

# 25 Years After the Dayton Peace Agreement – Way Ahead

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## ABSTRACT

2020 marks the 25th anniversary of the General Framework Agreement for Peace in Bosnia and Herzegovina, known as the Dayton Peace Agreement. While over the period of 25 years the agreement has preserved its basic elements, through the arbitration award on Brčko, interventions (decisions) of the High Representative of the international community (OHR) and decisions of the Parliamentary Assembly of Bosnia and Herzegovina it has also underwent significant changes. Although the general observation is that the Dayton Peace Agreement stopped the war and brought peace to Bosnia and Herzegovina, its insufficiencies became apparent through the establishment of an unfunctional state of Bosnia and Herzegovina, which aspires to become an EU and NATO member. Development of a rationally organized and functional rule-of-law state is one of the key requirements of its admission into EU. Therefore, the reform of the political organization of BiH is possible only within the framework of fulfillment of conditions for integration of Bosnia and Herzegovina into EU membership. The constitutional changes represent the foundation and solution for progress of BiH in all segments of society from which changes in other segments of the BiH society could continue.

**KEYWORDS:** Bosnia and Herzegovina, Dayton Peace Agreement, Federation of BiH, Republic of Srpska, Brčko District BiH, Srebrenica

## POVZETEK

Leto 2020 zaznamuje 25. obletnica Splošnega okvirnega sporazuma za mir v Bosni in Hercegovini, znanega tudi kot Daytonski mirovni sporazum. Medtem ko je v obdobju 25-ih let sporazum ohranil svoje osnovne elemente, je z arbitražno razsodbo o Brčkem, posredovanji (odločitvami) visokega predstavnika mednarodne skupnosti (OHR) in odločitvami Parlamentarne skupščine Bosne in Hercegovine, doživel pomembne spremembe. Čeprav je splošno opažanje, da je Daytonski mirovni sporazum ustavil vojno in prinesel mir Bosni in Hercegovini, so se njegove pomanjkljivosti pokazale z ustanovitvijo nedelujoče države Bosne in Hercegovine, ki si prizadeva za članstvo v EU in NATU. Razvoj racionalno organizirane in funkcionalne pravne države je ena ključnih zahtev za sprejem Bosne in Hercegovine v članstvo EU. Zato je reforma politične organizacije BiH mogoča le v okviru izpolnjevanja pogojev za vključitev Bosne in Hercegovine v članstvo EU. Ustavne spremembe predstavljajo temelj in rešitev za napredek BiH v vseh segmentih družbe, iz katerih bi se lahko nadaljevale spremembe v drugih segmentih družbe.

**KLJUČNE BESEDE:** Bosna in Hercegovina, Daytonski mirovni sporazum, Federacija BiH, Republika Srbska, Brčko Distrikt BiH, Srebrenica

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## INTRODUCTION

2020 marks the 25th anniversary of the signing of the Dayton Peace Agreement<sup>2</sup>, 25th anniversary of the genocide in Srebrenica and 75th anniversary of establishment of the UN. In a way, all these events are interconnected. What have we learned from the lesson on Bosnia and Herzegovina?

The fall of the Berlin Wall, the collapse of socialist regimes in East Europe, particularly the USSR, led to epic changes and emergence of a new world order. The will of the citizens of BiH, expressed at the referendum, to live in peace in a sovereign and independent Bosnia and Herzegovina was thwarted by nationalist and hegemonic (great-state) projects, primarily of the neighboring Serbia, but also Croatia.

Pursuant to the decisions from the First Session of ZAVNOBiH<sup>3</sup>, Bosnia and Herzegovina was founded as a state of its citizens and equal peoples: Bosniaks (then Muslims), Serbs, Croats, members of the Jewish and other peoples. The First Session of ZAVNOBiH reaffirmed the will of the BiH peoples, who had decided in the course of their antifascist activities to establish their own statehood and use that identity as the basis to develop in freedom and pursue economic prosperity within the frame of the federal state of Yugoslavia. The decisions from the First Session of ZAVNOBiH were historically verified in the period that followed and became executive on the basis of the conclusions of the Second Session of ZAVNOBiH in Sanski Most in 1944 and the Third Session of ZAVNOBiH in Sarajevo in 1945.

The idea of statehood of Bosnia and Herzegovina was modeled by the decisions from the Second Session of ZAVNOBiH, which included the decision on institutionalization of ZAVNOBiH as the highest legislative and executive people's representative body of Bosnia and Herzegovina within the frame of the Federal People's Republic of Yugoslavia. Article 5 of the decision stipulates "*Until the people's Government of Bosnia and Herzegovina is organized, all functions of the government shall be performed by the Presidency of the State Anti-fascist Council for the National Liberation of Bosnia and Her-*

2 The General Framework Agreement for Peace in Bosnia and Herzegovina <https://www.osce.org/files/f/documents/e/0/126173.pdf>

3 ZAVNOBiH – State Anti-fascist Council for the National Liberation of Bosnia and Herzegovina.

*zegovina. For that purpose, the required number of departments for state administration affairs shall be established as a part of the Presidency.”* Pursuant to the decision on promulgation of ZAVNO-BiH into the highest legislative and executive people’s representative body of Bosnia and Herzegovina, the decision on organization and functioning of the People’s Liberation Boards and People’s Liberation Assemblies in Bosnia and Herzegovina was adopted. The decision regulated that the people’s government in villages, municipalities and cities shall be represented through people’s liberation boards, while the people’s government at the level of counties, districts and areas shall be represented through county, district and area people’s assemblies.

An important milestone in definition of the statehood of Bosnia and Herzegovina was the Declaration of the rights of citizens in Bosnia and Herzegovina, adopted at the Second Session of ZAVNOBiH. The provisions of the Declaration were in line with the then and the modern European standards on protection of human and civic freedoms. Declaration of the rights of peoples in Bosnia and Herzegovina guarantees freedom of worship, freedom of assembly, agreement and association, freedom of the press, personal security of citizens and security of their property, freedom of private initiative in the economic sphere, and the equality of women and men.

One of the provisions of the Declaration of civil rights in BiH later became a constitutional principle, specifically the provision on equality of Muslims (Bosniaks), Serbs, and Croats of Bosnia and Herzegovina, which is their common and indivisible homeland. The equality of BiH peoples became a determinant of statehood of Bosnia and Herzegovina, which affirmed Bosnia and Herzegovina as a political, cultural and national framework for national emancipation and development of national identity through equality of Bosniak, Serb and Croat peoples.

The direction of development of statehood of Bosnia and Herzegovina, which had begun during the anti-fascist and liberation fight, was fully defined at the Third Session of ZAVNOBiH, held in Sarajevo from 26 April to 28 April 1945.

