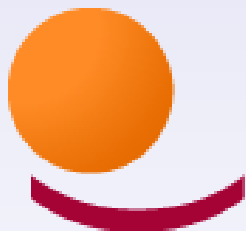




**CONFEDERATION OF TRADE UNIONS OF REPUBLIKA
SRPSKA**

ECONOMIC SITUATION AND FIGHT AGAISNT CORRUPTION IN RS

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KONFEDERACIJA SINDIKATA BOSNE I HERCEGOVINE
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SINDIKAT BRČKO DISTRIKTA

- ❖ **Companies and economic relations, banking and taxation systems, economic, scientific and technological development, social development, development policies and measures, OHS, employment, healthcare protection, etc.**
- ❖ **Development policies, economic policies, labor policies, social policies, etc.**
- ❖ **Strategies, policies, action plans, etc.**

INTRODUCTION

- Basic problems in development:
 - ❖ Poor economy, without economic progress,
 - ❖ Very high unemployment,
 - ❖ Low living standard and poverty,
 - ❖ Low wages, irregular payments of wages, precarious jobs, insecure working conditions,
 - ❖ High foreign trade deficit,
 - ❖ Deindustrialization, technological degradation of production, etc.
 - ❖ Excessive relying on international creditors (IMF, WB).

INTRODUCTION

- Our problems are primarily developmental, thus structural, even more deepened by the global crisis.
- They were created and accumulated for years.
- The same applies to both import and export, production, pension funds, employment and other areas.
- Also, there are no adequate development programs in the abovementioned areas.

PRIVATIZATION-TRANZITION

- Process of transition – privatization of state owned capital began in late last century by the adoption of the new Law on privatization in RS.
- Trade unions believe that the privatization cannot be positively assessed based on any of the economic-social indicators, because:
 - ❖ Fresh capital is not secured,
 - ❖ There are no investments and restructuring of the production,
 - ❖ Low level of the growth of production and income,
 - ❖ A large number of workers lost their jobs,
 - ❖ There were hardly any new jobs.
- Due to the present irresponsible implementation of privatization:
 - ❖ Around 12,000 workers in RS wait for their pension coverage to be paid.

MACROECONOMIC AND OTHER INDICATORS FOR REPUBLIKA SRPSKA

GDP

❖ GDP per capita in 2016 was 4,255 euro – 5.05% bigger than in 2015.

DESCRIPTION	2010	2011	2012	2013	2014	2015	2016	Q1 2017
Nominal GDP (in billions of euro)	4.25	4.44	4.39	4.48	4.52	4.68	4.92	-----
GDP, real growth rate (in %)	0.8	0.8	-1.1	1.9	0.4	2.6	1.8	2.2

INDUSTRIAL PRODUCTION

DESCRIPTION	2010	2011	2012	2013	2014	2015	2016	1-6.2017 /1- 6.2016
Growth rate of the industrial production (%)	5	4.7	-4.2	4.1	0.6	3	8	4.1

IMPORT, EXPORT, IMPORT-EXPORT RATIO

								1-6. 2017/ 1.-6. 2016
DESCRIPTION	2010	2011	2012	2013	2014	2015	2016	
Export of goods (growth rate in %)	30.2	17.6	-7.3	9	4.1	-6.6	9.8	21.3
Import of goods (growth rate in %)	13.6	13.1	-2.1	1.4	8.7	-13.1	1.3	12.4
Import-Export ratio (in %)	53.7	55.9	52.9	56.9	54.5	58.5	64.8	70.4

AVERAGE NET WAGES

(IN EURO)

DESCRIPTION	Average 2012	Average 2013	Average 2014	Average 2015	Average 2016	Average 2017 1-6
RS	418	413	422	425	427	424
% GROWTH (DECREASE)	1.11	-1.22	2.10	0.73	0.47	-0.70
ABSOLUTE DIFFERENCE	9	-10	17	6	2	-3

- Lowest wage is 202 euro – 47.3% average wage

LIVING COSTS AND LIVING STANDARD

- ❖ **Average wage in RS covers only 44% of costs for products and services from the trade union consumer basket in RS.**
- ❖ **TU consumer basket is 1.5-5 times bigger than the average paid wage.**
- ❖ **Living standard is at extremely low level.**

LABOR MARKET – ACTIVITY, EMPLOYMENT, UNEMPLOYMENT

- Rate of active working population:
- Low level of active working population in Republika Srpska is 43.7%, (men 57.3%, women 37.2%),
- Share of active men in RS is around 20% bigger than the share of active women.

LABOR MARKET – ACTIVITY, EMPLOYMENT, UNEMPLOYMENT

- Rate of employment is at extremely low level and in last year in RS it was 34.9% (men 43.6%, women 26.7%)

EMPLOYMENT

		Average 2012	Average 2013	Average 2014	Average 2015	Average 2016	MARCH 2017
Employed		238,178	238,640	241,544	245,975	253,306	257,740
		99.67	100.19	101.22	101.83	102.98	101.75

LABOR MARKET – ACTIVITY, EMPLOYMENT, UNEMPLOYMENT

	Average 2012	Average 2013	Average 2014	Average 2015	Average 2016	Sept. 2017
Number of unemployed	153,225	151,290	145,919	135,858	125,906	120,036

GREY ECONOMY AND UNREGISTERED WORK

- 1/3 GDP is the share of grey economy
- ❖ National experts from the field of labor and economy estimated the number of around 80.000 unregistered workers in RS.

