

TRANSCRIPT:

**PANEL 2: THE IMPORTANCE OF REGIONAL STABILITY IN THE BALKANS
AT THE OFFICIAL LAUNCH AND 1ST ANNUAL MEETING OF CGDC
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PARTICIPANTS:

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PANEL DISCUSSION:

Dr. Werner Fasslabend: The toughest part of the conference this is the panel immediately after lunch. I am happy to see all of you here in this room, happy to say you do not look very tired at the moment and I can promise you, you will not look tired after the panel. It is a privilege for me to welcome in this moment the Defense Minister of the Austrian Republic, Mag. Norbert Darabos. A hearty welcome to you! [Applause]

I just want to make a very short remark before handling the micro over to the moderator. It really is for me an honor and a privilege to make a few introductory remarks to a panel that General Wes Clark will moderate. General Wesley Clark, certainly, is one of the most outstanding militarily and politically strategists that I had the privilege to know in my life. And I can tell you I have at least experience of 10 years as a Defense Minister and about 25 years within this field and in so far I met a lot of people. But from the first moment I had the opportunity to meet him when he became Supreme Allied Commander of NATO. You could feel that he was the man who shaped politics and not only the security situation in Europe and the Atlantic Area in this period. At the turn of the century, he laid the basics

for NATO enlargement and also for stability all over the continent. For me it was always fascinating to look at the way he did it, soberly, very pragmatic, but also fundamental in the way of going into a direction that he was absolutely convinced it has to be. Not only security as a precondition for stability, but also in addition to that that stability was the necessary consequence just for the basis, as we heard it this morning, for economic development. And so far, it is a really great pleasure for me.

Before I hand it over, I just want to mention that of course dialogue among civilisation in Europe without the name of Izetbegovic is not possible. I have to say my first personal contact was when I read late President Izetbegovic's book about Islam. This was certainly one of the best and most fascinating books I have ever read in my life. If you have the opportunity, do it. This book has been written, I don't know, 25 years ago, 30 years ago or maybe more but it is so clear in thinking, in mind and I think you will not be able to have a good dialogue, an interreligious dialogue without this book. It is a really great pleasure for me to have the young Izetbegovic- Bakir Izetbegovic now at the next panel, now in the presidency of Bosnia and Herzegovina. I think we should welcome him very hearty, too. On his side, there will be a man – Edmond Haxhinasto – Deputy Prime Minister and Foreign Minister of Albania, certainly the country that had the toughest situation after the fall of the Iron Curtain and after the new area of development in South-Eastern Europe. I remember my first visit immediately the day after and this was a different world and I can only congratulate you the way you did and we all can learn a lot from it. In addition, we have a man- Jovan Kovacic – Chief Executive Officer of Global Communications Associates, who works in the United Kingdom and Serbia, and he was personally related to the late President Tito. Probably there are not many people who can more identically and better talk about the situation and preconditions also for the fall of the former Yugoslavian state as he does. On his side, of course, an Austrian also has to sit and this will be my old friend Dr. Walter Schwimmer. We had in many decades a common experience in politics and political life in Austria, same party, same organization and so on. He made also an outstanding career became the President of the European Council in Strasbourg elected by so many nations out of Europe. So far I think we really have a panel you hardly will find all over Europe and now I hand over the micro to Wes. Wes, it is a privilege to hand the mike over to you.

General Wesley Clark:

I will invite all of the members of the panel- please come up and join me on the stage. I want to say just a few opening remarks. We've got a little less than two hours. It is the afternoon snooze time, I know that but most everyone is on jet lag, one type or another, than I don't think we have a problem with that plus we have a very lively panel. So please President Izetbegovic, Mr. Haxhinasto, Jovan, Mr. Schwimmer, please join me.

I just want to say a couple of words of introduction. Of course I am not from this region, I grew up in Arkansas. I am not even from the East Coast or West Coast of the United States. But I was looking at this group this morning and I was thinking what an amazing thing it is to have grown up in Arkansas and be with all these distinguished people, in this group at the Center for Global Dialogue and Cooperation from all over the world. So, I want to begin by

expressing my appreciation to President Stoyanov and the founding members of the Center for Global Dialogue and Cooperation, my friend Stamen Stantchev who's done such a great job on this. This is, I think, a wonderful groundbreaking opportunity to really pull together a group of people who can address the problems we face in a modern world together and collectively and help us find ways through them. I attend Clinton Global Initiative each year it is a wonderful format but this is special: We've got here, I think, the critical mass of talent in industry, in government, in finance to do so much for people in the countries we represent and the idea is simply to lay out these issues, to solicit great ideas on them and then build personal relationships around which further action can develop. So in this panel what I like to do is emphasize the importance of dialogue with the audience. I am going to speak just for a couple of minutes and then turn it over to my fellow panelist and then we will have time for questions and answers through this.

