

About That 'Progress' You Mentioned...



After nearly a month of delay, the European Commission's Bosnia and Herzegovina 2015 Report (formerly known as "progress reports") was issued on November 10 to great official fanfare - by both EU and member state officials and by BiH domestic authorities

Headlines and photos in two of the main dailies tell the tale. Banja Luka's *Nezavisne novine*'s front page photo on November 11 shows EUSR Lars Gunnar Wigemark and BiH Prime Minister Denis Zvizdic at the presentation of the Report; the full headline reads "the first time in the past ten years of a positive report on progress toward the EU - BiH has returned to the European path - the report encourages completion of the final stage of preparation of an application for EU membership in the next few months." Sarajevo's *Oslobodjenje* is similar: "European Commission issues report - BEST MARKS TO DATE - Ministers of Foreign Affairs for the Visegrad Group: We extend a helping hand on the European path." EUSR Wigemark had earlier stated that the Report would be the best ever.

Bureaucratic Gobbledygook

There was some criticism of BiH in the press, particularly on the need to re-establish "traditional trade relations" with Croatia, the non-implementation of the European Court of Human Rights' Sejdic-Finci ruling, and the need for a coordination mechanism for EU matters. But the atmospherics were all clearly

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orchestrated to be positive.

Yet it's hard for actual readers of the Report in its entirety to square the happy talk above with the new-model Report's actual contents, let alone with reality on the ground. A more systematic dissection will have to wait for my DPC colleague Patrick Dick's upcoming overview, but I have a few initial observations to share.

The Report never explains its new methodology in the document itself; perhaps that was outsourced to ESI. But it is jarring for the reader as early as the beginning summary section to run into sentences like "Bosnia and Herzegovina's judicial system has reached some level of preparation." Preparation for what? An informed source told me on the day of the Report's release that the aim had been to call these new-model reports "Preparedness Reports," but that the French and German translations of the term didn't work. This sounds silly, if true. In any case, the lack of clarity about how wording in the Report has changed from previous years and which yardsticks they are using can confuse readers.

Incongruent with the spin, there is little in the Report that is resoundingly posi-

tive. One instance in which "good progress" is noted (page 42) is in reference to adoption of a new law on public procurement, preceded by noting that this area is "particularly vulnerable to corruption." "No progress" and "at an early stage" in its preparation seem to appear as frequently as "some progress" and "moderate progress" in the Report. Is the adoption, for example, of the Justice Sector Reform Strategy sufficient to merit stating there has been "some progress" under the heading of "Functioning of the Judiciary" (page 12), at the same time that the Republika Srpska's legislature has authorized a referendum on the entire state judiciary? The language throughout the Report is full of bureaucratic gobbledygook that mere mortals outside the Berlaymont building in Brussels must struggle to grasp - and often flies in the face of observed reality to boot. What, pray tell, might the following sentence actually mean?: "In September at a ministerial meeting in the framework of the Structured Dialogue, the authorities reiterated their commitment to develop jointly key features of the reform of the judiciary." Translation: At the September ministerial meeting of the Structured Dialogue, the authorities disagreed on everything. The RS objected to all

reforms except for those that further weaken the state judiciary, but they all agreed to meet again in the context of the Structured Dialogue. Progress!

"Early Stage"

The Report does employ the term "backsliding," which is new and welcome. But it is used only sparingly - twice, by my count: regarding freedom of expression (page 22) and information society and the media (page 54). How the justice sector escaped having this term applied to it in the aggregate, and moreover could be rated as having seen progress with the RS referendum threat hanging over it, is an obvious question. An honest appraisal, chapter by chapter, of the acquis over time would likely show more regression than advancement in most areas over the past decade.

For the first time I can ever recall, the Report acknowledges that the lack of a BiH supreme court is a problem (page 15): "In the absence of a State-level supreme court, consistency of jurisprudence is ensured only within the entities and Brcko District, but not across the various levels of authority." Given my discussions some years ago with a senior Commission official who insisted there was no need for such a court, this is particularly satisfying to read.

Public administration reform (page 9) is described as being "at an early stage," with "no progress" reported. But there is

no indication provided that "PAR" and other areas have been reform priorities - with a great deal of international investment - for well over a decade. The lack of progress on this and other such issues says far more about political will in BiH to reform than public statements by EU officials wish to let on. Some of the other long-term reform focal points that are also "at an early stage" are, for example, "developing a functioning market economy" (page 30) and "free movement of goods" (page 37).