The Socialist Republic of Bosnia and Herzegovina was one of the six republics with equal rights within the framework of the Socialist Federal Republic of Yugoslavia (SFRY). In the process of dissolution of the

SFRY, pursuant to the decision of Badinter<sup>4</sup> Commission Bosnia and Herzegovina had the right to organize a referendum on independence, which was held on 29 February and 1 March 1992. In the period of dissolution of the Yugoslav socialist federation from 1990 to 1992, Bosnia and Herzegovina introduced a multiparty system and organized its first multiparty elections in 1990.

At the first multiparty elections, which took place in November 1990, the mono-ethnic parties won a landslide victory. Specifically, the Party of Democratic Action (SDA) – the Bosniak people’s party, Serb Democratic Party (SDS) – the Serb people’s party and the Croatian Democratic Union BiH (HDZBiH) – the Croat people’s party. Namely, at the first multiparty elections in 1990 these three parties won 84% of mandates in the BiH Parliament. In fact, this laid the foundations for introduction of ethnic-based political pluralism in Bosnia and Herzegovina. The three parties established the government and divided the sectors in the state administration among themselves without previously brokering a coalition political agreement. At the very beginning of their mandate, in 1991 and 1992, this translated into their inability to achieve consensus.

In 1991 and early 1992, the Parliament of Bosnia and Herzegovina discussed the state-legal status and political future of the Republic of Bosnia and Herzegovina after the dissolution of the Yugoslav socialist federation. The Parliament decided that on the basis of BiH’s statehood developed over its long history, Bosnia and Herzegovina should establish a state-legal status of a sovereign and independent state, in the same way and using the same right that other Yugoslav republics (Slovenia, Croatia, Serbia, Macedonia and Montenegro) had. Such a proposal of the Parliament of Bosnia and Herzegovina was reaffirmed at the referendum of citizens organized on 29 February and 1 March 1992.

On the basis of the support by 64% of citizens to the sovereign status of the state of Bosnia and Herzegovina, BiH was international-

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<sup>4</sup> The Arbitration Commission of the Peace Conference on Yugoslavia, also known as the Badinter’s Commission, was named after its President Robert Badinter, President of the Constitutional Court of France. The most important opinions of the Commission were as follows: the process of the dissolution of the SFRY had completed and so the SFRY no longer existed as a state; the boundaries between former federal units become state borders of successor countries and cannot be altered by force, but only by agreement; the issue of succession of states should be resolved on the basis of the principles of international law and equitable division; membership of the SFRY in international organizations could not be continued by any successor state; the Federal Republic of Yugoslavia is a new country and cannot be considered a continuation of the SFRY; the succession date for Croatia and Slovenia was 8 October 1991, Macedonia 17 November 1991, BiH 6 March 1992 and FRY (Serbia and Montenegro) 27 April 1992.

ly recognized by EU member countries and majority of countries in the world. All parties, both ruling and opposition ones, were in agreement that after the dissolution and fall of the Yugoslav socialist federation Bosnia and Herzegovina was to develop as a sovereign and independent state - except for the Serb Democratic Party (SDS) led by Radovan Karadžić. The SDS opposed any form of sovereignty, independence and statehood of Bosnia and Herzegovina. Its policy advocated ethnic division and negation of Bosnia and Herzegovina. Specifically, the SDS decided to follow the political project of creation of the so-called *Great Serbia*.

In 1992, the SDS arbitrarily withdrew from the BiH Parliament and commenced military activities aimed at imposition of the siege of Sarajevo. A forced exile of civilian population, Bosniaks and Croats, from a part of Bosnia and Herzegovina followed, as well as establishment of Serb Republic of Bosnia and Herzegovina as the Republic of the Serb People. For the purposes of execution of military operations, the Army of the Serb People was established. It predominantly comprised of the forces from the inherited Yugoslav People's Army (JNA).

After the war, which was fought from 1992 to 1995, the Dayton Peace Agreement was initialed on 21 November 1995 and the peace-building phase begun. Since the Dayton Agreement Bosnia and Herzegovina has been simultaneously going through a post-socialist transition, internal integration, and development of state institutions- all in social-historical conditions of a post-conflict society.

At the beginning of XXI century Bosnia and Herzegovina survives and develops within the geopolitical framework established by the Dayton Peace Agreement in 1995. The framework for a peaceful political solution of the war in Bosnia and Herzegovina was established with the will of leading global powers within the Contact Group: United States, Russian Federation, Great Britain, France and Federal Republic of Germany.

The post-war and post-Dayton building of peace and democratic institutions of the state of Bosnia and Herzegovina was rendered possible through the engagement of the international community and the EU. The economic, social and political development progressed success-

fully in the period of use of the Bonn powers<sup>5</sup> on the basis of which the High Representative of the international community (OHR) was able to promulgate laws on temporary basis.

In the period from 1997 to 2012, thanks to these powers, the Office of the High Representative in BiH (OHR) imposed around 900 different decisions. This compensated for the absence of consensus among the ruling parties with respect to adoption of laws and management of development of the state of Bosnia and Herzegovina. From 2008 Bosnia and Herzegovina has a contractual relation with the EU that is based on the Stabilization and Accession Agreement (SAA). As a result of the strengthening of nationalist rhetoric, after 2006 Bosnia and Herzegovina plunged into the economic, social and political crisis of its development. The crisis culminated in the mass protests of citizens in February 2014. After a period of stagnation, the development of Bosnia and Herzegovina took a positive turn in 2015 when at the initiative of Germany and UK, the EU launched a new approach with respect to the possible acceleration of integration of Bosnia and Herzegovina into the EU, also known as the *Berlin Process*.

#### **CIRCUMSTANCES IN THE EVE OF SIGNING OF THE DAYTON PEACE AGREEMENT**

During the war in Bosnia and Herzegovina, from 1992 to 1995, several peace plans were devised: the Vance-Owen plan; the Owen-Stoltenberg plan; the Washington Peace Agreement; the Contact Group Plan and the Dayton Peace Agreement.

The Contact Group Plan was based on separation of forces and two territorial units: 49% for the Republic of the Serb People and 51% for the Federation of Bosnia and Herzegovina. It reflected a consensus reached by the leading global powers: US, Russia, France, England and Germany on a peaceful solution for the war in Bosnia and Herzegovina, which became the final peace solution with the acceptance of the Dayton Peace Agreement in November 1995. (Pejanović, 2005, p.11)

The defense of sovereignty and territorial integrity of the state of Bosnia and Herzegovina was led by the wartime Presidency of the Republic

5 In December 1997, at the meeting in Bonn, the Peace Implementation Council granted the High Representative in BiH (OHR) the Bonn powers. At the time, the Peace Implementation Council considered Annex 10 of the Dayton peace agreement, which defines the authorities of the High Representative, and authorized the High Representative to remove from office public officials who violate legal commitments or, in general, the Dayton peace agreement, and to, if deemed necessary, impose key laws if the legislative bodies of BiH are unable to adopt them.

of Bosnia and Herzegovina, which as the civilian command managed the defense activities of the Army of the Republic of Bosnia and Herzegovina, as the military force of all its citizens. At the same time, the Presidency of the Republic of Bosnia and Herzegovina was engaged in negotiations aimed at brokering of a peace solution for Bosnia and Herzegovina.<sup>6</sup> From 1992 to 1994, negotiations were organized within the framework of the Geneva Peace Conference for former Yugoslavia. The arbitrators for the negotiations were appointed by the UN and EU. Specifically, Cyrus Vance and Thorvald Stoltenberg on behalf of the UN, and Robert Owen and Carl Bildt on behalf of the EU. They mediated the modeling of several peace plans for Bosnia and Herzegovina.

