

## **Radovan Jelašić: 125th anniversary of the enactment of the first law on the National Bank of Serbia**

Speech by Mr Radovan Jelašić, Governor of the National Bank of Serbia, on the 125th anniversary of the enactment of the first law on the National Bank of Serbia, Belgrade, 31 January 2008.

\* \* \*

Ladies and gentlemen,

Institutional anniversaries such as the one today are the right time to look back at what has been achieved and to ask ourselves if we have managed to preserve the fundamental values of our society and state. Today, we are celebrating 125th anniversary of enactment of the first Law on the National Bank of Serbia, which laid the cornerstone of one of the most important institutions of the Serbian state. Preparations for the enactment of this law lasted for about a decade, as can be seen from a document dating from as far back as 1873. The leading people of that time understood the need for the young Serbian state to pursue the most advanced European standards and visited almost a half of European countries, including Germany, Switzerland and Belgium, to learn more about modern central bank organization and operations and to apply this knowledge in formulating the law on the central bank. At that time, there was no Brussels administration and Serbia was offered no technical or any other assistance, but the makers of the first law on the National Bank of the Kingdom of Serbia had a clear vision of the country's future and of what needed to be done for Serbia to catch up and keep pace with the best European practice.

Anniversaries are also an occasion to remind ourselves of the fundamental ideas, aims and visions, and to see how close we are to achieving them! For the National Bank of Serbia, entering the 21st century meant a return to the main ideals and spirit of the law enacted in 1883 – to build an independent and professional institution, which is just and fair in the distribution of money. It is misleading to portray Serbia as being on a crossroads between the East and the West, dithering between European integrations or their opposite. Europe has both an “east” and a “west”, a “north” and a “south” – in this Europe, we all are equal but different! In practice, such “Europe”, the Europe woven into the law of 125 years ago, means simply that we must work harder, better and more responsibly; that we must renounce daily populism, sycophantism and politicizing; that we must think over the long run only, however impossible it may sound today; and that we must tell the public exactly what awaits us on our road back to Europe, however difficult it is, and what the consequences would be of Serbia's decision to take a different course.

By incorporating the best European practice into the Law on the National Bank 125 years ago, the creators of the law wanted to bring Europe into Serbia and to change – or, in modern terms – harmonize our legislation with the European one. Serbia, now as then, can only be changed by collective effort of us all, of both you and me! And it has always been difficult to garner majority support for reform efforts – both 125 days ago and today. Still, all who are present here today have not only the possibility but indeed a binding obligation to improve our society, quickly and efficiently, and there is no excuse for failing to do so. For, in the National Bank of Serbia, I am not only supervised by auditors, the Council and the Parliament, but also by the makers of this law. I feel their spirit in the halls of this building and every day they ask the same question: “And what did you, Radovan Jelasic, do today?” This question is not always easy to answer, but after 7 years in the National Bank it is my daily obligation, and I am deeply convinced that you feel the same way.

The fact that we knew that reverting to the key principles of the law drafted 125 years ago would not be smooth sailing did not help us much in facing day-to-day challenges. What I wish to say is simple – although we were aware of the job ahead of us, we embarked upon it,

and there was absolutely no excuse for not doing so! Curiously enough, except in the initial phase of implementing reforms when the people are still buoyant with enthusiasm, you will hardly ever enjoy the support of the majority, unless you take up the trouble of going into great lengths explaining yourself, elaborating on your actions and backing them with good arguments. Implementing changes is not easy, and the very paradox of transition is that the process should be stepped up at the time of greatest difficulty, because if you stop even for a second, everything will be lost.

I should not be the one to speak about the National Bank of Serbia's performance over these 125 years and its achievements in the 21st century; you are the only valid judges of our work. By preserving stability in prices and ensuring a sound and stable financial system, the National Bank of Serbia is creating conditions for the country's macroeconomic stability in general. Our greatest contribution lies in preventing political and economic challenges, which are not at all negligible, from halting the process of transition and turning Serbia's development clock far back in time.

On this solemn occasion, the National Bank of Serbia wishes to announce the completion of a very important project. Aware that tradition and history should serve as a beacon of light in our relentless struggle for better future, the National Bank of Serbia has digitalized the 1883-1919 issues of the official gazette of the Kingdom of Serbia titled *Srpske novine* and posted them on its website. It is in *Srpske novine* that the first law on the National Bank was published on 19 January 1883 according to the Julian calendar, or 31 January according to the new calendar. Similar to today's legally-mandated practice of publishing Statutes and other regulations in the Official Gazette, at the time, the National Bank published in *Srpske novine* its annual revenue and expenditure statements, announcements of placing/withdrawing banknotes in/from circulation and daily exchange rate lists.

Making one of Serbia's cultural treasures available to the public is yet another proof of the National Bank of Serbia's social responsibility. We will continue to digitalize old and rare books constituting part of the NBS Library and Archives so as to protect them and save them for future generations. Tradition helps us learn, deepens our understanding of the significance of the development of key institutions the National Bank of Serbia undoubtedly is, and teaches us of the enduring values and crucial importance of preserving them!

I wish to thank all of the assembled once again for lending solemnity to our today's celebration in hope that the jubilant atmosphere and recalling our tradition and history will reinforce us in our determination to live up to the challenges the present moment puts before us and make Serbia, its legislation and social structure closer not only to the original ideas of more than a century ago, but to modern European ideas as well, as they are practically the same!