POST-CONFLICT DYSTOPIA:
CAPTIVE STATE AND SOCIETY – THE CASE
OF BOSNIA AND HERZEGOVINA
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About the study

The study focuses on the specific relationship between factors that influence the risks of conflict escalation and factors that influence the prevalence of corruption and its systemic character in the post-conflict context of Bosnia and Herzegovina (BiH). Considering the legacy of the conflict that dominantly characterizes the contemporary Bosnian state and society, in which the capture of the state and society as a complex form of corruption has found fertile ground, the study addresses potential risks for the escalation of the conflict, as well as possible strategies for overcoming such risks.

One could rightly ask the question to what extent it is justified to contextualize the Bosnian society and state as post-conflict after almost three decades since the end of the conflict. Despite the time passed, one can still argue with many arguments that the situation in the country justifies the characterization of a post-conflict or even a kind of frozen conflict. The absence of a minimum of consensus between the three ethnic groups, that is, more precisely, between the ruling ethnocratic elites, about the organization of the country (even its existence), the causes and consequences of the armed conflict, and consequently the vast majority of issues that affect and shape the daily life of citizens in the country, in fact means that the conflict has only changed its appearance, i.e. its stage, and actually transformed from a manifest, violent one, under the robust influence of international actors, into a latent conflict with dominant implications for the quality of governance in the country.

The interdependence of conflict and corruption is almost self-evident on a general logical level. The symbiotic relationship between these two riders of the apocalypse is clearly visible by correlating the Corruption Perception Index of Transparency International 1 and the Global Peace Index 2 or Fragile State Index. 3 As a rule, countries with a lower degree of corruption are more stable and less exposed to violent conflicts and vice versa.

The key question therefore is whether corruption causes conflict or is it a consequence of conflict? Various researches and studies indicate that corruption is a faithful companion and consequence of conflict, while others emphasize that a high level of corruption contributes to violence and the outbreak of conflict. In any case, the interdependence of conflict and corruption has been reliably proven in the sense that similar factors cause both phenomena. 4

A comprehensive analysis by the Institute for Economy and Peace suggests not only the existence of a link between corruption and conflict, but also reveals the so-called tipping point, after which the risk of instability, internal conflicts and escalation of violence increases considerably. This analysis

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2 Global Peace Index  https://www.economicsandpeace.org/reports/
identifies that the tipping point according to Transparency International's Corruption Perception Index, which ranks countries according to the level of perceived corruption on a scale of 0 to 100, where it identifies an index score of around 40 as a turning point in the sense that countries in that zone have, at the same time, an increased risk of instability, internal conflicts and violence. Bosnia and Herzegovina is definitely in that zone with a score of 34 on the index, and as such is ranked at the lowest position in the Western Balkans region and records the third worst result in Europe, at the same time falling into the group of countries in global competition where the situation is deteriorating the most.

Methodological approach

Through the prism of the key theoretical concepts of state capture, conflict, inequality and exclusion, relying on reference indicators ranging from relevant international indices, research and studies to empirical findings from the practice of Transparency International Bosnia and Herzegovina, the study provides insights into the functioning of the institutional framework, elements of the social structure, but also of the key processes that shape contemporary Bosnian society and the state in the context of mutual conditioning of conflict and corruption, i.e. factors that favor them. In this sense, both primary and secondary sources were used, combining qualitative and quantitative methods. Added value is provided by insights from the immediate practice of Transparency International Bosnia and Herzegovina. Based on the collected, systematized and analyzed indicators of the situation in the country, the study tries to give appropriate recommendations for creating a theory of change that would lead to a change in the situation in practice, i.e. overcoming negative trends in the country.

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Introductory considerations

After almost three decades since the end of the conflict in Bosnia and Herzegovina, the political situation and overall social circumstances can be briefly described by Foucault’s well-known reinterpretation of Clausewitz's maxim about politics as the continuation of war by other means.6

On this track, the dichotomy in the understanding of peace as positive and negative, the father of peace studies, Galtung, can be used for the state of the country, which defines negative peace, which can be argued to exist in Bosnia and Herzegovina with many arguments, as the mere absence of violence, without positive elements of peace such as trust, social inclusion, the functioning of the state apparatus in the public interest, and public policies based on participation and the common good.7

The state and political organization of the country was established by an international peace agreement, the immediate goal of which was to end the armed conflict and create the preconditions for starting the state-building process. The state-building process that followed through a robust international intervention led by the Office of the High Representative, involving a wide range of international actors, was focused, in addition to the immediate implementation of the provisions of the peace agreement, on the establishment of elementary functions and capacities of the state and institutions.

Triple transition8 that Bosnia and Herzegovina has been going through since the mid-nineties of the last century, after the end of the war conflicts, proved to be an extremely complex and delicate process that did not result in Bosnia and Herzegovina approaching liberal democracy, based on the rule of law and market economy. Instead of the proclaimed outcomes – liberal democracy, rule of law and market economy, the ethnonational kleptocratic elites managed to effectively capture the state and society, thus establishing a hybrid regime, which on the imaginary axis between liberal democracy and autocracy persistently gravitates towards the latter. As such, it rests on a brutal logic according to which a narrow circle of the political elite consumes almost unlimited power and control over public resources, while the overall harmful consequences of such a situation that arise as a result are distributed to the disenfranchised citizens, i.e. the entire society.

The fact that there is still the presence of the High Representative and mission of Altea in BiH, i.e. EU military forces (EUFOR), i.e. that Bosnia and Herzegovina is still a kind of protectorate, best shows the scope and sustainability of the state building process so far, but also the triple transition that the country is going through.9

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8 The triple transition in this context refers to three types of processes:
- towards liberal democracy;
- towards a market economy;
- building institutions.
9 Annex 10 of the Dayton Peace Agreement establishes the institute of the High Representative as the supreme authority in the interpretation of the provisions of the peace agreement. At the Conference on the Implementation of Peace, the High Representative was given additional powers, the so-called Bonn powers, by
The legacy of armed conflict

The consequences of armed conflict, in addition to the visible negative effects related to immediate human suffering, the destruction of physical infrastructure and the destruction of economic potential, are also present in less noticeable forms that have long-term harmful consequences for social development. Such consequences of the conflict undoubtedly refer to the fragmentation of society on ethnic, cultural or religious grounds, which essentially mean the loss of social cohesion and trust and whose consequences shape social relations and political movements in the long term.

In this sense, the consequences of the conflict that shape the contemporary Bosnian state and society in the context of this research can be identified through three different dimensions:

- Specific political consociational system – *power sharing* regime;
- Deficit of social capital;
- Social inequality and exclusion.

The aforementioned three factors, the consequences of the conflict, are mutually conditioned and interdependent, but for the purposes of understanding the current context, they need to be considered and elaborated separately.

Specific political consociational system – *power sharing* regime

The armed conflict in Bosnia and Herzegovina ended with a peace agreement, which established a specific consociational form of organization, i.e. *a power sharing* regime. The proliferation of the understanding, both in academic circles and among decision-makers, that consociational, i.e. *power-sharing* models are pragmatic solutions in situations of deep social divisions in societies where there is a danger of inter-ethnic conflicts or which strive to overcome the consequences of such conflicts, determined international actors to in Bosnia and Herzegovina they are reaching for just such a solution. The basic intention of such models is to institutionalize the equal representation of representatives of different ethnic groups in the decision-making process. This usually implies the establishment of appropriate electoral arrangements that guarantee such representation and the incorporation of specific mechanisms for the protection of specific group or ethnic interests in such a manner as to prescribe a consensual decision-making process.\(^\text{10}\)

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which the High Representative can adopt temporary measures necessary to ensure the implementation of the peace agreement. In practice, this meant the dismissal of public authorities and the imposition of laws. [www.ohr.int](http://www.ohr.int)

**Operation Altea**, formally the *European Union Force for Bosnia and Herzegovina (EUFOR)*, is a military deployment in Bosnia and Herzegovina to monitor the military implementation of the Dayton Agreement. It is the successor of the NATO mission of SFOR and IFOR. [www.euforbih.org](http://www.euforbih.org)

\(^{10}\) Chelsea Johnson. *Political power sharing in post-conflict democracies: investigating effects on vertical and horizontal accountability*. *Democratization* (2023)
In the specific context of Bosnia and Herzegovina, the peace agreement that ended the conflict “was conceived so that each of the parties (that is, the somewhat transformed protagonists of the bloody conflict) would leave the hope that, if they accepted it, they would be able to achieve goals by peaceful means after a certain period of time that they could not achieve through war. The constitutional flytrap that was supposed to convince all the actors that they have not lost anything that they cannot recover later and that no one can impose anything on them, could not look any other way than as the so-called Dayton Constitution.”

One of the negative consequences of this form of arrangement is the limitation of the passive voting right to members of the constituent nations, as recognized by the Constitution, that is, the passive voting right is conditioned by the ethnic affiliation of the candidate, and as such can be consumed within the entity in which the representative of the corresponding ethnic group is elected. Such provisions of the Constitution of Bosnia and Herzegovina were recognized as discriminatory in several judgments of the European Court of Human Rights that Bosnia and Herzegovina did not implement.

Hence, a strong line of argument that criticizes the scope of the power sharing regime from the position that the democratization of society in such circumstances is practically subordinated to the primary goal of conflict prevention, i.e. maintaining stability through the accommodation of primarily group interests, in the case of Bosnia and Herzegovina can be extended to the maintenance of some kind of stability through the power sharing model, goes to the detriment of human rights, i.e. their relativization or even significant violation.

The dark side of the power sharing regime, as critics rightly warn, refers to the fact that it actually prevents democratization and the establishment of political responsibility through the electoral process. It is rightly emphasized in the literature that the principle of guaranteed participation in government simultaneously excludes the principle of responsibility. In this sense, it is important to consider different aspects of responsibility in the context of the power sharing regime – horizontal, vertical and diagonal responsibility. Horizontal responsibility, i.e. the establishment of division and mutual responsibility between different branches of government (checks and balances), in the context of the power sharing regime, with a system of ethnic quotas to ensure appropriate representation of ethnic groups, instead of division into branches of government, the dominant role is played by the division of ethnic quotas within each branches of government, and hence in terms of horizontal

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11 Tarik Haverić, Presentation at the meeting “Bosna i Hercegovina, europska zemlja bez ustava — znanstveni, etički i politički izazov” (Bosnia and Herzegovina, a European country without a constitution — a scientific, ethical and political challenge), Franciscan Institute for the Culture of Peace, Sarajevo, February 3-4, 2012. Published in Zbornik radova “Bosna i Hercegovina, europska zemlja bez ustava — znanstveni, etički i politički izazov” (Bosnia and Herzegovina, a European country without a constitution — a scientific, ethical and political challenge), Franciscan Institute for the Culture of Peace/Synopsis, Zagreb-Sarajevo, 2013, p. 164-170
12 The judgments of the European Court of Human Rights in the cases of “Sejdic-Finci”, “Zornic”, “Pilav”, “Pudaric” and “Kovačević” against Bosnia and Herzegovina stated that Bosnia and Herzegovina is obliged to abolish discriminatory provisions in the Constitution and the Election Law of Bosnia and Herzegovina, which national minorities, but also those who declare themselves as citizens, and members of constituent nations, depending on which part of the territory of Bosnia and Herzegovina they live in, are prevented from running in the elections for members of the Presidency and the House of Peoples of the Parliament of Bosnia and Herzegovina.
responsibility there is a relativization of the responsibility of one branch of government to another (checks and balances), but in fact there is a situation where personnel, regardless of the branch of government, place responsibility on the leaders of their own ethnic group, given that they are appointed, that is, elected as representatives of the ethnic group within the quotas provided for that group. The establishment of vertical responsibility, i.e. the responsibility of elected power holders towards voters in the power sharing models, given that the electoral process takes place within ethnic groups, is to a significant extent prevented, due to the monopolization of politics by ethnic and identity issues, while issues of government performance are left aside from the political discourse. In such a constellation, the phenomenon of establishing a kind of cartel of political elites, which has dominant power and control over institutions, actually occurs. The consensual interest association of ethnic political elites, inviolable within each of the ethnic groups, actually makes them a cartel, through which they distribute ethnic quotas across institutions. Such association cannot be called a coalition, because it actually excludes any common program platform or orientation. In such a context, instead of the mechanisms of vertical and horizontal responsibility, i.e. the responsibility of the government towards the voters and the mutual responsibility of one branch of government towards another through the division of power, the so-called perverse responsibility, i.e. voters are in a certain manner responsible to the political elites within the ethnic corps, and through the system of ethnic quotas, ethnic quotas are actually imposed over merit for all public office holders, which actually abolishes the division of power, and the line of responsibility of everyone from the ethnic quota goes to the political elites and ethnic quotas as the only true interpreter and protector of vital national interests.

The negative implications of the power sharing model can also be seen from the perspective of the functionality of such a management model, i.e. its efficiency and so-called out-put of legitimacy. An illustrative example is the Parliament of Bosnia and Herzegovina, which in the mandate period 2018-2022 adopted only 27 laws, while declaring a total of 89. In a comparative context, when the indicators of the parliament’s work are compared with the countries of the region, an illustrative picture of the efficiency of the highest legislative body in the country is obtained. Even basic documents for the functioning of institutions, such as budgets, are almost as a rule adopted with a huge delay, and often at the end of the calendar year for which the budget is adopted.

