European Union’s Relations with South Eastern Europe: A Case Study of Bosnia and Herzegovina & the Implementation of the Stabilisation and Association Process

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Seden Tezcan

Title
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Abstract
Since the beginning of the 1990s important changes took place, such as the collapse of Communism and the dissolution of Yugoslavia. Consequently, the European Union (EU) has faced a new agenda in South Eastern Europe. The EU policies towards this region were not very well coordinated in the first half of the 1990s. From the second half of the 1990s onwards, the EU has become more focused in its policies towards South Eastern Europe. Since 1999, the Stabilisation and Association Process is the new institutional framework of the EU towards this region. The main purpose of the Stabilisation and Association Process is to promote peace, prosperity and stability in this region. This study aims to explore the EU relations with South Eastern Europe with a single case study of Bosnia and Herzegovina, and the implementation of the Stabilisation and Association Process. The main research questions are: What are the main aims and dynamics of the EU’s relations with South Eastern Europe? What are the main problems concerning the implementation of the Stabilisation and Association Process in the case of Bosnia? How do the
norms, values and culture of Bosnia affect the implementation of the Stabilisation and Association Process? The focus of this study is on democratization as an open-ended process. Thus, it is relevant to apply democratization theories, with a focus on the Transition Approach as a theoretical framework. Democratization theories aim to explain how authoritarian regimes change into liberal democratic ones. The transition approach makes a clear distinction between democratic transition and democratic consolidation phases, and identifies the necessary conditions for the success of each phase. New Institutionalism is another theoretical orientation that will be applied to this study. New Institutionalism is used in this study to discuss the concepts of institutional change and democratic governance, and to further study both the formal and informal institutions in Bosnia and how they limit the implementation of the Stabilisation and Association Process.

This study comes up with the conclusion that South Eastern Europe remains one of the priority regions for the EU. The dynamics of EU-South Eastern Europe relations is based on a number of different factors, such as political and economic considerations, concerns about peace, prosperity, and stability at the doorstep of the EU. The implementation of EU policies in this region is related to the debate on the future of the EU as well. The conclusions about Bosnia and Herzegovina point out that the country has moved forward a considerable amount after the 1992-95 Bosnian War. Democracy is beginning to emerge in the country. However, the implementation of the Stabilisation and Association Process is constrained by the complex formal institutional structure as laid out in the Dayton Peace Agreement. Moreover, the informal institutions in Bosnia limit the implementation. For instance, the path-dependent authoritarian legacy of former Yugoslavia, exclusive ethnic nationalism, and distrust among the major ethnic groups in Bosnia are obstacles in front of the effective implementation of the Stabilisation and Association Process. The level of international community involvement in the country is still very intensive. Bosnia has not become a self-sustainable democratic state yet. Strengthening the civil society in Bosnia and Herzegovina and promoting an inclusive civic identity that will lead to the enhancement of democratic values in the country can be recommended as solutions for the current problems of the country.

Nyckelord
Keyword
EU, South Eastern Europe, Bosnia and Herzegovina, Stabilisation and Association Process, implementation, democratization theories, transition approach, new institutionalism
Abstract
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>BiH</td>
<td>Bosnia and Herzegovina</td>
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<tr>
<td>CAFAO</td>
<td>Customs and Fiscal Assistance Office</td>
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<td>CARDS</td>
<td>Community Assistance for Reconstruction, Development and Stabilisation</td>
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<td>CEE</td>
<td>Central and Eastern Europe</td>
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<td>CFSP</td>
<td>Common Foreign and Security Policy</td>
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<td>DPA</td>
<td>Dayton Peace Agreement</td>
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<td>EC</td>
<td>European Community</td>
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<tr>
<td>ESDP</td>
<td>European Security and Defence Policy</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUFOR</td>
<td>European Union Force</td>
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<tr>
<td>FYROM</td>
<td>Former Yugoslav Republic of Macedonia</td>
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<td>HDZ</td>
<td>Croatian Democratic Union</td>
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<td>IFOR</td>
<td>NATO-led Implementation Force</td>
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<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>NI</td>
<td>New Institutionalism</td>
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<tr>
<td>OBIV</td>
<td>Foundation for Middle East and Balkan Studies</td>
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<tr>
<td>OHR</td>
<td>Office of the High Representative</td>
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<tr>
<td>OSCE</td>
<td>Organization for Security and Cooperation in Europe</td>
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<tr>
<td>Phare</td>
<td>Poland-Hungary: Assistance for the Reconstruction of the Economy (extended to other CEE Countries)</td>
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<tr>
<td>RS</td>
<td>Republika Srpska</td>
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<tr>
<td>SAA</td>
<td>Stabilisation and Association Agreement</td>
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<td>SAP</td>
<td>Stabilisation and Association Process</td>
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<tr>
<td>SDA</td>
<td>Party of Democratic Action</td>
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<tr>
<td>SDP</td>
<td>Bosnian Social Democratic Party</td>
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<tr>
<td>SDS</td>
<td>Serb Democratic Party</td>
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<td>SEE</td>
<td>South Eastern Europe</td>
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<tr>
<td>SFOR</td>
<td>NATO-led Stabilization Force</td>
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<tr>
<td>SNSD</td>
<td>Alliance of Independent Social Democrats</td>
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<tr>
<td>SPSEE</td>
<td>Stability Pact for South Eastern Europe</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>USA</td>
<td>United States of America</td>
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1. INTRODUCTION

The fall of the Berlin Wall in 1989 and the following collapse of Communist systems in Central and Eastern Europe (CEE) and South Eastern Europe (SEE) changed the political setting in the world. The initial optimistic mood about the victory of liberal democracy and market economy was challenged by a new set of problems in SEE, such as political instability, economic difficulties, and ethnic conflict such as the case in Bosnia and Herzegovina (BiH). In the first half of the 1990s, it was difficult for the European Union (EU) to formulate and implement a well-coordinated policy towards SEE. It was from the late 1990s onwards that the EU increased its political and economic weight in SEE. The EU committed itself to an ambitious long-term strategy of stabilisation in SEE. Additionally, SEE is a region where the EU tests its new capabilities of crisis management and post-conflict rehabilitation and reconstruction. The EU’s performance in SEE will provide important indications about the EU’s weaknesses as well as potentials as an important actor in the world stage. Moreover, the debate on how to improve the EU’s external policies will continue to be influenced by the SEE experience.1 SEE remains one of the most important challenges for the EU.

