

Politicians Need to Learn from the Central Bank



The BiH financial system has been resilient in the face of the world economic crisis, High Representative and EU Special Representative Valentine Inzko told an economic conference in Sarajevo today. He praised the Central Bank and said political leaders in BiH should emulate the common sense approach successfully adopted by the financial authorities.

“It is impossible to overstate the key role that was played by Governor Kozaric, Minister Vrankic and their teams,” he said. “The message from the Central Bank at the height of the turmoil was sober, measured, and consistent.”

Noting that, “confidence in the domestic banking system was maintained through timely and pragmatic steps executed with a high degree of common sense and a minimum of fuss,” the HR/EUSR added that “Bosnia and Herzegovina desperately needs this approach well beyond the financial sector.”

He said it was imperative that the operational independence and institutional credibility of the Central Bank is maintained. He also called for banking supervision in BiH to be streamlined and modernized.

“For a number of years, plans have been in place to consolidate the country’s Banking Agencies, reducing bureaucracy and increasing efficiency. This will strengthen safeguards for depositors and give a boost to the banking sector as a whole, which can help bring down interest rates,” the HR/EUSR said.

He said that if this reform were enacted in the coming months “it would help stimulate the economy – and that means creating jobs, the area where the global recession has caused real hardship in Bosnia and Herzegovina, with tens of thousands of families being hit by job losses since the end of last year.”

He pointed out that this and other key reforms that would benefit citizens had been put on hold because of the three-year long political crisis.

“Three years of doing nothing is too long. Tens of thousands of lost jobs is too high a price. Deadlock on the road to Europe is too damaging. Now is the time to break out of the crisis and get on with long-delayed reforms,” the HR/EUSR said. “Political leaders in BiH need to learn from the Central Bank. It’s time we had Responsible Politics as well as Responsible Finance.”

The full text of the HE/EUSR’s speech can be accessed at www.ohr.int and www.eusrbih.eu