Economy Fuels Unrest in Bosnia

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Rampant unemployment, corruption and the worst drought in 50 years are fueling social unrest in Bosnia-Herzegovina as trade union leaders threaten strikes and warn of social discontent in the face of a mounting economic crisis.

"The social and economic state of the majority of the workers in Bosnia-Herzegovina is extremely critical, because the economy is on the verge of collapse," says union leader Sulejman Hrle.

Unrest is expected to focus on the Tuzla canton in northern Bosnia-Herzegovina, the biggest and the most populated canton where most of the industry and mines are concentrated. Only about 30 per cent of its economically active population is working, and salaries can be up to 40 months late.

"How can you expect a worker to support a family on one and a half German marks (about 30 pence) a day?" metal workers official Muhamed Hadzic recently demanded of the premier of the Tuzla canton. He warned that his members were planning to camp out in front of the government offices in the city.

James Lyon, manager of the International Crisis Group, ICG, in Bosnia-Herzegovina agrees the crisis is growing.

"The biggest problem we have to face is the economy," he said. "Things are moving far too slowly. Because Bosnia-Herzegovina is dependant on foreign aid, its economical structure is not changing and foreign aid may soon be halved."

Industrial production is a little over one third of its 1991 level, while national per capita income is below half of what it was in the same year. Up to half the economically active population is unemployed, the value of imports outstrips exports by four to one, foreign debts remain high and bankruptcy is rampant.

"This country does not have an economic policy," says Dr. Kasim Begic, professor of economic policy in the Faculty of Law in Sarajevo.

The situation is critical across the whole of Bosnia-Herzegovina, which was split into two political and economic entities after the 1992-1995 war and where about 2.5 million people now live.

The worst drought in almost 50 years is adding to the economic woes, with agricultural output down 70 per cent this year in Republika Srpska. The situation is no better in Muslim-Croat Federation, where officials are calling for the government to declare a natural disaster.

In Republika Srpska, the elderly recently took to the streets demanding payment of their pensions, which are now often a couple of months late. Pensioners in the Muslim-Croat entity have threatened similar action.

The average monthly pension in Bosnia-Herzegovina is between 50 and 150 German marks (16 and 48
There are also social security payments for the poorest, averaging from 40 to 100 German marks (12 to 32 pounds).

According to the latest data, the basic monthly food bill for a family of four in Bosnia-Herzegovina is 468 German marks (146.5 pounds).

The slow pace of repatriation of refugees forced to leave their homes during the war and the gradual curtailment of the humanitarian aid they receive is adding to the general dissatisfaction.

"If we could return home, we could plant something, some of which we could eat and some we could sell. We could perhaps get a cow, it would be easier," says Ramiza Hodzic, who was expelled from Zvornik, an eastern city under Serbian control.

Trade Union leaders complain that the process of privatisation, key to the regeneration of the country, is also being severely hampered by corrupt managers who devalue the assets of state companies in order to reduce their market price and buy them off themselves.

Sulejman Hrle says the practice has sparked a wave of strikes in Bosnia-Herzegovina, "The workers are indicating that some managers in conjunction with local officials are deliberately bankrupting firms in order to buy them off as cheaply as possible when they are privatised."

Allegations of corruption and links between organised crime and the government rock the country almost daily.

"Wars, the breaking of structures of the ex-Yugoslav Federation, disorder, absence of authority and lack of democracy have turned the region of the west Balkans into one of the major havens for organised crime in Europe," says a report from the EU sponsored body, the Secretariat For the Fight Against Corruption.

The people of Bosnia-Herzegovina hope for a change after general elections, announced for November.

But in the meantime, their suffering continues. A viewer begged opposition Social Democrat leader Zlatko Lagumdzija on a recent television programme: "Please help, I am hungry, my husband has pneumonia and we can not afford the medicine."

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