FIGHTING CORRUPTION

- ❖ Strategy and action plan for fighting corruption in Republika Srpska for 2013-2017 implemented:
- Strengthening integrity and
- Effective protection of whistleblowers of corruptive activities – Law on protection of individuals who report corruption adopted – legal protection of individuals who report irregularities at work and suspicion to corruption in good faith in public and private sector, accompanied by sanctions for untruthful and ill-intentioned reporting,
- RS Ministry of the Interior designed in 2014 and application for reporting suspicion to corruption and other irregularities at work, available online to users.

FIGHTING CORRUPTION

- ❖ Strategy and action plan for fighting corruption in Republika Srpska for 2018-2022.
- ❖ Institutional framework for fighting corruption in Republika Srpska is made of judicial institutions:
 - Supreme Court,
 - Five district courts,
 - 19 basic courts,
 - 1 Higher economic court and five district economic courts.
 - District Court in Banja Luka has a Special department for fighting corruption, organized crime and the gravest forms of economic crime,
 - Supreme Court has a Special chamber for ruling on the appeals from the decision of that Special department within District Court in Banja Luka.

FIGHTING CORRUPTION

- Republika Srpska Public Prosecutor's Office with the jurisdiction throughout RS, and seven District Public Prosecutor's Offices with the same jurisdiction as the District Courts.
- Republika Srpska Public Prosecutor's Office has a Special Department for Fighting Corruption, Organized Crime, and the Gravest Forms of Economic Crime,
- ❖ In addition to judicial institutions, particularly important for fighting corruption are:
 - RS Ministry of the Interior,
 - Republika Srpska Inspectorate,
 - Agency for management of the seized property,
 - Main service for the audit of Republika Srpska public sector.

FIGHTING CORRUPTION

- ❖ Institutional framework for fighting corruption in Republika Srpska was additionally enhanced by the establishment of the Commission in April 2014, serving as a permanent body of the RS Government for coordination and evaluation of the implementation of Strategy for fighting corruption and the corresponding Action plan, as well as strengthening of the inter-institutional cooperation in all areas of fighting corruption in Republika Srpska.
- ❖ Commission is composed of representatives of different areas of society: ministers, representatives of the judicial institutions, RSNA boards, RS Main service for audit of public sector, trade unions and associations of employers, media and journalists, NGO, academia and association of students of Republika Srpska.

FIGHTING CORRUPTION

- ❖ Most important part of legal framework for fighting corruption in Republika Srpska is made of following laws:
 - RS Criminal Procedure Code,
 - RS Law on courts,
 - Law on prevention of conflict of interest in the authorities of Republika Srpska,
 - Law on protection of witnesses in criminal proceedings,
 - Law on free access to information,
 - Law on civil servants,
 - Labor law,
 - Law on seizure of property gained by commission of criminal offense,
 - RS Election law,

FIGHTING CORRUPTION

- RS Criminal Code,
- Law on bankruptcy,
- Law on protection of individuals reporting corruption

FIGHTING CORRUPTION

- ❖ National legislation is aligned with the following ratified conventions:
 - CoE Criminal Law Convention,
 - CoE Civil Law Convention,
 - Additional protocol to the CoE Criminal Law Convention,
 - UN Convention against corruption.
- ❖ Bosnia and Herzegovina became a party to the CoE Group of states against corruption (GRECO) in 2002.

FIGHTING CORRUPTION

- ❖ Although corruption is primarily related to the abuse of “entrusted powers” or “public authorities”, thus for the public institutions and public sector, it exists in private sector as well
- ❖ The most frequent form of corruptive activities in private sector is bribe in case of determining certain irregularities at work or public procurement or allocating grants or subsidies.
- ❖ It is therefore necessary to observe fight against corruption in relation to public procurement procedures, taxation system, state asset management, development of domestic and foreign entrepreneurship, operation in public and private sector, and other activities.

FIGHTING CORRUPTION

- ❖ Within the implementation of the reform of RS economic system, aimed at reduction of grey economy, a Law on amendments to the RS Law on taxation procedure was adopted, which allows for the control of unregistered businesses and control of the registration of workers into the Single system of registration, control of collection of contributions by all inspectorates operating in RS at all levels, as well as amendments that prevent registration of taxpayers with the Taxation Authority if the founders have outstanding debts for tax, as well as taxpayers whose founders are at the same time the founders of taxpayers with the outstanding debt for tax.
- ❖ In order to continue fighting corruption it is necessary to improve inspection procedures and efficiency of inspectorates
- ❖ It is planned in the near future to improve legislative framework related to income tax, profit tax, and contributions.

MEASURES FOR TRANSPARENCY AND ACCOUNTBILITY FOR SPENDING OF PUBLIC FUNDS

❖ Measure are related to:

- Introduction of budgeting based on efficiency and operation,
- Introduction of efficient and transparent system of collection of revenues,
- Setting up of strong supervisory mechanisms through parliamentary commission and internal controls,
- Information of public and inclusion of public in the process of adoption of budget, etc.
- Increasing transparency in spending public funds and complete introduction of programmatic budgeting through planning of budget and monitoring of the implementation of budget based on programs and defined indicators for monitoring individual programs.

❖ Reform Agenda.