



ELIT

Economic Laboratory Transition
Research Podgorica

Montenegrin Journal of Economics

For citation:

Kazinczy, E. (2024), "Aspects of Fragility in Bosnia and Herzegovina",
Montenegrin Journal of Economics, Vol. 20, No. 2, pp. 145-154.

Aspects of Fragility in Bosnia and Herzegovina

ESZTER KAZINCZY¹

¹ Assistant professor, Széchenyi István University, Győr, Hungary, e-mail: kazinczy.eszter@sze.hu

ARTICLE INFO

Received February 27, 2023
Revised from March 6, 2023
Accepted April 26, 2023
Available online April 15, 2024

JEL classification: O52, D74

DOI: 10.14254/1800-5845/2024.20-2.12

Keywords:

Bosnia and Herzegovina,
Dayton Peace Agreement,
Fragile State.

ABSTRACT

Bosnia and Herzegovina remains a country with a number of deeply rooted structural challenges, which are linked to the political and the broader social sphere. The current paper provides an overview on a range of key factors that have led to the country's fragility. During the analysis we start with the concerns related to multi-ethnic democracies, and specifically to Bosnia and Herzegovina's unique state structure. The latter was founded in 1995, in line with the so-called Dayton Peace Agreement. We also touch upon variables that are connected to the economic and social fields, by discussing indicators that are related to labor market distortions or the level of corruption. The study provides an overview on Bosnia and Herzegovina's position referring to international fragility indexes. Based on the analysis, we find various aspects that raise concerns regarding Bosnia and Herzegovina's fragility.

INTRODUCTION

Ethnic tension has a long history in the region of Bosnia and Herzegovina (B&H), which culminated in the war of the 1990s. In 1995, The General Framework Agreement for Peace in Bosnia and Herzegovina (1995, Dayton Peace Agreement henceforth) brought peace to a war ravaged territory. Thus, on the one hand, it became a success story for international peace-keeping. On the other hand, shortly after signing the Dayton Peace Agreement, it became clear that the applied institutional structure was too complex and cumbersome to function efficiently. Furthermore, internal divisions were constantly present in B&H, including occasional secessionist intentions. The tension within society and the condition of the economy reflect the continuous debate on how the institutional framework should be restructured (see e.g., Kartsonaki, 2016; Søberg, 2008). Based on this, one might consider the state-building procedure an ongoing process. Although within this paper we provide an overview of the key challenges, we do not include the various reform proposals for a new institutional structure.

In the context of B&H, the term ethnic conflict is often referred to. According to S. Burg and P. Shoup (1999), ethnic conflict is a power struggle between mobilized identity groups that can aim at equality in an existing country, or even the establishment of an independent country. This approach to an ethnic conflict describes the insult against other religious or ethnic groups, following the dissolution of the former

Yugoslavia. Since the Dayton Peace Agreement, ethnic tension has been preserved by the current electoral system (see Sahadzic, 2009) and culminates during election campaigns. 'Insults against other ethnic and religious groups, political rivals, International Community representatives and even individual citizens have become a constant part of political behavior and method. Because they have no real progress to show, certain BiH politicians design conspiracy theories, to replace serious discussions on real problems that affect the well-being of their citizens' (OHR, 2018). From a certain aspect, this statement covers the topic of the current study.

This paper intends to provide an overview on fundamental challenges regarding the country's current institutional system and the key factors that lead to state fragility. The group of shortcomings are interconnected. The institutional framework is capable of creating instability; likewise other systemic phenomena, such as labor market distortions or corruption. Indeed, the economic development and the welfare of the society can stabilize a political system, whereas unemployment, for instance, is considered a major risk factor for social unrest (ILO, 2011). Nevertheless, it is the decision-making sphere which has the potential to provide tools to curb fragility. The primary aim of this paper is to highlight various symptoms of Bosnia and Herzegovina's fragility. As a further intention, this study would like to add to the literature on the politics and state structure of the country, while including social and economic aspects as well.

The paper is structured as follows: The next chapter provides a methodological overview. The first subsection of the following chapter highlights the general challenges of multi-ethnic democratic systems based on the respective literature. The second subsection focuses on Bosnia and Herzegovina's prototype, founded by the Dayton Peace Agreement. The following chapter focuses on quantitative variables. Its first subsection demonstrates a range of indicators that underline structural challenges calling for fundamental changes. The next subsection demonstrates the country's position within fragility rankings. The final chapter concludes.