Such inefficiency, i.e. dysfunctionality, among other things, can be attributed to the complex decision-making process in which multiple veto mechanisms are incorporated, such as ensuring the protection of vital national interests, which are widely used and where therefore there is no basis in real national interests. As if Fukuyama had Bosnia and Herzegovina in mind when he coined the term – vetocracy. Bosnia and Herzegovina in this sense represents a textbook example of what Fukuyama characterized as vetocracy, that is, a system in which the possibilities of blocking, or veto, in the decision-making process are so pronounced that they practically make the functioning of the system and decision-making impossible.19

Deficit of social capital

Social capital in the broadest sense understood as a manifestation of the characteristics of social organization based on the mutual trust of individuals and groups, based on social values that enable cooperation in the common interest, is widely recognized as a *sine qua non* of the stable functioning of liberal democracies.20

In connection with defining the concept of social capital, there is no general agreement, but rather a wide range of different definitions, that is, approaches, but even in that diversity of definitions and

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20 Despite the great interest and concern of professionals and the general public, there is still no agreement regarding the precise definition of social capital. The OECD defines it as networks together with shared values, norms and understanding, which enable cooperation between different groups.
approaches, trust is emphatically highlighted as a key element and the smallest common component of the largest number of definitions of social capital. While some authors define it as an emerging form of social capital, others see it as its source, others consider trust as a consequence of social capital, while finally Fukuyama equates trust with social capital.  

Focusing on trust as a central element of social capital, which can be defined as “the belief that other persons or organizations, i.e. institutions will behave consistently with positive expectations in accordance with shared values”, Fukuyama introduces the concept of “radius of trust”. The radius of trust means a circle of people between whom there is a functional and operational scope of cooperation based on mutually accepted values and norms. Contemporary societies can thus be represented as a series of concentric and overlapping radii of trust, and while in every social group there is a corresponding range of radii of trust, it can be wider than membership in the group, but also narrower (e.g. humanitarian organizations that collect and distribute aid the socially disadvantaged are an example of a social group with a wider radius of trust than membership in the group, bearing in mind that citizens who are not necessarily members of the group also donate funds to them, while for example an example of a situation when the radius of trust is narrower than membership in the group is a situation in which the people at the top organizations, e.g. political parties, functions on the basis of mutual trust, while treating the rest of the membership with suspicion).

It is a commonplace from folk wisdom, confirmed through various researches, which boils down to the fact that trust, and in a broader sense social capital, is long and arduously acquired, and relatively easily and quickly lost. Negative and traumatic events such as armed conflict, and massive and systematic violation of human rights, can have deep and long-lasting, even transgenerational consequences on the level of trust, i.e. social capital.

It is important to note here that many social groups achieve internal cohesion and achieve mutual cooperation of their own members on account of, or at the expense of, the wider social community, spreading hostility towards other categories of society and thus producing harmful social consequences for the wider community (e.g. organized criminal groups or extreme and radical groups that spread specific ideological beliefs). Understanding social capital as a public good, such cases certainly cannot be claimed to fall under that category for self-explanatory reasons and the obvious harmful social consequences they produce.

The lack of consensus around the definition of the phenomenon of social capital implies that its measurement is no less challenging. Considering the crucial importance of the element of trust in the

consideration of social capital, the tendency among key international actors, including the EU, OECD UNECE and others, is to put special emphasis on measuring the degree of trust in society as such. In this sense, it is possible to break down trust into two different categories: interpersonal trust, i.e. trust between individuals, and institutional trust, i.e. citizens' trust in institutions.\(^{24}\)

Renowned regional public opinion survey Balkan Barometer\(^{25}\) measuring trust in institutions, it records almost the lowest values of expressed trust in various institutions in the regional competition, precisely in the case of Bosnia and Herzegovina. In terms of the question of what level of trust citizens have in certain institutions (on the scale: full trust, mostly trust, mostly mistrust and complete mistrust), political parties are institutions with complete mistrust of 50% of the citizens of Bosnia and Herzegovina, and as such they are the institutions with the highest level of complete mistrust in all six countries of the Western Balkans. When you add to that 33% of respondents who generally have no trust in political parties, you get a devastating result of 83% of citizens with no basic trust in political parties. The picture is only slightly better in the case of the judiciary, governments and parliaments, where, as a rule, more than two thirds of citizens do not trust the aforementioned institutions.

Similar insights are offered by the research of the USAID project Measure, which conducts a regular annual survey of the perception of the citizens of Bosnia and Herzegovina.\(^{26}\) According to the findings of the research for 2022, only 7% of citizens believe that political parties work in the interests of citizens, and 77% believe that political parties are solely guided by their own interests, while over two thirds of them (67%) express anger at the holders of political power and the highest representatives institution. As a rule, over the last few years, citizens show the highest level of trust, over 40%, towards the religious communities they belong to.

Trust between members of different ethnic groups is still a complex phenomenon. The mentioned research of the USAID project Measure states that trust between members of different ethnic groups is on the decline, and in 2022 it was at the level of 40%, which represents a decline compared to the previous year. The constant raising of tensions and narratives in the political discourse about the endangerment of ethnic groups and their interests by others certainly contributes to these trends.

Social inequality and exclusion


\(^{25}\) The Balkan Barometer is an annual regional public opinion survey that covers six countries of the Western Balkans and has been conducted since 2015. [https://www.rcc.int/balkanbarometer/about](https://www.rcc.int/balkanbarometer/about)

\(^{26}\) The National Survey of Citizens’ Perceptions in Bosnia and Herzegovina (NSCP-BiH) is conducted by MEASURE-BIH (USAID project) to analyze trends and general attitudes of citizens of Bosnia and Herzegovina towards governance, rule of law, corruption, citizen participation and civil society organizations, media, social inclusions, youth development, and other topics. MEASURE-BIH is expected to conduct NSCP-BiH on an annual basis.
Inequality is understood in the broadest sense as the phenomenon of unequal distribution of resources and opportunities among members of a certain social community. Inequality is a complex phenomenon that has different social, economic and political dimensions.

At the same time, inequality as such is primarily conditioned by the ruling ideological and political narratives. Despite strong tendencies to present inequality as a historical necessity and as a natural given, the historical movement, i.e. oscillations in the degree and structure of inequality confirm the exact opposite.

Social exclusion is defined as a dynamic, multidimensional process based on unequal power relations across four key dimensions – economic, political, social and cultural, as well as at different levels, including individual, household, group, community and state levels. Exclusion is manifested through unequal access to resources, rights, opportunities and participation in the decision-making process.

The level of poverty in Bosnia and Herzegovina is relatively high and is at the level of 17%, 15 out of 100 citizens cannot provide the most basic needs such as health care, heating, transportation, etc. Poverty particularly affects the rural population, the poorly educated and children. Discrimination against minorities (Roma, LGBT, as well as constitutive peoples in areas where they are in the minority) is still strongly present and does not show a decreasing trend. There is a high level of gender inequality. Thus, women are more than 21% less likely to get employment, while women’s wages are on average 9% less than those received by men. Similar data on gender inequality refer to property ownership, bank accounts, etc.

Inequality in Bosnia and Herzegovina according to the Gini coefficient is among the highest in Europe, and the situation is further aggravated by unequal access to social protection. Illustrative data is that the income of the richest 20% is twenty times higher than the income of the poorest 20%. The causes of this situation, that is, the fact that the social protection system actually deepens inequality, are based on the fact that the social protection system rests on a clientelistic matrix whose primary purpose is to maintain the power of ethno-political elites.

According to World Bank indicators, only about a third of the poor are covered by social assistance programs, which indicates that inadequate targeting of social protection programs actually has a low effect in terms of supporting the most vulnerable.

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29 OECD. Multi-Dimensional Review of the Western Balkans: Assessing opportunities and constraints - Bosnia and Herzegovina. (2020)
30 World Bank. BOSNIA AND HERZEGOVINA Social Protection Situational Analysis. (2022)
32 World Bank. BOSNIA AND HERZEGOVINA Social Protection Situational Analysis. (2022)
According to the findings of the Human Capital Index, children born in Bosnia and Herzegovina will achieve only 58% of their productive potential when they grow up, compared to what they could achieve if they were provided with a high-quality education, as completely healthy people.\(^{33}\)

Corruption is an unavoidably important factor that strongly affects the level of inequality and poverty, especially in cases of systemic corruption manifested through the establishment of clientelistic networks, which practically exclude access to resources for the majority of citizens. The perception that inequality and poverty are conditioned by corruption as a consequence creates a widespread feeling of discrimination, humiliation and injustice among citizens, and in such a context fertile ground is created for the mobilization of citizens for non-institutional solutions to such problems.

Citizens’ distrust in institutional mechanisms for overcoming social problems can also be read from the fact that civic activism and political participation attract a relatively low percentage of citizens. According to the research of the USAID project Measure, only 8% of citizens were involved in activities related to civic activism, 27% in political activism, and as reasons they cited lack of interest, 48%, or time, 39%, and the belief that they could not do anything that way to change. Also, it is a very illustrative indicator that 69% of citizens believe that they cannot influence the decisions of local authorities, while 73% of respondents believe that ordinary citizens cannot influence the decisions of governments. According to this research, it is interesting that citizens who believe that they can influence government decisions, as a rule, participate more often in political or civic activism, thus more than one third (35%) of those who believe in the influence of citizens were involved in activist activities, while only 23% of those who are skeptical about the influence of citizens took part in activism.\(^{34}\)

### Good governance as conflict prevention

Effective conflict prevention implies directly addressing the factors that cause conflict. In this sense, the preventive approach to eliminating the risk of conflict especially emphasizes the importance of governance. Joint report of the United Nations (UN) and the World Bank “Putevi ka miru” (Pathways for Peace)\(^ {35}\) identifies the management system as a key dimension through which the preventive effects of conflict prevention are achieved, through the transformation of conflict narratives into a productive discourse. The close and direct link between good governance, stability and sustainable peace is also emphasized in numerous relevant international documents by key international

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\(^{34}\) The National Survey of Citizens’ Perceptions in Bosnia and Herzegovina (NSCP-BiH) is conducted by MEASURE-BiH (USAID project) to analyze trends and general attitudes of citizens of Bosnia and Herzegovina towards governance, rule of law, corruption, citizen participation and civil society organizations, media, social inclusions, youth development, and other topics. MEASURE-BiH is expected to conduct NSCP-BiH on an annual basis.

organizations, starting with the UN, OECD, EU, etc. Within the framework of sustainable development goals, goal 16 specifically refers to the promotion of peaceful and inclusive societies as a prerequisite for sustainable development through the establishment of good governance.36

Focusing on management as a determining factor in the prevention of conflicts implies the identification of causes, that is, cause-and-effect relationships between different aspects of management and conflicts. In this sense, it is possible to identify three broad categories of causes that are mutually conditioned, and which need to be taken into account when considering the relationship between management and conflict, i.e. its prevention:

- Weak capacities of the state, responsibility, legitimacy;
- Exclusion and marginalization;
- Participation of citizens;

Weak capacities of the state, responsibility, legitimacy

State institutions that are unable or unwilling to respond to the needs of citizens, due to the presence of corruption, lack of capacity or resources, as well as the absence of accountability mechanisms, have been identified as factors that strongly contribute to the creation of fertile ground for causing instability that can lead to the emergence of open conflicts.

The most direct threat to the maintenance of stability and conflict prevention can occur in cases where the security-intelligence apparatus of the state is instrumentalized by the ruling structures and is itself involved in the repression of dissidents, or when it is under-capacitated to confront security threats, which can be both internal and external. Likewise, if the judiciary does not have the appropriate degree of independence and capacity to resolve disputes that arise in the social community and sanction socially harmful behavior, this leaves a wide space for the creation of tensions, that is, the escalation of conflicts.

There is no doubt that the political will and the capacity to implement reforms that lead to the establishment of a functional institutional framework are two key, but at the same time, mutually conditioned factors for success, and that it is often difficult to analytically clearly delineate these factors, as well as all dimensions of their interdependence. It is clear, even at the level of elementary logic, that for the political will to solve a problem there should be the capacity to look at that problem through an analytical prism, in order to see the key aspects of the problem. This includes the various interests that intersect with a given problem, as well as the capacity to map potential options for solving it. On the other hand, in order to have the capacity to solve the problem, it is necessary to have the political will to build such capacities.

36 UN Sustainable Development Goals: 16
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
In the previous period in Bosnia and Herzegovina, the political will of the dominant ethnonational elites to build and strengthen institutions and implement systemic reforms was generally absent. Ethnopolitical elites prioritized narrow particular interests, to the detriment of the general interest. The initiative, or even the operational implementation of reforms in the period immediately after the end of the armed conflict, mostly came from outside, while in the period after 2006 and the withdrawal of international actors from the operational management of the country, the influence of international actors transformed into the so-called conditionality, which is a characteristic of the EU accession process. In that period, a complete standstill in the implementation of reforms is actually visible. Despite this, the political responsibility of the power holders towards the citizens has never fully taken root as a concept, i.e. in a manner that the citizens critically perceive and evaluate the effects of the power holders through the mechanism of elections. In the very rare situations when there was a change of government, it almost as a rule happened with the direct intervention of the international community.

The question of the capacity of governments to create and implement public policies is causing increasing interest, both among the academic and the practitioner community, bearing in mind the increasingly complex challenges that public policies need to tackle and the increasingly rapid changes in the environment in which public policies are created and implemented. In this sense, it is almost a cliché to claim that the capacity to enact and implement policies depends on their success.