I have been involved in the region since 1994. I was warned before I came over here – I was a three-star general at Pentagon and other three-stars told me: "Don't go there, it will ruin your career", and sure enough it almost ruined my career and it became a lifetime employment opportunity. The region has some of the most wonderful people in the world and some of the historically most intractable problems and yet we come a very long way.

It was my privilege to participate with Richard Holbrooke, with Chris Howe, our Deputy Ambassador and with Ambassador Zuzul, who spoke on an earlier panel, and many others in Dayton Peace Process. We traveled the region in the fall of 1995 we've met many, many times with President Tudjman, President Izetbegovic, with the Prime Minister Haris Siladjudic, with all members of Mr. Milosevic's government in Serbia and then we came together for three weeks at Wright-Patterson Airport and a peace agreement was somehow hammered out by compromise. The presidents endorsed it in Paris on December 14 in 1995 and war stopped. President Milosevic told me at Dayton he said, "General Clark it would be helpful if NATO would not send so many troops into Bosnia. You know, the Serbs are proud people and so many troops, it will look like an occupation." I said, "Sorry, President Milosevic but the NATO will put 60.00 troops in." He said, "Then it'd be helpful if they would not come too soon." I said, "I'm sorry, President Milosevic, but the troops will be there within a week." So he bet me a bottle of scotch on it, so we actually got the troops in and I won the bottle of scotch of President Milosevic.

But we came a long way since the fighting stopped in December of 1995. We wanted the NATO troops to come onto ground because we wanted to deter any resumption of hostility and that was successful. We wanted to use NATO's presence as an inducement for other nations in the region to seek the stability that NATO and NATO membership could provide. That has worked.

We got ourselves into trouble in Kosovo in 1998 when the President of Macedonia warned me. He said, "President Milosevic has attacked this Albanians in Drenica. The Albanians will fight. There will be war." I wrote to Pentagon the next day, very concerned, they told me "Wes, mind your own business over in Europe. Stop bringing problems back to Washington" and that is where I realized that the title "Supreme Allied Commander Europe" meant something

because it meant that there was no one on the other end of the phone who really understood what was going on. We struggled through a difficult summer in 1998. The motto was: “A village a day, keeps NATO away.” So some 400,000 Albanians were driven from their homes. It is well documented in books I have been given by the Albanian community. So unfortunately we slid into a military action, 78 days of bombing, followed by NATO ground force and return 1.4 Albanians back to their home in Kosovo.

It has been a long way of fighting, Kosovo is an independent country today; economic development in that region is struggling, but moving. The question then is – how do we build on a stability that NATO provided? Where do we go from here with the region? What can the region do in itself- for itself? Because the outside influences being withdrawn, the US presence is no longer in Bosnia, the force in Kosovo is drawn down, the OHR – Office of the High Representative – in Bosnia may or may not stay, may only have so much power... and increasingly nations from the outside will look at nations in this regions and say “take yourself! Move yourself forward”.

I’m not involved in those issues anymore, I’m a businessman, I am no longer a general anymore, I don’t serve on any Pentagon committees, I don’t get secret briefings. I am a licensed investment banker. I have two investment banks; I’m on a number of boards of several organizations and have business activities in Asia, United States, Europe, China, and Africa- and the Middle East. I guess I am diffused enough I don’t have time for the Pentagon. So even if I am carrying this title, please don’t think of me as a general. And I ran for the presidency- for which some of my fellow generals will probably never forgive me, how could I do that. But you know, it’s America, you can do anything you want and you pay the price. [Laughter] I won the State of Oklahoma; I came second in North Dakota and so forth. I had a presidential campaign, it was like trying to sail across the Atlantic by sticking two logs under your arms, jumping off into the East River, saying you are going to build a waft on your way out in the New York Harbor. So we started the campaign in September with no money, no strategy, no staff, and no experience. I was very pleased with the effort. I met a lot of friends and so forth. But it exposed me to government at a much higher level than military and it also gave me a deep sense of humility about the challenges facing democracy.