1. METHODOLOGY AND KEY TERMS

Within the respective literature, a specific country group is labelled as 'vulnerable', 'fragile', 'instable' or 'failed'. Due to its complexity, there is a broad range of the relevant measuring sticks and definitions for a state's fragility. W. Naudé & M. McGillivray (2011) specify the following interrelated traits to determine fragility: conflict, the low development status, vulnerability and the lack of a developmental state. Goldstone et al. (2010) analyze the background of political instability. While analyzing a wide range of factors, they find that political institutions or the regime type predict the onset of political instability. Indicators, such as economic conditions or demography, do not function as significant predictive tools for instability onsets. In our study, we refer to the OECD's definition, which characterizes 'fragility as the combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb or mitigate those risks. Fragility can lead to negative outcomes including violence, poverty, inequality, displacement, and environmental and political degradation' (OECD 2020, p. 15). (To read further definitions and the relevant literature, see Naudé & McGillivray (2011) or A. Kartsonaki (2016)).

Based on the above definition, within this paper we consider the coping capacity of the states as a baseline. Via a range of authors, including D. Horowitz (2014), D. Kapidzic (2014), A. Lijphart (2004) or A. Mujkic (2015), the paper describes general and country-level challenges for multi-ethnic societies, as we consider this factor as a starting point. In this study, we define ethnic groups as people with common religion, language and common culture. In BiH, there are three constituent ethnic groups: Bosniaks, Croats and Serbs. As a next step, in a separate subchapter, the qualitative overview on the Dayton Peace Agreement and its aftermath are included for outlining the unique case of BiH. Both the general discussion of the multi-ethnic democracy and the prototype of Bosnia and Herzegovina are based on the relevant literature.

Following the discussion of the political background, our analysis highlights social and economic symptoms that can also be linked to the quantitative approach of state fragility. Here we include various aspects, such as labor market discrepancies, poverty or corruption. These mentioned phenomena are in line with the OECD's quoted definition, where the potential outcomes of fragility are mentioned. Some of these factors are underpinned by the respective data. These socioeconomic variables are generally included in the

fragility indexes, but they require more insight. The connection between these indicators and fragility are bidirectional, as these indicators can be viewed not only as outcomes, but also as reasons of fragility.

As for the quantitative approach, all data are collected primarily from the databases of international institutions. The time series are not included, as the paper focuses on the period between 2019 and 2021. During the quantitative approach, the regional countries are occasionally added in the analysis for the purpose of comparison. When referring to the region of BiH, we touch on South-Eastern Europe, including the group of the following countries: Albania, Bosnia and Herzegovina, Croatia, Kosovo (without prejudice to positions on status), Montenegro, North Macedonia and Serbia. These countries cover a wide spectrum in respect of their development level or their political challenges. While taking into consideration the background information, the comparison of the countries' respective statistics carries relevant messages. During the analysis, the exact data should be treated with caution, but they are still able to outline specific features. Finally, the fragility related indicators are able to reflect the need for changes. As a final section, we include the results of specific fragility indexes. In case of the Fragile States Index we collect the values for the various sub-indicators, while in case of the OECD's and Marshall et al.'s dataset we interpret the results.

2. DISCUSSION

2.1 Aspects of fragility: Multi-ethnic democracy

General challenges from the respective literature

Building a well-functioning democracy in B&H can be considered as a challenge. Horowitz (2014) generally states that ethnic divisions create difficulties for building democracy, as they generate ethnic parties with ethnic voting. He claims that a consociational institutional structure is built in countries where the society is severely divided and there is a long-lasting interethnic antipathy. This institutional structure includes proportional group participation with minority vetoes. Given this structure, it is difficult to establish a durable power-sharing institutional system for three main reasons. Firstly, the preferences of the majority and the minority ethnic groups are asymmetric. Secondly, a general risk aversion is present. Thirdly, the negotiators have biases, which rule in or rule out certain models. Despite the difficulties, there is still a need to adjust these political systems in order to keep them efficient and flexible. However, Horowitz (2014) claims that consociational institutions are generally sticky. Namely, while there is an intention to restructure them, the form has not been specified. This latter thought underpins the fact that although there have been a number of reform proposals over the years in BiH, still, none of them have been acceptable for all decision-making groups.

Generally speaking, there is a clear debate on whether a multi or a monoethnic society can build a democratic system more successfully. On the one hand, the literature claims that in a monoethnic society it is not likely that deep-rooted inter-group conflicts and secessionist attempts will occur (see Dahl (1971) or A. Karatnycky (2002)). Thus, there is a greater chance of reaching a consensus on reform processes. On the other hand, other authors, e.g., M. Firsh & R. Brooks (2004), argue that diversity does not influence democratic development. D. Kapidzic (2014) points out that the perception which assumes that building democracy is more difficult in multi-ethnic societies is wrong. He claims that it is rather the bipolar ethnic arrangements which destabilize democratic systems. Indeed, there is mixed evidence regarding this aspect.

As a general theoretical proposal, A. Lijphart (2004) elaborates on nine areas related to the constitutional choice for countries with deep divides. He provides a set of recommendations within these nine areas, which serves power sharing and group autonomy as well. However, in BiH's particular case, Bieber (2001) states that a multi-national democracy needs an institutional structure which omits the hope of 'solving' nationalism, and avoids fueling ethnic tensions.

