

# Presentation by PDHR Donald Hays at the Sarajevo Economic Region Development Agency

*27 September 2002*

Thank you all for coming.

I have just attended a meeting of the Steering Board of the Sarajevo Economic Region Development Agency.

As all of you know, SERDA brings together the local authorities from across the Sarajevo region, on either side of the IEBL. It does this for a very simple reason – it makes economic sense.

Economic sense creates jobs.

SERDA is recreating links among municipalities, providing support services to SMEs, attracting foreign investment, coordinating the work and optimising the impact of donors and investors, building business associations, and lobbying for legislative changes to promote economic growth.

On this last point let me emphasise – legislation is not going to make BiH rich. But legislation is important because the right laws can create the space in which entrepreneurs can create wealth and generate jobs.

By calling for sensible economic legislation in BiH we are not calling for more government; we are calling for good government. In every case that means less bureaucracy not more.

The problem is that many BiH politicians seem to believe that blocking their opponents' legislative agenda – whether that

agenda benefits the people or not – is what politics is all about.

It isn't.

Politics is about passing laws that help raise standards of living.

In June this year I wrote to the Chairman of the Council of Ministers, Dragan Mikerevic, and to the two Entity Prime Ministers, expressing my grave concern about the Entity and State governments' failure to get economic legislation through their respective parliamentary assemblies.

I identified core laws that must be passed as an absolute priority.

These are not pieces of legislation that it would be nice for BiH to have.

These are pieces of legislation without which the BiH economy will not grow, without which the politicians now on the campaign trail cannot create the jobs they are fond of promising to voters.

I can report to you today that the governments have applied themselves to this task. They haven't succeeded entirely, and in some instances their failure will have serious consequences for their constituents, but they have made progress.

On the plus side,

*The State Veterinary Law*

*The amendment to the State Law on Civil Aviation*

*The State Employment Agency Law*

*The Entity Electricity Laws*

*The Federation Law on Concessions*

*and the Amendment to the Federation Law on Banks*

have all been steered through parliament and are either on the statute books already, or are on the point of becoming law.

Some of this legislation is not quite over the finishing line, but if parliamentarians continue to show responsibility, the Veterinary Law and the Law on Concessions, for example, will finish their long legislative journey in the next few days.

I commend the governments for making the progress that they have made.

We have seen what can be done when ministers and members of parliament put the people's interest before the party interest. This will be a cardinal consideration of voters when they go to the polls next week.

Citizens will very soon begin to feel the benefits derived from the governments' improved record in getting sensible parliamentarians to support important legislation.

What will the benefits be?

Well, let's take just a couple of examples.

The amendment to the State Law on Civil Aviation will give BiH a functioning civilian aviation authority – all normal countries have one of these. It's what you need if you want airports to operate and if you want more and more foreign airlines to fly into and out of those airports. Wouldn't it be nice if it were possible to fly from BiH direct to London or New York or Stockholm or Moscow or Tokyo. Now that the Civil Aviation Law has been amended, there is no legislative reason why that shouldn't happen. Improved air connections will, over the long term, have a huge impact on BiH's prospects for competing effectively in the global economy.

What would have happened if the civil aviation amendments had not been passed? Well, for one thing, Sarajevo Airport would have been forced to close because its administrative structure – with the position of director general subject to frequent rotation – was not consistent with internationally accepted standards.

The passage of the Entity Electricity Laws will result in one very simple gain for the people of this country – cheaper electricity. Until now, BiH voters have had to pay higher electricity bills than people in neighbouring countries. Rates will now become competitive, as the electricity sector is privatised and the big companies start thinking about their consumers rather than simply their profits.

So far, I have spoken about the plusses. The minuses need to be commented on too.

The following legislation has NOT been steered through the parliamentary assemblies.

*The BiH Law on Statistics*

*The BiH Law on the Registration of Legal Persons*

*The BiH Communication Law*

*The RS Draft Law on Banks*

*The Law on the Federation Investment Bank*

*The Entity laws on Land Registry Books.*

Voters are going to be poorer as a direct result of their parliamentarians' failure to pass this legislation.

Take the Statistics Law, for example.

All countries need a statistics agency – economic development can only take place if you have accurate data, that tells you where production needs to be improved, where a highway should be built, which district will benefit from a new rail link. The Statistics Law provides for a properly managed BiH Statistics Agency. European Union aid for BiH has already been held up because of the unsatisfactory management arrangements of the existing agency, which has a constantly rotating executive.

The question is: why is desperately-needed aid, that will, directly benefit BiH voters, being held up by BiH politicians? Why haven't they passed this law? I would recommend that

citizens put this question to their representatives. How come you haven't passed these laws. These laws affect the people. They will help create jobs. Why are you obstructing that process?

Unfortunately, until now, the election campaign has not touched on economic issues.

Most BiH politicians appear reluctant to tell voters about their economic policies. How are they going to build the schools and roads and hospitals that they are very fond of promising? How are they going to generate employment?

In many cases, politicians simply don't understand economics. In many other cases, they understand economics but they would rather make speeches about other things.

The message that I am sending from SERDA today is that the kinds of issues which are discussed here at the regional level, and the kinds of issues which are discussed in the Entity and State parliaments when economic legislation is on the agenda, should be at the forefront of this election campaign.

It's time that voters held their parliamentarians to account for the sad state of the BiH economy. One way to do that is to ask: why have you held up crucial economic legislation?

Thank you