Although there is no clear and comprehensive definition of capacity for making and implementing public policies, the range in which they move starts from restrictive, focused on the availability and quality of specific skills for analyzing the environment and setting strategic directions and commitments, which includes “weighing” and assessing implications alternative options of public policies, and the operational ability to implement and evaluate the selected options, to extensive definitions of capacities that also include issues of legitimacy, trust, good governance and ensuring the mode of creating coherent policies through the recognition and valorization of the widest range of interests in society.37

<table>
<thead>
<tr>
<th>Level</th>
<th>Analytical capacity</th>
<th>Operational capacity</th>
<th>Political capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemic</td>
<td>A holistic approach to data collection, robust analytical mechanisms, and credible</td>
<td>Mechanisms for intra-state (vertical and horizontal) coordination and planning, cooperation</td>
<td>Trust, responsibility (vertical and horizontal, <em>multi-level governance</em> arrangements)</td>
</tr>
<tr>
<td>(Macro level)</td>
<td>competitive and unbiased judgment-making modes</td>
<td>with non-state actors</td>
<td></td>
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</tbody>
</table>

The conceptualization of capacity for creating and implementing public policies through three levels of analysis – systemic, organizational and individual, while simultaneously considering three key dimensions of capacity – analytical, operational and political – offers a deeper insight and categorization of assumptions for the practical operationalization of capacity for creating and implementing public policies.

<table>
<thead>
<tr>
<th>Level</th>
<th>Capacity Components</th>
<th>Dimensions</th>
<th>Key Institutional Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational (Mezzo level)</td>
<td>Data collection and data processing (data management and analysis systems including human resources)</td>
<td>Inter and intra organizational coordination, cooperation, financial resources, organizational learning mechanisms</td>
<td>Reputation, legitimacy, political and support of key institutional actors</td>
</tr>
<tr>
<td>Individual (Micro level)</td>
<td>Technical knowledge, analytical skills, subject expertise</td>
<td>Entrepreneurial policy skills (creativity, agility, adaptability)</td>
<td>Ability to make quick judgments and decisions (social skills of communication and relations with actors)</td>
</tr>
</tbody>
</table>
At the systemic, i.e. macro level, capacities refer to the existence of institutionalized mechanisms for creating and using knowledge and skills and their operationalization, as well as mechanisms for coordination in terms of ensuring coherence, and in this sense, an important aspect of this level of analysis includes trust and legitimacy.

One of the summary determinants of capacity at this level concerns the adoption of an orientation towards the so-called whole-of-government approach, which is defined as an approach where the government actively uses formal and informal mechanisms to coordinate the design and implementation of coherent interventions through the entire spectrum of government institutions and agencies in order to increase the effectiveness and efficiency of those interventions in achieving the desired outcomes.38

It would not be an exaggeration to characterize the situation in Bosnia and Herzegovina as the complete opposite of the whole-of-government approach. Due to the country's specific power-sharing structure, with fragmented decision-making processes in which veto mechanisms are embedded, reaching consensus in decision-making is a complex and painstaking task. It is this level of analysis, which by the logic of things and its nature represents the level through which political determinations should be operationalized into strategic documents and public policies that direct the actions of the entire public sector, actually provides important insights for mapping key challenges.

An illustrative example of the state, i.e. the capacity of this level, is the progress in the field of integration of the country into the EU as a strategic commitment of Bosnia and Herzegovina, on which a general, at least declarative, consensus has been established in the country, but which, every time, is put to the test at each individual step.

After receiving an opinion from the EC on the submitted application of Bosnia and Herzegovina for EU membership in 2019, the EC listed 14 key priorities that Bosnia and Herzegovina should fulfill in order to reach the next step of the process. In the 2023 report the EC states that after more than four years, the country has fully fulfilled only two priorities. In this sense, Bosnia and Herzegovina, despite the fact that membership in the EU is a strategic priority of the country, has not yet adopted the program of integrating the country into the EU, as a basic prerequisite for a systematic approach to the process itself.39

For the organizational or institutional level, the implied level of capacity includes the ability to properly mobilize resources for the collection of timely and credible data that enable relevant analysis that adequately informs the process of creating public policies, while at the same time ensuring appropriate coordination in order to achieve the coherence of public policies and their consistent operational implementation.

SIGMA Monitoring reports contain a reliable indicator of the level of capacity in this segment.40 Within the area of Policy development and coordination, the organizational structure, procedures and

40 OECD SIGMA. Monitoring Report Bosnia and Herzegovina. (2022)
allocation of personnel in the ministries for the creation of applicable policies and legislation in accordance with the goals of governments, was evaluated with a grade of 2 on a scale of 0 to 5, while the lack of institutionalization of the policy creation process on at the level of ministries with a score of 0. The basis of the policy and legislation on the indicators was given a score of 2, while the quality of the public consultations was given a score of 1.

The individual level, that is, the level of capacity of civil servants is strongly conditioned by the so-called negative selection or practically ignoring merit criteria in the recruitment of civil servants. According to estimates by TI BiH, made on the basis of analyzes of available data, up to 90% of jobs in the public sector are distributed dominantly through clientelistic networks of political parties.\footnote{A more detailed elaboration of the situation on this issue is given in the chapter “A captive state, a captive society”}

The reports of SIGMA and the European Commission also warn of the phenomenon of political influence during the process of selection and employment of civil servants, underlining that at the level of FBiH and RS there is not even a formal obligation to hire the best candidates in the competitive procedure. Also, these reports warn about insufficient capacities for staff training.

In Bosnia and Herzegovina, therefore, the absence of government capacity, basic political responsibility, but also other forms of responsibility, calls into question the sustainability of such an institutional framework, as well as the basic legitimacy of political power holders.

Exclusion and marginalization

An inclusive decision-making process is widely recognized as a key factor that is a prerequisite for the quality of the decisions themselves, that is, their creation in the public interest. There are numerous advantages brought by the participation of citizens in the decision-making process. These advantages include better policies based on the general interest, strong legitimacy of decisions, the process itself as well as decision makers, and strengthening of responsibility and integrity, but also important for the enforceability of decisions, and the overall perception of the legitimacy of power holders.\footnote{OECD. Innovative citizens participation and New Democratic Institutions CATCHING DELIBERATIVE WAVE. (2020)}

Simultaneously with the development of the understanding of the importance of inclusiveness in the decision-making process, the understanding that the transparency and openness of public bodies is a fundamental assumption for the realization of citizen participation in the decision-making process is maturing. The logic seems self-evident, in order for citizens to be able to participate in the decision-making process, they must know information that is important for solving issues that are of interest to them, so what they should decide on and what instruments of participation are available to them. Transparency is defined as the openness of public bodies in terms of making all information in the possession of public institutions available to the widest public (with a minimal number of exceptions where the public interest requires it).\footnote{George Kopits, John Craig. Transparency in Government Operations. International Monetary Fund. (1998)}

Research by TI BiH shows that citizen participation in the decision-making process at the local level, i.e. the level that most directly affects the quality of life of citizens (through various forms of initiatives,
Participation of civil society in the decision-making process

There is a general consensus in the literature dealing with democratization issues about the role and importance of civil society for the democratization process, strengthening pluralism, participatory political culture, but also consistent respect and promotion of human rights. The state of civil society, that is, civil society organizations in the country, is multifaceted and burdened with numerous challenges.

A key division of civil society organizations can be made along the lines of closeness to the ruling political structures. On the one hand, there are numerous organizations, widely and generously, but at the same time non-transparent, supported from the budget at different levels, close to the authorities, starting with various veterans' associations stemming from the previous war, through cultural, sports and artistic associations. In addition to supporting the basic formally proclaimed mission of these associations, the purpose of their generous and non-transparent funding from the budget is also to generate support for these associations and the population that gravitates towards them in the ruling structures, and often also in achieving illegal benefits through misuse of these funds. TI BiH data indicate that in 2020 and 2021, over 121 million BAM was allocated from the budget at all levels of government in Bosnia and Herzegovina for the financing of associations and foundations. The amount received is not final, because some institutions hide information about who they finance, which is why TI BiH initiated six administrative disputes before the competent courts and filed 32 appeals to authorities. The procedures by which around 15,000 grants were distributed were non-transparent, in most cases the money was distributed without any criteria or public invitation, which was pointed out by auditors at all levels.

An additional problem is political abuses and the ever-present occurrence of conflicts of interest, where numerous public officials are at the same time at the head of associations that receive funds. TI BiH has so far identified 47 such officials in Bosnia and Herzegovina, and some of them are potentially in a conflict of interest. In addition, TI BiH data show that in the last two election cycles, over 800 candidates were at the head of non-governmental organizations that received public funds.

Sports clubs, veterans' organizations and religious communities received the most money, and the most money (49%) was distributed at the local level. The state level gives only 3%, but most of the

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TI BiH. Istraživanje proaktivne transparentosti i neposrednog učešća građana u odlučivanju u lokalnoj samoupravi – čekajući demokratiju. (Research on proactive transparency and direct participation of citizens in decision-making in local self-government – waiting for democracy.) (2021)
money is distributed from budget reserves and everything is done without a public call, according to the Audit Office, while recommendations regarding transparency have been avoided for years.  

On the other hand, civil society organizations that strive to actively participate in the decision-making process in the general interest and are critical of the authorities, as a rule, are deprived of any material support from the authorities and are financed almost exclusively from abroad, and are often faced with various problems in their work, which first of all arise as a result of the actions of the authorities. Limiting the activities of civil society, which is critical of the country's authorities, undoubtedly has negative consequences for the quality of governance in the country and affects its stability and legitimacy. It is possible to identify the narrowing of the scope of civil society activities through the actions of the authorities at three different levels.

The first level, where authoritarian and retrograde legal solutions, which often encroach on the domain of basic human rights and freedoms, try to limit the freedom of association, assembly, opinion, speech, etc., which are the essence of civil society, i.e. if there are no such freedoms, civil society can then practically only operate illegally. There are numerous such examples, from the criminalization of defamation in RS to the introduction of legal solutions for civil society organizations as foreign agents, then restrictions on freedom of assembly, etc.

The second level consists of various types of pressure, including persecution or even physical attacks. This front includes the repression of official institutions, most often the organs of the repressive apparatus, but also “patriotic organizations”, that is, nationalist organizations, or organized criminal groups that are controlled by the authorities. The goal is to intimidate, drive away, discourage civil society activists.

The third level is reflected in the so-called techniques of manipulation and brainwashing, the systematic and endless repetition of mantras about foreign mercenaries, colored revolutions, and the contextualization of activists as spies and foreign mercenaries by the government-controlled mass media. This trend is particularly pronounced in the RS by the ruling regime and the media under its control. This is an attempt to restrict the scope of action of critical civil society as far as possible and limit its reach.

Management quality

45 Ti BiH. U BiH za dvije godine podijeljen 121 milion BAM neprofitnim organizacijama, brojni primjeri političkih zloupotreba i sukoba interesa. (In Bosnia and Herzegovina, 121 million BAM was distributed to non-profit organizations in two years, numerous examples of political abuses and conflicts of interest.) (2022) https://transparentno.ba/2022/01/11/u-bih-za-dvije-godine-podijeljeno-121-milion-a-km-neprofitnim-organizacijama-brojni-primjeri-politickih-zloupotreba-i-sukoba-interesa/
As already emphasized, the period immediately after the end of the armed conflict was characterized by a robust role of the international community with a key focus on the implementation of the provisions of the peace agreement and on building the elementary institutional capacities of the state. During this period of direct international interventionism, important state institutions were created, including the judiciary, law enforcement agencies, the indirect tax system, the armed forces and numerous others. The turning point occurred in 2006 with a change in the character of the international presence in the country. The direct operational management of the country by the international community through the Office of the High Representative in terms of imposing and enforcing laws, including the dismissal of elected officials, gives way to the so-called policy of conditionality, which is immanent in the process of integration of the country into the EU. Then a kind of power vacuum occurs, after the withdrawal of international actors from the operational management of the country, who fill the ruling ethno-political elites with clientelistic appointments to key positions of loyal personnel. Such a situation leads to a complete standstill of all reform processes in the country and the escalation of the political crisis, which, with certain oscillations, has lasted for almost two decades. Almost all relevant reports, indicators and indices point inexorably to a dramatic decline in almost all areas, including the rule of law, democracy, corruption, respect for human rights and the quality of governance. This state of affairs actually raises the question of the basic sustainability of the implemented reforms, that is, of the established institutional framework.

The World Bank’s Global Governance Indicators as a renowned and comprehensive index, which measure the perceived quality of governance through six key dimensions (on a scale of 0 to 100), show exactly this trend. In almost all six governance dimensions measured by the index, the country recorded either regression or, at best, stagnation.\(^\text{46}\)

\(^{46}\) **Voice and accountability** – this dimension measures the perception of how fair and honest the elections are, i.e. the extent to which the elections reflect the real will of the citizens, as well as the degree of respect for freedom of opinion, association and media freedom.

**Political Stability and Absence of Violence/Terrorism** – is a dimension that measures the perception of political stability and the likelihood of politically motivated violence, including terrorism.

**Government effectiveness** – is a dimension that measures the perception of the quality of public services, civil service, then the quality of implementation and formulation of public policies and the credibility of the government’s commitment to proclaimed policies.

**Regulatory quality** – this dimension measures the perception of the government’s ability to formulate and implement policies that promote the development of the private sector.

**Rule of law** – is a dimension that measures trust in the rule of law, that is, the acceptance of binding norms, especially the perceived quality of contract enforcement, the state of property rights, as well as trust in the actions of the judiciary and law enforcement agencies.

**Control of corruption** – is a dimension that measures the perception of the abuse of entrusted power for private purposes. It includes both “small and large”, i.e. political corruption, as well as state capture.
In the context of the “opinion and responsibility” dimension (indicator rating 37.68) which refers to the perceived quality of elections, it is important to emphasize that Bosnia and Herzegovina, according to various relevant researches, qualifies as a hybrid regime, that is, a competitive autocracy. This type of regime actually means situations in which, in addition to holding elections at regular time intervals, the election process itself is characterized by numerous irregularities that call their purpose into question. In practice, this means that electoral processes are contaminated with a wide range of irregularities. Deficiencies in the electoral process are actually a manifestation of the inequality of the opposition parties in relation to the ruling parties, and as such can be divided into two groups: deficiencies related to the electoral process in a narrower technical sense, i.e. just the conduct of the election, and deficiencies in a broader sense, which arise from the environment itself, conditioned by structural factors.