So I want to talk just for a couple of minutes about these challenges and I do so with a great deal of humility. There are 4 elements facing stability: stable, democratic governance that can do popular elections and transition power; a reduction of the influence of money covertly on decision making; a vision for the future, and popular attitudes. I approached this with a lot of humility because as an American we have trouble in all of these areas. Stable democracy transition: Of course in United States we have different voting system in every state; not only that, some states have a different system in every city. There is a wide variety in voting. In the 2000 presidential elections I saw demonstrations that had they taken place in a Bosnian election that NATO supervised, we would have redone the voting. But instead we stopped the voting. That’s the way democracy was done in America in accordance with law so I don’t want anybody to think I am as an American sort of pointing fingers at the region. We are all on a voyage of discovery together to try to create better government and more stable government for our people.

But I do find it important to find mechanisms that will transfer the legitimacy obtained by popular vote into the nomination and selection of members of governance. That's the first essential. We all have challenges in there. The second essential is much of governance is about the distribution of power, influence and opportunities within society. That is what political parties articulate. That's what different visions of governments are about. But we consider it corrupt if the influences are not transparent. If they are closed door deals, under the table, money transfers and so forth which would influence government decision in ways that are not transparent to the public and open for criticism during the process of democratic government.

The standards of corruption of course vary. There is a UN mandate on this, "Foreign Corrupt Practices Act" on that and the general adaption of it. Every government is one way or the other influenced in some way that someone else can say is improper. There is no "holier than I" attitude in here. When I came back into Arkansas some of my friends told me that in a neighboring state they could not trust the local county judge to award a fair highway repair contract. They did not admit that about their own state of course but they said it was a neighboring state. In Washington that day it is well known that lobbying is one of the worst sins you could ever commit and yet everyday business spends millions dollars on lobbying and many distinguished people are lobbyists, some people consider it a form of corruption. So I start from a Western perspective, I say there is no a "holier than I" attitude on this but we do have to work for making the influence on government decision more transparent. The third element of good governance and stability building on what we've done in the region is to ask ourselves: "What's the vision for going forward?"

Now I am going to confess to you as an American we seem to have a discombobulated vision right now. On the one hand, we're totally consumed by the problem of debt. One party is demanding huge slashes in public expenditures without providing a vision for society, whereas the other party is clinging to the vision without explaining how that measures with the economic realities of the modern world. There is no perfect solution here but what is our vision for the countries in this region now? How do they grow, how do they develop? All of that is part of moving forward.

Finally, there are popular attitudes. And again I am here as a humble participant in democracy. You can find a lot of people in American democracy who are saying a lot of terrible things. I finally got it explained to me by a UN diplomat, a good friend of mine, Lakhdar Brahimi, as we sat and talked about attitudes. He explained to me, "You know", he said, "the United States and Russia are a lot alike. Because both are big countries and people in them, they live a long way from international borders and they don't appreciate that the people on the other side of the border are mostly just like them." It reminds me of the interview given by a Pakistani road site businessman to a journalist on the eve of 2001 US action in Pakistan. And they asked that man: "What would you think if the UN forces came in here and they want Muslims?" He said: "I hate all non-Muslims!" and the news reporter said: "Have you ever met one?" and he said: "NO!" and it's no different in any country. People who are not exposed to others don't understand how much humanity has in common. They don't tell that story as

a slam on any religion. It could have said about a Christian in the United States the same way. There are always people who don't see the broader picture.

We're here today to discuss how to move forward with stability in this region - we've stopped conflict. We have four challenges ahead of us. We've got to understand how to improve the process of transitioning popular vote into governance. We've got to improve the transparency of government decision making, so that the influences of that decision are open to the public and open for political and jurisdictional review. We've got to have elected leader and political parties to help them, who can articulate cohesive and comprehensive visions for their countries and we've got help and inform and educate public opinions, that we are not that consumed in the local issues that we don't see the broader implications our attitudes, actions and votes and decisions. There is no magic solution to all of that but I am here as a fellow traveler with you who is pursuing a more perfect democracy at home and helping others abroad to achieve it. With that as a way of introduction I would like to call on our first participant **President Izetbegovic**.