The EU is engaged in democracy building activities in SEE. Since 1999, the Stabilisation and Association Process (SAP) offers the five Western Balkan countries, namely Albania, BiH, Croatia, Former Yugoslav Republic of Macedonia (FYROM), and Serbia and Montenegro, a prospect of establishing closer ties with the EU. The SAP is based on a progressive approach according to the situation of each country. To be able to have closer relations with the EU, these five countries will have to adjust their political, economic and institutional development to the EU values, such as democracy, respect for human rights, and a market economy.2 The SAP is the overall framework regarding the Western Balkan countries’ European course. The European Council of June 2003 (Thessaloniki) concluded that “the future of the Western Balkans is within the European Union.”3 The SAP is designed as a long-term project. This study will address the current implementation, shortcomings, and future potentials of the SAP, with a focus on the case study of BiH.

BiH declared its independence from former Yugoslavia in March 1992 after a referendum boycotted by Bosnian Serbs. From 1992 to 1995, there was war in BiH between the three main ethnic groups: Bosnian Muslims, Serbs, and Croats. Meanwhile, more than two million people (out of a population of 4.3 million) became refugees or were displaced to other parts of the country. The 1995 Dayton Peace Agreement (DPA) ended the Bosnian War and established a complex two-tier government in BiH. A multiethnic national government conducts foreign and economic policy, and two Entities governments (the Bosniak/Croat Federation and the Republika Srpska (RS)) conduct internal affairs. Since the DPA, BiH has become a controversial experiment for the international community’s attempt to reconstruct a multiethnic society. This reconstruction and democracy building experiment has led to further scholarly debate on the future prospects of the country.4 The case of BiH has become the example of a new, post-Cold War, international agenda of long-term democracy and peace-building attempts.5

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The relationship between BiH and the EU has increased since the late 1990s. BiH benefited from PHARE and OBNOVA assistance since 1996. In 1997, the EU launched its Regional Approach and the Council of Ministers created political and economic conditionality for the development of bilateral relations. Since 1999, BiH is one of the five countries that participate in the SAP, which offers the prospect of integration into EU structures. The 2000 Feira, November 2000 Zagreb, and June 2003 Thessaloniki European Council Summits gave the message that Bosnia, like its neighbours, is a potential membership candidate. What are the main obstacles in front of BiH’s prospects for increasing its ties with the EU? How can BiH improve its implementation of the SAP? Respectively, how can the EU improve its policies regarding BiH? At this point, it is necessary to analyse the implementation of the SAP in the case of BiH in order to address these issues. This study will provide an in-depth look at the current situation in BiH, and the difficulties it faces in implementing the terms of the SAP.

1.1 Aim and Research Questions

This study will explore European Union’s relations with SEE with a single case study of BiH and the implementation of the SAP. The SAP is the main EU policy towards SEE today. Therefore, in order to address the SAP, it is necessary to begin this thesis by looking at EU-SEE relations in general. However, it is not the purpose of this research to explain the EU’s relationship with individual SEE countries. Rather, this study chooses to focus on the EU’s relationship with BiH within the framework of the SAP. This study will also use policy analysis, and focus on the implementation stage of the SAP. Furthermore, by addressing implementation problems of the SAP, this study will try to come up with suggestions to improve policy implementation.

What this study expects to achieve with an intensive exploration of the implementation of the SAP in a single case of BiH is to offer a contribution to the analysis of the major achievements and shortcomings of the SAP. An increased understanding of this subject can contribute to a more effective implementation of the SAP. The wider aim is to contribute to the general debate on the role of the EU in SEE and its possible implications for the EU not only in a short-term, but also in a long-term perspective.

Accordingly, the main research questions are:

1. What are the main aims and dynamics of the EU’s relations with SEE?
2. What are the main problems concerning the implementation of the SAP in the case of BiH?
3. How do the norms, values and culture of BiH affect the implementation of the SAP? Do the informal institutions (norms, values and culture) of BiH limit the implementation of the SAP?

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Furthermore, in order to clarify the main research questions, a number of sub-questions will be asked: How has the institutional setting in BiH changed after the DPA? How do the ‘new’ (post-Dayton) institutions function? How can these new institutions be improved?

1.2 Delimitations
Geographically, this study concentrates on the EU’s relations with five SEE countries known as the Western Balkan region, which includes Albania, BiH, Croatia, FYROM, and Serbia and Montenegro. EU-Western Balkan relations will be used to give the main dynamics of the SAP. However, this study will not explain the EU’s relations with every individual Western Balkan country. Instead, this research will concentrate on the implementation of the SAP with a single case study of BiH. Within BiH, the main focus will be the State Level (Common) Institutions and informal institutions, which are assumed to be more relevant to identify the implementation problems of the SAP. Therefore, considering the scope of this Master’s thesis, this study will not get into much detail regarding the Entities level institutions of BiH.

