

# **PDHR Donald Hays calls on BiH political leaders to embrace coherent economic development strategy**

The Principal Deputy High Representative, Donald Hays, on Thursday called for a renewed show of political will on the part of the leaders of BiH, which is urgently needed in order to establish the conditions for economic lift-off and deliver real benefits to citizens.

Speaking at a conference in Sarajevo organised by Britain's Economist newspaper, Ambassador Hays acknowledged that there has been a positive sea-change in the politics of Bosnia and Herzegovina since the Alliance for Change came to power and placed economic development at the top of the political agenda. He said that establishing the necessary framework for sustainable development has been an incremental process but has accelerated over the past year. He added that the successful outcome of constitutional discussions aimed at implementing the Constitutional Court's decision on the constituency of peoples, and the introduction of a four-year electoral cycle after the next elections will help normalise BiH politics.

However, Ambassador Hays said there is still too little focus by the political leadership on the overall strategy which will help Bosnia and Herzegovina attract foreign investment and take advantage of a liberalising regional market. He pointed to the glaring absence of a coherent government policy on infrastructure development, and he noted that the debate over education reform needs to focus on the best ways of raising

academic standards and equipping the BiH workforce to meet the challenges of the global marketplace, not on cultural or linguistic "differences"..

Ambassador Hays also noted that some leaders cling to discredited practices from the past, such as making appointments to public office on the basis of party affiliation rather than competence, and seeking to influence the day-to-day work of regulatory agencies which, by their nature, need to be substantially independent.

This old-fashioned mind-set has also affected the pace of privatisation and foreign investment. "This country has an urgent need for investment and job creation. The only way to stimulate capital investment at this point is through aggressive privatisation and clarification of property ownership," Ambassador Hays said. "There is still a certain skepticism about foreign investment – a misguided perception that outsiders are buying up the country's most valuable assets. The investment of foreign money is essential if productive enterprises are to be developed and jobs are to be created."

Ambassador Hays noted that "Bosnia and Herzegovina's transition from war to peace and from Communism to market democracy is not taking place in a geopolitical vacuum." Positive developments have taken place in the context of Europeanisation. "Joining the European mainstream – the common goal of all of this country's people, whatever their party political outlook or communal affiliation, is a clearly structured process," he said, noting that, in order to succeed, "the local authorities must demonstrate a commitment to the European ideal as vigorous as the commitment already shown by ordinary citizens."

Ambassador Hays concluded that Bosnia and Herzegovina's postwar recovery can be one of the most remarkable stories of the 21<sup>st</sup> century – but only if the political leadership completes the framework for economic lift-off which has laboriously been set in place during the last few years.