Thank you, General Clark. Ladies and Gentlemen, it is a pleasure to be at the first Annual Meeting of the Centre for Global Dialogue and Cooperation and it is great to see so many friends in the room. I want to begin by congratulating President Stoyanov and the other Founders of the Center on launching this timely initiative. I firmly believe that the way forward to achieving stability and prosperity in the Western Balkans is by advancing mutual understanding, dialogue and cooperation and I hope that this Center's activities will provide a platform for the regional leaders and opinion makers to collaborate towards this goal. Not that long ago the Western Balkans went through metaphorically speaking a "major earthquake" and Bosnia and Herzegovina was the epicenter of it. We have made remarkable progress in building peace and stability since then but we are still feeling the aftershocks of what happened in 1990s. So, I still believe that the Western Balkans can serve as a model for other religiously and culturally diversified regions but we first have to prove that we can create an environment in the region in which we all can win without anyone losing. In the past times of crisis, our diversity has often been a source of instability. The challenge ahead of us is to prove that this diversity can be the source of our prosperity. Nowhere is this notion more evident than in Bosnia, and nowhere does this notion still need proving more than in Bosnia. Bosnia is the meeting point of civilizations. It is the focal point around which events and developments in Western Balkans revolve. I like to say that Bosnia is where the Western Balkan relation entangle and untangle. The diversity of peoples in Bosnia came into existence spontaneously. The unique multiethnic culture of Bosnia and Herzegovina was woven through 100 years of co-existence. Our society is not a simple sum of three peoples, three religions and three identities. There was not only tolerance, and respect among our citizens, but the common life that lasted for centuries and created an authentic common identity. This diversity and identity is indeed to be treasured.

But we also must be keenly aware of the dangerous undercurrents such as extremism, domination, exclusion, mistrust, fear of the other that have existed throughout our history and to some degree still exist today. When allowed to surface and to gain in strength these

undercurrents have given rise to new divides, fragmentation, disintegration, and eventually to conflicts. We have to constantly discourage them and keep them in check. Today in Bosnia there are 2 opposing trends- one that strives to build a common future in our country and the other that seeks to preserve the existing divides, and create new deeper ones. The proponents of the first trend believe, as I do, that building a common future in one country that firmly moves towards European Union and the NATO membership is in the best interest for our peoples and citizens. The proponents of the second trend believe that the only way of achieving security for their people is by having domination over a piece of territory from which all other groups are excluded or marginalized. This quest of fragmentation and exclusion are completely counter to the reopen and global trend of integration. I think we have to help the narrow minded people, who do not understand the future, who wish to control some small part to make some mini state, to continue fragmentation, to help them to understand and properly create together with us some common future, some integration future. I think we should help them in sake of them and in sake of us.

Over the past 15 years we have made a tremendous investment in building peace and stability in Bosnia. We must preserve and consolidate this achievement so that Bosnia can continue to strive towards prosperity. The trend of disintegration must be stopped before it starts to roll back or press the past 15 years. In order to advance regional stability and economic development we need to focus our efforts on three components of progress or three processes of building. The first component is the building of trust and reconciliation based on truth and honesty. Achieving this goal requires leaders who can recognize that it is truly in the best interest of their peoples and countries and then act to advance those interests peacefully and through dialogue with other nations. History teaches us that the best way to open issues and resolve differences among diverse peoples is through dialogue and compromise, not through confrontation and conflicts. It is not only war that requires courage. Peace does too. There is no peace reconciliation or progress without brave leaders who have the courage to take actions that may not be popular but that nevertheless advance mutual understanding, dialogue and respect. Our region needs leaders who are ready to listen and understand the other side.

The second component is the establishment of democratic, accountable and effective government, institutions that can meet the needs of our citizens. The countries in our region should also forge partnership based on shared goals or joining the EU and NATO. Achieving these goals then becomes the powerful driving force for institutional reforms as well as for regional cooperation and that in turn, creates a stable environment for investments and job creation in the region.

The third component is investment in infrastructure. This would enable economic development by providing a stimulus to construction industry and to many other sectors of economy. But it would also foster further integration of the region by increasing interaction and communication among its countries and peoples. Such infrastructure development requires fast inflow of significant funds and all of us should give priority to attracting these

investments to the region. These three processes, or building will reinforce each other, intact in synergy creating progress for the entire region and I am sure that it will make our future much better than our past. Thank you very much.

So, may I ask **Mr. Haxhinasto**.

Thank you once again General, also for what you have done for the region. You have helped substantially to make the region safer and of course embarked on the safe journey to Euro Atlantic integration. I would also like to thank President Stoyanov for creating this opportunity to express our views on stability and progress of the region. One of the meanings of the word definition that I learned today is short speech after the lunch so I will try to be very punctual and brief so, I can also give the opportunity to answer many questions if time permits.