The time framework of this study will focus on the developments since the mid-1990s. For the case of BiH, the general focus is on the democratization attempts after the 1995 DPA agreement, with a specific focus on the implementation of the SAP, which was launched in 1999.7

1.3 Disposition
Chapter 1 introduces the subject of this study, a motivation of its importance and the research questions. The methodology and methods used are described and their possible weaknesses are analysed. There is also a section with the review of the relevant empirical and theoretical literature, and how these will be used in this study. Chapter 2 is about the theoretical framework, and how it will be used in this research. It includes a description of NI and the democratization theories, with a focus on the transition approach. Chapter 3 is concerned with EU-SEE relations, with a focus on the developments from the late 1990s onwards, such as the SAP and the Stability Pact for SEE. Chapter 4 presents the case study of BiH, and includes an overview of BiH, its political and administrative framework, political culture and relations with the EU. Chapter 5 is specifically about the implementation of the SAP as well as the relevant problems in the case of BiH. Also, there are sections on the democratization and human rights dimensions of the issue. Chapter 6 discusses the institutional framework in BiH. The chapter focuses on institution-building, institutional performance, the problems and recommended solutions concerning the State Level (Common) as well as informal institutions of BiH. Chapter 7 discusses the results, and provides a combined analysis of the theoretical and empirical aspects of this study. Chapter 8 is the concluding chapter, which also provides a perspective for future research on this subject.

1.4 Methodology
1.4.1 Case Study
The research design that is used in this thesis is a case study of BiH and the implementation of the SAP. Bryman defines a case study as a “research design that entails the detailed and intensive analysis of a single case.”8 A case study involves the detailed exploration of a particular case. Instead of isolating political events from their surroundings, a case study tries to position its

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findings in its particular cultural and historical context.\textsuperscript{9} Yin suggests that case studies are more preferable when ‘how’ or ‘why’ questions are being asked, when the researcher does not have much control over the events, and when the main focus is a contemporary phenomenon in a real-life context.\textsuperscript{10} A case study can be conducted to gather information about the research questions usually when the case is still progressing\textsuperscript{13} such as the SAP.

Four common tests can be used to measure the quality of social research:

- \textit{Construct validity}: providing correct operational measures for the concepts that are being studied
- \textit{Internal validity}: providing a causal relationship, in which certain conditions lead to other conditions
- \textit{External validity}: providing a domain where the study’s findings can be generalized
- \textit{Reliability}: showing that the procedures of a study, such as data collection, can be repeated and can produce the same results.\textsuperscript{12}

Regarding \textit{external validity}, case studies have been criticized on the ground that single cases offer a poor basis for generalization. As a response to this criticism, Yin argues that case studies do not have to rely on \textit{statistical} generalization. Instead, Yin suggests that case studies rely on \textit{analytical} generalization, where the researcher is trying to generalize the results to some broader theory.\textsuperscript{13} Additionally, other case study researchers suggest that it is not the aim of the case study design to generalize to other cases beyond the case at hand. Instead, case study researchers argue that their purpose is to generate an intensive exploration of a single case, regarding which they get involved in theoretical analysis as well. The main concern is the quality of the theoretical reasoning.\textsuperscript{14}

Case studies have been criticized regarding the reliability criteria as well. The aim of reliability is to minimize the errors and biases in a research. One way to approach the reliability issue is to make as many steps as operational as possible.\textsuperscript{15} Also, the procedures that are being followed should be documented to the largest extent possible.

\subsection*{1.4.2 Qualitative Research Strategy}

This study uses a qualitative research strategy. According to Bryman, qualitative research “emphasizes words rather than quantification in the collection and analysis of data”.\textsuperscript{16} (Table 1) Another feature of qualitative research is that qualitative research is a more open-ended research strategy compared to quantitative research. Also, qualitative researchers highlight the importance of contextual understanding of social behaviour. In other words, behaviour, norms, values, and culture should be understood within their context. Moreover, qualitative research views social life in terms of processes. There is a concern over how events and patterns unfold over time. Consequently, qualitative evidence usually emphasizes change and flux.\textsuperscript{17} This thesis explores certain patterns of change such as how the EU’s relations with SEE changed in the post-Cold War period, and how the breakdown of Yugoslavia changed the institutional settings in the Balkans.

\textsuperscript{11} Peters (1998), p. 147.
\textsuperscript{12} Yin (1994), p. 33.
\textsuperscript{13} Ibid., p. 36.
\textsuperscript{14} Bryman (2001), pp. 50-51.
\textsuperscript{15} Yin (1994), pp. 36-37.
\textsuperscript{17} Ibid., pp. 278-279.
Table 1: Some Common Differences between quantitative and qualitative research

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<thead>
<tr>
<th>Quantitative</th>
<th>Qualitative</th>
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<tr>
<td>Numbers</td>
<td>Words</td>
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<tr>
<td>Static</td>
<td>Process</td>
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<tr>
<td>Structured</td>
<td>Unstructured</td>
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<tr>
<td>Generalization</td>
<td>Contextual understanding</td>
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<tr>
<td>Hard, reliable data</td>
<td>Rich, deep data</td>
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<tr>
<td>Behaviour</td>
<td>Meaning</td>
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Qualitative research is often criticized because of bias and lack of objectivity. This criticism denotes that there is too much reliance on the researcher’s usually unsystematic perspectives about what is central and important. A response to this criticism is that rather than trying to control the possible effects of bias in field relations, qualitative research prefers to “acknowledge it in the process of collecting empirical material and explicitly consider its effects on substantive findings.”

