

Speech by the High Representative for BiH, Paddy Ashdown at the Launch of the UNDP Governance Perception Survey

Let me begin by thanking the UNDP and our friend Moises (Venancio- UNDP Resident Representative) for organising this event. The UNDP has formidable experience in governance reform. You see it done best – and worst, all over the world.

Here in BiH, you are certainly approaching the subject of governance reform from the right perspective – from that of the consumer, the citizen. And you are asking exactly the right questions:

- *What do the citizens of this country actually think of their government?*
- *Is it serving them as they would want?*
- *What do they want to see improved?*

Those questions go to the heart of the entire debate about governance reform: how to provide the community with the good government, at the lowest sensible cost.

Today I want to talk about three issues that sooner or later we will have to deal with, if BiH is to continue on its journey towards European standard Statehood and, ultimately, to membership of the European Union. Three issues which, if ignored or delayed, will halt this country's progress in its tracks doom it to failure and impoverish its people– but which, if pursued energetically, and with care and

sensitivity, could greatly accelerate its integration into modern Europe.

The issue here is again jobs and therefore central to our “Jobs and Justice” agenda.

To put it bluntly the question is – how do you spend less on your government and more on your people.

And the answer lies in three areas:

1. Public administration and civil service reform
2. The role of civil society
3. And the overall size, structure and cost of government itself

As you know, the governments in BiH recently launched a serious effort to speed up public administration reform at all levels.

At the last PIC Steering Board in Brussels in March, the three Prime Ministers presented a very ambitious public administration reform package for all levels of government. We now need to see it implemented.

The governments have formed an Intergovernmental Task Force to put together a comprehensive, countrywide strategy to reform the administration and create a system that puts the citizen first.

This group, chaired by BiH Justice Minister Kovac, will look at the way the public administration is organised and structured. It will look at its staffing, its spending and its size.

And, crucially, it will look at the quality and efficiency of its service provision

This will not be an easy process. It will involve making tough

decisions.

These will almost certainly include having to reduce the number of public employees and perhaps shifting the level at which services are provided to make the system less cumbersome and inefficient.

No one likes making tough decisions. But there is often, ultimately more pain by ducking them than by taking them. And that is the case here. These decisions must be faced up to.

After all, if we keep on doing what we are doing, we will keep getting what we've got.

And what we've got at the moment is an outdated, overstaffed, unresponsive and inefficient administration that can't pay its workers, and can't serve its citizens. That is not to denigrate the heroic efforts of those public officials who do work hard, and who struggle, against the odds, to serve the public that pays for them. But it is only stating the obvious to say that they have a near impossible job, and frankly, many public official in BiH just don't have that attitude. Ask any citizen.

So, The UNDP's survey is going to be a crucial instrument in the process of putting this right.

It will give us a clearer picture of where the problems lie.

It will help us to assess and identify the areas where intervention is most sorely needed.

It is the kind of policy tool that has been lacking in BiH – a system of analysis that starts with the individual citizen and works back.

The more the consumer is heard, the faster reforms will be driven forward.

When I arrived in BiH some 12 months ago, I stressed the

importance of building a civil service in this country rooted in the values of integrity and professionalism.

I remain convinced that this country will not be able to make significant progress without that.

Frankly, the comfortable cushion of international aid has meant that BiH has not yet felt the full consequences of its poorly managed civil service, staffed, in many instances, with politically appointed, under-qualified and poorly motivated staff.

But that international aid will not be here forever.

Now, I am the last to claim a monopoly of wisdom on behalf of the international community. Far from it. But BiH does differ from other countries in that it has a substantial international presence able to step in to the domestic legislative process to draft laws and regulations, to reverse bad decisions and to try to ensure implementation of key reforms. If spending limits are about to be breached, or a Standby Agreement about to fall, we tend to intervene, the problem disappears, and life goes on.

So, the symptoms are relieved, the immediate crisis averted; but too often the chronic disease remains unaffected. And, as I said in my introduction, we cannot continually put off the day when we face up to those problems.

If we are serious about handing over full governance of this country to its elected officials – and we certainly are – the status quo is not an option.

We now have modern Civil Service Laws in place at all levels in BiH. This is a good start. But it is only a start.

I have lost count of the number of times in the last 6 months when I have had to intervene to prevent elected politicians and political parties from undermining the spirit of the civil

service laws.

We have good Civil Service Agencies in place at the state level and in RS, and the Federation Civil Service Agency is soon to start operating. I am very grateful to the UNDP and to SIDA for their support for the latter.

But all these agencies will need help and support.

Monitoring this whole area is a massive task.

I am a former politician. I know the pressures from constituents and from one's party base. I understand that the transition from a system run on the basis of political appointment to one based on open competition and merit is not easy, but it must be done.

Two lessons come out of this experience for me.

One is the need for education, both among the political classes and the civil service, about the scope of the new laws.