Referring to political conflicts, A. Mujkic (2015) claims that instead of the rift among the constituent ethnic groups, the dominant division is rather between the 'the class of agents of ethno-political

entrepreneurship and the class of objects of these entrepreneurs’ appropriation’ (Mujkic, 2015, p. 623). Based on the literature of this subchapter, one can highlight general challenges of multi-ethnic institutional state structures.

The Dayton prototype of multi-ethnic democracy

By 1995, the Bosniaks preferred a centralized state, the Croats their own third entity, while the Serbs an independent country. Due to the fact that the leaders of the three nationalist parties were not able to agree even on basic questions, a radically decentralized federation with rigid power-sharing was created (Keil, 2013). In accordance with the Dayton Peace Agreement, an extensive and complex institutional framework was established, based on an ethnic based electoral system, offering veto power for the constituent ethnic groups in cases of fundamental decisions. Based on the applied state structure, two entities and a special district (Brcko District) were formed. The entity dominated by Bosniaks and Croats, the Federation of Bosnia and Herzegovina (FBiH), consists of ten cantons, divided into 79 municipalities. The Serb-dominated entity, Republika Srpska (RS), misses the cantonal level, but has 62 municipalities (BHAS, 2017; European Commission, 2019). Both entities and the Brčko District have ethnically mixed populations, including groups that do not belong to any of the three constituent nations (see Figure 1).

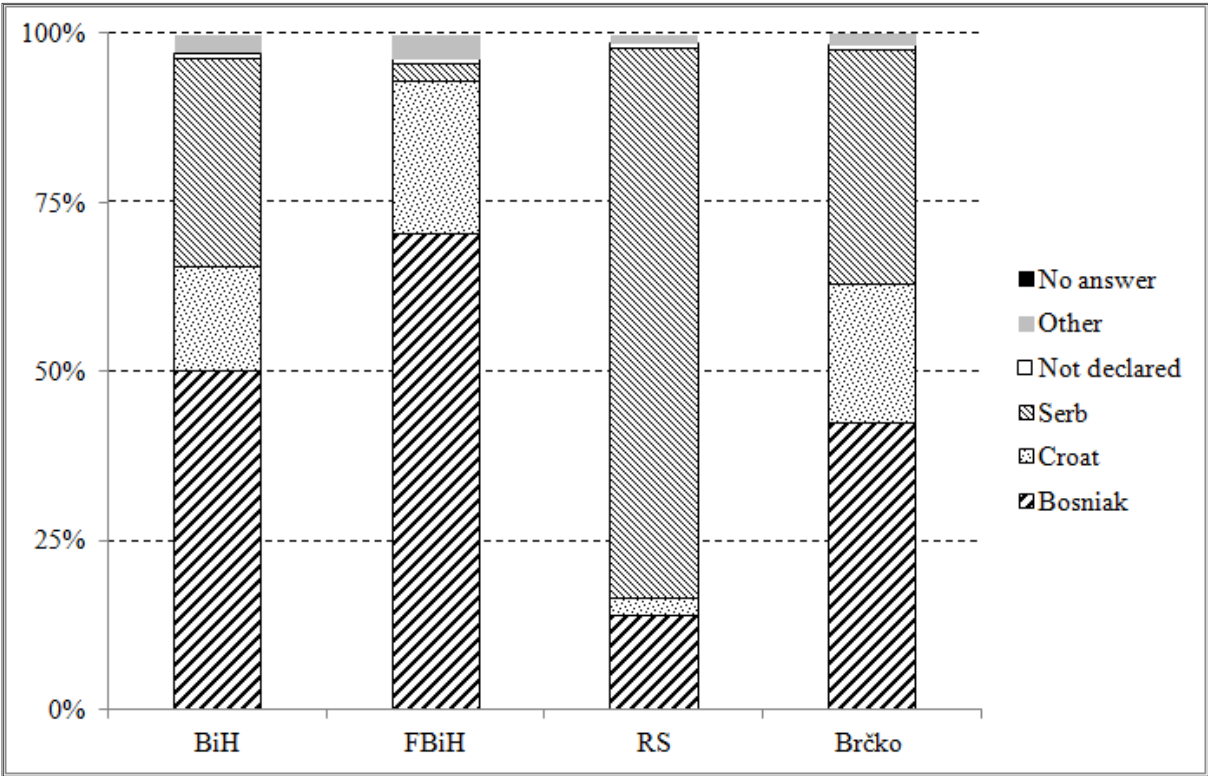


Figure 1: Population by ethnic or national affiliation

Note: The category of ‘No answer’ is not visible, as it is below 0.2 percent in all cases.

