

Op-ed by Principal Deputy High Representative Donald Hays: “Bulldozer Is Still Battling Bureaucracy that Destroys Jobs”

In June last year the political leaders of Bosnia and Herzegovina came together at the National Museum in Sarajevo to sign the Protocol for Prosperity, a document that committed them to supporting the Second Phase of the Bulldozer Process.

Bulldozer Phase II has seen a steep learning curve for everyone – for politicians, for businesspeople and especially for the civil servants who were drafted into the Emergency Reform Units and charged with shepherding Bulldozer reforms through government and parliamentary procedure.

The International Community – which was active in Phase I (which secured 50 reforms in 180 days) – has stepped aside and the business community has taken the lead in Phase II. The reason is simple. Long after the IC has scaled down its engagement in BiH to a more traditional level, the bulldozer should remain active knocking down barriers to business and helping to create jobs. But if that is to happen, the bulldozer process must run on BiH fuel not foreign fuel.

And it’s been doing that, albeit at an understandably slower pace than in Phase I.

Phase I surprised everyone – even its most enthusiastic supporters. It was highly unlikely that in Phase II we could keep up the cracking pace. For one thing, the Phase II reforms have been more ambitious and complex. For another, the need to

extricate the International Community from its role in the Bulldozer effort and place it firmly under BiH direction has been executed successfully, requiring additional work. New committees have had to be established and furnished with the kind of logistical and administrative support that the IC was able to provide during Phase I. In Phase I the IC insisted on full implementation of the original reforms, Phase II provided for a degree of latitude between the business community and the government that more properly reflects the normal relationship between the two..

Of the 50 reforms, 14 have been adopted. These include, at the State level, removing obstacles to setting up a BiH Tourist Organization; in the Federation authorizing market inspectors to confiscate goods of non-registered businesses; in the RS removing compulsory daily travel orders for use of company vehicles; and in Brcko improving the legislative and business climate by simplifying the procedure for publishing official gazettes.

Another 22 reforms are still being reviewed within the various ministries and 11 more are in parliamentary procedure.

The point of Bulldozer reforms is to improve the business environment and therefore to create jobs. How does the rate of pushing Phase II reforms through government and parliamentary procedure square with the politicians' pledge last spring to give the process their full support?

Well, I'd be inclined to give the politicians a passing grade on this one. .

Nonetheless it has been an educational process – this applies particularly at the Federation and BiH level. The capacity of the Emergency Reform Units to shake up the lethargic administrative system and get reforms from the point of being a good idea to the point of being a useful law is still being developed. The ERUs are made up of dedicated civil servants

who have administrative expertise and lots of enthusiasm. What they were promised by the prime ministers was access and support. It is clear there is a need for much more of both if this concept is to work effectively..

In addition, some of the critics who love nothing so much as a good filibuster – people who were caught off guard by the speed and novelty of Phase I – were better prepared this time round; in some cases they have successfully consigned good legislation that will create jobs to the bottom of their government and parliamentary inboxes. The government and parliamentary managers of this process have to be more effective in dealing with this kind of habitual obstructionism.

But Phase II has encompassed an important structural and psychological change; it has been driven by BiH, not IC, political will, and it has been ambitious. We foresee that the role of BiH players will increase in Phase III, which will start at the end of this month – its success will depend on the will and initiative of BiH workers, businesspeople and politicians working together. Phase II has been less rapid than Phase I, but it has delivered real reforms already, and in the coming weeks we expect to see the bulk of the reforms now in Government and Parliamentary procedure move forward to the enactment stage.

Bulldozer has evolved, from a bright idea 18 months ago into an effective tool for beating pointless bureaucracy and helping create jobs. With the right political support it can prove itself a fundamental force for good in BiH society.