The Report dances around the symptoms of the lack of economic integration in BiH before finally articulating that "further alignment with the acquis is needed to provide for country-wide harmonization and to create a single economic area." How BiH can integrate into the EU without being internally economically integrated deserves greater play.

As Patrick Dick has documented, the EC itself has demonstrated backsliding in its articulation of its own formerly clearly stated requirements on agriculture. On pages 49-50 of the Report, the post-2011 official line of only just requiring coordination on agricultural matters is dutifully repeated: "coordination structures within the agriculture and rural development sector including support measures, still need to be strengthened." Yet as one reads on in more detail, the need for a "chain of command" is made clear. But the obvious conclusion remains unsaid. Despite the laudable efforts of Minister

for Foreign Trade and Economic Relations Mirko Sarovic to develop dairy-by-dairy workarounds, the costs borne by the BiH agricultural sector of this lack of chain of command have been severe. The EU should confront obstruction of comprehensive solutions head-on instead of merely voicing satisfaction with a piecemeal approach.

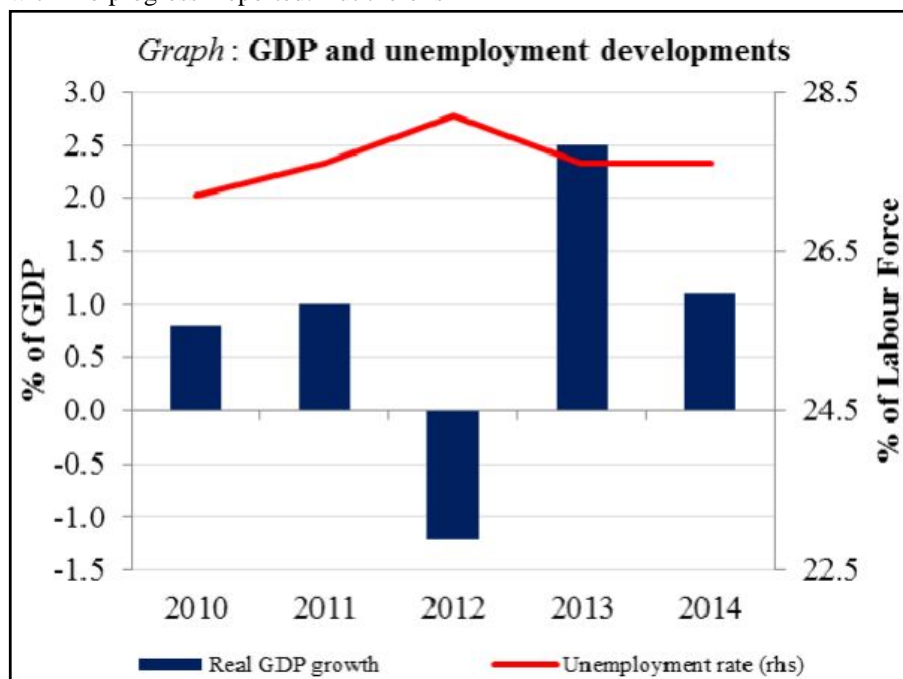
The Report is rife with justified critiques which flow from the constitutional/institutional structure of BiH governance (for example, on page 10 - "The policy-making system in BiH is very fragmented"), but without any discussion on the need for reform on that score. Why not? The obvious answer is that it is seen in Brussels and most member state capitals as too hard to contend with, so better to work around them and hope the situation will improve with time. EU functionalism...

Why All the Happy Talk?

As with prior progress reports, this Report repeats under the heading "Regional issues and international obligations" as the first point the following: "The implementation of the Dayton/Paris Peace Agreement continued. The government of the entity Republika Srpska continued to hold joint sessions with the Government of the Republic of Serbia under the framework of the Special and Parallel Relations agreement." The first sentence is...debatable. The second hardly qualifies as Dayton implementation. Allowed by Dayton, yes. Commendable as implementation, no. That is the only thing the Report has to say about Dayton implementation.

I don't believe that informed or intellectually honest readers can come away with warm fuzzies from reading the EC Report - which prompts the obvious question: why all the happy talk?

I'm not the first to ask this question - veteran economist and commentator Svetlana Cenec asked it far more colorfully. But I think my friend and DPC colleague Toby Vogel best summed it up about two weeks ago: "I think it's very simple: BiH ticked two boxes over the last year - free and fair elections that led fairly quickly to government formation, and the SAA taking effect. For the bureaucrats who administered the Report this is tremendous progress. I really don't think there's more to it..." So - as Public Enemy so memorably put it: Don't believe the hype.



GDP and unemployment graph from the report