The first peace plan mediated by Cyrus Vance and Robert Owen regarding the basis of organization of Bosnia and Herzegovina included ten provinces and joint bodies of the state of Bosnia and Herzegovina. The concept of provinces envisaged three predominantly Bosniak provinces, three predominantly Serb provinces and three predominantly Croat provinces. According to the plan, the city of Sarajevo was to have a special status. This plan did not win the support of the Serb side. It was rejected by the Assembly of the Serb People at its session on Jahorina<sup>7</sup> (Donia, 2012, p.30).

The second peace plan for Bosnia and Herzegovina came in mid-1994. This plan was based on the organization of Bosnia and Herzegovina in three ethnic republics: the Bosnian with predominantly Bosniak population, the Serb with predominantly Serb population and the Croat with predominantly Croat population. Namely, Bosnia and Herzegovina was envisaged as a union of three ethnic republics. In this way the ambitions related to ethnic division of Bosnia and Herzegovina reached their peak. However, the peace plan including three ethnic republics did not win the support at the expanded session of the wartime Parliament of Bosnia and Herzegovina, held in Sarajevo on 27 and 28 August 1993 (Begić, 1997, p.143).

6 In the peace talks, the interests of Bosnia and Herzegovina were represented by a state delegation of the wartime Presidency of the Republic of Bosnia and Herzegovina. Pursuant to the BiH Constitution, in conditions of war the wartime RBiH Presidency performed the role of the Parliament and the supreme commander. The Presidency adopted the Platform that defined the goals of defense of integrity and multiethnic character of the Republic of Bosnia and Herzegovina, which was the basis of its actions and activities in the conditions of war.

7 The session of the Assembly was held on 5 May and 6 May 1993 on Jahorina. At the session, General Ratko Mladić sought the support of the representatives and urged them to reject the plan- as was decided at the end of the session. The proposal of Slobodan Milošević to accept the Vance-Owen peace plan was also rejected. Namely, this plan did not allow for ethnically-defined entity of the Serb people, because the Bosniak, Croat and Serb people have lived together on the whole territory of the state of Bosnia and Herzegovina.

After the failures to tailor a peace plan for Bosnia and Herzegovina within the framework of the Geneva Peace Conference, came the initiative for talks between Bosniaks and Croats aimed to stop the Croat-Bosniak war conflict. The talks commenced in the first half of 1993. They were organized in Washington with the mediation of the US Administration and finalized in March 1994 with the adoption of the agreement on establishment of the Bosniak-Croat Federation.<sup>8</sup> The Washington Peace Agreement provided for peace on the territory controlled by the Army of the Republic of Bosnia and Herzegovina and the Croatian Defense Council (HVO). The Washington Agreement later became the basis for achievement of the comprehensive peace solution for Bosnia and Herzegovina- the Dayton Peace Agreement.

In an attempt to achieve a comprehensive peace solution for Bosnia and Herzegovina the international community established the Contact Group (US, Russia, Great Britain, France and Germany). The Contact Group comprised countries that were the leading global powers and permanent members of the UN Security Council, except Germany. They brokered a consensus on the basic principles for the peaceful political solution for the war in Bosnia and Herzegovina. The consensus was modeled into the peace plan of the Contact Group. The plan envisaged existence of two units within Bosnia and Herzegovina, specifically the Bosniak-Croat federation and the entity of the Serb people.

The Contact Group plan became the basis for the modeling of the Dayton Peace Agreement. The US took the lead in the negotiations for a comprehensive peace solution. The chief mediator in the negotiations was Richard Holbrooke, Special Envoy of the US President. The US administration organized the final negotiations in the town of Dayton in November 1995.

The Dayton Peace Agreement was based on the Contact Group, which reflected the will of major global powers to stop the war and massive sufferings of civilians in Bosnia and Herzegovina. The General Framework Agreement for Peace, also known as the Dayton Peace Agreement, has 11 annexes. The military aspect of the Dayton Peace Agreement laid down the foundations for stopping of the military activities with the assistance of NATO. The most important parts of the civilian aspects of the Dayton Peace Agreement were related to

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8 At the inaugural session of assembly, held on 30 March 1994, the Constitution of the Bosniak-Croat federation with ten cantons as federal units was adopted.



the Constitution of Bosnia and Herzegovina and the return of refugees and displaced persons. Annex 1A is the agreement on military aspects of the peace solution related to the sub-regional and regional arms control.

The Dayton Constitution of BiH provided for new constitutional-political organization of the country including the institutions of the state of Bosnia and Herzegovina and two entities, the Federation of Bosnian and Herzegovina with 51% of the territory of BiH, and Republic of Srpska with 49% of the territory, which do not have the legal identity of a state. After the international arbitration, in 1999 the Brčko municipality was awarded the status of a district tied to central institutions of the state of Bosnia and Herzegovina. All peace plans coined prior to the Dayton Peace Agreement were primarily derived on ethnic basis.

### **DAYTON PEACE AGREEMENT**

The Dayton Peace Agreement was not created by the will of the political actors in Bosnia and Herzegovina or their readiness to make compromises. The agreement was a result of engagement of the international community and leading global powers. The US government had the lead in consolidation of the activities of the international community aimed at achieving a peaceful political solution. The Contact Group, which comprised the US, Great Britain, Germany, France and Russia, reached a consensus on ending the war and organization of the state of Bosnia and Herzegovina in 1994 and 1995. The consensus was the basis on which political, diplomatic and military pressure was put on Radovan Karadžić's regime to accept the peaceful political solution in November 1995 in Dayton. The final signing of the agreement took place in December 1995 in Paris.

The genocide in Srebrenica committed in July 1995 was a turning point and informed accelerated brokering of consensus by the international community to end the war in BiH in the form of the Dayton Peace Agreement. Srebrenica was a test for the UN, which the UN did not pass. The developments in Srebrenica speeded-up the adoption of the peace agreement in BiH. At the same time, the UN was defeated in Srebrenica and by its failure to prevent genocide- as the UN admitted subsequently. The lesson from the 1992-1995 war in Bosnia and Herzegovina is a lesson for the entire world.