Another criticism raised against qualitative research concerns the lack of transparency issue. One of the other criticisms is that due to the lack of standard procedures in conducting qualitative research, a true replication is very difficult. Another difficulty concerns problems of generalization. To sum up, qualitative research strategy has its disadvantages like other research strategies. However, the advantages of qualitative research are clear. The aim of qualitative research is to explore people’s experiences, practices, attitudes, norms, values and culture in depth, and to find out their meaning for the parties concerned.

1.4.3 Data Collection

A research method is a technique for data collection. There are several methods for collecting data such as documents, records, interviews, direct observation, participant-observation, and physical artifacts. The choice of data collection methods depends on answers to certain questions:

- Who is the information for? Who will use the findings?
- What kind of information is needed?
- How will the information be used? For what purposes?
- When is the information needed?
- What resources are available?
- Given the answers to these questions, which methods are appropriate?

Considering the answers to these questions, documents and records will be the main data collection methods for this research. The data will be collected from a wide range of sources such as the EU Documentation Center, the EU official website, official websites of BiH institutions, Linköping University library, interlibrary loans, Marmara University European Community Institute, and the Foundation for Middle East and Balkan Studies (OBIV, Istanbul, Turkey).

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The term ‘documents’ includes multiple kinds of sources such as personal documents, official documents deriving from the state and public authorities, official documents deriving from private sources, mass media outputs, and virtual outputs such as Internet resources. Document analysis includes excerpts, quotations, or entire passages from organizational records; memoranda and correspondence; official publications and reports. Documentary information is relevant for most case studies. Documents have an important place in data collection because of their overall value. The strengths of documents are that they are stable, they can be reviewed repeatedly, they are exact, and they have a broad coverage of time, events, and settings. In this research, certain criteria will be used to evaluate the quality of documents. These criteria are: authenticity, credibility, representativeness, and meaning.

To interpret documents, this research will apply qualitative content analysis. Qualitative content analysis is one of the most prevalent approaches in document analysis. “It comprises a searching-out of underlying themes in the materials being analysed.” It is about searching for themes in the data.

1.4.4 Policy Analysis

In order to explore the democratization process in BiH, policy analysis will be applied. According to Parsons, it is “the clarification, shaping and sharing of values so as to extend and enhance democratization which still remains the core and vital task of the theory and practice of public policy.”

The main stages of policy making are:
- problem recognition and issue identification
- agenda setting
- policy formulation
- policy adoption
- policy implementation
- policy evaluation.

The policy process takes place in a wider political, economic, and social context. As policies are made, these policies have effects on that political, economic, and social context as well. These effects lead to other policy demands or different policy claims.

This study will focus on policy implementation and will explore the implementation of the SAP in BiH. In the implementation stage, policy initiatives and goals are transformed into programs, procedures and regulations. Qualitative research, by using case studies, program monitoring, and process evaluations, can inform the relevant authorities, such as the EU officials, about the implementation of a policy initiative, such as the SAP. Qualitative research can focus on certain questions: To what degree is the program reaching the intended audience? Which aspects of the

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27 Ibid., p. 381.
program are operational, and which aspects are not operational? Is there an institutional capacity to respond effectively to new policy initiatives? Moreover, qualitative research can offer an ongoing monitoring of the situation. Has the situation improved, worsened, or remained static? Do the aims of the program still suit the previous understandings of the situation?

1.5 Review of the Relevant Literature

1.5.1 Empirical Literature Review
There is a great amount of empirical literature written about SEE. In order to review the general background descriptions of this region, Hall and Danta edited *Reconstructing the Balkans: a Geography of the New Southeast Europe* is one of the books that is used in this study. This book especially contributes to explain and identify the characteristics of the Balkan region in terms of geography and ethnic complexity.32 Susan Woodward’s *Balkan Tragedy: Chaos and Dissolution After the Cold War* is one of the most prominent books in the literature that studies the disintegration of Yugoslavia. The relationship between the dissolution of Yugoslavia and the crisis that developed during the Bosnian War is one of the major themes in this book. Woodward links the Yugoslav crisis to multiple changes that took place in the beginning of the 1990s, such as the collapse of the Yugoslav state. Woodward calls for more appropriate policies and institutions to overcome future crises of similar nature.33

The main focus of this study is on the developments since the late 1990s. Therefore, it is necessary to review the most recent literature on the subject. Attila Agh’s *Emerging Democracies in East Central Europe and the Balkans* is one of the books that are used for empirical review of the democratic transition process in the Balkans.34 Christian Pippan’s article *The Rocky Road to Europe: the EU’s Stabilisation and Association Process for the Western Balkans and the Principle of Conditionality* contributes a lot to this study by concentrating on the EU policies towards Western Balkans from 1999 onwards and evaluating the SAP. It highlights the implementation problems of the SAP and identifies the EU’s shortcomings regarding its policies towards SEE.35 Eric Black’s *Bosnia: Fractured Region*, Francine Friedman’s *Bosnia and Herzegovina: a Polity on the Brink*, and Michael Schuman’s *Nations in Transition: Bosnia and Herzegovina* provide detailed analysis of the developments in BiH in the post-Dayton period. They offer current descriptions of BiH in terms of politics, economics, political culture, and international involvement.