But speaking about stability and security in the region of course we have to put it in the context of the development and that is why I want to stress that the previous panel is fully integrated and full concordant with the ideas and the concept that we present in this very panel, so it is a very strong and obvious correlation between development and security and some of the ideas that we will hear, and you did hear also in the previous panel.

I would like to start by saying that the region now has marked a huge progress and this is due to the region itself- we have democratically elected governments in all the countries of the region. It is also a product and contribution of all the international organizations which had been present there starting from OSCE, UN and especially NATO. For the future of course, it is a heavy weight which we have to take into consideration and it is European Union and this also marks the prospective, also marks what the objective of the region stands for and that is very-very obvious and this also presents the most important leverage that the region has and encouragement to continue its way towards prosperity and development. If we see the reality today in the region, we will see that the countries are engaged in many initiatives part from the major integration processes in the NATO and European Union there are many regional initiatives and I would say there are abundant and perhaps now it is the time to create more synergy and to find what is more substantial in these initiatives. The initiatives were created to bring people together, to communicate, to have the chance of dialogue. Now the region has gone a way beyond that point. There is no country in the region which does not have dialogue and communication with the rest of the countries. That's why we have to be more concrete more specific and to look for action rather than expression of political willingness. Also, it is evident that the region has made a tremendous progress in terms of security. It's not a consumer any more as it used to be a decade ago, but the region itself is contributing to security way beyond its geographic borders. We have many countries from the region which are contributing with their troops to other security challenges in the world say in Afghanistan, in Iraq, and elsewhere. So this is first objective where the region is going. This success has made us to encourage to proceed and continue on our ways towards Euro-Atlantic integration.

Second is the approach. It is fundamental that we adopt a very positive approach towards what is happening in the region. When we assess the realities in the region but also when we see the future of the region. It is important to see the region not as it is now, but as it should be 10 years ago. And this should give strong encouragement to the leaders, to the societies. There should be a message what should be the region in 10 years, how much integrated it would be, what kind of cooperation would be, when, where, and when would be in terms of European and let's say transatlantic integration process. And it is fundamental that in this vision, in 10 years' time we should live no black holes in the region, we should perceive the region as moving as a whole towards. While saying this I mean all the pending issues have to be resolved. Kosovo has to be the part of this integration processes. The main issue for Macedonia has to be resolved. Problems in Bosnia and Herzegovina have to be resolved so that we see and we can pretty soon touch the result of these processes and this integration on which the whole region has embarked. So, it has to be an optimistic approach and it doesn't have to be historic because a historic approach can only recycle the problems, can only enhance the importance of borders, can only enhance the importance of ethnic belonging and again recycle the problems of the past that this region has had in abundance.

Third thing I wanted to speak about is "action". We have to take more action. As I said go beyond the political willingness because we are way beyond that. It is a term which sometimes becomes a problem in itself because talking to each other "the dialogue" is not an aim anymore. "Action" is the aim now, is the objective now, and action which brings about tangible results. And when I am speaking about action, I would like to speak about infrastructure, regional infrastructure, quality infrastructure which is in full compliance with European Standards; because the region is part of Europe and all the infrastructure, major infrastructures works have to be of that standard. And I am speaking here about road infrastructure, speaking about energy infrastructure, communication infrastructure, and so on. But there is another element which needs tangible action; it is eliminating all the non-physical barriers that the region has and by this I mean tariffs, customs, and hindrance to movement of people. Very positive developments are taking place in the region-movement with ID cards and this initiative, which we are supporting strongly and believe that it will create a much-much better situation, because unless we have the people free to move, we cannot move the capitals, we cannot have business. Of course we are in the age of internet but sometimes people need to see each other and as a final point we should have the willingness to speak well for each other. We should have a concerted PR if you want, so that we present region as a whole, as fully integrated with a positive approach. We do the marketing for the region; we present it as a market, which is competitive to the big investors, because the countries are too small to compete on their own. The region has to present itself as more integrated and with the better image.