*The question that arises is what has the Dayton Peace Agreement brought to Bosnia and Herzegovina?*

The Dayton Peace Agreement provided the assumptions for implementation of the peaceful political solution in Bosnia and Herzegovina, which included the arrival and deployment of NATO military troops and civilian forces in the form of the High Representative of the international community (OHR). The NATO military forces had the mandate to stop the combat activities and establish a security framework for peace building and development of democratic institutions of the state of Bosnia and Herzegovina. At the same time, the High Representative was given the mandate and the support of the international community to act as the supreme authority for interpretation of the Dayton Peace Agreement and creation of conditions for its implementation.

For Bosnia and Herzegovina, the assumption for implementation of the Dayton Peace Agreement has ensured:

1. Sovereignty and integrity;
2. Continuity of statehood of BiH through international guarantees and continuation of international and legal identity, as well as membership in the UN;
3. Internal reintegration of the state through the peace building process, return of refugees and establishment of democratic institutions.

The Dayton Peace Agreement has played an historical role with respect to peace building, development of institutions of the state of Bosnia and Herzegovina and implementation of integration of Bosnia and Herzegovina into the EU and NATO. In addition to its basic text, the Dayton Agreement also contains 11 annexes to the agreement. Another important element of the Dayton Agreement is the part related to the processing of persons who had committed war crimes and the International Criminal Tribunal for former Yugoslavia in The Hague (ICTY), and therefore its legacy as well.

Furthermore, the Dayton Peace Agreement also includes the Constitution-Annex IV, which provides for political organization of Bosnia and Herzegovina in two entities (the Federation of BiH and Republic of Srpska) and defines the institutions of the state of Bosnia and Herzegovina. Although the intention was to establish two multiethnic entities, in practice, as a consequence of war, the entities were established

on ethnic basis. Namely, the Federation of Bosnia and Herzegovina is a predominantly Bosniak and Croat entity, while Republic of Srpska is predominantly a Serb entity.

Instead of political pluralism based on civic interest, the Dayton constitutional-political organization of Bosnia and Herzegovina cemented ethnic pluralism, which has its historical roots in Bosnia and Herzegovina in the victory of ethnic parties –SDA, HDZ and SDS- at the first multiparty elections in 1990.

The ethnic pluralism was created on the absolute power of the three mono-ethnic parties and immanently contains social strands of ethnic homogenization of BiH peoples- Bosniak, Serb and Croat. As a result, the ethnic homogenization has generated another social strand, which is the aspiration of ethnic parties to territorialize their power on the ethnically-defined areas. The pursuit of creation of ethnically pure areas on the ethnically- mixed territory of Bosnia and Herzegovina during the 1992-1995 war, led to persecution of more than two million citizens of BiH, ethnic cleansing, war crimes and genocide. However, this was not the end of detrimental historical perils of ethnic pluralism. One of the consequences was the historical inability of ethnic parties to build a political consensus in the Parliamentary Assembly of Bosnia and Herzegovina on the issue of statehood of Bosnia and Herzegovina and key issues for its political and economic development. The absence of consensus of ethnic parties was compensated by decisions and laws which the High Representative of the international community adopted over a period of ten years after the signing of the Dayton Agreement.

The dominance of the ethnic aspect in the constitution of entities and state institutions of Bosnia and Herzegovina further strengthened the position of ethnic parties. This enabled the ethnic parties to win at postwar elections organized in 1996, 1998, 2002, 2006, 2014 and 2018, while the civic-oriented parties recorded only two victories at elections in the post-Dayton period - in 2000 and 2010.

In all election cycles the will of the citizens was not modeled on the civic-interest basis - within the public opinion of a single civil electorate in BiH. It was modeled on ethnic basis by means of ethnic homogenization and ethnic territorialization of power on the territory of Bosnia and Herzegovina. Ethnic parties resorted to election engineering,

which they used to create tensions in the eve of an election campaign- both, in the social reality and media. These tensions have always led to ethnic homogenization, as a result of what the citizens predominantly voted in favor of their respective ethnic parties.

### **ECONOMIC CONSEQUENCES OF THE DAYTON PEACE AGREEMENT**

Annex IX of the Dayton Peace Agreement is an agreement on establishment of Bosnia and Herzegovina public corporations. It provided for an opportunity to establish public corporations of Bosnia and Herzegovina for provision of common public services, such as utility services, energy supply, postal and communication services – to the benefit of both entities. The Agreement also defined that the parties to the agreement were to establish a public corporation, which would organize and operate transportation facilities, such as roads, railways, and ports, for their mutual benefit. For this purpose, establishment of the transportation corporation of Bosnia and Herzegovina was envisaged. Establishment of this transportation corporation was to serve as a model for establishment of other joint public corporations- such as for the operation of utility, energy, postal and communication facilities.

None of the above was realized, except for the establishment of only one joint public corporation- *Elektroprenos BiH*, despite the fact that the country has, *inter alia*, three power-supply companies, three (para)national telecommunication operators, two hydro-meteorological institutes, more than 20 accredited universities, etc. As the negotiations in the Dayton included politicians, military officers, diplomats and lawyers, no plan for economic development of Bosnia and Herzegovina was negotiated.

*“Because there is no manual for post-conflict reconstruction of Bosnia and Herzegovina, the persons present in Dayton, who were primarily politicians, military officers, and their legal and policy advisors, drafted the Framework with an eye to identifying and setting forth the basic elements deemed essential to securing and maintaining peace and reconstructing Bosnia and Herzegovina”* (Haynes, 2008, p.5).

The largest part of responsibility lays on the political structures in Bosnia and Herzegovina. The framework peace agreement for BiH is a guarantor of the power of ruling political structures. However, the in-

ternational community, and particularly the EU, is not innocent here. Twenty five years after the end of the war, in many segments the economic situation is significantly worse than it was prior to the dissolution of the SFRY, despite the fact that the conditions for economic recovery of Bosnia and Herzegovina were far better than those in Europe after the end of World War II in 1945. Who impedes economic development and reconstruction?

The Dayton Peace Agreement is an impediment to economic growth in BiH. The expensive state administration is a result of internal political organization of the state. More than half the budget is spent on salaries and administrative costs of the public and state administration. The administration structure is complicated and expensive. The organization of the country defined by the Dayton Agreement negatively reflects on the economy, because it had divided into two parts the once single economic and geographic entity, and further divided the Federation of BiH into additional 10 parts- while at the BiH level there is also the Brčko District of BiH as an autonomous local self-governance unit. The high level of corruption is the “*cancer*” of Bosnia and Herzegovina and hinders economic development. There is also the problem of lack of harmonization of policy and support to economy. The economy’s structure is unsatisfactory. Although the foreign debt is relatively low, it is still a point of concern because of the inappropriate economy’s structure. The donor funds were either not used in the designated manner or went “*missing*”. The donations provided in the period from 1995 to 2000 amounted to somewhere between 43 and 65 billion dollars. The main donors include the EU, World Bank, USAID and OSCE, which donated around 290 million dollars through funding of preparations and implementation of elections.