In order to review the empirical information about the SAP, this study uses many EU documents. For instance, European Commission’s SAP Annual Reports, Country Reports, the Country Strategy Paper 2002-2006 on BiH, and the 2003 Feasibility Study on BiH are among the main documents used in this study. World Bank’s *The Road to Stability and Prosperity in South Eastern Europe: a Regional Strategy Paper* provides detailed analysis of institution building

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attempts in SEE.\textsuperscript{39} The Organization for Security and Cooperation in Europe (OSCE) Mission to BiH’s website has also provided valuable information about democratization, human rights, elections and related subjects concerning BiH.\textsuperscript{40}

The level of international community involvement in BiH has been one of the discussions of this study. David Chandler’s \textit{Bosnia: Faking Democracy After Dayton} has a perspective that is critical of the degree of international community involvement in BiH. Chandler highlights the conditions on which international democratization policies are based. He questions “the assumption that democracy can be taught or imposed by international bodies on the basis that some cultures are not rational or civil enough to govern themselves.”\textsuperscript{41} Sokolovic and Bieber edited \textit{Reconstructing Multiethnic Societies: The Case of Bosnia-Herzegovina} is another work that criticizes the amount of international community involvement in BiH. It also highlights the problems arising from the DPA and the complexities of the current structure of the political system in BiH.\textsuperscript{42}

1.5.2 Theoretical Literature Review

Potter, Goldblatt, Kiloh and Lewis edited \textit{Democratization} is one of the main books that is used in this study for theoretical literature review. This book categorizes democratization theories into three groups: the modernization approach, structural approach and transition approach, and discusses each group in detail.\textsuperscript{43} Elgström and Hyden edited \textit{Development and Democracy: What Have We Learned and How?} contributes to this research by discussing the pros and cons of the Dankwart Rustow’s version of the transition approach.\textsuperscript{44} Ole Nørgaard’s research report on \textit{Democracy, Democratization and Institutional Theory} provides valuable information on how to combine democratization theories with the institutional theory.\textsuperscript{45}

Among democratization theories, this study chooses to focus on the transition approach. Democratization theorists generally accept that the key text for the transition approach is Dankwart Rustow’s article: \textit{Transitions to Democracy: Toward a Dynamic Model}. Thus, this study starts looking at the transition approach from the perspective of Rustow and uses his distinction between democratic transition and democratic consolidation.\textsuperscript{46} Juan Linz and Alfred Stepan’s \textit{Problems of Democratic Transition and Consolidation} is one of the more recent works on the transition approach. The contribution of this book to this study is that it gives specific examples to democratization processes in Southern and Post-Communist Europe, and identifies the necessary conditions for the consolidation of democracy.\textsuperscript{47} Diamond, Linz and Lipset edited \textit{Politics in Developing Countries: Comparing Experiences with Democracy} provides valuable

\begin{flushright}
\textsuperscript{40} OSCE Mission to Bosnia and Herzegovina, Available at: \texttt{http://www.oscebih.org/oscebih_eng.asp}, 2004-10-07.
\textsuperscript{41} Chandler (2000), p. 3.
\textsuperscript{42} Sokolovic & Bieber (2001).
\end{flushright}
input about the conceptual framework of democracy and the concept of stability in relation to democracy.48

Another theoretical approach that is applied in this study is NI. James March and Johan Olsen’s *Rediscovering Institutions: The Organizational Basis of Politics* is the main text that this study uses for theoretical literature review on NI. March and Olsen discuss institutional perspectives on politics, institutional reform and search for appropriate institutions.49 Another work by March and Olsen, *Democratic Governance*, analyses democratic elements in a polity from an institutional perspective. The contribution of this book is that it provides a perspective on how to combine the institutional theory with democratic processes.50 Also, James March’s *Decisions and Organizations* book contributes to this study by focusing on decision-making and identifying implementation problems.51

Guy Peters’ *Institutional Theory in Political Science: the ‘New Institutionalism’* provides a detailed study of the institutional theory. It discusses various orientations within the institutionalist approach, how they relate to each other, their strengths and shortcomings. It identifies the differences as well as similarities between ‘old’ and ‘new’ institutionalism.52 Another work by Guy Peters, *Comparative Politics: Theory and Methods*, is also used for theoretical literature review and identifying the contributions of NI to this study.53

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2. THEORETICAL FRAMEWORK

2.1 Democratization Theories

Democratization theories are concerned with how previously non-democratic systems become democratic. There are certain interrelated issues: What sort of democracy are we picturing when we look at democratization? What are the main features of transition to democracy? What phases of change can we see? Will the process ever come to an end? In other words, will democracy be consolidated?\(^\text{54}\)

Democratization theories can be categorized into three theoretical approaches: the modernization approach, the structural approach, and the transition approach. (Table 2)

<table>
<thead>
<tr>
<th>Approaches in Democratization Theories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Modernization Approach</strong></td>
</tr>
<tr>
<td>Key text: Lipset 1959</td>
</tr>
<tr>
<td>Explanatory focus: Socio-economic conditions</td>
</tr>
<tr>
<td>Method: Variable-oriented</td>
</tr>
<tr>
<td>Issues: -Economic vs. other variables -emergence vs. survival</td>
</tr>
<tr>
<td><strong>Structural Approach</strong></td>
</tr>
<tr>
<td>Key text: Moore 1966</td>
</tr>
<tr>
<td>Explanatory focus: Changing structure of class power</td>
</tr>
<tr>
<td>Method: Case-oriented</td>
</tr>
<tr>
<td>Issues: -role of transnational power -which class?</td>
</tr>
<tr>
<td><strong>Transition Approach</strong></td>
</tr>
<tr>
<td>Key text: Rustow 1970</td>
</tr>
<tr>
<td>Explanatory focus: Elite agency in political conflicts</td>
</tr>
<tr>
<td>Method: Case-oriented</td>
</tr>
<tr>
<td>Issues: -historic vs. proximate causes -role of civil society</td>
</tr>
</tbody>
</table>