The final point I wanted to talk about is the challenges ahead. As I said, we have made huge progress, but we know where to go and first we start by building Europe in each and every country of the region. That is we build a bit of Europe in our countries. And this is not an issue of some tick in the integration list of duties that we have to perform, but it should be perceived as obligation to the citizens, because integration in its essence means a better

quality of life for the people and this is how we should be perceived by the policymakers, by the people who govern and people who are governed. So, we come to good governance, to accountability, to implementation of law. We have to mark much-much better standards in the implementation of the laws, laws in the region I believe, in many other countries of the region, even those who are not that advanced in the EU integration process are good quality but implementation is one that we have to focus and to produce more efficient results. Fight against corruption, today I heard General Clark using a very nice euphemism about corruption that money use in a convert way for certain objectives and purposes. It is corruption. We have to fight corruption in our societies, we have to fight corruption in our governance, we have to better spend the public money because corruption in final analysis it is a cost to the life of the people. Second, we have to have courage to take up decisions. We should not hide behind domestic constituencies: we don't take this decision because people won't understand us or the same time we should not give more relevant to issues which are not that relevant and by this I mean religious differences that we have in the region. Because the truth is that people can have very good relations among different religious in the region, they can cooperate, they can have business, they can have excellent personal relationship, they can have excellent political relationship, so we should not hide between these matters, which sometimes are not that relevant. And I once again have to repeat that we should eliminate the problems not recycle them; we should view in the future. The best way not to recycle the problems of the past is to look at the future; to look at objective that we have in the region that is European integration of the region and I think this is the safest way to provide a better life, a quality of life for our people. Thank you.

Please, welcome **Mr. Kovacic**

Thank you, very much. Mr. President please allow me to congratulate you on this wonderful event. It is an honor and privilege to be here among so many great and nice people. When I was introduced something was not said and that is that I was for long-long time a Reuters correspondent and I covered the wars in Ex-Yugoslavia. And something struck me today, I was thinking, where was I 20 years ago. Today we are talking about "dialogue". Where was I exactly, and I remembered. I was in a wonderful little town in Croatia-beautiful place. Situation was getting bad and it was just about to go even worse, much worse. That was Vukovar – it became a symbol of destruction. And (it was very quickly,) we journalists came to understand the full meaning of the allegation that Balkans suffered from too much history. We had a little bit of a saying just ourselves that certainly "they suffer from too much of history, the present was very catastrophic at that time" and there was nobody considering any future at that point. It certainly looked very bleak and very dark and murky.

But here we are today 10 years later, well 15 and after the wars have stopped, 16, someone will say it is a long time, someone will say in the history it is a blink of an eye and we are discussing dialogue. So that is a great progress. It shows that it can happen and of course it does. I have covered so many wars. And one thing I have found out even while the heat of the battle is on and the emotions run really high, people start thinking of the way: we need to sit down and talk. That is the famous philosophical question why people fight at all and then immediately sit down and talk but that is a different issue.

Where are we today? Slovenia is becoming now distinguished and dynamic member of EU. Croatia is on its way to becoming that too very quickly. Best of luck, they helped us in Serbia a lot. Montenegro will so get a date very quickly and so do we in Serbia. Hope that will happen by the end of the year, but... To me it is very important this work on this quest for the Holy Grail which has united the Balkan countries. And that is that vision to join this family of European nations. It is very important. It is much more than psychology, it is much more than politics, it is much more than economy. It is changing the mindsets. I am trying to be very careful here: Changing the mindsets that existed among the Balkans for millennia. This desire to transcend the borders, it is in the genes, religions, cultures. What needs, what must be done, what again brought us into so many tragedies over the past centuries and accept for the first time in our histories values that come from abroad.

This process of adjusting legislation, economy, our rules, regulations, laws all of a sudden is to me, privately watching it in action is almost as important as achieving the Holy Grail—becoming a member, because during this process of fulfilling the conditions we are improving, we are becoming better. And the chance for new conflicts diminishes on a daily basis. I know sometimes the picture does not look that way. There is always some doom predictions but I personally don't see borders changing any more. I do not see Republika Srpska leaving Bosnia and Herzegovina or Sandzak leaving Serbia, I think everybody is sick and tired of changing what is and of course fact is that tomorrow, in 5 years, in a year, in 10 years we will be European Union and these borders do not mean too much. We still have a long way to go that is beyond any doubt and the rules and regulations that are being changed sometimes are very-very tough as I said the mindset is all of more important in all this to accept the reality and the need to do this.

I had a great speech prepared for today and you are lucky I will not put you all into sleep, I forgot it in the hotel so I will just do from top of my head.

