

Remarks by High Representative and EU Special Representative Miroslav Lajčák At a Conference on Social Dialogue and Social & Economic Development in BiH

Organized by the Konrad Adenauer Stiftung And the Eduardo Frei Foundation and the Centre for Regional Development

The Social Dialogue – a Key Element in Economic Growth and in the European Integration Process

Dr Krause, Ladies and Gentlemen,

I'd like first of all to thank the organisers of this conference, not simply for arranging today's discussion but for supporting a sustained debate on the social dialogue in the broader context of the social and economic reform and development process in Bosnia and Herzegovina. I know that our meeting today is part of an extended and constructive process.

The process of social dialogue will become increasingly important as the country progresses in the EU accession process. Therefore the European Commission Delegation is actively stimulating and promoting it.

As many of you may be aware, in my capacity as EU Special Representative I am currently taking part in a series of

public debates throughout Bosnia and Herzegovina on the topic of EU integration.

One of the main themes of these debates is investment and employment. What I hear again and again is that the citizens want their politicians to focus on creating jobs and raising living standards.

It is clear to me – and I believe it will also be clear to most of the people in this room – that a continuous and effective dialogue on social and economic strategies is central to achieving the twin objective of lower unemployment and higher living standards.

This is because the social dialogue creates mechanisms to help regulate all fields of the labour and employment sector – and this sector stands at the very heart of economic activity.

I am particularly pleased to see that today's discussion will cover the role of social partners in EU member states, and the experience of neighbouring countries in developing a modern and effective social dialogue.

The European social dialogue is an integral part of the European social model and has a tradition of more than 20 years.

In Croatia, Serbia and Montenegro, Economic and Social Councils have already been successfully established as platforms for the tripartite dialogue. Today we have an invaluable opportunity to learn about the experiences of others who have gone through a process which Bosnia and Herzegovina is now embarking on as part of the European path.

I should emphasise this point because I believe all the relevant stakeholders in Bosnia and Herzegovina may not yet have fully grasped the key role of the dialogue of economic stakeholders, in the first instance as an economic development tool and in the second instance as a fundamental part of the

accession process.

As with every other element in the accession process, developing a social dialogue is not something that has to be done simply for its own sake or because it represents some sort of mysterious Brussels "requirement". The plain fact is that this dialogue has a central role in EU economies because it simply works.

It facilitates dispute resolution and enhances the capacity of all stakeholders – employers, workers and government – to contribute in a constructive way to economic output. At the same time, it helps to safeguard the rights of stakeholders, facilitating, for example, agreements and standards in regard to wages, gender equality and safety at work.

None of these things are luxuries. They touch upon fundamental human and labour rights and they are directly relevant to the underlying task of making companies more efficient, more productive and more socially responsible.

In other words there are no losers in a dialogue. It's not only a matter of exchanging information, of consultation and taking part in negotiations; it's a matter of putting in place mechanisms that allow effective and speedy problem solving so that the economy can grow and deliver dividends to stakeholders as well as to shareholders.

I mentioned that many of the stakeholders in Bosnia and Herzegovina may not have grasped yet the fundamental importance of the dialogue. I think perhaps a first and necessary step is for each of the three sides – government, employers and unions – to recognise and publicly acknowledge the other two as legitimate partners who should be consulted on issues of economic and social policy, not simply as a courtesy but as a political and practical resource.

In addition to Minister Novic who will be with you in the afternoon we have with us today Mrs Mišić, President of the

Confederation of Trade Unions of BiH, and Mr Imamović, President of the Employers' Association FBiH and Candidate for the Presidency of the BiH Employers' Association, together with their colleagues. Your presence here is not simply appropriate –it is crucial.

Bringing together political leaders with employers and workers representatives is not a simply for conferences organised by international agencies. This is a normal and useful function of BiH public life. That is another reason why we need to have the BiH Economic and Social Council up and running without further delay.

And as many of you will know, the establishment of an effective Economic and Social Council at the state level as a priority has already been discussed and demanded by the social partners for several times.

When the government leaders signed the Platform for Action last October they committed themselves to support initiatives and forums for constructive dialogue among policymakers, employers and workers. We have seen steady – albeit slow – progress on implementing the commitments made in the Platform. For this reason I remain optimistic that this particular commitment – support to a constructive social dialogue through the establishment of a BiH Economic and Social Council – will be implemented in the coming months.

The benefits will be substantial. Other countries that have established effective mechanisms and institutions for a continuous debate on social and economic priorities have been able to turn this dialogue into a major impetus for enhanced economic and social reforms and greater competitiveness.

These are the tools for tackling the most significant problems facing Bosnia and Herzegovina today, which are very high and persistent unemployment, inadequate social services and pervasive poverty.

The sooner we get the stakeholders' dialogue on social and economic strategies in this country up to EU standards the sooner we will be able turn the corner in terms of securing more and better jobs for citizens and raising living standards. As I am sure we can all agree – that can't be soon enough.

Thank you for your attention.