2.1.1 The Modernization Approach

Lipset defines democracy as a political system that provides regular constitutional opportunities to change the governing officials, and a social mechanism that enables the largest possible part of the population to have impact on main decisions through choosing among competitors for political office. The modernization approach focuses on certain social and economic conditions that are either associated with existing liberal democracies or necessary for the success of democratization. Lipset’s main argument is that the “more well-to-do a nation, the greater the chances it will sustain democracy.”\(^\text{55}\) Lipset states that democracy is related to a country’s socio-economic development and modernization level.\(^\text{56}\)

The claims of the modernization approach have been criticized on the ground that economic variables are not enough on their own to explain democratization. More recent studies have focused on not only the causative effect of socio-economic development, but also its impact in association with other variables such as political culture, ethnic cleavages and conflict, political institutions, historical legacies, and international context.\(^\text{57}\)

2.1.2 The Structural Approach

The structural approach focuses on changing structures of power that favour democratization. There is an emphasis on long-term processes of historical change. The basic premise of the structural approach is that as the particular relations of certain power structures (such as

\(^\text{54}\) Nørgaard (2001), p. 11-12.
\(^\text{56}\) Potter, Goldblatt, Kiloh & Lewis (1997), p. 11.
\(^\text{57}\) Ibid., p. 13.
economic, social, and political) gradually change through history, these offer constraints and opportunities, which lead political elites and others towards liberal democracy.\footnote{58} According to Moore, the class structure also determined the state’s role in society. The strength of classes were determined by the commercialization of agriculture in the early-modern era. In certain cases, this produced a strong bourgeoisie that was capable of changing the absolutist claims of the state. In other words: “No bourgeois, no democracy!”\footnote{59}

The common point between the explanations within the structural approach is “whether the particular circumstances, a country’s historical trajectory towards liberal democracy or some other political form is finally shaped by changing structures of class, state and transnational power driven by a particular history of capitalist development.”\footnote{60} These structured historical trajectories do not have to be linear. For instance, wars, as broad structural processes, can limit democratization processes in certain countries.\footnote{61}

The structural approach has been criticized on the ground that it claims that the agency of one class is decisive for democratization. However, one must not conclude that classes are not important actors in historical democratization processes. It is necessary to look for a more complex pattern of class constellations.\footnote{62}

\subsection*{2.1.3 The Transition Approach}

Among democratization theories, the main orientation that will be applied in this study to explore the democratization efforts in BiH is the transition approach. The transition approach focuses on political processes and elite initiatives and choices, which account for transformations from authoritarian regimes to liberal democracy.\footnote{63}

According to Rustow, the route to democracy has four phases. In the first phase, \textit{national unity} in a given territory should be established. In the second phase, this national community faces a long and \textit{inconclusive political struggle}. Some democracies can be very fragile in these early stages. The struggle can be so hard that it might break the national unity, or one group can become very powerful over the opposition and terminate the route to democracy. The third phase is the \textit{decision} phase. In the decision phase, parties of the political struggle decide to compromise and adopt democratic rules. The fourth phase is the \textit{habituation} phase. In the habituation phase, democratic rules gradually become a habit. Eventually, a new generation of political elites becomes accustomed to democratic rules, and democratic regime becomes firmly established.\footnote{64} In this approach, there is a clear distinction between initial democratic transition (phases 1 and 2), and democratic consolidation (phases 3 and 4).

Democratic transition takes place when basic democratic institutions such as constitution, electoral system, and power sharing are in place. After this, democratic consolidation begins. Democratic consolidation phase is open ended, multidimensional, but also reversible. Are the democratic institutions connected to society through multiple political parties and organizations?

Is there an active citizenry that supports these parties and organizations? Do citizens and political elites have a democratic political culture that supports compromise rather than confrontation and polarization? These need to be answered to measure the level of democratic consolidation. During democratic consolidation values, attitudes, and beliefs gradually change in relation to democratic institutions.\textsuperscript{65}

The definition of \textbf{democratic transition} as applied to this study is Juan Linz and Alfred Stepan’s definition, which states that “democratic transition is complete when sufficient agreement has been reached about political procedures to produce an elected government, when a government comes to power that is the direct result of a free and popular vote, when this government \textit{de facto} has the authority to generate new policies, and when the executive, legislative and judicial power generated by the new democracy does not have to share power with other bodies \textit{de jure}.”\textsuperscript{66}

The definition of \textbf{democratic consolidation} as applied to this study is Linz & Stepan’s definition:

- Behaviorally, a democratic regime in a territory is consolidated when no significant national, social, economic, political, or institutional actors spend significant resources attempting to achieve their objectives by creating a nondemocratic regime or turning to violence or foreign intervention to secede from the state.
- Attitudinally, a democratic regime is consolidated when a strong majority of public opinion holds the belief that democratic procedures and institutions are the most appropriate way to govern collective life in a society such as theirs and when the support for antisystem alternatives is quite small or more or less isolated from the pro-democratic forces.
- Constitutionally, a democratic regime is consolidated when governmental and nongovernmental forces alike, throughout the territory of the state, become subjected to, and habituated to, the resolution of conflict within the specific laws, procedures, and institutions sanctioned by the new democratic process.”\textsuperscript{67}

Transitional approach has been criticized because of its focus on short-term processes and a narrow number of elite players. Therefore, transitionalists have been urged to incorporate more of structural constraints, state traditions and civil society actors in their analysis, which implies attention to historical analysis as well.\textsuperscript{68}

Linz & Stepan formulate five arenas that are necessary for the consolidation of democracy:

- civil society, freedom of association and communication
- free elections
- the rule of law and constitutionalism
- state apparatus that provides rational-legal bureaucratic norms
- an institutionalized market.\textsuperscript{69}

The dynamic democratization process is also a multi-level process. Democracy is not only composed of central constitutional structures that process citizen demands and institutional outputs. Democracy also includes civil society institutions and implementing agencies. The borderline between democratic and undemocratic regimes is often blurred. This ambiguity may be further complicated by human rights violations, politicization of military authorities, and

\textsuperscript{65} Nørgaard (2001), pp. 15-16.
\textsuperscript{66} Linz & Stepan (1996), p. 3.
\textsuperscript{67} Ibid., p. 6.
\textsuperscript{69} Linz & Stepan (1996), pp. 7-15.
limitations on free political activity, organization and expression.\textsuperscript{70} Therefore, in assessing political regimes, serious attention should be given to the actual implementation practice.

This study is also concerned with the concept of \textit{stability}. Stability refers to the durability of regimes over time, especially in periods of intense conflict and crisis. A \textit{stable} regime, due to its institutionalization and high level of popular legitimacy, is likely to persist when it faces challenges. \textit{Partially stable} regimes are not completely secure, but they are not in imminent threat of collapse neither. Their institutions might have some level of depth, flexibility and value, but this is not a safety guarantee during severe conflicts. \textit{Unstable} regimes are very vulnerable to collapse or overthrow during situations of uncertainty and stress. New regimes, such as the ones that have recently built democratic government, are usually in this category.\textsuperscript{71}

Rustow states that, for the success of democratization, the people should have a sense of belonging to a single community or a national unity. Regarding cleavages within the population, Rustow states that religious and linguistic divisions are the most difficult ones to handle within a democratic setting.\textsuperscript{72} As in the case of BiH, conflicts because of such cleavages leave little room for cooperation and compromise. However, this does not mean that democratization cannot take place in multi ethnic, religious or linguistic societies. According to Rustow, democratic cooperation can lead to a process of integration and political learning. Familiarity breeds understanding. These processes are documented in certain studies of conflict resolution and trust building between groups. Through interaction, parties become better informed regarding the attitudes of the others.\textsuperscript{73} Linz & Stepan also have a suggestion regarding the consolidation of democracy within multinational settings. They suggest that state policies that promote inclusive and equal citizenship, and give all citizens a common ‘roof’ can help to bring about democratic consolidation.\textsuperscript{74}

\subsection*{2.2 New Institutionalism}
There are a number of different approaches about institutions. (Table 3)

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{New Institutionalists} & \textbf{Normative Institutionalists} \\
\hline
Rational Choice Institutionalists & Norms and values embodied in institutions shape individual behaviour (James March & Johan Olsen) \\
\hline
Historical Institutionalists & Political institutions are rule systems within which individuals try to maximise utilities \\
\hline
Empirical Institutionalists & Choices about institutional design of government systems influence future decision-making (the concept of path dependency) \\
\hline
International Institutionalists & Classify different institutional types and analyse their practical impact on government performance \\
\hline
Sociological Institutionalists & State behaviour is steered by structural constraints of international political life \\
\hline
Network Institutionalists & Institutions create meaning for individuals \\
\hline
\end{tabular}
\caption{The Main Arguments of Various Institutionalist Approaches}
\end{table}


\textsuperscript{70} Diamond, Linz & Lipset (1995), p. 7. \\
\textsuperscript{71} Ibid., p. 9. \\
\textsuperscript{72} Elgström & Hyden (2002), p. 69. \\
\textsuperscript{73} Rustow (1970), pp. 337-363. \\
\textsuperscript{74} Linz & Stepan (1996), p. 33.
Until the 1950s, the institutional approach was one of the dominant approaches within political science. According to Guy Peters, the “roots of political science are in the study of institutions.” However, after World War II, two theoretical orientations, which were rather based on individualistic assumptions, gained popularity: behaviouralism and rational choice. Starting with the 1980s, there was a return to the study of institutions. Although NI reflects many characteristics of the older institutionalist approach, NI also contributes to the study of politics by highlighting new theoretical and empirical directions.

Peters argues that even though NI is composed of a number of different approaches, these approaches to institutions could be viewed as complementary. Peters considers these orientations as “one broad, if variegated, approach to politics.” The main argument is that institutions do matter, and they can be used to explain political decisions.

One of the main arguments of Historical Institutionalism is that initial or historical policy choices determine subsequent decisions. This relation is expressed by the concept of path dependency. Accordingly, policies are path dependent and once initiated they continue on that path until a strong enough political force weakens the path dependency. Path dependency is a relevant concept to explain the difficulty of policy implementation, which depends on the existing social, political and economic resources and structures, while these same structures can also resist the implementation of new policies.

One of the main theoretical orientations that will be employed in this study is NI with a focus on James March and Johan Olsen’s version of NI. NI will be applied to the case of BiH and the implementation of the SAP because NI can contribute a lot to the explanations of conflict, stability, and change in relation to the development process of institutions. Political institutions simplify confusions of action by offering action alternatives. They simplify confusions of meaning by establishing a framework for interpreting history and anticipating the future. They simplify heterogeneity complications by influencing individual preferences.

According to March and Olsen, New Institutionalists share some main ideas:

1. A view of human action as driven less by anticipation of its uncertain consequences and preferences for them than by a logic of appropriateness reflected in a structure of rules and conceptions of identities.
2. A view of change and history as matching institutions, behaviors, and contexts in ways that take time and have multiple, path-dependent equilibria, thus as being responsive to timely interventions to affect the meander of history and susceptible to deliberate efforts to improve institutional adaptiveness.
3. A view of governance as extending beyond negotiating coalitions within given constraints of rights, rules, preferences, and resources to shaping those constraints, as well as reconstructing meaningful accounts of politics, history, and self that are not only bases for instrumental action but also central concerns of life.