Previous speakers have talked about many points that I wanted to touch base on, and this is the need for dialogue, the need for cooperation that is beyond any doubt. We have seen, for instance, over the last 12 months several contacts on high levels between President of Serbia with President Josipovic of Croatia and then the contacts between presidency members of Bosnia and Herzegovina. My again personal feeling is that, much more has been achieved in toning down, calming the situation and getting some optimism into the air by these dialogues, these talks and meetings than of the last say 12 years. And this is rock solid guideline what we need to do next. There is a massive need for economic cooperation without any doubt. It is a great market but there is a lot yet to be done to dismantle, the border issues, the barriers. I was amazed at a certain piece of information that came during the war is that a truck from Vienna to Thessaloniki in Greece before the war travelled 18 hours and paid x amount of dues on the border. Right now the trip takes almost 5 days and the expenditures are multiplied by at least 40 in many cases. This is ridiculous; this is unsustainable for any economic development. So, making, tearing down the borders, facilitating cross-border activities is certainly a priority. We have achieved a lot in terms of regional cooperation on the security basis and the latest moves and the legislation act allows a tradition of other

countries, is a very major step forward because it stopped allowing criminals to have safe havens, running around.

And we need a lot more investment banking, a lot more. A lot of banks, but no real investment banking. We had this discussion in D.C. about a month ago. Why America among other things became so great is that great guys with great ideas went to local banks and both decided to get rich. The bank supported the great idea today and lot of these ideas became great ventures. We still have little of that in the Balkans and somebody came up with this great figure. If we today had about 20 billion that is the top of investment capital in the Balkans lot of the problems would go away.

Finally, and so we get to the questions, institutions like this should become a very efficient tool of intra-entity intra-country dialogue in the Balkans. This should be encouraged, the presence of foreign organizations like OHR, OSCE are absolutely helpful. But it is also very important that we-the people in the Balkans become authors and movers of these dialogues because then we alone can find those indigenous solutions that will suit us best and will take ownership over our futures in the perfect sense of that word. Thank you very much.

Dr. Schwimmer: Thank you General.

Mr. President, Excellencies, Ladies and Gentlemen. It was just this morning when I read that Van Rompuy will run for the second term of office as President of the European Council. So if somebody meets him, or will meet him next days or next weeks, don't tell him that I was introduced as President of European Council. I was happy having been Secretary General of Council of Europe which is something different. Council of Europe is a larger but poorer brother of European Union. At my time it had 45 member countries today there are 47 and I was very proud that during my term of office 2 countries from the region Bosnia and Herzegovina, and Serbia and Montenegro at that time as state union were admitted to the Council of Europe and I had the opportunity to welcome them to the family with the words "Добродошли!" because I welcomed them at home in Europe. The region belongs to Europe in any way and we have to keep that in mind and by the way when I said I could admit Serbia and Montenegro at that time as state union to the Council of Europe in the meantime Montenegro has have the member of the Council of Europe and today Montenegro or Chernogoria in the original language is celebrating its national holiday, celebrating its independence. We should congratulate this country for its national holiday.

Why are we talking here in Vienna about the Western Balkans, lift the secret. We are just 500 meters away from it. The Austrian state chancellor in the first of the 19th century Prince Metternich said that Balkans begins at the Rennweg. Rennweg is a street in Vienna just 500 meters away from here. So there you find the Balkans already and it is good that we talk about stability and security in the Western Balkans because it's my conviction that there is no stability and security in Europe without stability and security in South-Eastern Europe. And we all have to contribute to that. And I was very happy, General, to listen to you and to hear a former general to emphasize that stability and security have to be safeguarded and to be guaranteed not mainly with military means but with other means which are important:

that security and stability must be a democratic security and stability building on pluralism, on mutual respect, rule of law and above all human rights and fundamental freedoms. But we also have to keep in mind that there are threats to democratic security coming from populism and extremism because they will undermine the basic principles of democratic security.

Democratic governance, good governance is also undermined by organized crime and corruption and the both go most often hand in hand. And I fully agree with General Wesley Clark when he emphasized and stressed that transparency of public decision making is not only recommendable because of Wikileaks that sometimes you will know everything. In German we have a proverb which says, "Nichts ist so fein gesponnen, es kommt doch an die Sonnen." It is quite difficult to translate, but I will try: "Nothing is so fine, finally it will appear in sunshine." You will get every information but it is better for democratic institutions, democratic governance, democratic politicians to have transparent decision making processes from the very beginning. We face nearly everywhere a crisis in the democratic system. People have lost confidence in politicians. More transparency will help politicians to regain the confidence of the people.