Source: BHAS (2017, p. 54)

As a result of the Dayton Peace Agreement, Bosniaks gained their primary war aim, namely a united BiH. However, Bosniaks generally argue that the Serb Entity is a result of genocide. From the Serbs’ point of view, Republika Srpska can be considered as a tool of protection against Bosniak and Croat domination. Therefore, leading Serb politicians insisted on an autonomous entity with strong power-sharing at the central level including veto rights. In addition, secessionist intentions occasionally arise. As for the Croats, numerically the smallest among the constituent ethnic groups, they failed to create their own entity.

However, they have three cantons with a Croat majority, which offers them a certain level of autonomy. The picture becomes even more complicated when minorities which do not belong to the constituent ethnic groups are taken into account. They are excluded from political positions and occasionally even face discrimination (Keil, 2013).

Besides the domestic political elite that serves the above described state structure, there is also a significant international presence. The so-called High Representative's primary task is to safeguard the implementation of the Dayton Peace Agreement, though the exact tasks have shifted somewhat over the years. The High Representative is supposed to form a link between the local and the international actors, by representing a coordinating body of the international community. Nevertheless, it is noteworthy that this community is not a coherent group either, thus creating a source of criticism (Donais, 2005). As for the European Union (EU), B&H has a potential candidate status. It tries to implement a dual strategy of European integration and state building. However, the EU's conditionality has not brought success as a state building tool. This is partly based on the political elite's mixed commitment to the EU accession process (Bieber, 2011).

Aspects of fragility: Specific indicators

Indicators of fragility

On the one hand, B&H's economy can be considered stable. Following the turbulence of the global financial crisis, from 2013, its real GDP growth rate remained low but positive, while the current account deficit per GDP ratio decreased from its critical values. The budget deficit and government debt were under control. Based on the currency board regime, the exchange rate of the convertible mark is fixed to the euro, which creates an anchor for the economy. Inflation is generally moderate, whereas the occasional deflation is partly based on external factors (CBBH, 2019). As on a global level, COVID-19 generated short-term shock waves to B&H's economy from a macroeconomic perspective, but the negative effects were expected to be temporary (CBBH, 2021).

On the other hand, there is a number of factors that indicate deep structural distortions. Based on the ILO's (2011) empirical analysis, unemployment has the strongest connections with the estimated risk of social unrest. This result is particularly relevant in relation with BiH's striking unemployment rates. Based on the applied methodologies, there are various statistics related to unemployment, i.e., the exact numbers published by different institutions might differ. Still, when considering the unemployment rates between 2018 and 2020, the labor survey based rate was between 15 and 20 percent, while the administrative unemployment rate was around 35 percent over the same period (CBBH, 2019, p. 25). Disregarding the differences of the applied methodologies, youth unemployment is around double the total figure. Partly as a result of these facts, the net migration rate is well over the values of other regional countries, although data for Kosovo is not available (UNDP: HDI).

As a further category that relates to unemployment, the poverty level in B&H can be underlined. The share of population at risk of poverty amounted to 26.5% in 2011, which was among the highest in Europe (World Bank Group, 2015, p. 9). Based on the methodology of BHAS's (2021) time series, the percentage of impoverished individuals did not decrease significantly over the years, as it amounted to 18% in 2004, while it was 17% in 2015. A further analysis found that also the in-work poverty rate was higher in B&H compared to any of the EU-member countries, as it reached 24.5% in 2015 based on the estimations (ESPN, 2019, p. 4). This was attributed to low wages, labor segmentation, low work intensity, or even to not receiving wages when employed. The report also mentioned that the secure public employment was heavily controlled by the politicians' networks (ESPN, 2019).

In connection with poverty, Figure 2 represents the GDP per capita and the level of youth unemployment in the region. While emphasizing the effects of methodological differences on the exact numbers, the ranking of the economies on the GDP per capita basis is still relevant. It is noteworthy that this ranking has not shifted substantially for over several decades in the region (Plestina, 1992), questioning the existence of a catching-up process from an economic aspect.

As a further indicator of potential tension, the dimension of social inequality is generally included in fragility indexes. Based on the respective data, one can conclude that following the transition period, inequality sharply increased until the early 2000s (WID: Data), but its value remains in line with the regional average (World Bank Group, Gini). Still, it is a relevant concern in the light of unemployment and poverty.