47 Freedom House- Freedom in the World Bosnia and Herzegovina
Shortcomings of the electoral process in a narrower technical sense concern irregularities related to the work of the electoral administration, starting with the Central Election Commission (CEC) as the umbrella state institution for conducting elections, and ending with city/municipal election commissions and polling boards. The external, i.e., dominant influences of the ruling structures on the work of the election administration, which favor the ruling structures, are manifested equally by doing or failing to make the process fair and honest, starting with not updating voter lists, counting methods, illegal financing of elections, etc.\(^48\)

The extent of the irregularities is also illustrated by the fact that, according to the CEC’s official announcement, during the 2022 general elections, more than a thousand polling committees in over 60 municipalities/cities did not fulfill their legally prescribed obligations, so that the CEC was forced to issue orders to open the bags with voting materials at about 1,000 polling stations.\(^49\) The extent of the contamination of the electoral process is evidenced by the experience of Doboj from the 2020 local elections, when in the repeated elections the difference compared to the previous ones (which were held three months earlier and canceled due to a huge number of irregularities) was up to 18,000 votes in favor of the ruling party, which speaks that it was practically a criminal association with the aim of electoral fraud.\(^50\)

In a broader sense, the factors that influenced the violation of the integrity of the electoral process are also numerous and strongly expressed. The findings of the monitoring of the election campaign of the 2022 general elections conducted by TI BiH showed that instead of presenting programs by the ruling parties, measures and actions were systematically taken to influence the will of the voters through the allocation of one-time transfers from the budget, for youth, fighters, pensioners, employed in public companies. Almost 300 million BAM of such transfers were made before the elections. The opening of works or their announcements were worth over one billion BAM. It is almost impossible to count the misuse of public resources for campaign purposes (the so-called official campaign), bearing in mind that the ruling parties are in complete symbiosis with public institutions and companies.\(^51\)

The governance dimension that refers to political stability and the absence of violence, which records an extremely low indicator score of 29.72, actually reflects the inherent logic of the functioning of the political system, which is reduced to the continuous maintenance of tensions, with the occasional escalation of the political crisis. The political activity of the dominant political elites has been based on the strengthening of separatist versus unitarist tendencies or vice versa for decades, which is where

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\(^{49}\) “CIK BiH: U 2 dana izdata naredba da se otvore vreće sa glasovima na oko 1.000 biračkih mjesta” (CEC BiH: In 2 days, the order was issued to open the bags with votes at about 1,000 polling stations) *Radio Sarajevo.* October 5, 2022. [https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/cik-bih-u-2-dana-izdata-naredba-da-se-otvore-vrece-sa-glasovima-na-oko-1000-birackih-mjesta/471037](https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/cik-bih-u-2-dana-izdata-naredba-da-se-otvore-vrece-sa-glasovima-na-oko-1000-birackih-mjesta/471037)

\(^{50}\) “Potvrđene optužnice zbog izbornih prevara” (Confirmed indictments due to election fraud), Detektor, August 2, 2023 [https://detektor.ba/2023/08/02/potvrđene-optuznice-zbog-izbornih-prevara/](https://detektor.ba/2023/08/02/potvrđene-optuznice-zbog-izbornih-prevara/)

political crises originate, or, rather, one continuous crisis that has its own oscillations, that is, the occasional escalation of the crisis. While the narrative that follows such crises, and which is produced by the ruling ethno-national political elites, refers to the protection of ethno-national interests and/or the protection of the subjectivity of any state or entity, the real intentions or interests of the political elites are actually much more prosaic, and they concern the ethnic homogenization of the electorate, the reduction of public policies to the protection of national interests, all with the aim of preserving the acquired positions of almost unlimited power and control over resources.

The governance dimension that measures the perceived quality of government effectiveness records an almost unbelievably low indicator score of 12.74, even on a global scale the result is to a significant extent the state of the previous two governance dimensions. The quality of public services provided by the institutions of Bosnia and Herzegovina is at an absurdly low level. Inclusiveness in the adoption of public policies and their basis on indicators, although formally established in practice, is almost non-existent.

An insight into the process of public administration reform, which represents a key reform process for improving the overall functioning of the institutional framework and as such is one of the fundamental priorities in the EU accession process, can serve as an illustration of the state of government effectiveness. After two decades since the beginning of the public administration reform process in Bosnia and Herzegovina, according to the assessment of the European Commission, the country is still in the early stage of preparation. In particular, the insufficient political support for the reform stands out. The process of creating and implementing the public administration reform strategy is no less illustrative. After the expiration of the Strategy 2006 - 2014, activities began to develop and adopt a new strategic framework for public administration reform, which lasted almost five years until it was adopted at all levels of government.

The strategic framework for public administration reform 2018 - 2022 with the accompanying action plan was finally adopted at all levels in 2020, practically halfway through the time period planned for its implementation. Bearing in mind such a situation, after the adoption of the strategic framework, the extension of its duration to the period until 2027 was started very quickly. According to the first Report on the implementation of the strategic framework and the action plan, which covers the period from their adoption from the beginning of 2020 to the end of 2022, the two-year implementation of the action plan for public administration reform resulted in the implementation of 14% of the planned activities.

The regulatory quality dimension assesses the perception of governments' ability to formulate and implement appropriate policies and regulations that enable and promote private sector development. In 2003, the value of the indicator was valued at 37.84, while in 2013 it reached the level of 50.24, and in 2022, a decrease to the value of 45.75 was recorded. A significantly higher rating in this domain can be attributed to the stronger pressure of international actors to improve the business environment,

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due to the very strong interest of international actors in creating assumptions for the arrival of foreign companies. However, even this relatively better result should be viewed conditionally, because there are numerous and different factors that relativize it.

In the light of this dimension, the situation in the field of public procurement can be viewed, bearing in mind that the state is the largest buyer of goods and services, which, despite legal improvements according to available indicators, still indicates a low degree of competitiveness in these processes. While 85% of the value of the contract according to the data of the Public Procurement Agency for the period 2015-2022 was awarded through competitive procedures, in 45% of cases there was only one offer, and in 14% two offers. Such indicators actually indicate that in practice there is no real competitiveness in the field of public procurement, or in other words that there is favoritism for certain companies.\(^5^4\)

The situation regarding the dimension of the rule of law faces numerous challenges of a systemic nature, and as the indicator for this dimension shows (in 2022, 41.51, while in 2015, the value of the indicator was 45.71), and this is confirmed by other relevant sources. including the European Commission's 2023 report, the situation is getting worse.\(^5^5\) The EU's special expert report on the rule of law lists the entire spectrum of challenges faced by the rule of law in Bosnia and Herzegovina, starting with the undercapacity of the judiciary and law enforcement agencies, external, or political influences on their work, which implies almost complete impunity of the ruling political structures.\(^5^6\) The established practice of disobeying the decisions of the Constitutional Court of Bosnia and Herzegovina, even the European Court of Human Rights, as already mentioned, very well illustrates the situation regarding the rule of law in the country.

**Corruption control**

The indicator of the dimension of corruption control, as can be seen from the graph, has been in constant decline since 2012, when it was 42, until 2022, when it was almost halved and amounted to 35. Such a dramatic situation is also shown by other research such as Transparency International's Corruption Perception Index.\(^5^7\)

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\(^5^4\) IMF 2023 BOSNIA AND HERZEGOVINA -STAFF REPORT FOR THE 2023 ARTICLE IV CONSULTATION


\(^5^7\) The Corruption Perception Index survey measures the level of perceived corruption on a scale of 0-100
Graph – Corruption Perception Index

The Corruption Perception Index places Bosnia and Herzegovina among the countries in global competition where the state of corruption worsened the most during the previous period. A more detailed elaboration of various types of corruption and the problems arising from it is given in the next chapter.

A captive state, a captive society

Bosnia and Herzegovina is a textbook example of the “captive state” phenomenon. The “captive state” phenomenon is defined as a type of systemic corruption, in which narrow interest groups take effective control over key institutions and processes of policy creation and implementation, excluding significant parts of society whose interests the institutions should serve. The substantive determination of this phenomenon is precisely shaped against other forms of corruption (administrative corruption). While other forms of corruption concern inappropriate influence on the implementation of policies and laws, the *differentia specifica* of the captive state includes inappropriate influence on the creation of policies and laws, which then quite clearly has implications for their implementation.

In the constellation of systematic corruption in practice, it is difficult to draw a clear dividing line between the manifest forms of corruption into ideal-type categories, given that they often overlap.

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and complement one another, but based on the findings made on the basis of TI BiH research, it is possible to identify key manifestations or mechanisms of a captive state:

- Distribution of jobs based on the clientelistic matrix – according to the findings of TI BiH, up to 90% of jobs in the public sector are distributed using clientelistic criteria;  

- Public procurement – according to the findings of the Audit Office of the Institutions of Bosnia and Herzegovina, over 85% of examined contracts where, during implementation, there were deviations from the provisions of the Law on Public Procurement, non-compliance with contractual obligations and/or the impossibility of establishing all the facts related to the implementation of the contract. During election years, the total allocations for public procurements record growth of up to 40%, which can be interpreted as an attempt to influence the will of voters in such a manner.

- Political control over the judiciary – The absence of prosecution of political corruption is a reliable indicator of political influence on the judiciary.

Through all the mentioned manifestations of captive state, there is a common thread, or the smallest common component of each of these manifestations – namely, the phenomenon of clientelism.

Clientelism occurs in different social contexts and in different forms, but it is dominated by the following characteristics:

a) the relationship between individuals of unequal social and economic status, that is, power;

b) is based on the principle of reciprocity, as a self-regulating type of mutual exchange of goods and services;

c) the mutual relationship is particular and partially based on formal and informal rules.

In the political context, that is, political clientelism would be defined as the exchange of material goods for support in elections.

60 In its work, TI BiH collects and processes various information through quantitative and qualitative research, then information that is collected and processed through the work of the Advocacy and Legal Advice Center (ALAC), also a significant amount of information is collected and processed in the purpose of different types of monitoring of law enforcement, work of institutions, etc. TI BiH also owns and regularly updates databases concerning law enforcement and the functioning of institutions.

61 Audit Office of the Institutions of Bosnia and Herzegovina. Izvještaj revizije učinka “Upravljanje procesom realizacije ugovora o javnim nabavkama u institucijama BiH.” (Performance audit report “Management of the process of realization of public procurement contracts in institutions of Bosnia and Herzegovina.”) (2018)


The causes of the emergence and spread of clientelism are widely discussed in the literature. Certain authors understand it as an early form of democratic political responsibility, given its characteristic that it implies reciprocity and in a certain way a kind of accountability. However, the dominant theories are those that find the root of clientelism in the level of general socio-economic development. These theories start from the fact that poorer, less educated and marginalized sections of society are more inclined to a pragmatic approach in solving everyday existential problems, especially when they find themselves in situations where they have limited opportunities to solve existential problems in another manner. The mentioned categories of voters in such a context, as a rule, more often reach for short-term benefits in the form of exchanging their vote for material benefit, leaving aside the causal connection between trusting a political party and the outcomes of public policies in the medium or long term.

In the context of the relationship between parties and voters, clientelism represents one of the possible manners of mobilizing voters, in addition to mobilization based on political programs, that is, prioritization of public policies. The determination of political parties which strategy they will use to mobilize voters, at the same time shapes the approach and the manner of articulating and aggregating interests, as well as the organizational arrangement of the party. Clientelist parties are usually massive in terms of their membership, which invest strongly in the organizational structure and are practically merged with state institutions, in such a manner that the institutions remain empty of content, leaving complete dominance to political parties. On the contrary, programmatic parties oriented towards gaining support based on programmatic priorities and public policies are not mass in terms of membership, but oriented towards consensus building, with the aim of gaining the widest possible support.

Political parties in Bosnia and Herzegovina are characterized by a very low level of inclusiveness, with a high concentration of power in very narrow circles of leadership. Although they can be characterized as mass parties in terms of the number of members, they are essentially leadership-
type, which is actually an indication that they are clientelistic structures. Leader changes occur very rarely, and the names of the leaders are often part of the name of the political party or electoral list. There are almost pharaonic powers of party presidents, the best illustration of which is the Statute of the SNSD, according to which the president inter alia: proposes candidates for vice-president, general secretary and members of the party presidency, proposes candidates for members and president of the Political Council and the Council for Socio-Economic Affairs, proposes candidates for the executive secretaries of the party, has the right to convene and preside over every body of the party, confirms electoral lists in elections at all levels, has the right to dissolve municipal/city committees, as well as to replace the management of organizational forms.

As already emphasized earlier, according to TI BiH estimates, made on the basis of analyzes of available data, up to 90% of jobs in the public sector are distributed dominantly through clientelistic networks of political parties. Such data are almost completely confirmed by the findings of relevant international institutions.\(^\text{72}\) In practice, the distribution of the spoils between political parties, in terms of the division of control over institutions between political parties through the appointment of heads of institutions by political parties, which consequently enables the unhindered employment of party supporters, takes place completely transparently, through public meetings of political parties and public announcement of the results agreement, that is, the agreed distribution of the spoils, specifying what, that is, which institution the political party gets.\(^\text{73}\)

Bosnia and Herzegovina, due to the specific constitutional arrangement and complex administrative-territorial organization of the state, has an extremely large public sector, which provides political parties with a wide base for recruiting voters. In Bosnia and Herzegovina, almost every third employee out of the total number of employees works in the public sector (29.2%), or about 250,000.\(^\text{74}\)

Bearing in mind the need to ensure effective and direct access to a wide range of voters, political parties in Bosnia and Herzegovina have invested significantly in the construction of party infrastructure. At the head is a narrow circle of the political elite around the leader of the political party, followed by a wider circle of apparatchiks and ethno-political entrepreneurs who perform various functions in the public sector, often more than one at the same time, with a wide mobilization potential of voters by enabling different types of favoritism to supporters of the political party from awarding work in the public sector, enabling grants to associations close to a political party.

