Remarks by High Representative/EU Special Representative Christian Schwarz-Schilling at a Conference on the Role of Business Associations in Bosnia and Herzegovina's Economic Development

Giving Business a Voice

Ladies and Gentlemen,

First of all let me say how pleased I am that we have together in one room this morning senior representatives of the political and business sectors not just from Bosnia and Herzegovina but also from Europe and beyond.

Specifically we are here today to talk about the role of business associations.

Participants from abroad will be well aware of the key role played by social and economic councils and by institutional social dialogue in developing and sustaining economic growth in other countries.

I speak form direct experience. Chambers of commerce were a major pillar of Germany's economic recovery, and I was actively involved with the chambers dealing with issues that affected my own company. I was also the President of the German association for support of the small and medium enterprise, or SME, sector for many years.

I think, too, that participants from Bosnia and Herzegovina are quite clear about the role which this social dialogue must play in this country's economic recovery – and they must surely be equally clear about the disappointing fact that until now business associations have either not been *invited* to play this role or have *declined* to play it.

My message this morning is that all the other transition countries have gone through a similar experience. Just a decade ago, the dialogue between business associations and government in Bulgaria, the Czech Republic, Hungary, Poland and other countries was still basic. Today, it is well established and it is delivering results.

You can move forward on the same trajectory. Complaining that the authorities do not want to play ball, or that the public does not yet understand the proper role of business associations will not solve the problem.

If the authorities won't play ball, you must *make* them play ball – you must persuade them that they will gain more from *listening* to you than from *ignoring* you.

If the public has been misinformed then it is up to you to *re*-inform them.

If you believe in your right to a say in the economic restructuring of Bosnia and Herzegovina you should be able to persuade the public that exercising that right will deliver benefits to all. If you *cannot* persuade the public you will certainly not persuade their elected leaders.

I think you can succeed, because I believe the tide is turning in Bosnia and Herzegovina – and business associations stand to benefit from this.

Last autumn, we saw the active and influential participation of civil society organisations in the general election campaign. Until this latest campaign, electioneering was largely left to the political parties – just as in this society the conduct of public affairs has traditionally been left to professional politicians. But in September, when the parties rolled out their election messages, they discovered that they did not have the roadside billboards or the radio waves or even the TV talk shows to themselves. Educators, youth workers, minority rights activists, feminists, trades unionists and others emerged to articulate their own vision of the kind of society that Bosnia and Herzegovina should become and to lay out the steps they believe are necessary in order to make this happen.

I have daily direct dealings with political leaders, and I can tell you that they were surprised – in some cases shocked – by this. They have had to *accept* it.

Now is the time to make the voice of business heard.

This voice must be authoritative; it must be coherent and it must be constructive.

Expressing such a voice is the only way to make the formulation of economic policy in this country responsive to the day-to-day needs of the companies that keep the economy growing.

And this is the only kind of economic policy-making that delivers results.

In case there should be any doubt on this score, let me identify the only two results that matter – more jobs and higher living standards.

People who understand what makes an economy work are the same people who understand what makes a business work. This doesn't just mean employers; it means everyone connected to the successful operation of a business – including managers, workers, and consumers.

The government should not find itself in a position where it is trying to *guess* what these people want, or where it is actually *avoiding* their recommendations on economic legislation. The government should be actively seeking their input as an indispensable component in formulating economic policy.

There is a simple reason for this inclusive approach – it works.

I am glad we have such an impressive pool of expertise from other countries here today, and I am glad we have such broad representation of workers, employers, managers, entrepreneurs and politicians from Bosnia and Herzegovina.

To the representatives of the government, the representatives of employers and the representatives of workers I say: none of you has the capacity to reach your objectives without the full cooperation of the others. To achieve this cooperation you must establish an efficient system of communication. This conference offers a forum through which the different stakeholders can establish a dialogue on the development of business structures.

It is up to you how you choose to proceed, though I believe you must certainly address issues related to the membership and management of business associations.

Make the launch of a creative and practical dialogue the object of your deliberations today and by this evening you will have improved the economic prospects of Bosnia and Herzegovina immeasurably.

Thank you