Increasing the level of employment and undertaking of the first steps on strengthening of coordination encourage the policies aimed at improvement of the business climate. The influence of the state on the economy continues to be a point of concern. The quality of public finances is poor. The state and the entities are still highly dependent on loans from international bodies and institutions. The origin of foreign investments is not completely clear. The high unemployment level includes high unemployment of the youth and a significant “*grey economy*” share. Bosnia and Herzegovina has significant human and natural potential; it is rich in natural resources and has a large diaspora, which is an important economic factor. Development of democracy and dem-

ocratic institutions, as well as stimulating development of private initiative, are key for development of Bosnia and Herzegovina.

## HOW TO IMPROVE THE DAYTON PEACE AGREEMENT

In the post-Dayton period Bosnia and Herzegovina has continuously been faced with two crises: the crisis of social-economic development and the crisis of political management. The crisis of social-economic development is visible in the social practice through the fact that half a million of citizens of BiH are unemployed, around 400,000 are pensioners and dozens of thousands of young educated people leave the country each year in pursuit of employment (which was particularly intensified prior to the Covid-19 pandemic). Furthermore, 30% of the population lives below the poverty line. When it comes to the presence of corruption, Bosnia and Herzegovina is among the countries with the highest level of corruption and in 2019 ranked 101th on the CPI (Corruption Perceptions Index) list of 198 countries compiled by Transparency<sup>9</sup> International.

The crisis of political management is reflected in the inability of the ruling parliamentary parties to achieve a consensus in the Parliament of Bosnia and Herzegovina on development of the state of Bosnia and Herzegovina to the level of its self-sustainability and membership in the EU and NATO. Namely, the ethnic parties have fortified ethnic pluralism. Since 1990, the three ethnic parties have been the SDA, SDS and HDZ, whereas in 2006 the SDS was replaced by the Alliance of Independent Social Democrats (SNSD) headed by Milorad Dodik. These parties have imposed themselves as the parties that have the exclusive right to represent their respective peoples - Bosniak, Serb and Croat. The ethnic-based national parties have reinforced their power through ethnic pluralism. They have imposed their exclusive right to represent their respective peoples- Bosniak, Serb and Croat<sup>10</sup> (Filipović, 1997, p.109).

As a result, the ethnic parties promote ethnic-national policies and manage state resources on the basis of their mutual agreement. In an area inhabited primarily by members of one people, governance func-

9 Source: Transparency International CPI 2019 <https://www.transparency.org/en/cpi/2019/results/table>

10 Following their absolute victory at the first multiparty elections in 1990, the three ethnic parties: SDA, SDS and HDZBiH dividing the sectors on the following principle: 5 for the SDA; 4 for the SDS and 3 for the HDZ BiH. In such a way they introduced a kind of "ownership" over state resources. On top of it, the ethnic parties also introduced the political stance according to which "they are the only authentic representatives of the interests of the three peoples."

tions in the form of one-party monopoly. An example is governance in predominantly Croat cantons by the HDZBiH and predominantly Bosniak cantons in the Federation of BiH by the SDA. The situation is similar when it comes to the governance of Republic of Srpska by the SNSD. In the entity and state parliaments the ethnic parties do not apply the democratic postulate for establishment of a parliamentary majority. Namely, they do not establish a parliamentary majority on the basis of an agreement on a program-based coalition but create partnerships for exercise of government power. Specifically, after elections they divide the sectors in the government, while adoption of laws in the parliament remains uncertain. This method is continuously applied in the Parliamentary Assembly of Bosnia and Herzegovina. The adoption of laws in the Parliamentary Assembly of Bosnia and Herzegovina is rendered difficult and impeded also by the application of the entity-based vote (requirement of entity-based approval). That is why the Parliamentary Assembly of Bosnia and Herzegovina does not have the required dynamics in making decisions on adoption of reform laws. The power of the parliament lies in the hands of the leaders of the ruling parties.

A prevailing practice in the political discourse is that everything depends on the agreement of the leaders of ruling parties. In practice, a model of meeting of leaders in restaurants and at picnic sites is being promoted. Sometimes the High Representative of the international community gives legitimacy to such a practice of making decisions outside the relevant institutions. The meetings of the leaders of the coalition/partner parties are not disputable. What is disputable is the making of decisions outside the constitutional framework and the established parliamentary procedure.

The example of the failure to adopt amendments to the BiH Constitution that would provide for implementation of the judgment of the European Human Rights Court in the *Sejdić-Finci* Case in the period from 2009 to 2014 shows that the leaders of political parties have usurped parliamentary democracy and turned it into particracy - by making decisions outside the Parliament. In the period from 1996 to 2009 the inability of the ruling parties to reach a consensus and manage the development of the state of Bosnia and Herzegovina was compensated by the High Representative of the international community, who promulgated decisions and laws on the basis of the Bonn powers.

The postwar and post-Dayton period of political development of the state of Bosnia and Herzegovina entailed several different processes. All these processes in their entirety contributed to the peace building process and modeling of the historical process of integration of Bosnia and Herzegovina into the Council of Europe<sup>11</sup> and Euro-Atlantic institutions - EU and NATO. Unlike other post-socialist countries, in addition to the post-socialist transition the state of Bosnia and Herzegovina also went through the process of return and reintegration of refugees and exiled persons and the process of reconstruction of economic and utility infrastructure that had been devastated by war. It is safe to say that without the engagement and assistance of the international community and the EU, particularly the US, it would almost not be possible to overcome such a specificity of the BiH society and the contradictions in its development.