\(^\text{72}\) BOSNIA AND HERZEGOVINA 2023 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR BOSNIA AND HERZEGOVINA IMF Country Report No. 23/324

\(^\text{73}\) “Vladajuća koalicija u Srpskoj dogovorila raspodjelu svih direktorskih pozicija” (The ruling coalition in Srpska agreed on the distribution of all director positions), Nezavisne novine 05/21/2019

\(^\text{74}\) International Labour Organization (ILO) ILOSTAT (database), Employment by sex and institutional sector. StatLink https://doi.org/10.1787/888934128745
The relationship between the number of party members and the total number of party voters is taken as an indication of their inherent clientelistic nature. A good example is the SNSD, which in its official document of program principles from 2019 states that it has 193,362 members, while according to the official data of the Central Election Commission, in the 2018 general elections for the National Assembly, the SNSD received 218,201 votes.

With a simple mathematical operation, and on the basis of what was stated earlier, it is possible to determine how the ruling political parties in Bosnia and Herzegovina provide support in the elections. So, if we take as a starting point the fact that there are about 250,000 employees in the public sector, and if we multiply that number by three, the number of members in an average household in Bosnia and Herzegovina, we will arrive at a figure of 750,000 citizens who are in a state of dependence on the public sector, i.e. political parties that distribute jobs in the public sector.

In the 2018 elections, there were a total of 1,656,516 valid voters, while the three key ruling parties received 658,754 (SDA 252,058, SNSD 260,930, HDZ 145,487). The difference of about 100,000 fewer votes compared to the number of employees in the public sector and support for key ruling parties can be explained by the fact that it is impossible to provide total control in terms of voting in elections, as well as the fact that a number of smaller parties are in coalitions with the aforementioned parties which also has its clients employed in the public sector.

The ethnic division of society can represent a very important factor that favors the rooting of political clientelism. Especially in situations where ethnic issues contaminate the political process to such an extent that they enable ethnic political parties to monopolize the electoral process. In the context of ethnically deeply divided societies, the relationship between citizens and political leaders is very rarely based on program commitments, and almost exclusively rests on clientelism. Bosnia and Herzegovina is without a doubt a textbook example that confirms the thesis of a strong mutual connection between clientelism and the ethnic division of society. A political system built on such foundations with ethnic groups as building blocks can hardly lead to political responsibility towards the individual and consequently enable collective action that transcends the lines of ethnic division. The driving fuel of such a political system cannot be anything other than the ethnicization of politics. Hence, political parties, as primarily interested in maximizing political power in such a constellation of relationships, can very quickly establish that the programmatic conception of action is not the way to attaining and retaining power.

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76 Official web presentation of the Central Election Commission izbori.ba
77 Ibid
Maze of the status quo

To understand the potential for changing the existing situation, one should certainly start from the identification of the key interests of political elites who have a predominant position in society, in terms of almost unlimited control over resources, but also decision-making processes, which greatly exceeds the limitations prescribed by constitutions and laws. If the key interest of the ruling ethno-national elites can be reduced to the status quo (full aggravation and escalation of the crisis are too risky because they are unpredictable and it is difficult to control the outcome when the crisis situation gets out of control and acquires its own logic and trajectory, and equally essential reforms, especially those on strengthening the rule of law, are too dangerous for the political elites because they limit power, and if they really move forward, in addition to the loss of power, they can also mean the loss of freedom), then it is quite certain that the continuous maintenance of the simmering crisis, with occasional limited rising of tensions and worsening of the crisis, a winning combination for the ruling political elites. This conscious periodic escalation of the crisis is manifold important for the maintenance of the status quo for several reasons. First of all, it is important to maintain the ethnicization of politics as a key political discourse and to monopolize the electoral competition as the terrain of exclusively ethno-political parties. At the same time, the atmosphere of crisis and ethnic homogenization is an excellent preventive measure for collective action across the lines of ethnic separation, which could possibly demand the political responsibility of the ruling elites for the state of the country. No less important reason is that in periods of crisis and uncertainty, politics is less limited by structural factors such as institutions, and actors, that is, political elites and their choices practically have even greater dominance.  

Hence, the situation in Bosnia and Herzegovina can be characterized as partial reform equilibrium, in which due to various distortions, i.e. disruptions at the currently achieved level of reforms, a smaller part of society, i.e. the political elite, profits from such an equilibrium, while the negative consequences of such a situation are distributed to the widest circle of the population. The narrow circle of the political elite that profits from such a situation also has the greatest power, which it effectively uses to maintain the established equilibrium, i.e. the status quo. Any disruption of the existing equilibrium would lead to limiting the power of the ruling elite, in the case of the establishment of the rule of law, or would be too risky in the case of an escalation of the crisis, because the outcome of the crisis could lead to unpredictable outcomes.

On the other hand, analyzing the benefits and harms of the implementation of reforms in a transitional context, they are described as a J curve, i.e. the implementation of reforms requires a worsening of the situation before the reforms show certain positive outcomes, which for the majority of the population means short-term sacrifices for long-term gains (e.g. public administration reforms to

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reduce the administrative apparatus). For political parties, this would mean the implementation of unpopular measures, which would lead to a probable loss of power, given that the positive effects would be visible in the medium or long term. This explanation sounds very convincing when it comes to the behavior of the ruling political parties in Bosnia and Herzegovina in the entire post-conflict period.\textsuperscript{84}

An important perspective of looking at ways of ensuring the \textit{status quo}, as the primary interest of the ruling political elites, concerns the way of creating public policies. Starting from the definition of public policies as everything that “the government decides to do or not to do”,\textsuperscript{85} manifestations of state capture can be traced through different stages of public policies, that is, their capture.

The key element of the definition of state capture, as already discussed, refers to the shaping of public policies in the particular interest of narrow groups that have secured dominance over that process and key institutions.

Although created in a different context, the concept of “public policy monopolies” seems to be able to shed additional light on the process of state capture. Monopolization of politics is defined as “monopoly on the political understanding” of a certain problem and its solution, that is, the ability of a certain group to maintain a dominant perception of the problem that should be dealt with by public policies (policy image). So, it’s not only that the group that monopolizes public policies has a direct influence on the shaping of decisions, but that it also has influence on the perception of the very issue that is being decided on.\textsuperscript{86}

Political actors, in order to secure a monopoly position, try to influence the way a certain social problem is perceived by the public, that is, its potential solutions, using empirical indicators, but also populist, that is, demagogic approaches.\textsuperscript{87} Creating the desired perception follows the creation of logical interpretations for the broadest public of what is happening or what is planned to be done. Some authors compare this process with the process of creating a literary work, starting with describing the environment, i.e. contextualization, creating key characters and events in order to reach the target population.\textsuperscript{88}

It is precisely the populist approach, based on the demagogic production of narratives about the threat of ethnic groups by the actions of the political leadership of the other two ethnic groups, that represents a winning combination for the ruling political elite of each of the ethnic groups, because in such a constellation of relations it becomes indecent in public discourse to look critically at the

\begin{itemize}
\item \textsuperscript{84}ibid
\item \textsuperscript{86}Frank R. Baumgartner, Bryan D. Jones. Agendas and Instability in American Politics. \textit{The University of Chicago Press.} (1993)
\end{itemize}
outcomes of public policies that they concern other issues outside the sphere of the national and identity field.

Also, a significant part of building a monopoly position concerns the building of the public’s own perception of political actors. The “topographical position of the actor”, i.e. the public recognition of the actor in a certain light, gives them significant power in shaping public policy and its further legitimation. An example of such a position is the leaders of ethnic parties, that is, ethnic groups, who managed to build themselves up as protectors of all kinds of “vital national interests”, creating a position for themselves to significantly influence the creation of policies in all areas.

And in the end, all the mentioned steps lead to the creation of a monopoly position in the creation of public policies through the effective exclusion of the widest circle of interested actors from the policy-making process. Generally speaking, the process of creating public policies in Bosnia and Herzegovina can be characterized as extremely closed in the sense that citizens are excluded from the decision-making process. The consequences of such a situation are actually that the real will and determination of citizens are not operationalized to the greatest extent in public policies.

Potential risks

Globally, looking at the challenges facing the world through the analytical prism of crisis has entered the widest and everyday use. Thus, in everyday use, we talk about environmental crises, migrant crises, a crisis of trust, legitimacy or a crisis of representative democracy. On the wave of that trend, two derivatives of the term “crisis” attract special attention from the wider public – polycrisis and permacrisis.

Before we begin to contextualize these terms in the reality of Bosnia and Herzegovina, we should start from the general qualification of the crisis as such in contemporary speech. With its clarity and simplicity, the definition offered by Adam Tooze captures attention, but also enables the understanding of different types of crises, it reads: “A problem becomes a crisis when it exceeds our ability to overcome it, and consequently affects our identity.”

The term polycrisis actually means the accumulation of the effects of several simultaneous crises, making it more complex than the simple sum of individual crises. The term permacrisis, although it coincides in time with the entry into wide use of the term polycrisis, still has a different focus regarding the duration of the crisis. This coin actually implies a permanent crisis, that is, a longer period of

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90 “Permacrisis” has been chosen as the word of the year 2022 by the Collins dictionary. The term “polycrisis” is a key focus of the World Economic Forum’s Global Risk Report 2023
92 On several occasions, former President of the European Commission Jean-Claude Juncker has just used the term for his observations of the challenges facing the EU – Speech by President Jean-Claude Juncker at the Annual General Meeting of the Hellenic Federation of Enterprises, 21 June 2016
instability, uncertainty, or the presence of threats, which can certainly be caused by several different causes.  

Bosnia and Herzegovina represents an example in which it is possible to read the characteristics of both mentioned concepts. Multiple crises, present in continuity for a long period of time, such as the economic crisis, crisis of governance, crisis of trust, crisis of legitimacy, and a whole series of others, form an incendiary combination whose interdependence and aggregate effect has considerable potential for unwanted escalation.

The risk of renewed conflict should certainly not be ignored. A World Bank study shows the existence of the so-called traps of conflict, i.e. a significantly higher probability of conflict renewal in those countries that have already experienced armed conflict. According to this study, the rate of recidivism, that is, the renewal of the conflict in the period 1945 - 2009, is 57% at the global level.  

According to the World Governance Indicators of the World Bank, in the dimension that measures political stability and the absence of terrorist violence, Bosnia and Herzegovina is by far the most unstable country in the proverbially unstable Western Balkans and the fourth most unstable country in Europe (after war-torn Ukraine and Russia, and Moldova).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Country</th>
<th>Year</th>
<th>Percentile Rank (0 to 100)</th>
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<tbody>
<tr>
<td>Political Stability and Absence of Violence/Terrorism</td>
<td>Albania</td>
<td>2022</td>
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<td></td>
<td>Bosnia and Herzegovina</td>
<td>2022</td>
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<td>Kosovo</td>
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<td>Russian Federation</td>
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<td>Ukraine</td>
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Chart. Political Stability – World Bank Governance Indicators

Consideration of potential risks from the renewal of violent conflict certainly includes consideration of individual factors, their interdependence, but also the overall constellation of relationships between key actors and their predominant interests.

It has already been said that international actors in Bosnia and Herzegovina play a crucially important role, and despite the fact that their role has changed significantly compared to that in the immediate post-conflict period, it still makes international actors in practice internal actors, who influence the

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93 Collins Dictionary

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shaping, but also the implementation of policies and, in the end, as a guarantee of peace, they have the presence of military troops on the ground. This situation actually has two implications. On the one hand, it represents a preventive protection mechanism so that the escalation of the political crisis does not turn into violent forms of conflict, and on the other hand, it makes Bosnia and Herzegovina strongly exposed to external influences, that is, any geopolitical change in the constellation of relations actually has direct implications on the internal plan of the country.

On the other hand, as already mentioned, many arguments can support the claim that the primary interest of the ruling political elites is the status quo, and their position is so dominant that they effectively transform such an interest into the state of the country. However, significantly changed circumstances can lead to a changed constellation of relations, and causally also the perception of key actors – domestic political elites about their own interests and ways of realizing them.

When we consider potential risks and threats in the country, it is possible to make a division according to whether their source is primarily external or internal in nature. Although this division has a more ideally typical character, because in practice such risks and threats are most often intertwined.

Overall, the undercapacity of the institutions in Bosnia and Herzegovina, but also the fact that due to the specific organization of the country, i.e. deep ethnic divisions, the loyalty of the leadership of the institutions is, as a rule, primary to the political parties, i.e. their leaders who appointed them, makes the institutional framework of Bosnia and Herzegovina extremely resistant to potential threats or situations in which there is an increased concentration of risks, whether their source is external or internal.

Potential external threats and risks include global or regional crises, such as the COVID-19 pandemic or the so-called migrant crisis, in which the institutional framework of Bosnia and Herzegovina faced a lot of problems in overcoming them.

