

# Remarks by High Representative and EU Special Representative Valentin Inzko At the Third Session of the 2011 Parliament for Europe



## Fix the Economy and Get Back on the Road to Europe

Ladies and Gentlemen,

We are meeting at a time when the focus of attention in BiH politics is moving towards the formation of state-level authorities. That this is happening more than half a year after the general election is clearly unsatisfactory – as most citizens will agree.

And it is no coincidence that the long period of political drift and uncertainty has been accompanied by falling living standards and rising unemployment.

In these circumstances it could be argued that to talk about a “virtuous cycle” – in which economic development facilitates European integration, and European integration supports economic development – is simply unrealistic.

But in fact the opposite is true – this virtuous cycle has

never been more needed in Bosnia and Herzegovina.

It is precisely *because* things are so bad that we must do everything in our power to get this cycle started.

### **BiH needs a Council of Ministers**

It has been fashionable in some quarters to suggest that the absence of a properly constituted government does no real harm. Some have even made comparisons between Bosnia and Herzegovina and Belgium.

- The difference between Bosnia and Herzegovina and Belgium is that half the population of Belgium isn't living in poverty.
- The difference is that last year Belgium didn't see inward investment – and that means job creation – plummet by more than half.
- The difference is that Belgium is already *in* the European Union and its people enjoy the privileges and guarantees that come with membership.

Bosnia and Herzegovina needs a Council of Ministers now – not six months from now.

The incoming authorities need to end the economic decline and get the country back on the road to European integration.

That means starting the virtuous cycle – where fixing the economy involves moving closer to Europe and moving closer to Europe involves fixing the economy.

### **Priorities**

Legislative priorities include enacting a BiH Census Law. This is essential to the EU accession process. It is also a basic

requirement for keeping election promises – because the authorities cannot turn the economy around unless they have adequate statistical information to determine *what* needs to be done and *where* it needs to be done. The census will provide this information.

Other priorities include enacting the BiH Law on Obligations and modernising the banking supervision system, both of which are key elements in developing the single economic space.

There are two reasons for focusing on this.

- The first is that developing the single market in Bosnia and Herzegovina is a logical step towards participating in the single market of the European Union.
- The second is that developing the single market will help to boost trade, attract investment, create jobs and raise living standards.

These are compelling arguments. I believe parliamentarians have to start making these arguments more vigorously.

### **Real work**

Looking at the present situation in this light it is clear that forming the BiH Council of Ministers is not the main act but simply the overture.

It is necessary to form a Council of Ministers so that the real work can begin.

The real work is to fix the economy and get back on the road to Europe.

During this extended period in which politics have been deadlocked and citizens have become progressively poorer, government leaders have routinely articulated problems while parliamentarians have routinely articulated solutions.

This is not a hard and fast rule. There have been problem solvers in government and there have been obstructionists in parliament, but, overall, I believe there is a huge reserve of constructive energy in the parliaments.

Looking around this room today I KNOW that there is impatience to get down to work.

### **Inefficiency and extravagance**

There is a focus – in media coverage and in political discussion – on which party gets which seats in which government. There is much less focus on how well or badly governments perform once they are in office.

There is a corresponding lack of focus on the performance of politicians who are *not* in government.

Not only has Bosnia and Herzegovina lacked efficient government for several years. It has also lacked efficient opposition.

In other countries it is the opposition that ensures good government by holding governments to account.

Without constructive and dynamic opposition, standards of government have declined. Just in the last few weeks we have seen popular demonstrations in various parts of the country against government inefficiency and extravagance. I believe that this opposition should have come from parliamentarians first.

It is up to parliamentarians to act so that governments in the Federation, the RS and the state actually do the work they were elected to do.

And a large part of this work is laid out in a clear and comprehensible way in the EU accession process. This is the

virtuous cycle that can help Bosnia and Herzegovina out of the present, totally unsatisfactory situation. It is a cycle in which EU reforms start to deliver economic benefits and an improving economy generates momentum for more reforms.

I believe that parliamentarians have an indispensable role to play in starting and sustaining this virtuous cycle and I hope that today's discussion will support this role.

Thank you