In the first five years after the war that is from 1995 to 2000 the main trends in postwar reconstruction of Bosnia and Herzegovina were created and managed by the international community. Specifically, the reconstruction of road and utility infrastructure was initiated and funded by the international community and the EU. This created the conditions for freedom of movement of citizens and operation of social services, such as the education and health care system. In the period from 1995 to 2000, the parliamentary elections were conducted by the Organization for Security and Cooperation in Europe (OSCE). The first post-war multiparty elections were held in September 1996. At the time, a social climate was created in which the electorate became ethnically homogenized. The three ethnic parties, SDA, HDZBiH and SDS, overwhelmingly won the elections. Namely, the three parties together won 86% of the mandates in the Parliamentary Assembly of Bosnia and Herzegovina. The opposition parties were marginalized. Nevertheless, in the decision making process in the Parliament of Bosnia and Herzegovina the ruling parties did not have a consensus on a majority of issues on which they were to make decisions. Furthermore, they also did not have a consensus on the design of the banknote, coat of arms and the flag of BiH. In absence of their consensus, the decisions were made by the then High Representative Carl Bildt. At the next parliamentary elections, which were held in 1998, the ethnic parties won again. (In this period, the mandates of parliament members and executive authorities lasted two years). It was only in 2000 that civic mul-

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<sup>11</sup> Bosnia and Herzegovina became a member of the Council of Europe in 2002. The Stabilization and Accession Agreement between Bosnia and Herzegovina and the EU was signed in 2008, but entered into force in 2015.



tiethnic parties had managed to win at parliamentary elections and establish a majority in the Parliament of BiH. The Alliance for Democratic Changes led by the Socialist Democratic Party of BiH (SDPBiH) was established. The Alliance also included the Party for BiH (SBiH) and the Party of Democratic Progress (PDP) from Republic of Srpska. In its short mandate of two years, the democratic Alliance initiated economic and political reforms. With the support of the international community, the Alliance for Democratic Changes managed to adopt amendments to entity constitutions that prescribed application of the decision of the BiH Constitutional Court from 2000 on the constituent character of peoples on the whole territory of the state of Bosnia and Herzegovina. This provided for abolition of the constitutional discrimination of the Serb people in the Federation of BiH that is of the Bosniak and Croat peoples in Republic of Srpska (Pejanović, Fink Hafner, 2006, pp.58-59). With the abolition of discrimination on ethnic basis, Bosnia and Herzegovina fulfilled an important requirement for admission to the Council of Europe in 2002.

The Constitutional Court of Bosnia and Herzegovina organized a public hearing to discuss the issue of constitutional inequality of the Serb people in the Federation and the Bosniak and Croat peoples in Republic of Srpska. The SGV (Serb Civic Council), VKBI (Council of the Congress of Bosniak Intellectuals), HNV (Croat People's Council) and *Krug 99* (Circle 99), as well as representatives of entity parliaments and experts contributed to the discussion. All were in agreement that it was necessary to abolish the ethnic-based discrimination of peoples in the BiH entities (Pejanović, 2005, p.257).

However, the Alliance for Democratic Changes could not fulfill expectations of the citizens with respect to employment growth in a period of two years. Hence, at the 2002 parliamentary elections, the citizens voted again in favor of ethnic parties. In two mandates, 2002-2006-2010 period, the ethnic parties in the Parliament of Bosnia and Herzegovina did not have strong coalition agreements on the implementation of reforms. However, since 2002 all the reforms took place in the context of strategic commitment of the state of BiH and BiH society to integration into the EU and NATO. The absence of consensus among the ruling ethnic parties was compensated by the High Representative of the international community and application of Bonn powers. On the basis of the Bonn powers, in the period from 1999 to 2007 the High Representative of the international community adopted 800

decisions.<sup>12</sup> All the laws promulgated by the High Representative - a total of 145- laid the foundations for implementation of the most important reforms in the process of integration of Bosnia and Herzegovina into the EU. Special importance was attached to the reforms that allowed for expansion of competencies and change in the structure of the BiH Council of Ministers. Namely, in 2005 through the modifications of the law, the structure of the BiH Council of Ministers, which as per the Law on the Council of Ministers from 1997 initially included three ministries, was expanded to include nine ministries in 2005. The ninth ministry being the Ministry of Defense established following the creation of the single Armed Forces of Bosnia and Herzegovina (Pejanović, 2015, p.236).

Important reforms were also implemented with respect to establishment of new institutions of the state of Bosnia and Herzegovina. These included the Border Police of Bosnia and Herzegovina, Intelligence Security Agency (OSA-OBA) and State Investigation and Protection Agency (SIPA), Indirect Taxation Authority, the Office of the BiH Prosecutor and the Court of Bosnia and Herzegovina. These and other reforms have strengthened the capacity of state institutions of Bosnia and Herzegovina. These reforms, together with the partial police reform, enabled Bosnia and Herzegovina to meet the conditions for signing of the Stabilization and Accession Agreement with the EU in 2008. Although the agreement awaited its ratification for a long period of time, all until 2015, through the SAA Bosnia and Herzegovina entered into a contractual relation with the EU.

The reform of the Constitution of Bosnia and Herzegovina (the Dayton constitution) appears as the most complex reform in the post-Dayton political development of the state of Bosnia and Herzegovina. Namely, there is no consensus of the ruling political parties in the BiH Parliament on the constitutional reform, which would provide for modification of the Dayton constitution. This was evident in the case of the vote on the proposal of the *"April Package"* of amendments to the constitution of Bosnia and Herzegovina in 2006 <sup>13</sup>(Pejanović, 2012, pp.170-173).

12 The Alliance for Democratic Changes remained in power from 2000 to 2002. In this period four important projects were implemented. Bosnia and Herzegovina was co-opted in to the Council of Europe, the state border service tasked with border control was established, discrimination on ethnic basis was abolished through adoption of amendments on constituent-character of peoples to the constitutions of the Federation of BiH and Republic of Srpska and parallelisms in the exercise of government powers by the SDA and HDZ were eliminated.

13 The discussion on the *"April Package"* of amendments to the Constitution of Bosnia and Herzegovina lasted for two days, in late April 2006. The *"April Package"* of amendments to the BiH Constitution did not win the support of two-thirds of representatives because representatives from the Party for BiH, then a ruling party, were against the proposed modifications of the Constitution of Bosnia and Herzegovina. The proposed amendments to the Dayton constitution of Bosnia and Herzegovina envisaged strengthening of the institutions at the level of the state of Bosnia and Herzegovina, and particularly the BiH Presidency, BiH Parliament and BiH Council of Minister.

The “*April Package*” did not get the support of two-thirds of the representatives. At the time, Christian Schwarz-Schilling, then High Representative of the International Community, did not use his Bonn powers or exert adequate pressure to persuade the representatives from the Party for BiH (SBiH) to support the “*April Package*” of constitutional changes.<sup>14</sup> Since then the international community has changed its dynamics with respect to influencing implementation of reforms. The attempt of development of an inter-party agreement, with the mediation of the EU, for constitutional changes in 2009, also remained unsuccessful. All this showed that modification of the Dayton constitution is not possible as long as there is no consensus of the ruling parties on the issue. This consensus will become possible when the EU and the international community, on the basis of their geopolitical roles, impose the basis for constitutional changes. Until then the state of Bosnia and Herzegovina will exist as an unfunctional state with a permanent decision-making-crisis in the BiH Parliament. However, there is also a need for further engagement of the EU and the international community on provision of assistance in implementation of reforms within the framework of the European integration process.