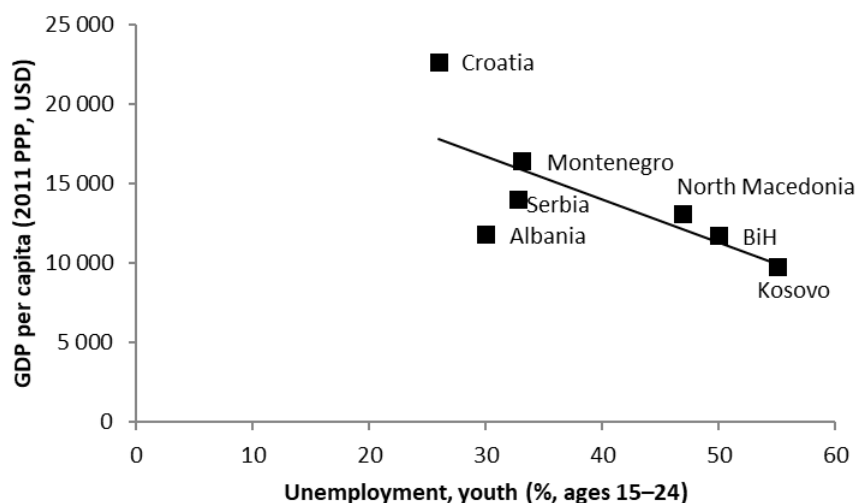


Figure 2: GDP per capita and youth unemployment (2017)

Note: PPP is the abbreviation for ‘purchasing power parity’.

Source: UNDP (HDI), Arandarenko and Brodmann (2019), World Bank Group: Data, own compilation

Like the labor market conditions, the level of corruption is also an indicator that is generally being added to fragility indexes, as it hinders efficient distribution and development. It stabilizes the position of the ruling political powers, and preserves political and social inequality. Furthermore, Neudorfer and Theuerkauf (2014) even find a positive link between corruption and the risk of ethnic civil war. Thus, it is particularly relevant that in B&H corruption is considered to be widespread. All of the bureaucratic layers experience certain political capture, primarily in the fields of healthcare, education, the labor market or public procurement (European Commission, 2019). The Corruption Perceptions Index of Transparency International (2021) uses a scale from 0 (highly corrupt) to 100 (very clean). Table 1 demonstrates this index for the regional countries, but it also includes two corruption-related indicators from the World Bank Group. Generally speaking, these indicators underpin the statements which label widespread corruption among the key challenges in B&H, even in terms of the regional scope.

Table 1. Corruption indicators (2021)

	Corruption Perceptions Index	Bribery incidence (percentage of firms experiencing at least one bribe payment request)	Percentage of firms identifying corruption as a major constraint
Albania	35	36.1	43.4
Bosnia and Herzegovina	35	16.0	29.5
Croatia	47	10.1	12.1
Kosovo	39	3.2	56.1
Montenegro	46	21.4	4.7
North Macedonia	39	7.4	18.3
Serbia	38	6.9	14.6

Source: Transparency International (2021), World Bank Group (Enterprise Surveys), own compilation

Fragility indexes

There are aspirations to quantify the level of a country's fragility. One of the datasets is the Fragile States Index. In 2021, it ranked 179 states. For each country a total value is given, by adding up their scores from one (least fragile) to ten (most fragile) in twelve categories (see Table 2). These scores are a result of the analysis of over 100 sub-indicators, which can be grouped by political, social and economic dimensions. The countries are ranked on the basis of the total values. A larger total score, and, parallel with this, a higher rank, represents a greater degree of fragility (FFP, 2021).

As the Fragile States Index is not available for Kosovo, it is B&H which is considered the most fragile compared to any other regional countries. From a global viewpoint, B&H is around the middle of the rank. It is worth highlighting certain specific scores. The highest score within Table 2 relates to BiH's 'factionalized elites', which reflects the high level of political fragmentation in the country. The cohesion-related indicators are generally high for B&H. The scores reflect that B&H's economy is vulnerable, while the level of brain drain and 'human flight' is high. Furthermore, the state legitimacy raises questions, and the issue of refugees is still on the table. In line with the discussion of the previous sections on the role of the international actors, the ranking underpins the high degree of external intervention. These conclusions persist during the analysis of the respective time series.

Table 2: Fragile States Index (2021)

Country	Rank	Total	Cohesion Indicators			Economic Indicators			Political Indicators			Social and Cross-Cutting Indicators		
			Security Apparatus	Factionalized Elites	Group Grievance	Economy	Economic Inequality	Human Flight and Brain Drain	State Legitimacy	Public Services	Human Rights	Demographic Pressures	Refugees and IDPs	External Intervention
Bosnia and Herzegovina	77th	72.9	5.0	8.7	6.6	6.4	4.1	6.5	6.2	4.8	4.9	5.1	7.0	7.6
Serbia	101st	67.4	4.5	8.3	7.1	6.1	4.3	5.9	5.5	3.9	3.5	3.9	7.4	7.0
North Macedonia	108th	64.5	4.7	7.3	6.0	6.5	4.5	6.0	5.1	4.8	3.0	4.2	6.9	5.5
Albania	119th	59.0	4.8	6.2	4.1	6.4	2.9	8.3	5.5	4.4	3.6	4.1	2.6	6.1
Montenegro	120th	58.5	4.6	6.5	9.1	6.0	2.0	4.7	3.6	4.4	3.4	3.9	3.4	6.9
Croatia	138th	49.8	2.6	4.4	4.9	5.7	2.8	5.7	2.3	3.1	2.6	4.6	6.6	4.5

Note: Data for Kosovo are not available. IDP is the abbreviation for 'internally displaced person'. The order of the countries reflects their rankings.