Potential risks and threats are also represented by the actions of various international actors, whose interests do not necessarily coincide with the strategic determination of Bosnia and Herzegovina to join the EU, and which are usually characterized as malignant influences in situations where they take on an aggressive or manipulative form. The global problem of spreading misinformation with the aim of influencing public opinion is a good example of a potential risk, in the event that it is used in a planned and systematic manner by sufficiently capacitated actors. Also, there are potential threats through the activities of the intelligence services, as was the recent example reported by the media, that Russian diplomats who were expelled from other European countries after the Russian aggression against Ukraine were properly accredited and continued their activities in Bosnia and Herzegovina.95

The functioning of the Western Balkan region according to the principle of connected vessels also has implications in the sense that eventual tensions and instability in and between the states in the region may have implications for increasing risks and threats on the internal level in Bosnia and Herzegovina as well. Also, the fact that two neighboring countries are national states, two of the three ethnic groups in Bosnia and Herzegovina, and that the third has a significant national minority in two neighboring countries, as well as the relations between Serbia and Kosovo, which for a long period of time show the presence of mutual tensions, make regional interdependence a factor that cannot be neglected in considering the overall situation.

When it comes to risks and threats whose cause is primarily of an internal nature, given the already emphasized dominant role of political elites and their primary interest in the status quo, a change in the constellation of relations in which the existing equilibrium, i.e. the dominant position of any of the political elites, would either external or internal factors, if perceived by the political elite as threatening its survival in a position of almost unlimited power, would certainly represent a risk to stability.

The most dangerous scenario in terms of potential risks and threats would be the situation of the simultaneous occurrence of several external and internal risk factors, which could lead to the multiplication of the total potential risk in such a manner that it becomes significantly larger and wider in quality and scope than the simple sum of individual risk factors.

Concluding considerations

For almost three decades since the end of the armed conflict, Bosnia and Herzegovina has failed to find an internal consensus to overcome the severe consequences of the conflict manifested in a dysfunctional power sharing regime, a deficit of social capital and a high level of inequality and social exclusion. The articulation of the ubiquitous dissatisfaction of the citizens with the state of affairs in the country, into concrete demands for changes and collective action that transcends the lines of ethnic divisions, is continuously prevented by the systematic production of polarizing manipulative narratives, with the aim of maintaining the monopoly position of the ethno-national elites and maintaining the ethnicization of politics by effectively ensuring complete control over institutional framework.

The role of the international community from the robust, practically direct management of the process of building the state and institutions in the period after the end of the conflict, has transformed into the role of “guardian of the red lines”, i.e. a kind of supervisor, whose role is manifested in expressing concern during periodic escalations of the political crisis and reminding of the strategic the country’s decision to join the EU. The last wave of interventionism of the international community embodied in the high representative during 2022 and 2023 produced very conflicting reactions even within the international community, and especially within the country, due to its brutality that electoral legislation, even the FBiH Constitution, is changed on election day itself. Thus, in the OSCE/ODIHR report on the findings of the election observation mission, this kind of intervention
was characterized as a “threat to legal security”. In its opinion from 2005, the Venice Commission warns that the so-called Bonn powers of the high representative are incompatible with the democratic organization of the country and should be discontinued as such.

The management system, i.e. the way of ruling deeply impregnated by clientelism, found perfect fertile ground in the power sharing regime, and the effective control of the ruling ethno-political elites through the production of narratives about the threat of their own ethnic group, and the dominant control over the hypertrophied public sector, enables the perpetuation of the existing situation, that is, the maintenance of the status quo, which is also the dominant interest of the ruling elites because it allows them to retain almost unlimited power and control over public resources while ensuring their own impunity.

Indicators of the degree of manipulative action of the ruling elites through the continuous monopolization of political discourse with ethnic issues and the complete monopolization of politics with ethnic content are also visible from the massive trend of depopulation of Bosnia and Herzegovina, i.e. the exodus of citizens to mainly Western European countries. As a rule, public opinion polls highlight low living standards (37.2%), depopulation (34.6%) and corruption (34.2%), while national issues are priority problems for only 5% of the population.

From theory to practice of change

How to stop the almost two-decade negative trend, that is, the decline of the country, which manifests itself in almost all key dimensions, from the deterioration of the rule of law, the level of corruption, the state of human rights and freedoms to the overall level of democracy, is a question of existential importance for the future of the country. As important as this task is for the country and its inhabitants, it is at the same time extremely complex, taking into account the depth and entrenchedness of the challenges, as well as the positions and interests of the key actors.

The current logic of intervention by international actors is unsustainable, that is, even after a long period of time, there are no indications of positive trends in terms of strengthening the key parameters that guarantee a stable and sustainable arrangement of the country. Relying on deals with ethno-political elites while focusing on a technocratic-bureaucratic approach to reforms has not proven to be effective. On the other hand, the ethno-political elites, who have effectively captured the Bosnian society and the state, only recognize the status quo as a key interest.

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96 Bosnia and Herzegovina general elections 2022: ODIHR election observation mission final report (2023)
The complexity of the challenges and the *sui generis* form of state organization, along with the presence of an international protectorate for an extended period of time, created a specific set of circumstances that require the same solutions, which go beyond the conventional approach from the usual range of tools and approaches used by the EU in the enlargement process. Any theory of change with the ambition to become a practice of change must take into account that reforms are political processes *par excellence*, and not only technical, and that the general dissatisfaction of citizens with the state of the country must be articulated through a democratic process in the general interest into public policies and their implementation that will lead to the improvement of the situation.

The paradigm shift should be based on the recognition of democratization as a key process that can stop existing negative trends. While respecting the specific context and challenges, democratization should be understood in a broader sense, and in addition to ensuring fair and honest elections, and the appropriate conditions for their implementation, democratization should include the political parties themselves, which according to all indicators are a key source of problems, bearing in mind their internal undemocratic nature and almost symbiotic relationship with the public sector. One of the unconventional solutions, which is worth considering, concerns the introduction of mandatory voting. This approach can prove to be beneficial in terms of democratization and ending the clientelistic structures, through which the country and society are kept captive.

The operationalization of the theory into the practice of change should also take into account the fact that the existing hypertrophied public sector, apart from being unsustainable, represents a key stronghold and base for the capture of the state and society and a key obstacle to the democratization of society. Hence, its rationalization and optimization, based on functional parameters, should definitely be at the top of the priority list.

A very important aspect for changing the negative trends in the country concerns the reform of the judicial system. In this sense, the process of comprehensive and systematic checks (vetting) of all holders of judicial functions in terms of their previous performance in work, their assets, as well as connections with political parties and crime, seems to have no alternative. Other countries in the region, as well as beyond, have already taken that path and, despite numerous challenges, seem to be showing signs of progress in terms of freeing the justice system from a state of chronic entrapment.

The obstacles on that path are certainly multiple, but one of the key ones is the dramatic degree of depopulation that has been present for a long period of time with no signs of reduction, given that the population that should be the key bearer of change is the same population that is leaving the country. Also, the still relatively high degree of inter-ethnic mistrust is a key obstacle to collective action that would cross the lines of inter-ethnic divisions, in terms of articulating the demand for reforms.

The key question that arises is how to encourage such reforms that would lead to stopping the negative trends in the country in a constellation of relationships where the key and most powerful actors – the political elites – have the *status quo* as their dominant interest.
The answer to this question could be summarized as follows: Pressure, that is, articulated demands for changes in the existing situation should simultaneously come from below, from citizens and civil society, and from above, from international actors.

Hence, stronger support to civil society is imposed as a key priority for any planning of a sustainable exit strategy from the current situation. On the other hand, the prioritization of key reform processes by international actors would have to take into account the lessons learned so far, that is, the insistence on a more inclusive decision-making process and democratization, as well as clear and consistent conditionality.

ANNEX I: KEY INDICATORS OF INEQUALITY

INTRODUCTION

Inequality in Bosnia and Herzegovina is a complex topic that encompasses a wide range of social and economic aspects, which can be measured in several different manners, in order to monitor the impact on the daily life of citizens. This inequality manifests itself in many manners, and salary is one of the key indicators that reveal significant disparities, especially between the entities of the Federation of Bosnia and Herzegovina and Republic of Srpska.

Analysis of inequality in Bosnia and Herzegovina includes different measurement methods. One common manner is to use the Gini coefficient, which is often shown through the Lorenz curve. The Gini coefficient is a statistical measure of inequality that quantifies the distribution of income, in our case the wages of workers, while the Lorenz curve graphically displays that distribution in relation to the ideal of complete equality. These tools enable the targeting of policies and measures to reduce inequality and create opportunities for greater economic inclusion of all layers of society, especially in the context of this wage analysis. A high Gini coefficient indicates greater inequality, while a lower coefficient suggests a more even distribution. In addition, analysis of wages, education, access to health care, employment and access to resources also provides insight into inequality.

On the other hand, policies that deal with reducing inequality, such as increasing minimum wages, investing in education and access to health care, and supporting the economic development of less developed areas, can have a positive impact on reducing disparities, which can result in greater economic inclusion and provide greater opportunities for citizens.

Data from the World Bank99 show that the share of the poor in Bosnia and Herzegovina increased in the period from 2018 to 2023. There are three indicators that show the level of poverty, namely the share of the total number of people who receive USD 2.15, USD 3.65 and USD 6.85 per day. In the first case (USD 2.15 per day), the share of persons in relation to the total population decreased from 0.07%

to 0.06% in the period from 2018 to 2023. In the second case (USD 3.65 per day), the share of people in relation to the total population increased from 1.11% to 1.37%, while the share of people in the third case (USD 6.85 per day), the share of people in relation to the total population, it decreased from 5.59% to 5.51%. If these indicators are converted into absolute values, then in the first case (USD 2.15 per day), the number of people decreased from 2,380 to 1,930. In the second case (USD 3.65 per day), the number of people increased from 37,740 to 43,990, while in the third case (USD 6.85 per day), the number of people decreased from 190,100 to 176,900.

If we look at the countries of the Western Balkans, the highest level of the Gini coefficient is in Montenegro (0.36), followed by Serbia (0.35), and in the last place are Albania and North Macedonia (0.32), which shows that the level of inequality in the smallest of them compared to other countries, but still all countries are very close.

Available data for Bosnia and Herzegovina show that, according to certain indicators, there has been an increase in inequality during recent years. ILO estimates show that the current level of the general Gini coefficient for 2023 for Bosnia and Herzegovina is 0.33, and that this level will be maintained until 2028.
MOVEMENTS IN WAGE DISTRIBUTION IN THE REPUBLIC OF SRPSKA

Wage inequality is an important socio-economic indicator that can provide deeper insight into economic change, social justice and labor market balance. The following short review will show the distribution of wages of workers in the Republic of Srpska during the period from 2014 to 2022. The key focus of this analysis is understanding the dynamics of inequality in the distribution of wages among workers.

According to the data of the Tax Administration of Republic of Srpska in Figure 1, the number of workers according to salary classes during the period is shown, which can help in easier understanding of the trend of inequality between workers.

**Figure 1.** – Salary distribution in Republic of Srpska according to salary classes

Source: Tax Administration of the Republic of Srpska
According to this data from Figure 1, we see that the total number of workers tended to increase during most of this period. Starting in 2014 with 268,918, the number of workers gradually increased, reaching a peak in 2022 with 300,602 workers.

Analyzing the percentage distribution of workers by salary classes for each year gives us insight into how the workforce has structurally changed over time. From Figure 1, we can notice several significant changes in the distribution of workers according to salary classes over the years. For example, the salary class “up to BAM 599” has a significant decline over time, from 51% of workers in 2014 to only 4.5% of workers in 2022. On the other hand, the salary classes “BAM 600 - 749” and “BAM 750 - 999” gradually increased during this period. This data indicates that the share of workers with minimum wages was significantly reduced during the mentioned period.

One of the noticeable trends is the continuous growth of the number of workers in the salary class “over BAM 2,500” throughout the years. This may indicate an increase in employment in high-paying sectors or a rise in wages in those sectors. In addition, an increase in the number of workers in the salary classes “BAM 1,000 - 1,199” and “BAM 1,200 - 1,499” can be observed during most of the period, which may indicate an increase in wages in the middle pay grades.

The above data indicate that over time there has been a reduction in inequality between salary classes in Republic of Srpska, especially in 2022, when the level of the minimum wage was additionally increased, which especially applies to workers with lower incomes. In 2014, the number of workers who received a salary of BAM 750 and less amounted to 163,710 or 60.9% of the total number of workers, while in 2022 the number of workers for this category in 2022 amounted to 83,880 or 27.9%.

Figure 2. – Salary distribution in Republic of Srpska according to salary classes – Gini coefficient

In addition to this movement of wages within salary classes, in order to additionally show the share of inequality within salary classes over the period, Figure 2 shows the Lorenz curve, based on the calculated Gini coefficients.
If we look at the trends over the years within each salary class, we can see a reduction in inequality. For example, in the class of up to BAM 599, the Gini coefficient decreased significantly from 2014 to 2022, which indicates a decrease in inequality in that salary class. Similarly, other salary classes show a general trend of decreasing inequality, although some may have a less pronounced decreasing trend than others.

It is important to note that the trend of reducing inequality is mostly present in all salary classes, which could indicate certain policies or economic changes that have led to a more even distribution of income within different salary classes. This may be the result of an increase in the minimum wage, or various social policies.

In conclusion, the analysis of the distribution of wages of workers in the Republic of Srpska during the period from 2014 to 2022 indicates a decrease in inequality between salary classes over time, especially in 2022. A year when there was a significant increase in minimum wages, especially for lower-income workers.

MOVEMENTS IN WAGE DISTRIBUTION IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

Similar to the case of Republic of Srpska, an analysis of the movement of workers’ wages within individual salary classes was made for the Federation of Bosnia and Herzegovina. The available data for the Federation of Bosnia and Herzegovina differs from Republic of Srpska, so that the time series covered the period 2019 – 2023, ending with the end of August 2023, which is shown graphically in Figure 3.