After Bosnia and Herzegovina signed the Stabilization and Accession Agreement with the EU in 2008, the implementation of this agreement was delayed. Namely, one requirement caused delays in the ratification of the agreement in EU institutions. The requirement was related to the judgment of the European Human Rights Court in the *Sejdić-Finci* Case. The judgment was rendered in December 2009. All the attempts to implement the judgment through adoption of amendments to the Constitution of Bosnia and Herzegovina made in the period from 2009 to 2014 remained unsuccessful<sup>15</sup> (Pejanović, 2015, p.145).

In the period from 2008 to 2015 the process of integration of Bosnia and Herzegovina was at a halt. The post-Dayton years of social development of Bosnia and Herzegovina have shown that any halt in implementation of the European integration process leads to tendencies of destabilization of the BiH society. It is more than certain that if there is no

14 The adoption of European standards represents a new constitutional constitution in the development of the state of Bosnia and Herzegovina. The development of the new content of the Constitution of Bosnia and Herzegovina implies existence of a geo-political basis expressed through the power and will of the US administration, EU and Contact Group member countries.

15 In this mandate of the Parliamentary Assembly of Bosnia and Herzegovina the ruling parties that constituted the majority were not able to reach a consensus on implementation of the judgment of the European Human Rights Court in the *Sejdić-Finci* Case. The decisions on possible proposals of amendments were made outside the BiH Parliamentary Assembly and by a circle of party leaders. In such a way the power of the Parliament of Bosnia and Herzegovina was usurped.

implementation of the European integration process, then there are no favorable conditions for internal integration of Bosnia and Herzegovina and preservation of its stability.

Since 2012 new social-historical trends and developments emerged in the world and Europe. War conflicts broke out in Middle East countries (Iraq, Libya, Syria, and Yemen). The Islamic state (ISIL) became the proponent of military activities in Iraq, Libya and Syria. ISIL recruited volunteers, who upon return to their respective countries constituted a threat of terrorism. Terrorist attacks conducted in a number of cities in European countries<sup>16</sup> instilled fear among citizens and threatened stability and peace. Dozens of young men/women from Bosnia and Herzegovina went as volunteers to the war zones in Syria. Return of ISIL members to Bosnia and Herzegovina creates major risks to security of citizens from possible terrorist activities.

The risks of geopolitical change that affect Bosnia and Herzegovina also include those stemming from the war conflict in East Ukraine. Namely, during the war conflict in Ukraine members of radical groups from Serbia and Republic of Srpska went as volunteers to the warzone in Ukraine to fight on the side of pro-Russian forces.

The influence of Russia on social trends in Bosnia and Herzegovina is evident in Republic of Srpska, particularly in the economic sector (oil processing and distribution). At the same time, Russia exerts political influence as well. During several of his visits to Russia, Milorad Dodik, then Republic of Srpska President was given support for his radical nationalist undertakings. He was also given support for the implementation of the referendum of the citizens of Republic of Srpska on 9 January, the disputed and unconstitutional day of Republic of Srpska. The referendum was organized on 25 September 2016, shortly before the local elections. The political homogenization of citizens aimed at achieving a high turnout at the referendum continued through the election campaign and Milorad Dodik's party (SNSD) won the local elections by a landslide. The atmosphere created in relation to the referendum on 9 January, day of Republic of Srpska, led to rising of ethnic tensions. Once again the idea of organization of a referendum on secession of Republic of Srpska from Bosnia and Herzegovina was

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<sup>16</sup> The terrorist attacks conducted in 2015 and 2016 in the cities of France (Nice and Paris) and Germany (Berlin) resulted in dozens of civilian casualties. In Bosnia and Herzegovina, two terrorist actions were conducted by extremist Wahhabi movements- the assassination of a police officer in Zvornik and two members of the Armed Forces of BiH in Rajlovac, Sarajevo.

advocated. The tensions were so high that they created fear of an outbreak of war conflicts.

Geopolitical changes happened in the EU as well. The burden of inflow of refugees from Syria and the Middle East disrupted the relations among EU member countries. Hungary decided to erect a wall at its borders. A referendum on withdrawal of Great Britain from the EU (Brexit) was organized. This influenced instability in the functioning of EU institutions. Strengthening of radical right-wing parties in EU member countries caused additional difficulties in the functioning of the EU. These parties advocated withdrawal of their respective countries from the EU. The most radical request came from Marine Le Pen, leader of the National Rally in France (Muhar, 2017, pp.58-60).

The concept of Euro-regions could be acceptable for Bosnia and Herzegovina with respect to establishment of its internal region-based structure. As an outcome of the idea of Euro-regions and its institutionalization in practice, the regional interests in the structure of EU bodies became equal to the interests of nation states. One third of the EU budget is directed to support underdeveloped regions and cross-border interregional cooperation. Through history, different regional centers with the associated areas were formed in Bosnia and Herzegovina. During the 400 years of the Ottoman Empire, *sanjaks (administrative divisions)* functioned as regional centers of government in Sarajevo, Banja Luka, Bihać, Zvornik, Mostar and Travnik. After the arrival of the Austria-Hungarian administration at the end of the XIX century and the industrialization of Bosnia and Herzegovina, new industrial-city centers were developed: Tuzla, Zenica and Doboj. Specifically, Tuzla became a new regional center, while Zvornik lost its status of a regional center. Over a period of more than forty years of development of Bosnia and Herzegovina under socialism seven regional centers were created: Bihać, Banja Luka, Doboj, Zenica, Sarajevo, Tuzla and Mostar. For a short period of time, immediately after World War II, there were four regions: Banja Luka, Mostar, Tuzla and Sarajevo. If scientific-expert criteria, which are applied in development of Euro-regions, would be applied, then an optimum solution for Bosnia and Herzegovina would be to have four regions. The population of the regions would vary between 700,000 and 1,000,000. The regions would be multiethnic and self-sustainable in their social development. They could successfully engage in cross-border interregional cooperation and pursue their development interests through

the EU Committee of Regions. These regions would contribute to equalization of economic development of the regions, and therefore also development of regional institutions in the area of healthcare, education, traffic, management of natural resources and environment protection.

Successful implementation of the modified approach of the EU towards Bosnia and Herzegovina and its membership in the EU requires a united political engagement of the EU and US, so that the integration process would progress without new halts. It is also necessary to introduce annual reports to the European parliament on the results achieved in the implementation of reforms in BiH. In such a way, the responsibility of the parliamentary bodies in Bosnia and Herzegovina and the EU Special Representative for Bosnia and Herzegovina would lead to transparency and a higher level of accountability. The political forces that demonstrate a destructive approach to implementation of reforms in Bosnia and Herzegovina should be sanctioned, as their conduct would constitute a violation of the principles of the Dayton Peace Agreement. Specifically, strengthening of peace and stability through Euro-Atlantic integration. The negative consequences to parliamentary democracy were evident when in 2012 and 2013 the leaders of the ruling parties, together with the EU Commissioner for Enlargement Štefan Füle disempowered the BiH Parliament with respect to implementation of the judgment of the European Human Rights Court in the *Sejdić-Finci* Case. A number of meetings with political leaders from BiH that were organized in European capitals yielded no results. This suppressed democratic decision making process in the BiH Parliament and strengthened the political bureaucracy.