Source: FFP (2021)

The OECD (2020) also stresses the need for a multidimensional approach on fragility, thus they analyze five dimensions: political, societal, economic, environmental and security, via 44 indicators. As an outcome of the applied quantitative and qualitative analysis, they rank official development assistance-eligible (ODA-eligible) states from one (severe fragility) to six (not fragile). Five ODA-eligible regional countries were included in the database of the 2018 edition: Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia. Generally speaking, the listed countries were attributed with low or minor fragility without major differentiation among them (OECD, 2018). Indeed, from a world-wide perspective, these regional states can be considered well-performing and rather stable among the ODA-eligible countries.

Marshall et al. (2018b) code the characteristics of authorities in various countries over the world, thus their dataset relates to fragility indexes as well. They categorize B&H as seriously fragmented in political terms, meaning that dominantly and effectively the country is ruled by the local authorities. They even state that RS is de facto separate. Furthermore (likewise among the main categories of the Fragile States Index), here as well the dataset categorizes Bosnia and Herzegovina's political system as having major foreign interruption (Marshall et al., 2018a).

CONCLUSION AND RECOMMENDATION

The current paper provided an overview on Bosnia and Herzegovina's fragility, with a special focus on its state structure and the matter of multi-ethnic democracies. Based on the general top-down approach, it is the political institutions that are in the position of decision-making. Thus, these actors are capable of promoting fundamental reforms and development. However, in BiH, the current cumbersome institutional framework itself has various underlying shortcomings. The discussed aspects can be considered interconnected factors that induce fragility.

The Dayton Peace Agreement artificially built a multinational federal state structure almost from scratch. As its most important achievement, it ended a bloody war, but it could not bridge ethnic divisions. Bosnia and Herzegovina is still divided by its internal ethno-political groups, as the support of inter-ethnic political parties or civil associations remains limited. The inter-ethnic cooperation is supposed to be supported by the presence and influence of the international community, which raises concerns regarding the efficiency of the institutional system and the democratic state of the political structure.

Besides the interethnic tension and the cumbersome political structure of the country, there are a number of further challenges. Among them, the current paper has highlighted the key labor market concerns, the level of poverty and the problem of widespread corruption, which are considered as key drivers of collective frustration. The discussed cognate phenomena all point to B&H being a fragile country compared to other European states. This conclusion has also been demonstrated by fragility indexes within this paper.

Despite the above mentioned challenges that call for changes at the decision-making level, a fundamental reform process in the state structure and the political intuitions is not likely to occur for several reasons. Namely, such reform proposals that are acceptable for all three constituent nations have yet to be on the table. Generally, the aims of the involved ethnic groups greatly differ and the preferences remain asymmetric, so they support different institutional models. Furthermore, decision-makers are not willing to curb their rights or cede power due to reform processes. Finally, as the international community is not homogenous either, external actors are less efficient in supporting deep-rooted changes.

Based on these facts, the post-war ethno-political divide seems to be persistent. In case of any fundamental changes, at least one of the constituent ethnic groups would be dissatisfied. In such a case, if a group experiences the exclusion from power or opportunity, it can create grievances transforming into violence (World Bank Group, 2018). This conclusion is in line with the path-dependence theory, which claims that certain historical events determine future development (Pierson, 2000). The signing of the Dayton Peace Agreement has put Bosnia and Herzegovina on a path which it is difficult to change. Indeed, it was the most critical juncture in the country's history. Currently, it is uncertain what internal or external force or shock would be capable of reshaping BiH's institution system and decreasing vulnerability.

The current research can be continued in multiple forms, but here we would like to demonstrate three potential possibilities. One option would be the analysis and comparison of various constitutional reform proposals. A further possibility would be the in-depth analysis of any of the here discussed variables. As a third option, a comparative analysis could be carried out with a low number of regional countries in order to specify domestic differentiating factors.

REFERENCES

- Arandarenko, M., Brodmann, S. (2019), "Job Opportunities for Youth in Kosovo: Two Steps Forward, One Step Back? The World Bank", *Opinion*, 15/03/2019. <https://www.worldbank.org/en/news/opinion/2019/03/15/job-opportunities-for-youth-in-kosovo-two-steps-forward-one-step-back>, Accessed: 25 May 2020.
- BHAS (Agency for Statistics of Bosnia and Herzegovina (2016), *Cenzus of Population, Households and Dwellings in Bosnia and Herzegovina, 2013: Final*. Sarajevo. <http://www.popis2013.ba/popis2013/doc/Popis2013prvolzdanje.pdf> Accessed: 10 October 2019.

