

Three Years of Rising Poverty and Unemployment



BiH politicians can show good faith to the electorate by ending their obstruction of measures that would help address the scandal of mass unemployment, Principal Deputy High Representative Raffi Gregorian said today.

“The people who are keeping Bosnia and Herzegovina in the economic neighborhood of Uganda and Cambodia are the politicians who have shamelessly stood in the way of key economic reforms,” Gregorian said. “There is a clear correlation between entrenched corruption at the highest levels and the drop in competitiveness. Water flows down hill, and the people are the ones getting wet, not the big bosses at the top.”

He was speaking at the presentation in Sarajevo of the 2009-2010 Global Competitiveness Report, which in the last three years has seen Bosnia and Herzegovina plummet down the world rankings for doing business, so that it is now in 109th place, out of 133 countries, just behind Uganda and just ahead of Cambodia.

Gregorian said that 2009 had been most difficult for “more than 70,000 families in Bosnia and Herzegovina that reportedly lost an income in the first nine months of the year. Everything we discuss here today has to be understood in the context of that figure – more than 70,000 jobs lost just in the first nine months of 2009. And that’s in addition to the already shocking figure of more than 500,000 unemployed. This figure, more than any other, testifies to Bosnia and Herzegovina’s declining competitiveness.”

He said enacting the Law on Obligations, setting up a modern banking supervision system and, in the first place, further upgrading – as opposed to rolling back – previously agreed reforms would help stop the rot, since this would streamline and modernize the BiH business environment and help attract investment to create new jobs.

He said the economic situation had gotten worse because key reforms have been put on hold while the country waits on party leaders to resolve their disagreements.

“Citizens are suffering – and little is being done to alleviate that suffering because every serious concrete initiative that could improve things has been suspended, in most cases for many years,” Gregorian said.

“When we look at the cumulative result of BiH politics over the last three years we find tens of thousands of jobs lost, tens of millions of Euros worth of international and domestic investment lost, and poverty on the increase all across the country,” he said. “In other democracies, governments that produce results like this are not re-elected.”

Gregorian believes that poverty and unemployment will be major issues in the election campaign. He said the party that does most to unblock reforms will be the one that does most to create jobs, raise living standards and make BiH more competitive.

“As soon as these reforms are taken off the shelf where they have been sitting for the last three years or more, it will be possible to start bringing relief to hard-pressed citizens. The question is: which party leader will take the initiative and end the blockade?

“The competitiveness Bosnia and Herzegovina needs right now is competitiveness among parliamentarians to get proper legislation onto the statute books so that BiH can start attracting investment again, creating new jobs and raising

livings standards,” Gregorian said. “There has been far too much talk, too much process, and not enough substance—what is needed is deeds, not words.”

The full text of PDHR Gregorian’s speech can be accessed at www.ohr.int