Based on the calculated changes in the number of employees within each salary class from 2019 to 2023 in the Federation of Bosnia and Herzegovina, we can see the statistical changes and dynamics of inequality within those categories.

Absolute changes show how the number of employees has changed within each salary class over the years. For example, in the lowest salary class up to BAM 596, a significant decrease in the number of employees from 2019 to 2023 is visible, while in the higher salary classes there was an increase in the number of employees.

**Figure 3.** – Salary distribution in the Federation of Bosnia and Herzegovina according to salary classes
Relative changes also provide perspective on the dynamics of those changes. In the lower salary classes up to BAM 596, there was a drastic reduction of over 90% in the number of employees, which indicates a potential reduction of inequality within that category, which is the result of an increase in the legal minimum wage level. On the other hand, in higher salary classes from BAM 1,501 to BAM 2,000 and over BAM 2,500, there was an increase of about 100% in the number of employees.

This suggests that there has been a reduction in inequality in lower salary classes, while higher salary classes have experienced an increase in employment. This could indicate a possible change in the distribution of income within those categories, which requires further analysis to understand the deeper causes of those changes and their impact on overall inequality within the Federation of Bosnia and Herzegovina.

Looking at the data for the Federation of Bosnia and Herzegovina, which is shown in Figure 4, it is evident that there is also a general trend of decreasing inequality in salary classes over the years. For example, we see a decrease in Gini coefficients in most salary classes from 2019 to 2023, indicating a relative reduction in inequality within those groups.

When we compare the Federation of Bosnia and Herzegovina with Republic of Srpska, we notice several differences. For example, in the lower salary classes (e.g. up to BAM 600), Republic of Srpska had higher Gini coefficients in earlier years compared to the Federation of Bosnia and Herzegovina. However, as time goes on, the Federation of Bosnia and Herzegovina shows a faster reduction in inequality in those lower salary classes. However, it is important to emphasize that the trends of reducing inequality in the Federation of Bosnia and Herzegovina in recent years seem to be more pronounced than in the Republic of Srpska.

In short, both the Republic of Srpska and the Federation of Bosnia and Herzegovina show a trend of decreasing inequality in salary classes, where the Federation of Bosnia and Herzegovina may have a slightly more pronounced trend of reduction in some lower salary classes compared to the Republic of Srpska.
of Srpska. These data indicate different patterns of inequality reduction in different parts of Bosnia and Herzegovina.

**Figure 4.** – Salary distribution in the Federation of Bosnia and Herzegovina according to salary classes – Gini coefficient

Source: Tax Administration of Federation of Bosnia and Herzegovina
POST-CONFLICT DYSTOPIA:
CAPTIVE STATE AND SOCIETY – THE CASE OF BOSNIA AND HERZEGOVINA

METHODOLOGY
The Annex will offer an analysis of the connection between the level of perception of corruption, sustainable peace, i.e. potential factors that can contribute to the escalation of the conflict in Bosnia and Herzegovina through a mutual comparison of the Corruption Perception Index (CPI), the Global Peace Index\(^\text{100}\) (positive/negative peace index), and Fragile States Index\(^\text{101}\).

The first methodological step includes the collection of Transparency International data related to the Corruption Perception Index (CPI) for the period 2018-2022, which will be used for quantitative measurement of the perceived level of corruption in Bosnia and Herzegovina during the mentioned period. Then, data from additional indices such as the Global Peace Index (Positive/Negative Peace Index) and the Fragile States Index for the same period will be collected to provide additional insight into the state of peace and stability in Bosnia and Herzegovina. The results of the Corruption Perception Index will be compared with the results of the Fragile States Index and the Global Peace Index to identify correlations between corruption, conflict and peace. This comparison will provide insight into the complex connections between different aspects of social stability. These data will be analyzed to identify trends and patterns that indicate the impact of corruption on various aspects of stability. This will identify the key factors that contribute to or reduce the risk of conflict, providing a basis for identifying the necessary measures to promote social stability.

Techniques and tools for data analysis
Using a mutual comparison of the aforementioned indices, this review aims to provide possible insights into the intricate connections between corruption and stability in Bosnia and Herzegovina, using the statistical indicators of the aforementioned indices.

RESULTS AND ANALYSIS
In the following text, the purpose and procedure of data collection for each of the indexes whose results will be analyzed will be discussed in detail: Corruption Perceptions Index, Global Peace Index and Fragile States Index. These indices provide insights into various aspects of social stability, corruption, peace and the general state of the country. The collected data from the mentioned sources will refer to the period from 2018 to 2022 and will enable a deeper understanding of the interrelationships between these factors and the identification of key elements that contribute to or reduce the risk of conflict. By analyzing trends and patterns, the goal is to reveal the impact of corruption on various aspects of stability, providing a foundation for recognizing the necessary measures to improve social stability in Bosnia and Herzegovina.

RESULTS
CORRUPTION PERCEPTION INDEX
The Corruption Perception Index (CPI) is an index that ranks countries according to their perceived level of corruption in the public sector. The CPI measures how corrupt each country's public sector is perceived to be, according to experts and the business community. Each country's score is a combination of at least 3 data sources from 13 different corruption surveys and assessments. These data sources are collected by various reputable institutions, including the World Bank and the World Economic Forum. The country's score is the perceived level of corruption in the public sector on a scale of 0-100, where 0 means highly corrupt and 100 means very low level of corruption. A country's rank is its position relative to other countries in the index. The rankings can only change if the number of countries included in the index changes. Therefore, the rank is not as important as the achieved number of points (result) in terms of indicating the degree of corruption in that country. Data sources

\(^{100}\) Global Peace Index
\(^{101}\) Fragile States Index
include various manifestations of corruption, including bribery, diversion of public funds, abuse of public functions and other aspects that indicate the degree of corruption in the public sector.\textsuperscript{102}

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>Position (out of 180)</td>
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<td>101</td>
<td>111</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td>Score (out of 100 points)</td>
<td>38</td>
<td>36</td>
<td>35</td>
<td>35</td>
<td>34</td>
</tr>
</tbody>
</table>

Table 1: Corruption Perception Index in Bosnia and Herzegovina\textsuperscript{103}

The results of the Corruption Perception Index (CPI) for Bosnia and Herzegovina (Table 1) show a worrying trend, indicating a perceived worsening of the level of corruption in the period from 2018 to 2022. The drop in ratings indicates an increase in the level of perception of corruption in the public sector of Bosnia and Herzegovina. During 2022, Bosnia and Herzegovina ranked by far the lowest in the region and the third worst in Europe when it comes to the state of corruption in the country. Only Russia and Ukraine achieved a worse result than Bosnia and Herzegovina, which, with a score of 34 on a scale of 0 to 100, is among the countries where the state of corruption is worsening the most. While many countries in the region are moving forward, Bosnia and Herzegovina has fallen by as many as 8 index points since 2012 and, together with Turkey, in the TI global report for 2022, it was singled out as an example of the biggest decline compared to 2012 in the region of Eastern Europe and Central Asia.

Deteriorating results imply that the underlying problems that contribute to corruption exist or have deepened. It can also indicate the erosion of trust in public institutions, as citizens may believe that corruption is increasingly rooted in different sectors of government.

GLOBAL PEACE INDEX

The Global Peace Index is the leading list of measures of the state of peace in the world. This report presents the most comprehensive data-driven analysis to date on trends in peace, its economic value and how peaceful societies develop. The Global Peace Index covers 99.7% of the world’s population, and is calculated using 23 qualitative and quantitative indicators from highly respected sources and measures the state of peace in three domains:

- ongoing domestic and international conflicts,
- the level of social safety and security,
- and the degree of militarization\textsuperscript{104}

Three domains of peace

The Global Peace Index measures the level of negative peace in a country using three domains of peace. It consists of 23 indicators of the absence of violence or fear of violence. The first domain, “ongoing domestic and international conflicts”, uses six statistical indicators\textsuperscript{105} to explore the extent to which countries are involved in internal and external conflicts, as well as their role and duration of involvement in conflicts.


\textsuperscript{105} Number and duration of internal conflicts – Uppsala Conflict Data Program (UCDP) Battle-Related Deaths Dataset; Non-State Conflict Dataset and One-sided Violence Dataset; Institute for Economics and Peace (IEP); Number of deaths caused by internal organized conflict – UCDP Battle-related Deaths Dataset; Number, duration and role in external conflicts – UCDP Battle-Related Deaths Dataset; IEP; Intensity of organized internal conflict – Qualitative assessment of EIU analysts; Relations with neighboring countries – Qualitative assessment of EIU analysts;
The second domain assesses the level of harmony or discord within the nation; eleven indicators broadly assess what could be described as social security and security in general. The claim is that peace can be equated with a low crime rate, minimal terrorist activity and violent demonstrations, harmonious relations with neighboring countries, a stable political scene, and a small proportion of the population that is internally displaced or exiled.

Six further indicators refers to a country’s militarization – reflecting the relationship between a country’s level of military buildup and access to weapons and its level of peace, both domestically and internationally. Comparable data on military expenditures as a percentage of GDP and the number of armed forces officers per capita are estimated, as well as financial contributions to UN peacekeeping missions.

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position (out of 163)</td>
<td>89</td>
<td>81</td>
<td>79</td>
<td>72</td>
<td>58</td>
</tr>
<tr>
<td>Score (out of 5)</td>
<td>2.065</td>
<td>2.019</td>
<td>2.04</td>
<td>1.97</td>
<td>1.85</td>
</tr>
</tbody>
</table>

Table 2: Global Peace Index for Bosnia and Herzegovina

During the five-year period, Bosnia and Herzegovina showed a positive trend on the Global Peace Index (Table 2), advancing from 89th place in 2018 to 58th place in 2022. This indicates an overall improvement in the relative level of peace. A decreasing score indicates the country’s progress on this index. Progress in achieved results may indicate that Bosnia and Herzegovina has more successfully responded to certain challenges related to maintaining peace, primarily with international support. Political stability, social cohesion or other factors can contribute to improving the state of peace in the country. Changes in the global context and peace conditions among other countries also affect the ranking of the Global Peace Index. It is concluded that a positive shift in the ranking can be influenced by internal improvements in Bosnia and Herzegovina, but also by changes in the global peace environment.

In order to analyze the correlation between the Corruption Perception Index and the Global Peace Index, it is particularly important to emphasize the second domain of the Global Peace Index, which refers to social safety and security in general and includes indicators such as the level of perceived crime, level of perceived criminality in society, and the number of refugees and internally displaced persons as a percentage of the population. The index also assesses the level of political instability, terrorist activity, and the likelihood of violent demonstrations.

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106 Level of perceived criminality in society – Qualitative assessment by EIU analysts; Number of refugees and internally displaced persons as a percentage of the population – Office of the United Nations High Commissioner for Refugees (UNHCR) Mid-Year Trends; Internal Displacement Monitoring Center (IDMC); Political instability – Qualitative assessment of EIU analysts; Political Terrorism – Gibney, Mark, Linda Cornett, Reed Wood, Peter Haschke, Daniel Arnon, and Attilio Pisanò. 2019. The Political Terror Scale 1976-2018. Date withdrawn from Political Terror Scale website: http://www.politicalterrsorscale.org.; Impact of terrorism – IEP Global Terrorism Index (GTI); Number of murders per 100,000 people – United Nations Office on Drugs and Crime (UNODC) Crime Trends and Justice Systems (CTS) Survey; EIU assessments; Violent crime rate – Qualitative assessment by EIU analysts; Likelihood of violent demonstrations – Qualitative assessment by EIU analysts; Number of prisoners per 100,000 people – World Prison Database, Birkbeck Institute for Crime Policy Research, University of London; Number of internal security officers and police officers per 100,000 people – UNODC CTS; EIU assessments; 107 Military Expenditures as a Percentage of GDP – The Military Balance, IISS, EIU Estimates; Number of military personnel per 100,000 people – The Military Balance, IISS; Transfer volume of major conventional arms as recipient (import) per 100,000 people – Stockholm International Peace Research Institute (SIPRI) Arms Transfer Database; Volume of transfers of major conventional weapons as suppliers (exports) per 100,000 people – SIPRI Arms Transfer Database; Financial contribution to UN peacekeeping missions – United Nations Committee on Contributions; IEP; Nuclear and Heavy Weapons Capabilities – The Military Balance, IISS; CYPRUS; UN Register of Conventional Weapons; IEP; Easy access to small arms and light weapons – Qualitative assessment by EIU analysts 108 A lower score (1) means a better condition, while a higher score (5) indicates a deterioration 109 Vision of Humanity, IEP’s Peace Research, Presentations and Resources https://www.visionofhumanity.org/resources/?type=research, accessed 1/3/2024.
criminalization in society, political instability, and similar. The second domain assesses the level of harmony or disharmony within the nation; eleven indicators broadly assess what could be described as social safety and security in general. The claim is that a low crime rate, minimal terrorist activity and violence, demonstrations, harmonious relations with the country’s neighbors, a stable political scene, and a small proportion of the population that is internally displaced or has become a refugee can be equated with peace. In this regard, below are data for Bosnia and Herzegovina for the domain of social security and security in general.

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<th>2022</th>
</tr>
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<tbody>
<tr>
<td>Score (out of 5)</td>
<td>2.507</td>
<td>2.42</td>
<td>2.526</td>
<td>2.352</td>
<td>2.044</td>
</tr>
</tbody>
</table>

Table 3: The domain of social security and security in general, from the most peaceful to the least

The results in the domain of social security and security in general (Table 3) show a smaller improvement. What is very important to emphasize is that in the domain of social security and security in general, compared to the domain of militarization and ongoing conflicts, the results are the worst. Bosnia and Herzegovina achieves the weakest results in this segment, which indicates pronounced challenges in achieving social security, which has a negative effect on the overall result. This is especially important to emphasize because this domain, when measuring the situation, includes factors such as the crime rate, political instability, work of judicial institutions and similar. The identification of key factors, in the domain of social security, which contribute to such results in the past period would provide a basis for understanding the dynamics in the area of social security, which is essential for further efforts to improve stability in Bosnia and Herzegovina.

