

Bosnia and Herzegovina

Author: Damir Kapidžić¹

Introduction

Bosnia and Herzegovina (BiH) is a country with a very complex system of government. With a population of 3.5 million and slightly larger than Denmark in size, it functions as an asymmetric federation with between two and five levels of government from the national to the local level. This high degree of political fragmentation creates opportunities for devolution and independence of local democracy. At the same time BiH functions as a consociational democracy where power is shared between three major ethnic groups (Bosniaks, Croats and Serbs), creating an additional layer of complexity and interdependence. While power-sharing is most evident at the national level, in regional and local governments it can act as a constraint to local democratic policy-making because country-wide cohesion of group identity and party politics are favoured over local expressions of democracy. The following is a brief overview of the state of local democracy in BiH where some specific issues are omitted for the sake of clarity.

General country analysis

The political system of BiH was established through the Dayton Peace Agreement that ended the Bosnian War in 1995. It divided the country into two regional entities, the Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS), and an independent unit, the District Brčko. FBiH is further divided into

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This report covers events up to 31 May 2019. Events occurring after this period are not considered.

10 cantons, which are local self-governance units with a high level of independence, while RS has a centralised government. BiH is defined inversely as a confederation (Kasapović 2005; Bose 2002) or a highly decentralised state but is most accurately classified as an asymmetric ethnic federation with weak central authority (Bieber 2006).

The national level of government is formed through power-sharing by a three-member collective presidency representing the three ethnic groups and a bicameral parliament, elected by proportional representation and a mix of territorial and ethnic representation; these jointly approve the prime minister and government. The national government only has a limited number of exclusive competences defined in the constitution, while most power resides with the regional entities. Gradually,

¹ Associate Professor, University of Sarajevo.
Email: damir.kapidzic@fpn.unsa.ba

additional competences have been fully or partially transferred from the entities to the national level, resulting in a less clear separation between levels that combines elements of dual and coordinative federalism. Most notably, competences regarding indirect taxation, judicial and civil service appointments and defence were transferred to the national level (Marković 2012). Other competences such as police are shared and governed through coordination bodies, of which the most notable is the Coordination Mechanism tasked with European integration policy.

The regional entities (FBiH and RS) retain the major share of competences and resources and have their own constitutions, presidents, parliaments, governments and prime ministers. They grant citizenship and are primarily responsible for enforcing laws as this is not possible at the national level (FPI 2008). The entities are the main level at which nationally collected financial resources are distributed and they regulate the largest portion of civil and political rights. They are directly represented in national-level institutions and essentially have veto rights over all national policy. The entities and District Brčko are the only sub-national units mentioned in the constitution.

The third tier of government is that of the cantons; this is specific to FBiH and does not exist in Republika Srpska. Ten cantons were created as a form of ethnic self-governance during the Bosnian War in an effort to turn a three-sided conflict into a two-sided one. The persistence of cantons in their original number and form is a testament to the intractable effort of constitutional change in BiH. Each has a constitution, parliament and government as well as extensive power and responsibility in policy-making. They retain their own police forces and are responsible for areas such as education, welfare and healthcare, although they share many responsibilities with FBiH. They do not have fiscal independence or direct influence on

national-level governance, but strongly influence policy-making in FBiH.

The municipal level is the fourth and lowest tier of government and is universal across BiH with 144 municipalities. This local level of governance has the most responsibilities regarding citizens' everyday concerns, while it also has the fewest resources and few powers to do so.

Municipalities are highly dependent on entity and canton levels for their functioning. BiH has several designated cities that each correspond to a single municipality of the same name and essentially function as municipal governments. In the case of District Brčko, the district and municipal administrations are fused. There are two cities consisting of several municipalities, Sarajevo and East Sarajevo with four and six municipalities respectively, and they form an additional level of governance on top of the municipal level. In essence, citizens of BiH can be governed by two levels of governance (in the case of District Brčko), three levels in most of RS (four in East Sarajevo), four levels in most of FBiH and five levels in the City of Sarajevo. This creates complex patterns of (overlapping) competences and misperceptions among citizens about governing responsibilities. At the same time, the high level of decentralisation potentially creates multiple avenues for accessing policy-makers.

Fiscal decentralisation

BiH has a high degree of fiscal decentralisation. Tax revenue is collected nationally (through the Indirect Taxation Authority) but is directly shared to the regional-level entities and District Brčko in set percentages, with only around 15 percent retained by the national-level government. The government of BiH has almost no independence in fiscal matters and requires the consent of the entities, which, in contrast, are given far-reaching fiscal autonomy (FPI 2008). Between them, FBiH and RS have separate tax and finance systems each with centralised tax

administrations. Local levels of government (cantons, municipalities and cities) have very little fiscal authority and mostly rely on tax-sharing from the entities. In FBiH most tax revenue (more than half) gets directly passed on to the cantons. How expenditure is distributed across levels of government indicates that the regional level of the entities and local level of the cantons are most important; municipalities meanwhile have relatively low expenditures, which is inconsistent with the level of services they are expected to provide. This is mitigated through conditional transfers of funds from RS or the cantons.

Political decentralisation

Elections are regularly held at all levels of government, at four-yearly intervals. As of 2019 there have never been early or postponed elections in BiH. National, entity and canton-level elections are concurrent, while municipal elections function as a ‘mid-term’ election. Elections are considered mostly free with extensive informal barriers to fair party competition, while the electoral procedures and voting are satisfactory at best (EIP 2018). Political parties are the main players in the electoral process. Almost all cater to specific ethnic groups and most electoral competition occurs within an ethnically segmented electoral arena (Kapidžić 2017). Independent candidates are able to win mayoral elections, but a candidate’s ethnicity is a determining factor in electoral success. Local governments are able to operate independently from the national level albeit under the influence of party politics that permeate all levels of government. As coalition governments are the norm at all levels, it is rare to see different constellations of parties forming governments at different levels, due to interference from party leadership.

Conclusion: possibilities and barriers for municipal partnerships

Within the complex political system of BiH, decentralisation is seen as a political tool for ethnic conflict management rather than having a functional role in improving development and democratic outcomes (Bojičić-Dželilović 2013). The asymmetry of governance levels and the ambiguity of how competencies are allocated among them, along with persistent ethnic divisions among the BiH population has enabled political entrepreneurs, especially ethnically defined political parties, to take on an outsized role in governing the country. The consociational power-sharing arrangements in place at the national, FBiH and a few cantonal levels need ethnic political actors in order to function. This form of party-dominated governance relies heavily on informality and lacks institutional and democratic checks and balances. All this creates barriers to municipal and local partnerships that cross ethnic lines (even though positive examples exist, such as the European Youth Olympic Winter Festival 2019). Finally, the role of international administration in BiH, acting through the Office of the High Representative, must be mentioned as it still retains supreme veto powers over all policy and appointments in BiH, although it has become less relevant and assertive in the past decade.

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