OHR’s Statement at the International Agency’s Joint Press Conference

Bankruptcy Legislation

The OHR agrees with Prime Minister Hadzipasic that the Entity Bankruptcy laws offer the best means of protecting jobs in BiH and creating *new* jobs. The OHR calls on the trades union to work with the Entity governments to use the Bankruptcy Law as an effective way of protecting jobs and creating new jobs, by encouraging restructuring and investment.

These Laws allow companies to restructure and stay in business rather than go into liquidation. Before this legislation, companies had only two options – either to go into liquidation, which means sacking all their workers, or to remain in business “on paper”, producing little or nothing, employing a skeleton staff and keeping hundreds of workers on the waiting list-without salaries or benefits.

The Bankruptcy Laws allow companies to stay in business, secure a capital injection through investment, restructure and then expand. Restructuring *can* involve job losses, but in the long run it is more likely to lead to job creation.

Some trades union have come out in support of this approach, recognising that it is likely to benefit workers. Others argue that the social safety net to handle job losses is inadequate. Last week, Entity officials and World Bank experts finalized preparations for a project that will make US$12 million in WB funds available for employment-support services. Over the next four years the project will provide assistance to workers in both Entities who suffer redundancy.

I've brought along two fact sheets prepared by USAID which highlight how the Bankruptcy laws work and will help to clear up some of the serious misunderstandings about this legislation that have been circulating recently.

Central Bosnian Canton HDZ fails to meet Education Standards

Central Bosnia Canton HDZ has once again failed to take seriously the task of issuing an administrative decision that unifies the 'two schools under one roof' in the Canton. Instead the HDZ in Canton 6 yesterday proposed the Canton Assembly should initiate a procedure for administrative unification of the 'two schools under one roof'. The HDZ's proposal does not unify the two schools under one roof, it suggests delaying any real action, and it does not say how these schools will be unified.

I'm sure you will all recall that the High Representative has requested a simple and clear decision on administrative and legal unification of the 'two schools under one roof' in Canton Six. This means that the existing "two schools under one roof" would be registered as a single legal entity with one school director and one school board.

This is a Decision that has already been issued by all the other Cantons in the Federation of Bosnia and Herzegovina and is one which does *not* affect the language of tuition or the curriculum which children follow. It eliminates duplication of expenditure so that instead of spending scarce resources on administration, which means that more money can be spent on teaching children.

The HDZ in Canton 6 still have until tomorrow to reconsider their position and take the appropriate steps, something that is still possible providing that there is the will to ensure that public money allocated for education is really spent on their education – not on endless bureaucracy.

If the HDZ fails to take these steps then the High

Representative will be forced to apply his Decision of 27 April, which will deduct five-percent of the funds allocated to the HDZ in Canton Six. The funds allocated to HDZ in Canton 6 will be reduced by an additional five percent every week until the necessary administrative steps are taken. The High Representative has already announced that these funds will be redirected directly to schools in the Canton.