Positive Peace Index

In addition to the Global Peace Index, a very relevant indicator of the state of peace in the world is the Positive Peace Index, which focuses on the attitudes, institutions and structures that create and maintain peaceful societies. Taking into account the context of Bosnia and Herzegovina, the decentralization of the system and a large number of institutions and structures, this index can offer significant data that can further indicate more important factors and patterns of more negative trends in Bosnia and Herzegovina, as well as future trends that can be expected in Bosnia and Herzegovina.

Positive peace is defined as attitudes, institutions and structures that create and maintain peaceful societies. The same factors that create lasting peace also lead to many other positive outcomes that societies strive for, including:

- advanced economies
- better performance on environmental measures
- high level of resistance and adaptability to changes

Other factors that improve with positive peace are measures of inclusion, well-being, and happiness. Therefore, positive peace can be described as creating an optimal environment for the flourishing of human potential. Positive peace is conceptually and empirically linked to socio-economic resilience. Countries with high positive peace are more likely to maintain their stability and recover more easily from internal and external shocks. By modeling the relationship between positive peace and actual peace in a country, as measured by the Global Peace Index, it is possible to predict major declines in peace. A model based on positive peace deficits was able to predict 90 percent of countries where
peace would deteriorate over the past decade. In addition, seven of the ten largest GPI declines are also predicted by this model.\textsuperscript{113}

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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</thead>
<tbody>
<tr>
<td>Position (out of 163)</td>
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<td>Score (out of 5)</td>
<td>3.08</td>
<td>2.94</td>
<td>2.9</td>
<td>N/A</td>
<td>3.189</td>
</tr>
</tbody>
</table>

Table 4: Positive Peace Index\textsuperscript{114}

The data (Table 4) show the fluctuations of the Positive Peace Index in Bosnia and Herzegovina during the four available years. From 2018 to 2020, there was an improvement in the score. However, the result increases in 2022, which indicates a deterioration when it comes to positive peace, i.e. a setback in the work of institutions and structures that create and maintain peaceful societies. Also, comparing the results with other countries in Europe, especially during 2022, Bosnia and Herzegovina has some of the worst results in Europe, with only Turkey showing a worse result. This decline in positive peace indicates serious consequences that may threaten the stability and social cohesion in the country.

Given the positive correlation between positive peace, socio-economic resilience and actual peace, a sharp drop in this index may signal risks from internal and external challenges and a reduction in the country’s ability to adequately deal with them. In this context, the risk of social tensions, economic instability and disruption of social cohesion can increase significantly.

To promote positive peace in Bosnia and Herzegovina, it is necessary to strengthen institutional capacities, improve transparency and accountability, and promote inclusiveness and dialogue among different social groups. Additionally, it is necessary to work actively to preserve socio-economic stability, with a special focus on creating policies that support inclusive economic growth.

**FRAGILE STATES INDEX**

The Fragile States Index is based on the Conflict Assessment Framework – known as “CAST” – developed by the FFP nearly a quarter of a century ago to assess the vulnerability of states to collapse. The CAST framework was originally designed to measure this vulnerability and assess how it might affect field projects, and continues to be widely used by policy makers, field practitioners and local community networks. The methodology uses both qualitative and quantitative indicators, relies on data from public sources and provides quantifiable results. Twelve conflict risk indicators are used to measure the situation at any given time. Below is a list of indicators used in both CAST and the Fragile States Index.\textsuperscript{115}

- **Indicators:**
  - **Cohesion** (Security apparatus; Fractional elites; Group grievance)
  - **Economic** (Economic decline; Uneven economic development; Brain drain)
  - **Political** (State Legitimacy; Public Services; Human Rights and Rule of Law)
  - **Social** (Demographic pressures; Refugees and internally displaced persons; External intervention)\textsuperscript{116}

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
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<th>2021</th>
<th>2022</th>
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<td>Positioning</td>
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<td>86</td>
<td>84</td>
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\textsuperscript{114} Vision of Humanity, IEP's Peace Research, Presentations and Resources [https://www.visionofhumanity.org/resources/?type=research](https://www.visionofhumanity.org/resources/?type=research), accessed 1/3/2024.

\textsuperscript{115} The Fund for Peace, Methodology, [https://fragilestatesindex.org/methodology/](https://fragilestatesindex.org/methodology/), accessed 1/3/2024.

\textsuperscript{116} The Fund for Peace, Indicators, [https://fragilestatesindex.org/indicators/](https://fragilestatesindex.org/indicators/), accessed 1/3/2024.
During the five-year period, Bosnia and Herzegovina's score on the Fragile States Index (Table 5) shows a deterioration in scores, especially during the last two years. 2021 stands out as the year in which the country's fragility index recorded worsening results and increased fragility. This can be attributed mostly to factors related to factionalized elites, brain drain and economic progress. The data for 2022 shows a further marginal deterioration, with a higher score and slightly lower rank. This suggests that the fragility of the state has, to some extent, intensified. Bosnia and Herzegovina has the worst result on the “Fractionated Elite” indicator (7.3). This indicator considers the fragmentation of state institutions along ethnic, class, clan, racial or religious lines, as well as obstacles and deadlocks between ruling elites. A high score on this indicator also means frequent use of nationalist political rhetoric by ruling elites, often in the form of nationalism, xenophobia or common solidarity within an ethnic group. The most worrying data that this index offers refers to the “Brain drain” indicator, where the result has been increasing intensively since 2018, which shows the increasing number of people leaving Bosnia and Herzegovina. Unfortunately, this is an indicator that clearly shows that Bosnia and Herzegovina must pay more attention to this problem and work on improving living conditions in order to reduce the level of brain drain.

Also, it is important to add that when it comes to the Fragile States Index, Bosnia and Herzegovina shows some of the worst results in Europe, while it has the worst position in the region, making it the least stable country in the region. Bosnia and Herzegovina is in the “heightened warning” category, which indicates the increased vulnerability of the country to conflicts.

Recommendations for improving the situation include intensifying efforts to reduce the brain drain by improving living conditions and creating a more favorable environment for education and work. Also, emphasis should be placed on reducing the fragmentation of state institutions, promoting dialogue between ruling elites and strengthening social cohesion. These measures should be an integral part of a comprehensive strategy aimed at increasing the stability and resilience of Bosnia and Herzegovina to the challenges arising from the complex socio-political context.

**Summarizing the results**

Looking at the results of all three observed indices, Bosnia and Herzegovina shows results that are among the worst in Europe. The analysis of the results of the Corruption Perception Index (CPI) for Bosnia and Herzegovina in the period from 2018 to 2022 reveals a worrying trend in the deterioration of the level of corruption. The low ranking in the region and Europe, especially in 2022, places Bosnia and Herzegovina as one of the countries where the perception of corruption is increasing intensively. This deterioration in results indicates deep-rooted or deepening problems in the country, potentially leading to an erosion of citizens' trust in public institutions. In addition, the decline in index points since 2012 indicates a serious challenge in dealing with corruption, highlighting Bosnia and Herzegovina as an example of the biggest decline in the region of Eastern Europe and Central Asia.

Despite these challenges, the analysis of the Global Peace Index (GPI) shows a positive trend in Bosnia and Herzegovina, with an improvement in the ranking from 89th place in 2018 to 58th place in 2022. Although the results indicate improved peace conditions, the country still faces challenges, with ratings among the worst in Europe. This shift may be the result of a better response to peace challenges, including political stability and social cohesion, despite global changes in peace conditions. Social safety and security in general, a key domain of peace assessment, also shows positive trends. Although there is a slight drop in scores in 2022, the overall trajectory points to an improvement in...
social security, however this domain performs much worse than the domain of militarization and ongoing conflicts.
The Positive Peace Index provides additional insight, showing fluctuations in positive peace between 2018 and 2022. Despite the improvements until 2020, the year 2022 records a significant decline, indicating a setback in the work of institutions and structures that support peaceful societies. Likewise, the country's fragility index records a certain level of fragility, with a marked deterioration in 2021 and 2022. These results imply that Bosnia and Herzegovina continues to face challenges that affect the stability and fragility of the state. Overall, the analysis of these indices indicates the complexity of the situation in Bosnia and Herzegovina, with progress in certain areas, but also challenges that require careful resolution in order to improve the overall situation. Observing these results, they will be further elaborated in more detail in relation to their mutual connection and the potential risks they show, while recognizing the shortcomings that require special efforts by the institutions in order to achieve improvement.

ANALYSIS
THE CONNECTION OF THE LEVEL OF CORRUPTION AND CONFLICT

According to Transparency International, corruption can fuel conflicts:

- by generating new or stimulating existing challenges in society that encourage violence
- by weakening the state’s capacity to protect its citizens from threats such as organized crime and terrorism, including limiting the effectiveness of defense, security and law enforcement institutions
- by undermining trust in the government and the legitimacy of the state, which limits the state’s ability to mediate in conflicts and credibly implement agreed agreements

Looking at the Corruption Perception Index, in relation to the presence of security threats to the state – (such as bombings, attacks and combat deaths, rebel movements, insurgencies, coups or terrorism) – the connection can be made by looking at the Fragile States Index. Countries with a high Corruption Perception Index generally face fewer threats from violence. Conversely, where corruption is more widespread, threats of violence and the potential for conflict are much greater. Looking at the data for Bosnia and Herzegovina, the deterioration of the results of the Corruption Perception Index coincides with the deterioration of the results of the Fragile States Index, which indicates a possible future trend of deterioration of the results and thus increased possibilities for the outbreak of conflict. Corruption reduces the state’s ability to defuse conflicts and maintain peace. Namely, the strong connection between a high level of corruption, measured by the Corruption Perception Index, and the lack of lasting peace, as shown by the Global Peace Index, is therefore not surprising. The least peaceful countries according to the peace index also achieve the worst results when it comes to the Corruption Perception Index. Looking at the results of the Corruption Perception Index and the Global Peace Index for Bosnia and Herzegovina, the results of both indexes show that Bosnia and Herzegovina is one of the countries in Europe with the worst results. It is important to note that the results for Bosnia and Herzegovina on the Positive Peace Index show a deterioration in the achieved results. This is especially important to emphasize because the Positive Peace Index measures the creation of an optimal environment for the flourishing of human potential, that is, the will and ability of institutions and structures to achieve it. Therefore, these data indicate that institutions should increase their efforts to create a better environment for citizens. The fight against corruption should

121 ibid
122 ibid
therefore be a key issue in peace negotiations, as it can contribute to creating more sustainable and stable outcomes.¹²³ Research also shows that corruption creates conditions where conflict is more likely to occur by fueling division between different groups and eroding the rule of law. It also fosters state capture that creates hostility among excluded groups, providing incentives for opposition factions to violently access state resources and for the regime to aggressively pursue opponents. This is especially dangerous when the resulting disparities coincide with ethnic, religious or other identity lines. Corruption, exclusion and direct discrimination thus increase the risk of violent outbreaks and make it difficult to control them after the outbreak.¹²⁴ This is especially important to emphasize in the context of Bosnia and Herzegovina, which is a constitutionally ethnically divided country. Namely, the last report¹²⁵ of Transparency International on the state of corruption in Bosnia and Herzegovina emphasizes that ethnic divisions hinder the democratic institutions needed to fight corruption, which was especially seen in the Prosecutor’s Office of Bosnia and Herzegovina, which is said to have serious doubts about its ability to prosecute corruption, and that the appointment of a new of the Chief Prosecutor of Bosnia and Herzegovina went through a very flawed procedure in which three of the four original candidates either gave up or were eliminated. Numerous corruption scandals, resignations and the very method of selecting the chief prosecutor have seriously called into question the integrity of the Prosecutor’s Office. Also, there are increasingly frequent indications of prosecuting politicians along ethnic lines, but also along lines of political retribution.

Cross-country studies have also found that the fight against corruption is as important as a country’s bureaucratic capacity in preventing the outbreak of civil war. Transparent and accountable governments that make policies for the benefit of society as a whole rather than the narrow interests of a few tend to be better at maintaining peace within their national borders.¹²⁶

Promoting peace and security through transparency and the fight against corruption

Concrete reform steps in the fight against corruption that help break the negative cycle of corruption, conflict and violence and instead promote peace depend to a large extent on the national context, but in general following is important¹²⁷:

⇒ Reduce the space that allows particular influences in the policy-making process, including decisions related to defense and security. Policies and allocation of resources should be determined through fair and honest and public processes. Promoting transparency in the budget process and establishing mechanisms to detect and manage conflicts of interest, including lobbying registries, are key for ensuring that decisions and spending related to defense and security reflect the public interest and not narrow personal interests.

⇒ Avoiding concentration of decision-making by a few is important to reduce opportunities for corruption, avoiding discretionary allocation of public resources and prevent the consolidation of autocracy. Anti-corruption agencies and other oversight institutions must therefore have sufficient resources and independence to carry out their duties.

¹²³ ibid
¹²⁴ ibid
¹²⁷ ibid
Ensuring public access to information held by the authorities. Governments must ensure that the public receives accessible, timely and meaningful information, including data on public expenditure and resource allocation. When it comes to defense and security information, exemptions based on national security are necessary, but there is a need for clear and rigorous information retention guidelines to prevent abuses that could lead to excessive, unnecessary or inefficient spending.
POST-CONFLICT DYSTOPIA: 
CAPTIVE STATE AND SOCIETY – THE CASE OF BOSNIA AND HERZEGOVINA

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