- BHAS (Agency for Statistics of Bosnia and Herzegovina, 2017). Demography 2016. *Thematic Bulletin*, TB02, Agency for Statistics of Bosnia and Herzegovina, Sarajevo. http://www.bhas.ba/tematskibilteni/DEM_00_2016_TB_0_BS.pdf Accessed: 15 January 2020.
- BHAS (Agency for Statistics of Bosnia and Herzegovina, 2021). *Basic indicators of relative poverty*. <https://bhas.gov.ba/Calendar/Category/38> Accessed: 24 February 2022.
- Bieber, F. (2001), "The Challenge of Democracy in Divided Societies: Lessons from Bosnia—Challenges for Kosovo" in: Beiber, F., & Sokolović, D., eds.: *Reconstructing Multiethnic Societies: The Case of Bosnia-Herzegovina*, Ashgate, Aldershot.
- Bieber, F. (2011), "Building Impossible States? State-Building Strategies and EU Membership in the Western Balkans", *Europe-Asia Studies*, Vol. 63, No. 10, pp. 1783-1802. <https://doi.org/10.1080/09668136.2011.618679>
- Burg, S.L., Shoup, P.S. (1999), *The War in Bosnia-Herzegovina: Ethnic Conflict and International Intervention*, Routledge, London – New York.
- CBBH (Central Bank of Bosnia and Herzegovina (2019), *Annual Report 2018*, <https://www.cbbh.ba/Content/Archive/36> Accessed: 14 January 2019.
- CBBH (Central Bank of Bosnia and Herzegovina (2021), *CBBH Quarterly Bulletin 2*, 2021. <https://www.cbbh.ba/Content/Archive/35> Accessed: 24 January 2022.
- Dahl, R.A. (1971), *Polyarchy. Participation and Opposition*, Yale University Press, New Haven.
- 'Dayton Peace Agreement', *The General Framework Agreement for Peace in Bosnia and Herzegovina* (1995): <https://www.osce.org/bih/126173?download=true> Accessed: 10 March 2020.
- Donais, T. (2005), *The political economy of peacebuilding in post-Dayton Bosnia*, Routledge, London – New York.
- ESPN European Social Policy Network (2019), *ESPN Thematic Report on In-work poverty: Bosnia and Herzegovina 2019*. European Union, <https://ec.europa.eu/social/BlobServlet?docId=21121&langId=en> Accessed: 24 January 2022.
- European Commission (2019), *Commission Staff Working Document: Analytical Report*. <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-analytical-report.pdf> Accessed: 02 February 2020.
- FFP The Fund for Peace (2021), *Fragile States Index: Annual Report 2021*, The Fund for Peace, Washington, D.C., <https://fragilestatesindex.org/wp-content/uploads/2021/05/fsi2021-report.pdf> Accessed: 20 January 2022.
- Frish, M.S., Brooks, R. (2004), "Does Diversity Hurt Democracy?", *Journal of Democracy*, Vol. 15, No. 1, pp. 154-166.
- Fund for Peace (2018), *2018 Fragile States Index*. <http://fundforpeace.org/fsi/wp-content/uploads/2018/04/951181805-Fragile-States-Index-Annual-Report-2018.pdf> Accessed: 10 October 2019.
- Goldstone, J.A. - Bates, R.H., Epstein, D.L., Gurr, T. R., Lustik, M.B., Marshall, M.G., Ulfelder, J., Woodward, M. (2010), "A Global Model for Forecasting Political Instability", *American Journal of Political Science*, Vol. 54, No. 1, pp. 190–208. <https://doi.org/10.1111/j.1540-5907.2009.00426.x>
- Horowitz, D.L. (2014), "Ethnic Power Sharing: Three Big Problems", *Journal of Democracy*, Vol. 25, No. 2, pp. 5-20.
- ILO: ILS (International Labour Organization: International Institute for Labour Studies (2011), *World of Work Report 2011: Making markets work for jobs*. Geneva: International Labour Office. https://www.ilo.org/wcmsp5/groups/public/—dgreports/—dcomm/—publ/documents/publication/wcms_166021.pdf Accessed: 11 December 2019.
- Kapidžić, D. (2014), "Ethnic practice in electoral politics: Bosnia and Herzegovina's 1990 Presidency elections", *Southeast European and Black Sea Studies*, Vol. 14, No. 4, pp. 556-584. <https://doi.org/10.1080/14683857.2014.974371>
- Karatnycky, A. (2002), "The 2001 Freedom House Survey. Muslim Countries and the Democracy Gap", *Journal of Democracy*, Vol. 13, No. 1, Pp. 99-112.
- Kartsonaki, A. (2016), "Twenty Years After Dayton: Bosnia-Herzegovina (Still) Stable and Explosive", *Civil Wars*, Vol. 18, No. 4, pp. 488-516. <https://doi.org/10.1080/13698249.2017.1297052> Accessed: 10 November 2019.
- Keil, S. (2013), *Multilateral Federalism in Bosnia and Herzegovina*, Ashgate, Surrey-Burlington.