The following assumption stems from the necessity to increase the democratic capacity of the Parliamentary Assembly of Bosnia and Herzegovina. According to the Dayton constitution, the BiH Parliamentary Assembly has 42 representatives. This is an insufficient institutional capacity for the work of the boards and committees, particularly when the adoption of laws that will provide for introduction of the EU *acquis communautaire* begins. The inability of entity parties to tailor a coalition political program that would be the basis for achieving a consensus with respect to adoption of a catalog of laws during their mandate period in the BiH Parliament also limits the democratic capacity of the BiH Parliament.

The researches conducted into the scope of parliamentary democracy suggest that the number of representatives in the Parliamentary Assembly of Bosnia and Herzegovina should be increased from the current 42 to 95. This would be done through adoption of the European clause and modification of the election law. Another idea that is being advocated is the necessity to establish a broad coalition in the parliamentary assembly for the “*European state of Bosnia and Herzegovina*” project. Almost all parliamentary parties should join the broad coalition for the purposes of acceleration of the integration of Bosnia and Herzegovina into the EU, as has been the practice in all candidate countries for membership in the EU. A European, democratic and economically prosperous state of Bosnia and Herzegovina should be a wish of all its citizens. All the reforms, including the constitutional reform, will be more successfully implemented if there is a broad coalition for a European Bosnia and Herzegovina.

The Constitution of Bosnia and Herzegovina has a major insufficiency. Namely, five persons can block the entire state. A member of the Presidency of BiH, the chair or the deputy chair of the BiH Council of Ministers and three delegates from a caucuses of one people (Bosniaks, Croats or Serbs) in the House of Peoples of the BiH Parliament. Hence, five persons can block the entire state. Some mistakes were made in Dayton in this respect, because the intention was close cooperation among political actors in the implementation of the Dayton Peace Agreement. However, just the opposite has happened in practice. The entity blockade in the BiH Parliament would have been avoided in majority of cases, had true massive return of refugees and displaced persons occurred. Namely, in that case the population structure would be almost the same as the prewar one; hence such blockades could have been prevented in majority of cases. In fact, that is one of the reasons behind the obstructions of the return of refugees and displaced persons in all parts of BiH.

The constitutional reform should be the basis for a functional state of Bosnia and Herzegovina. It would also facilitate generation of other solutions, such as the adoption of a new election law. The current constitutional solutions allow for (ab)use of vital national interest, because it has not been accurately defined. The principle of parity and proportionality has been inconsistently (ab)used. Having the three key offices in the entities (entity president, speaker of the government

and prime minister) held by persons from three different ethnic communities, would contribute to relaxation of relations in BiH, which would lead to the requirement to abolish the present asymmetries between the two entities. The Federation of BiH has a kind of a semi-presidential system, which should be harmonized with the situation in the entity of Republic of Srpska, so that the two vice-presidents would have identical roles (symmetry) in both entities. For the purposes of future solutions it is necessary to devise an optimum combination that would include the civic concept of the state and take into account the ethnic factor.

Positive political changes in BiH cannot be implemented without the roles of the neighboring states of Serbia and Croatia, which are also the co-signatories to the Dayton Peace Agreement, not its guarantors. Furthermore, the example of special and parallel relations and connections of Serbia with the entity of Republic of Srpska are unprecedented in the EU practice. Hence, in the course of integration into the EU (Serbia and BiH), these agreements must be terminated, as something of the kind does not exist in the constitutional order of any EU member country, nor in the EU *acquis communautaire*.

The process of Euro-Atlantic integration is important for any country, because it mobilizes the majority of forces in the country for achievement of the goal. An efficient model needs to be found for acceleration of the European integration process in Bosnia and Herzegovina.



## CONCLUSION

The Dayton Peace Agreement gives primacy to the ethnic principles in modeling of institutions of the political system. By its name, the entity of Republic of Srpska, has primacy in articulation of the interests of the Serb people. The other entity, Federation of BiH, is based on articulation of the interests of the Bosniak and Croat peoples. The Dayton constitution gave broad legal competencies to the entities. Unlike the entities, the institutions of the state of Bosnia and Herzegovina were given limited competencies. Because of such a political-constitutional organization, the state of Bosnia and Herzegovina exists as an unfunctional state. Its unfunctionality is also informed by the monopoly-position and dominance of ethnicity and ethnic parties in the management of social processes and development. The practice so far has shown that ethnic parties have no political will to achieve a mutual consensus on key issues for development and future of the state of Bosnia and Herzegovina. As a result, the entities and the state of Bosnia and Herzegovina do not have stable parliamentary majorities or governments created on the basis of a stable majority. Therefore, the BiH society and state are faced with continuous production of political crises in their development and frequent blockades of the work of specific institutions. The entity blockade (entity majority) in the BiH Parliament could have been avoided in majority of cases had there been mass return of refugees and displaced persons, because then the population structure in the entities would be approximately the same as the prewar one. This was one of the reasons behind the obstructions of the process of return of refugees and displaced persons in all parts of BiH. The institutions of the state of Bosnia and Herzegovina have the need to rely on the role and assistance of the international community that is the EU and US, in the implementation of the Dayton Peace Agreement and peace building efforts.

Development of a rationally organized and functional rule-of-law state is one of the key requirements for admission of Bosnia and Herzegovina into EU membership. Therefore, the reform of the political organization of BiH is possible only within the framework of fulfillment of conditions for integration of Bosnia and Herzegovina into EU membership. Two phases are possible in that respect: 1) first phase, a partial reform, within which expanded competencies of the BiH Parliamentary Assembly, a new position of the BiH Presidency

and establishment of a new structure of the BiH Government with a strong prime minister would be defined; 2) the phase that includes establishment of the whole organization of the rule-of-law state and its structures, including internal territorial organization in line with the EU criteria and standards. In the second phase it would be necessary to rationalize the political organization of BiH and bring it in line with the European democratic model. This means establishment of institutional structure of the political system at three levels of exercise of government powers: local, regional and state. The constitutional changes represent the foundation and solution for progress of BiH in all segments of society from which changes in other segments of the BiH society could continue.

Throughout its history Bosnia and Herzegovina, as a separate entity, functioned well as a part of a broader entity such as the Ottoman Empire, Austrian-Hungarian Empire, Socialist Federal Republic of Yugoslavia and now possibly the EU. Regardless of how much membership in the EU is important for BiH, its previous integration into NATO would guarantee an enduring peace and lasting stability. In fact, the BiH's path to EU and NATO is defined by the Dayton Peace Agreement.

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