

## **OHR's Statement at the International Agency's Joint Press Conference**

### Cost of Government

News that the BiH state institutions have exceeded their budgets by more than 20 percent brings to the fore the whole issue of the cost of government. This is not simply about balancing the books but about examining what citizens get in terms of services and benefits for the money they pay in taxes in order to maintain government departments and their personnel. The question goes well beyond the BiH state institutions. It concerns the Entities, the cantons, and the municipalities. The plain fact of the matter is that there is too much government in BiH, offering too little to citizens, at too high a price.

In March the three prime ministers promised the Peace Implementation Council that they would launch a wholesale reform of Public Administration. The object is simple – to spend less on politicians and beurocrats and more on the people.

The recent reports of overspending by the state authorities are the tip of an iceberg. A recent UNDP survey found that just one in four BiH citizen believes the current state of public administration is acceptable. The survey found that citizens and businesspeople think the biggest problem of government in BiH is inefficiency and waste. Public administration reform has to get underway without any further delay. Parliamentarians are looking for salary increases while the defence ministries are drowning in debt and housing new recruits in military barracks without water or electricity. Clearly, the message hasn't yet sunk in – reform is not just a desirable aspiration but a desperate necessity. OHR wants to see the start of a serious debate on the cost and effectiveness of governance in BiH.

Yesterday in Banja Luka, following talks with PDHR Donald Hays, RS PM Dragan Mikerevic spoke of the need for “shock therapy” in clearing up the mess at RS Elektroprivreda. Shock therapy is also needed across a broad reform front so that BiH starts winning the race to leave instability and poverty behind and turn itself into a stable and prosperous market democracy. As the country earns more, there will be more money for governments to spend – sensibly. When we talk about reforming public administration we are not talking about reducing services but about improving them. This can be done by eliminating fraud, waste and abuse, and it can also be done by applying steadily growing tax income sensibly to ensure that the range of services offered to citizens is expanded.