- Lijphart, A. (2004), "Constitutional Design for Divided Societies", *Journal of Democracy*, Vol. 15, No. 2, pp. 96-109.
- Marshall, M., Gurr, T.R., Jaggers, K. (2018a), *Polity IV Project: Annual Time-Series 1800-2017*, Center for Systemic Peace. <http://www.systemicpeace.org/inscrdata.html> Accessed: 10 February 2020.
- Marshall, M.G., Gurr, T.R., Jaggers, K. (2018b), *Polity IV Project: Dataset Users' Manual*. Center for Systemic Peace. <http://www.systemicpeace.org/inscr/p4manualv2017.pdf> Accessed: 03 February 2022.
- Mujkic, A. (2015), "In search of a democratic counter-power in Bosnia–Herzegovina", *Southeast European and Black Sea Studies*, Vol. 15, No. 4, pp. 623-638. <https://doi.org/10.1080/14683857.2015.1126094>
- Naudé, W., McGillivray, M. (2011), "Fragile States: An Overview" in Naudé, W. - Santos-Paulino, A.U., & McGillivray, M., eds., *Fragile States: Causes, Costs, and Responses*, Oxford University Press, Oxford – New York.
- Neudorfer, N.S., Theuerkauf, U.G. (2014), "Buying War Not Peace: The Influence of Corruption on the Risk of Ethnic War", *Comparative Political Studies*, Vol. 47, No. 13, pp. 1856–1886. <https://doi.org/10.1177/0010414013516919>
- OECD (2018), *States of Fragility 2018*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264302075-en>
- OECD (2020), *States of Fragility 2020*, OECD Publishing, Paris. <https://doi.org/10.1787/ba7c22e7-en>
- OHR (2015), *Mandate*, http://www.ohr.int/?page_id=1161, Accessed: 16 October 2019.
- OHR (2018), *Op-ed by the High Representative: Time to re-think*, <http://www.ohr.int/?p=99896>, Accessed: 16 October 2019.
- Pierson, P. (2000), "Increasing Returns, Path Dependence, and the Study of Politics", *American Political Science Review*, Vol. 94, No. 2, pp. 251–267, <https://doi.org/10.2307/2586011>
- Plestina, D. (1992), *Regional development in communist Yugoslavia: Success, failure, and consequences*, Westview Press, Boulder – Oxford.
- Sahadzic, M. (2009), "The Electoral System of Bosnia and Herzegovina: A Short Review of Political Matter and/or Technical Perplexion", *Contemporary Issues: International Journal for Social Sciences & Humanities*, Vol. 2, No. 1, pp. 61-78. https://hrcak.srce.hr/48140_1 Accessed: 14 October 2020.
- Søberg, M. (2008), "The Quest for Institutional Reform in Bosnia and Herzegovina", *East European Politics and Societies*, Vol. 22, No. 4, pp. 714–737, <https://doi.org/10.1177/0888325408316527>
- World Bank Group (2015), *Poverty and Social Exclusion in Bosnia and Herzegovina: Insights from the 2011 Extended Household Budget Survey*, <https://documents1.worldbank.org/curated/en/149881468186564195/pdf/97641-ESW-P132666-and-P152786-Box385353B-PUBLIC-BIH-Poverty-and-Social-Exclusion.pdf> Accessed: 24 January 2022.
- World Bank Group (2018), *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*, <https://doi.org/10.1596/978-1-4648-1162-3>

Websites – Databases

- Transparency International (2021), *Corruption Perceptions Index 2021*, <https://www.transparency.org/en/cpi/2021>, Accessed: 26 January 2022.
- UNDP (United Nations Development Programme), *HDI: Human Development Reports – Download Data*, <http://hdr.undp.org/en/content/human-development-index-hdi>, Accessed: 26 January 2022.
- WID (World Inequality Database), *Data by country: Bosnia and Herzegovina*, <https://wid.world/country/bosnia-and-herzegovina/>, Accessed: 26 January 2022
- World Bank Group, *Data Bank*, <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.KD?locations=XK&view=chart>, Accessed: 18 September 2019.
- World Bank Group, *Gini index*. <https://data.worldbank.org/indicator/SI.POV.GINI>, Accessed: 26 January 2022.
- World Bank Group, *Enterprise Surveys: Corruption*, <http://www.enterprisesurveys.org/data/exploreTopics/Corruption>, Accessed: 26 January 2022.