



Alleviating the Sufferings of Millions of BiH Citizens

In recent days there has been considerable debate about how to ensure that the BiH authorities have the resources they need in order to do their work.

This debate is long overdue – because putting Bosnia and Herzegovina back on the road to prosperity and EU integration is the number-one issue of the election campaign, and the only way to turn the economy around is to unblock reforms that must be implemented by the state authorities.

There are more than half a million unemployed people in this country today.

This stark and unacceptable fact is by far the biggest political challenge facing the electorate.

Tens of thousands of jobs have been lost just in the past twelve months, as inward investment has fallen, and the economy has contracted.

The international community has stepped into the breach, providing more than one billion KM so that that the Entities can honour their basic obligations to citizens.

But grants and loans from friendly governments and international financial agencies are only a short-term solution.

The real solution to Bosnia and Herzegovina's devastating economic situation is to implement long-delayed economic reforms.

Mass unemployment and expanding poverty in this country have not been caused by the world recession – as candidates for re-election would like voters to believe. They are a direct result of political leaders ignoring, preventing, delaying and sabotaging urgent reforms.

These reforms would deliver prosperity to the whole country, preparing it for EU membership and providing BiH

citizens with huge benefits long before membership was achieved.

The BiH authorities have to take the same steps that have worked in other transition countries. These steps include pursuing a coherent economic development strategy, an industrial strategy, an export strategy, and an energy strategy, enacting a Law on Obligations and modernising the banking supervision system.

They also include making sure that the ministers responsible for managing the BiH economy – the prime ministers and finance ministers – meet as often as they are scheduled to meet and ideally much more often than that.

Just this week, at the height of an economic crisis that affects every man, woman and child in the country, the BiH Fiscal Council had to cancel a scheduled meeting because not enough participants agreed to turn up.

The primary object of the reforms I have listed is to create new jobs.

The secondary object is to take Bosnia and Herzegovina closer to Europe.

Although all of the major parties have endorsed these reforms, they have not been implemented.

As a direct result of this, unemployment has increased.

Because fewer people are in work, direct tax revenue is down, and because people are spending less money, indirect tax revenue is also down.

The way to ensure that the Entities have enough money is to get the economy moving, and the way to get the economy moving is to ensure that the State authorities, which are responsible for all of the core economic reforms, have the resources they need in order to do their job.

The issue before the BiH electorate is not, first and foremost, about fulfilling European integration requirements – it's about alleviating the suffering of hundreds of thousands of citizens.

The international community has provided huge funds as well as political, technical and diplomatic assistance to get Bosnia and Herzegovina out of its present economic crisis and back on the road to prosperity.

Those who have been loudest in opposing reforms (and, indeed, in criticising the international community) have presided over an era of rising unemployment and deepening hardship.

That fact alone cries out for greater public debate.