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**THE ROLE OF PARLIAMENTS IN THE  
PROCESS OF DECIDING ON PRIORITIES:  
CUTTING PUBLIC SPENDING OR  
STIMULATING THE ECONOMY**

*Edited by*

*Slavica Penev*

*Isidora Beraha*



**REPUBLIKA SRBIJA  
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**ECONOMY**

Edited by Slavica Penev and Isidora Beraha

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*Regional Conference Proceedings*

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## FORWARD

Regional cooperation among the parliaments from Western Balkan countries, started in 2004, at the Regional Parliamentary Conference: “The Role of Parliaments in Economic Policy and Institutional and Legal Reforms in South East Europe” held in Dubrovnik (2004), organized by the Friedrich-Ebert Foundation, OECD and the Stability Pact/ Investment Compact for South East Europe. The main conclusion of the conference was that Parliaments from the region should have a key role to play in the process of economic reform, as their task is to enact or amend legislation that provides the legal framework of economic activities and their challenge is to establish rules that are coherent, effective and stable. Investors require quality legislation, which provides legal certainty and stability and is favorable to the development of a market economy.

During this Conference the idea of conducting a regional project that focuses on the role of parliaments in the economic reform process was conceived. The regional project was conducted by the OECD Investment Compact and GTZ Open Regional Fund for SEE – Legal Reform, whose frame included country studies for Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. The main focus of these country reports was to review the process of drafting legislation, analyze the parliamentary process and assess the process of implementing legislation in general and parliamentary oversight of the implementation process. Based on the findings from the country studies, the regional overview was drafted, and these findings were presented at the regional conference, which was held in Miločer, Montenegro, on 7-8 October 2008. During the Conference the idea for establishing a regional network of parliamentary committees for economy and finance was initiated, which would result in institutionalization of the existing regional cooperation.

The need for the continuation of the cooperation among the Western Balkan parliaments after the completion of the regional project, resulted in the organization of the Regional Conference in Belgrade (March 2009), where the *Regional Declaration of cooperation among the Western Balkan Parliaments* was signed and the *Regional Network of*

***Parliamentary Committees for Economy and Finance of the Western Balkan countries***, was established, with the aim of advancing the cooperation among the parliaments from this region.

The benefits of having this kind of Network are, based on the following facts, that: (i) all the countries in the region, except Albania, share the common heritage and experience coming from ex Yugoslavia, including the common market, common regulations and similar language; (ii) All the countries in the region are in the process of European integrations, and in parallel to harmonizing their national legislations with the European one, they are also mutually harmonizing the legislations among themselves, thus creating harmonized legislative framework at the level of the region.

In that regard it has been agreed that the area of cooperation should cover: (i) Sharing the information in area of economy and economic legislation; (ii) Monitoring the methodology of proposing the regulations, and the role of Committees and working bodies in that process; (iii) Harmonization of, already adopted regulations, with the European legislation; (iv) Monitoring the procedure of proposing the laws, especially those referring to harmonization of regulations with the European legislation. Because of unequal staffing and expert capacities in Committees and in general, the experience of those more advanced would be of great benefit for the countries lagging behind in the process.

The agreed activities of the Network were: (i) to exercise cooperation through parliamentary expert bodies; (ii) to organize meetings of the Committee representatives in some of the parliaments in order to share the information and experiences on the spot; (iii) to exchange annual work plans and to participate in the work of other parliaments' committees, (iv) as well as to organize joint sessions within bilateral and multilateral parliamentary cooperation when discussing key infrastructural projects and issues of importance for the entire Region.

Even though it was envisaged that the committees meet once a year, the economic crisis which strongly hit the countries of the region, led to the postponement of the network meetings, reducing their cooperation mostly to personal contacts and exchange of information among the members of the committees from the countries of the region.

The first Regional Workshop of The Regional Network Of Parliamentary Committees for Economy and Finance of the Western Balkan Countries, named: The Role of Parliaments in the Process of Deciding on Priorities: Cutting Public Spending or Stimulating the Economy, was held in Belgrade on 3<sup>rd</sup> March 2012, and was co-organized by National Assembly of the Republic of Serbia, Friedrich Ebert Foundation Office in Belgrade and the Institute of Economic Sciences from Belgrade. The workshop emphasized the importance of closer and continuous cooperation between parliaments and scientific community.

The objectives of the workshop were to discuss (i) the possibilities for strengthening the capacity of parliamentary committees for economy and finances in order to play more important role in economic policy, (ii) the dilemma: whether to give priority to cutting public spendings or stimulating the economy, and (iii) the Economic and political barriers to the trade in the region.

The Westminster Foundation for Democracy (WFD) recognized the need for the continuation of the cooperation among the Western Balkan parliaments through their Network of Parliamentary Committees for Finance and Economy. To support this regional cooperation, WFD initiated the drafting of a three-year regional programme aimed at Strengthening parliaments' role in promoting competitiveness and economic growth in Western Balkan countries.



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