All involved need to be aware of their rights and obligations under the new arrangements. That is an important task for the Civil Service Agencies – to explain the law as well as to uphold the law, and I hope that the Heads of the Civil Service Agencies present here today, Mr. Finci and Mr. Kutlija, will now urgently find ways of doing this.

The second lesson I have learned is that we cannot afford to be afraid of change. I have spent much of the last few months calling for the protection of civil servants and public officials from politically motivated removals. I did this to protect good officials from the political axe – something that has too often followed a change of government in this country. Party politics has no place in a meritocratic, professional public service, and we have made that clear.

But neither does incompetence, mismanagement, political string

pulling, corruption or obstruction. I want to make it clear – bad civil servants don't look to me, and don't look to Civil Service Agency, and don't look to Civil Service Laws. .

An extensive review process of incumbent civil servants is built into the new system, as are fair disciplinary and dismissal procedures. We must ensure that the authorities are aware of the proper scope of these provisions and use them in a legal and fair manner to root incompetence out of the system.

That way we will, over time, be able to build up a professional core of well-educated, expert civil servants, capable of serving this country and its citizens as they deserve to be served.

But none of this, I repeat, none of this, will be possible without the active support and encouragement of the people of this country. The citizens who pay the taxes, who stand in line, who pay their bills, who respect the law.

They are, I happen to believe, the silent majority.

But right now, they are more silent than majority.

They need to make their presence felt.

They need to insist on change.

They need to exert the oldest and the most powerful weapon in politics – the power of the people.

As a leading American philanthropist once put it:

'The greatest menace to freedom is an inert people.'

That was true in the United States.

And it is very true – dangerously true – in BiH today.

'The greatest menace to freedom is an inert people.'

But I believe we may be seeing the early tiny signs of change.

Take the example set recently by the Bulldozer Committee, which has impressed people not just here, but in Croatia, in Slovenia and indeed in Brussels.

Here you have a group of citizens, and a small group at that, with a clear goal, and a determination to achieve it.

They held public meetings across the country.

They explained how many of the problems facing business people in BiH are actually caused by legislation, not solved by it.

They explained how some laws were well intentioned, but contained clauses that were counter-productive.

They explained how other laws were more fundamentally flawed.

They took their arguments to their government, along with solutions.

They made their case. And because it was such a good, well-argued case, within weeks their initiative took on a life of its own.

No other country, as far as I know, has ever attempted an effort as ambitious and specific as that undertaken by the Bulldozer Committee – to enact 50 economic reforms in 150 days. One reform every three days!

But they have now done it, and in so doing have proved that a small group of committed citizens really can change this country, making it more business friendly, more open to foreign investment, better able to create jobs.

Efforts to encourage civil society in this country have often been derided.

But the Bulldozer Committee is a powerful example of BiH civil society going into action, and succeeding.

Imagine how much more could we achieve if each and every citizen of this country got involved and demanded change.

Imagine how much more we could accomplish if the entire community resolved to make itself heard, as the Bulldozer Committee has done.

Imagine all the people, insisting that their governments listen and act.

And listen and act Governments should. Because BiH's government system is a mess – and a very expensive one.

This is a country that spends 64% of its GDP on its politicians and its bureaucrats – compared to 43% in Slovenia, or 31% in Albania.

This is a country that spends over twice as much on defense as developed European countries or its neighbors in South East Europe – 1/3 as much again in the mighty US.

This is the only country in Central and South East Europe that does not have a single kilometer of motorway – and which at the current rate would take over 100 years to build the 500 kms of the Ploce-Budapest highway.

This a country that spends the bulk of its public spending on the wages and salaries of its public servants and politicians, rather than front-line services for its citizens.

This is a country that spends, in the case of the Federation Government, just 0.3 % of its GDP on research and education, compared to 1.5% of GDP for BiH as a whole before the war.

This is a country that that has driven away 92,000 of its young people between 1996 and 2001. 62% of those who have stayed would leave if given the chance.

This is a country, 70% of whose university staff have left over the last decade.

So I ask you this simple question.

Even if we implement all the reforms I outlined earlier, do you really think that will be enough?

Is there any alternative to fundamental change in the way we do business in this country, in the way we govern ourselves?

Now – let me make it clear this is not something the international community will do for you. Because we can't. This is your system of government – only you can change it. And this is not an issue you can dodge. No country can be successful if it pays so much to its politicians and bureaucrats, that it cannot pay its teachers, give its pensioners dignity in old age, in cannot give its citizens better than 3rd world health facilities and it has not a penny left to invest in jobs.

So this is not my task – it's yours. But it's one you cannot duck.

So I ask again – is there any alternative to fundamental change? If the answer is no, if the answer is that drastic change is unavoidable, I have one further question to put – not just for those of you here this morning, but to each and very citizen of this country, and it is this:

Isn't it better to embark on that change sooner, rather than later, if you want a better life, not just for yourself, but for your kids and for their children?