

COUNCIL OF MINISTERS BiH JAN- SEPTEMBER 2011 – REPORT SUMMARY

The utter irresponsibility of our state elected representatives and party chiefs resulted in BiH's being treated accordingly in the BiH 2011 Progress report.

Among the first conclusions of the reports are the following statements: Failure to reach political agreement and form the government at the state level hinders the country's progress on key reforms required for achieving further progress in EU integrations. The accession to EU requires functional institutions on all levels and effective mechanism for coordination of EU related issues".

To sum up the BiH 2011 Progress Report, one would say that this is a state with nonfunctional constitution; the state without state property and provision of aid to the most vulnerable categories of people; the state run by individuals whom the entire Europe can't wait to see leave. The state with blooming corruption; the state financially dependent on the IMF; the state with the highest unemployment rate in the region, nonfunctional public companies and poor privatization. And the state in which human rights of its citizens are being seriously violated.

Another defeating fact should be emphasized. While Italy discusses its prime minister's resignation due to poorly planned budget for 2012, in Bosnia and Herzegovina those who have been working for the past nine months without the 2011 budget are still in power.

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While governments in the region are concentrating on how to fulfill the remaining obligations from their 2011 work programs and develop work program for 2012 in order to adopt them in a timely manner, the Council of Ministers of BiH enters the last quarter of the year without any plan whatsoever. And without an adopted Budget (Bosnia and Herzegovina, at this moment, functions on the basis of the fourth Decision on temporary financing).

Violations of Rules of Procedures or misuses of the temporary financing mechanisms (by creating condition of permanent temporariness), however, have become more of a rule than an exception in the work of the current Council of Ministers. Not for once in the past five years was the annual work program adopted in time. And for the entire term, the Budget of joint institutions was adopted in a timely fashion only once, at the end of 2009 for 2010.

We, therefore, live in a country where the highest government institutions, those who are supposed to make and enforce laws and prescribe sanctions in case of failure to enforce laws, have been violating the same laws or looking for "holes" in laws for years.

And the contents of the Law on Financing of Institutions of BiH, which prescribes that during temporary financing budget beneficiaries cannot start capital investment, speak about government institutions being an accomplice in undermining the state and the quality of life of its citizens. This blow would be extremely hard one for many other well-developed countries, let alone BiH. And all repercussions of functioning the entire year on the basis of decisions on temporary financing and having governments in "technical mandate" will soon show the real face. Though, the EC's views stated in the BiH 2011 Progress report and lowered credit rating are dramatic enough.

From January to Sept 2011, by being in a so called "technical mandate", the Council of Ministers held 19 regular sessions and three special ones. In nine months of 2011, ministers and prime minister spent less than 15 hours in sessions, and only one session recorded no absences.

This is the session that lasted only one hour and during which measures were adopted in no time. For performance like this, in the nine months of 2011 the members of the Council of Ministers charged approx. half of a million KM.

If we look at the time spent in sessions, we can see that the Council of Ministers spent six times more time in sessions in the first year of their term than in 2011.

One of the largest problems in BiH, which culminated in 2011 due to incapability of BiH politicians to form the government, is an extremely low number of realized legislative activities. After 270 days of 2011, the Council of Ministers adopted only 21 legislations.

On average, 2,3 laws per month were adopted by the Council of Ministers, while the monthly average of the Government of Montenegro for the same period is 12 laws. The Government's of Serbia average is 15 laws, and the Government's of Croatia 26 (one a day, so to speak).

Additional problem is that the realization of legislative activities was a serious problem during the previous four years, when there was bogus compromise on many issues and when some parties managed to agree on parliamentary majority. For almost five years now, the Council of Ministers adopted only 215 different legislations, while as many as 225 laws from their work plan remained unrealized during the 2006-2010 term.

Further on, out of 21 laws adopted by the Council of Ministers during Jan-Sept 2011, only three (3) laws are real laws, while 18 laws are changes and amendments of the existing laws. In addition, none of these three laws completed their parliamentary procedure.

As of Sept 30 2011, the Parliament of BiH rejected more laws received from the Councils of Ministers than it adopted - 4:2.

Three out of four laws were rejected due to entity voting from RS MPs, which, in fact, is a continuation of the political practices used during the previous term in office.

Overall, almost one fourth of laws or 24,7% of the laws approved by the Council of Ministers from 2007 to 2011, ended up rejected by the PA BiH. Most of these laws did not pass due to negative votes from 2/3 of MPs from RS - due to a so called entity voting.

On 23 sessions the Council of Ministers BiH from Jan to Sept 2011 successfully realized 790 agenda points. Of these 790, 184 (23%) are somewhat related to the top problems of citizens (unemployment, social and pension policies, corruption, etc.), while only nine measures or as little as 1,1% of the total number of realized points could actually contribute to the solutions to these problems,

This is the worst result of any measurement period in terms of realization of measures that could significantly influence finding solutions to the priority problems of citizens.

Repercussions of this government practice are visible around us

In 2010 foreign investments dropped by as much as 77,5% in relation to 2007 when 1,6 billion Euros were invested. Since then until the end of 2010, BiH has seen constant decline in investments.

In August 2011, Standards & Poors international credit rating agency lowered BiH's credit rating. Previously, Moody's downgraded the country's credit rating, so there is no room for any dilemma that due to political instability and failure to form a new state government BiH is not attractive for foreign investments.

At the beginning of October 2011, Forbes business magazine published a report on business activity. BiH ranked 84th on the list of 134 countries, and only Serbia is in a worse place among the countries in the region.

With its horrific unemployment rate of 43,4%, the only country with even more horrific figures is Kosovo - around 50%.