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### Bosnian economy not in a position to absorb losses of neighboring market

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By Harriet Salem, For the Post



AFP Photo

The crowd that had gathered on Zagreb's Ban Jelačić Square cheered at midnight June 30 as they watched, via live video link, the symbolic removal of European Union customs posts at the country's borders with Hungary and Slovenia. Officials sipped Champagne as fireworks lit up the night sky. Croatia had officially joined the EU.

In neighboring Bosnia and Herzegovina, however, there was little to celebrate.

Despite having more than five years to prepare for Croatia's EU accession, authorities failed to meet the July 1 deadline for the structural reform and harmonization of legislation required to meet stringent EU standards for food exports. In practical terms, this means that Bosnia's farmers and food producers have lost their largest market. More than 22 million euros of food exports are destined for new EU member Croatia annually. With unemployment already above 40 percent, Bosnia's economy is not in a position to absorb such substantial losses.

"The problem is that there is no common vision," said Andy McGuffie, a spokesman for the EU delegation in Bosnia.

Still reeling from the brutal inter-ethnic wars of the 1990s, the country has an administratively complex system of government divided into two entities - Republika Srpska and the Federation of Bosnia and Herzegovina. With politics divided along strict ethnic lines, petty bickering often hampers progress. "Things are left unattended while different actors pursue what they perceive to be priority interests, none of which are in the interest of the country," McGuffie said.

Now desperately trying to play catch-up, authorities are attempting to sew together existing legislation to bring the country up to standard. "Everything is being done at the last minute, and it is already too late. From

July 1, exports of food to Croatia stopped. It is simple," said Vesna Malenica of Popolari, a Sarajevo-based think tank. "These attempts to come up with alternatives are not good enough; they are trying to buy social peace."

It remains unclear how long it will take for the country to reach EU standards, and even once the government fulfills its obligations, an inspection and report from the European Commission Food and Veterinary Office will take an additional three to six months. "The main variable here is how long it takes them to say that they have an answer," McGuffie said.

For farmers, this will provide little comfort. Edin Dokso, a poultry farmer near Visoko, 30 km from Sarajevo, borrowed 700,000 euros last year to expand his business. Now, he said, the future looks uncertain. Dokso is unsure whether AKOVA, the only slaughterhouse he works with, has managed to find an alternative to their large market in Croatia.

"If not, I guess I will have to look for other options," he said. "I cannot afford to continue otherwise."

Many are now looking to the EU for intervention. "At some point, [the EU] gave up," said Adin Fakić, the general manager of Milkos, one of the country's largest dairies. "The feeling is that if the government here doesn't care for their people, why should the EU care?"

"This is not just a problem of Croatia joining the EU; it is a broader problem of government," he added. "Farmers here have not been paid subsidies for nine months. Now they are exhausted. They have no money, and they are looking at the sky and wondering what will keep them going this year."

Society has been slow to recover since the end of the war. "Politics has succeeded in dividing farmers, so we don't have one united force to go out onto the streets and block the parliaments or the institutions," Fakić said.

Recent protests, however, over issues such as the development of a park in Banja Luka and identity numbers in Sarajevo show signs of a slowly awakening social consciousness. The failure to agree on new legislation on citizens' identity numbers has left babies born since February unregistered, and therefore denied passports or medical cards.

While the Dayton Accords have provided for a strong international presence in domestic affairs since 1995, McGuffie is clear that the country - both citizens and government - needs to start a new chapter in its relationship with the EU.

"We are the future family the country is going to be in," he said. "This means equal roles and politicians being held accountable by citizens. If the international community is dictating everything that is happening here and solving all the problems, this is not a country that can sit in Brussels and have its own policy position."

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