Second point from me which is important for democratic stability and security is economic cooperation stressed already by previous speakers. The economic series of the past fostered the growth of others. But instead of growing wealth the result was very often conflicts was very often wars. So, these models always failed long before globalization. Today, for me it is very clear: the wealth of your neighbor is the source of your own growing wealth. The poverty of your neighbor troubles you, too. So, I am very glad, to see that economic cooperation, carrying about the economic situation in the neighboring country is increasing in the region. It was already mentioned there are free trade agreements, CEFTA Central European Free Trade Agreement, there is the Regional Cooperation Council which replaced the Stability Pact which was also very important because stability pact was something coming from outside. It was a good initiative. It was an initiative of European Union and its member countries but regional cooperation council is a proof for ownership. The region itself owns its cooperation and is fostering it. And I have realized with great joy that there is no jealousy regarding the progress of EU membership. All the other countries of the region I am glad that Slovenia was the frontrunner, that Slovenia is already an active and important member of the European Union and everybody in the region like congratulates Croatia for finalizing the negotiations with the European Union and have now the very concrete perspective to get into the Union and I just remember of what the Minister of Foreign Affairs of Slovenia, Zbogar said in the morning "when Croatia will enter the European Union it will be also clearing the way for the others. It is increasing the perspectives for the other countries in the region" and I do not agree with intervention of our German friend in the morning with this pessimism that there will be no further enlargement. There will be further enlargement. Of course, it is not an easy process. First of all the countries of the region have to do their homework, not everything is prepared for EU membership. There is still a need to increase and improve rule of law, there is still a need to fight efficiently a corruption but these has to be done not only form the EU, or not at all for the EU. It has to be done for the sake of the countries, for the sake of

the citizens and on the other hand the EU will have to prepare for the enlargement, for the membership. But I am convinced, I am sure; it is for the advantage of the European Union to admit the countries of the Western Balkans.

When I wrote my book, my experiences in the “European Dream” I was writing about South-Eastern Europe, Western Balkans as the region which was disturbing the sleep of Europe. Today, I am hoping that dynamism and enthusiasm, the European spirit of the region will wake up Europe. So we need each other and I hope that this region will contribute to a new development in Europe. Maybe there is not enough cooperation among the countries regarding their membership. I would recommend the countries of the Western Balkans to create a kind of a joint taskforce, to prepare themselves and to lobby for the admission to the European Union and this is also because I am convinced that for many many reasons- political reasons, financial reasons, the next step for the Western Balkans after the membership of Croatia will be a kind of big bang that the countries of the region will enter the European Union together and therefore they should fight together, they should work together for it.

A short word about the aspect which I also consider to be very important: this is freedom of movement I was very happy when Schengen visa regime was lifted for Serbia, for Macedonia and this proves that this is not a source of instability or insecurity, on the contrary this was improving stability and security and we have to return what was usual in Europe long ago. Another Bosnian politician Silacic once said to me: “Walter, what kind of Europe we are living in. My grandfather as the citizen of Austrian Hungarian monarchy in the year 1900 could travel everywhere in Europe without any obstacle and I can only go without visa to Zagreb and nowhere else”, in the meantime it is a little bit better but not totally. So we should work on more freedom of movement, because in my view the alternative to illegal migration is only legal migration. The fortress Europe will come under siege like every other fortress and therefore we have to be innovative, we have to find new solutions.

It is an open discussion and to the end let me ask: Is the positive development in the Western Balkans we all realize irreversible? Are there still threats to stability and security of the region? In principle I would say yes, the development is irreversible, the EU perspective of the region is a strong incentive, also the desire for peace of the people of the region after the terrible conflicts is obvious, but there is also some unsolved conflicts. There is still the question of Kosovo and relations with Serbia. Like in many other conflicts my personal conviction is that it can be solved only by the two parties. The solution will not come from somewhere outside. European Union accession will help for the solution but the solution has to be found by the two parties. Also Bosnia and Herzegovina has still to do some homework. The Dayton Agreement was excellent to stop the war but I am not so sure that everything in the Dayton Agreement is good for the future and peace of the country and the country must find a way to get together in the country to form one country constituted by three peoples living together in peace in dialogue in reconciliation.

But in general I am very happy with the development in the region and I think the region came from an example of the clash of civilizations to a model of a dialogue of civilizations which may help us also to solve problems in other regions of this troubled world. Thank you very much.