstruction and revitalization of this country. Nearly 30,000 U.S. service members supported IFOR and SFOR to help guarantee the peace and stability BiH needed to recover from war. In addition to such historic ties, there are now 350,000 Bosnian-Americans living all across America, so we expect the depth of those ties not just to endure, but to strengthen.

Because I am a relative newcomer to the complex political scene here, I have tried to do the smart thing and spend less time talking and more time listening over the past few months. Much to the chagrin of our colleagues in the press perhaps, I haven't done interviews, press conferences, op-eds, or many major policy speeches. In fact, my highest priority has been to hear the perspective of people from across Bosnia and Herzegovina. After gathering input from citizens across the country, I pulled together a broad cross-section of our American and local staff at the Embassy, and dragged them away from their desks for an extended brainstorming session (with plenty of coffee and heated debate) at my house. I asked our team to think outside the box – outside traditional norms and constraints – and as you listen today, I would challenge you to do the same. We had a completely frank, honest discussion of not only some of the biggest problems facing this country, but how we have approached those hurdles in the past, and most importantly – how to focus our efforts in the future. Our goal? To help support the true progress the citizens of this country need. Based on all of those discussions, I believe the following five areas are the most critical.

First and perhaps foremost, you won't be surprised to hear that we discussed the need for **political reform**. And yes, we talked about constitutional reform. At the end of the day, I do think that eventually such reforms are inevitable, as part of the EU accession process. The United States firmly believes that

Bosnia and Herzegovina's future lies in the EU or NATO, and *all* new EU candidates have had to make constitutional changes. Before it became a member of the EU, Croatia had to amend 12 chapters of its constitution to harmonize legislation with EU standards, and neighboring candidate states, including BiH, will have to do the same.

Here in Bosnia and Herzegovina, the situation is even more complicated because the constitutional framework was part of an overall agreement created to end a war. The Dayton Agreement continues to serve this purpose, and we should all recognize and honor that. That war ended twenty years ago, however, and today, BiH needs to look to the future. I want to be clear that the existing framework does allow for a fully-functioning state, *if* there is political will, and I wish to reiterate that the U.S. has always respected Bosnia and Herzegovina as a sovereign state, composed of two entities, the Federation and the Republika Srpska, within internationally recognized borders.

That having been said, fundamental political reforms – even within the current construct – are critically important. Not merely as benchmarks for eventually becoming part of the EU, but for the tangible difference such reforms will make in the lives of people in this country right now. Over the past ten years, there have been several initiatives aimed at constitutional reform large and small, such as the “April Package,” the Prud Agreement, the Butmir Process, and of course the negotiations on Sejdic-Finci. All of these have so far failed. But if the leaders and citizens of BiH, whether they live in Banja Luka or Mostar, Sarajevo or Brcko, want a better future for their communities and their children, they must re-engage on this important topic. Citizens need to fully accept that the reform process is not just the responsibility of diplomats and politicians -- citizens themselves need to speak up, tell their elected reps what they want and hold them accountable for delivering results.

Closely tied to the need for **political reform**, the next issue we wrestled with was how the U.S. can contribute substantively to **economic reforms** in BiH to finally create jobs and improve lives. I've had a number of discussions with members of the American Chamber of Commerce on these issues, and the current EU initiative will call for a significant number of economic reforms – many in areas near and dear to citizens. Things like addressing public salaries and benefits, clarifying procedures and regulations to ensure leaders are doing the work they are paid to do, and identifying areas of waste and abuse so that taxpayers get what they pay for. The Compact for Growth issued last year lays these out. Public administration reform has the potential to substantially improve the effectiveness of services, reduce costs to citizens, and unburden the private sector engine of the economy, which is right now in government's stranglehold. These are all functions that can work under the current Dayton structure – again, *if* there is the political will.

Many of you nearing graduation probably have thoughts on the desperate need for a more flexible job market here to encourage businesses to expand hiring. Outdated labor laws and collective bargaining agreements are difficult for any country to change, and are protected by powerful forces– but the only way to create new jobs for workers is by modernizing these agreements. Likewise, for BiH to become competitive, and for the skills of its talented entrepreneurs to generate employment opportunities and serve the greater good, intellectual property rights must be protected, and commercial laws and regulations across the country – the whole country – must be harmonized.

We also need a substantive discussion about the future of state-owned companies, where similar reforms must target the influence and patronage system that political parties use to select executives, boards of directors, and employees, often at the expense of managerial skill and technical competence. This dooms these same state-owned enterprises to waste and mismanagement and has left some of

them now essentially bankrupt. There *are* several profitable public companies, but think how much more successful they could be were political interference eliminated. My question for you is how we get those with control and vested interest in these businesses to give it up for the common good. Part of the answer certainly lies with transparency, and -- as in politics -- citizen demands for accountability for the transactions of such companies.

