

# **Paddy Ashdown Calls on Authorities to Take Urgent Practical Steps to Reduce Poverty in BiH**

Current levels of economic growth are too small to make significant inroads on poverty, and existing legislation hinders the ability of companies to create new jobs – the principal means by which tens of thousands of BiH citizens will break out of the poverty trap, the High Representative told an anti-poverty seminar held in Sarajevo on Monday.

Around 120 students, workers and unemployed aged between 18 and 22, from throughout BiH, gathered at the BiH Art Gallery in Sarajevo to attend the seminar, organised by the BiH Ministry of Foreign Trade and Economic Relations.

“Poverty affects you – even if you are not poor,” the High Representative said. “It creates instability, and instability in BiH will end any prospect of economic recovery.”

Also participating in the seminar were Foreign Minister Zlatko Lagumdžija and Minister of Foreign Trade and Economic Relations Azra Hadžiametović.

The High Representative noted that the era of huge foreign aid for BiH is now well and truly past. “Eliminating poverty is your responsibility,” he told his listeners. “It isn’t up to foreign donors.”

He said his own priorities as High Representative are “first justice, then jobs, through reform” and he added that “jobs are the most effective weapon with which to fight poverty.” However, “the problem in BiH is that economic legislation

discourages rather than encourages private enterprise and foreign investment.”

The High Representative noted that it takes one hundred days to establish a business legally in BiH, ten times longer than in advanced western industrial countries and twice as long as in BiH’s neighbors. By contrast illegal businesses can be registered in one day “we won’t have young entrepreneurs establishing businesses and creating jobs unless we reform the economic legislation in this country,” he said.

The HR said that by the spring of next year BIH is likely to face a debt crisis of major proportions as debt repayment costs sky rocket and international aid declines “we can only cope by making our economy one that international private investors want to invest in,” he said.

“Unless the issues of the Single Economic Space, anti-corruption, slimming down the bureaucracy, and setting in place key commercial legislation are tackled, soon and effectively, BiH can say goodbye to further European integration – and European integration is the corner stone of the country’s economic strategy,” the High Representative said.