

Radovan Jelašić: Serbia's individuals and institutions – adapting to become transition winners

Speech by Mr Radovan Jelašić, Governor of the National Bank of Serbia, on the occasion of the 50th Anniversary of Čačanska Banka, Čačat, 23 September 2006.

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Today, Čačanska banka celebrates its 50th anniversary. It does so in the ever-changing climate of transition, in which each citizen of Serbia is faced with a range of vital questions – transition to where, in what manner and at what pace? And whereas all of us understand transition in our own way, I for one believe that transition means entering a new system of economic, social and moral values, and that only those who understand what the new times bring, and who manage to adapt quickly, will at least avoid being transition losers, if they do not become transition winners – and this holds true for both individuals and institutions.

It is enough to look into the share of state, social and private capital in the portfolio of your bank to understand how far-reaching and inevitable these changes have been. Another significant change is that membership in the Board of Directors of this bank is no longer motivated by the wish to obtain credit under preferential terms, but by a wish to see the institution's profits and value of its shares go up. Not to mention risk management, credit approval procedures, internal controls, etc.

Although this was scarcely noticed, let alone appreciated, by most of the public, the restructuring of the banking system brought about a change in many aspects of our relationship with banks: for instance, instead of having to telephone the bank several times a day in order to check our account balance, we now get an account statement via our cell phones; instead of complaining of short supply of credits, we now complain that "credits are too expensive". We also have a stable currency, and although foreigners still place more trust in it than some of our own citizens, I am certain that this too will change in due course.

Of course, in order for any change to happen, there must be people who know what they can and cannot do alone, and who ask for help in order to be able to tackle the challenges ahead. This is how the European Bank for Reconstruction and Development acquired a stake in Čačanska banka. If there is one thing I appreciate in Serbia, it is when people ask for help, when they admit they cannot carry on on their own. This is the first, if not the most important, step towards success. At times I even ask myself: How is it possible that Serbia has not outstripped Switzerland long ago, when it has so many professing "experts" and "know-alls" who can tell you all about future developments in exchange rate and policy and economy long before they have even happened?!

As regards the speed of transition, each citizen should decide on their own whether they are happy with its present pace or not. One thing, however, is sure: being in transition is like being on a plane – if engines stop, even for a minute, the plane will crash, whatever its speed! And an absurd thing about transition is that, while it lasts, problems need to be addressed by stepping things up, and not by slowing down.

I have just returned from Singapore, where I attended the Annual Meetings of the IMF and the World Bank Group, and I would like to share with you the positive impressions from my stay in a city strewn with a multitude of billboards assuring visitors that they will be greeted by "4 million smiling faces of Singaporeans." And it really was so.

The difference between Singapore and Serbia lies not only in the fact that their per capita GDP is USD 30,000 and ours only USD 3,500, but also in the fact that the 7.5 million of our citizens do not only show very little optimism, if any, but some of them still live in the past. The difference, as I said, is not only in the smile, or absence of it, but in an unlimited optimism, social energy and self-confidence that Singaporeans display! I believe that we already have sufficient reasons to be satisfied more often, not only on important occasions, such as this, the 50th anniversary of Čačanska banka, but also each time we succeed, in either private or business life. But in order for Serbia to change, we must, each of us, change first. And this is the most difficult part of transition, which I myself, at the age of 38, still find hard to do!