Which leads us to **corruption**.

I have been living in the U.S. state of Virginia for the past several years. The week before I left for Sarajevo, the governor of Virginia was convicted and sentenced for corruption - the first Virginia governor to be indicted or convicted of a felony in history. What I have heard from the people of this country is that they are waiting. Waiting to see when the first "untouchable" figure in BiH will actually be held accountable by this country's judicial system - for selling jobs or stealing taxpayer funds. Everyone knows the climate of impunity has to end for BiH to move forward - the anecdotal tales of corruption I've heard are horrifying.

Our Embassy has a multi-level and multi-faceted approach to supporting efforts aimed at combating corruption by working with key elements in the justice sector at all levels - from police to judges to prosecutors - to help build cases related to corruption and organized crime. We are partnering with prosecutors' offices across the country to make improvements that will help them operate more effectively, and are supporting the development of a new, special anti-corruption unit in the BiH Federal Prosecutor's Office. Other programs we support work with courts to streamline procedures, reduce case backlogs, and build the capacity of courts to enforce judgments.

Far more needs to be done, and we look forward to working with the new government as they seek to identify new ways to address this pressing problem. In addition to working with the government, we are also actively supporting civil society groups to advocate for and demand transparency. We foster their efforts to expand laws related to corruption such as protection for whistleblowers, conflict of interest, and electoral financing.

As important as these issues are for the future of Bosnia and Herzegovina, I think one topic may be even more important. For this country to capitalize on its vast wealth of human capital - which means you, and the students who will follow in your footsteps - I want to talk about the critical topic of education reform. BiH simply has no greater resource right now than the collective creativity, innovation, and aspirations of its young people. I have been told by businesses, educators and parents alike that the system in place to educate you is not keeping up with the times; they feel that it keeps you from achieving your full potential at a time when the country desperately needs all you can offer in order to resurrect itself and become competitive in the global market place. Unlike much of the rest of the world, a strong education infrastructure already exists here. It is again a matter of exerting the political will to commit to modernizing teaching methods, providing needed resources, incorporating technology, and ensuring every student has access to a quality education founded on the principles of diversity, reconciliation and universal human rights. No matter who you are. No matter where you live.

I've outlined four key strategic priorities for the U.S. Embassy going forward. You'll note that all four are common challenges for everyone in BiH, and they call for common solutions. Which brings me to the **fifth and final point I want to discuss**. Bosnia and Herzegovina has a complex history. We recognize the structures created under Dayton. But that doesn't mean that citizens of this wonderful country can't foster a shared vision for the future and a common sense of pride in it. We all saw this during the

disastrous floods almost one year ago, when citizens in hard-hit areas came together as neighbors to meet the crisis. In the hour of need, rafting clubs, students, farmers, and small business owners helped each other with no regard to ethnic background. We witnessed similar cooperation – and heroics – by members of the BiH Armed Forces in rescuing flood victims. In daily life too, be it citizens rallying behind a football team as it goes to the World Cup, or supporting efforts to see the doors of the National Museum reopen so that all can again appreciate their diverse cultural heritage while sharing it with visitors from around the world, the people of BiH will achieve more by working together in the spirit of the common good than they will by fighting against one another. You have so much to be proud of in Bosnia and Herzegovina – rich history, abundant resources, stunning natural beauty, and the opportunity for a bright, prosperous future in Europe. My staff and I at the U.S. Embassy are constantly looking for ways to support you to that end.

When I arrived in January, I launched a challenge to celebrate this 20th year of peace: “Izaberi zadatak, budi promjena –choose the cause, BE the solution.” Our goal is to inspire 20,000 volunteers to step up and find ways to help make their communities, schools, or neighborhoods better. I want to challenge each and every one of YOU to join this challenge, and find a way that you can contribute to making your country better. On April 22nd, I will lead the U.S. Embassy, joined by the American Chamber of Commerce and U.S. soldiers assigned to NATO Headquarters Sarajevo, out to Doboje, Maglaj and Doboje Jug to help with a big cleanup effort for Earth Day. When I traveled to that area in February, I was amazed by the litter left behind by the floods, and we want to do our part to help restore the majestic natural environment of these areas before the summer tourist season. We are working with the three mayors, and citizens from across those communities will be joining us. So in closing, I hope that you will choose YOUR cause – whether that is cleaning up your community, creating a new business, entering politics, or becoming an educator. Bosnia and Herzegovina needs all of your talents to develop the many opportunities here.

Thank you for your attention, and now I would love to hear your thoughts and questions.