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77 Ibid.
79 Ibid., p. 150.
80 Ibid., p. 19.
March and Olsen state that the logic of appropriateness means that “what is appropriate for a particular person in a particular situation is defined by political and social institutions and transmitted through socialization.”\(^8\) This process determines what behaviour is appropriate for members of the institution and what behaviour is not.

NI shifts the focus from organizations to rules, from formal to an informal understanding of institutions, from static to a dynamic perception of institutions, from holistic to disaggregated understanding of institutions, and from independence to embeddedness.\(^8\)

March and Olsen ask certain questions: What is a political institution? How can institutions define interests? Do the individual actors have the capacity to influence institutions?\(^8\) As applied to this study, the question is: Can the new political institutions shift political behaviour towards liberal democracy in SEE in general, and BiH in particular? These questions are important especially during periods of rapid institutional change such as the one in SEE in the post-Cold War era.

One of the criticisms against NI is that it often runs the risk of being non-falsifiable. NI does not provide many independent hypotheses, which can be tested without the possibility of escape by claiming that there was not an institution in the first place. In other words, if institutional norms are not followed, one can argue either that it was not a full-scale developed institution in the first place anyway, or that all institutions have deviations from established norms.\(^7\) Despite these criticisms, the strength of NI is that it evokes questions that might not otherwise be asked. NI provides new and fresh insights to politics.

### 2.2.1 What is an Institution?

Institutions can be defined in both formal and informal ways. According to March and Olsen, institutions do not have to be formal structures. Institutions can rather be viewed as a collection of norms, rules, understandings, and routines. Institutions can be defined as formal institutions, informal institutions, norms embedded in them, policy instruments and procedures. Constitutional and legal notions of governance can be included in this concept as well. Also, institutions can be defined in relation to their characteristics. Political institutions, as collections of interrelated rules and routines, define appropriate action in relation to roles and situations. Where does an institution come from? Institutions take most of their meaning and logic of appropriateness from the society into which they are formed. Therefore, when individuals come into an institution, they will usually have been pre-socialized by their membership in that society.\(^8\)

NI focuses on the polity. Accordingly, politics is composed of three components: political forces, polity, and policy. The presumption is that polity structures social, economic, and political inputs and consequently influences the policy outcome.

\[ \text{Political Forces} \rightarrow \text{Polity (Political Structures) (Institutions)} \rightarrow \text{Policy} \]

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88 Ibid., pp. 28-32.
If a society is going through democratization, its constituent parts, civil society institutions, political parties, non-governmental organizations, executive institutions, public administration, courts, the military, and the police should go through a democratization process as well. On the other hand, if democratization reveals certain types of identities which do not fit into liberal democracy, the democratization process can suffer, such as the case in former Yugoslavia where nationalism, racism, and different forms of xenophobia were obstacles in front of liberal democracy.\textsuperscript{90} Understanding the logic of appropriateness that is present in certain sub-state institutions and their members who have non-democratic identities can help us to suggest well-designed strategies that can change these identities towards liberal democratic ones.

\subsection*{2.2.2 Institutional Change}
Even though institutions are important elements of order in the changing arena of politics, institutions themselves also go through change. These changes can include daily incremental transformations. Moreover, there can be metamorphoses at historical breaking points when values and institutions are challenged. A dramatic type of change is war or civil war that can substitute one definition of appropriateness with another definition. The characteristics of the change process have implications for understanding and transforming political institutions. Institutional change is neither controlled completely by exogenous conditions nor by intentional actions. In general, institutions evolve through a set of procedures sensitive to different control mechanisms. Logic of appropriateness gradually evolves through experience and the elaboration of worldviews. As a consequence of these processes, there can be delays or gaps in the adaptation of institutions to their environments. These gaps can render institutional history sensitive to major shocks that result in occasional periods of fast change and indeterminacy or unpredictability in the direction of change.\textsuperscript{91}

One of the arguments of NI is that institutions adapt to changing circumstances through a learning process. Changes in the environment provide a set of opportunities for the institution. On the other hand, they constitute a threat to the institution’s established sets of behaviour. According to this approach, the nature of the change is random. Moreover, institutional change is not always functional. It can rather lead to dysfunctional responses. But, institutions will have opportunities to adjust their behaviour. The norms embedded in the institution are an important guideline to determine which changes are appropriate and which are not.\textsuperscript{92}

According to NI, institutions continuously evolve. Rules produce both variation and deviation, and conformity and standardisation. There is usually ambiguity in the application of rules because rules are implemented by actors who try to make sense of changing environments. When the logic of appropriateness is destabilised, there is a vacuum. Institutional change usually does not satisfy the intentions of the ones who initiated it. Institutions reflect distributional advantage patterns, so institutional reform might become part of the power struggles among competing groups\textsuperscript{93} such as the case in BiH.

\subsection*{2.2.3 Institutional Perspectives on Democratic Governance}
From an institutional perspective, democratic governance is about developing capable political actors who can comprehend how institutions work and deal effectively with institutions. Democratic governance is about creating cultures and rules that make it possible to reach

\textsuperscript{90} Nørgaard (2001), p. 23.
\textsuperscript{91} March & Olsen (1989), pp. 166-171.
\textsuperscript{92} Peters (1999), pp. 33-34.
\textsuperscript{93} Marsh & Stoker (2002), pp. 104-106.
agreements between coalition groups. It includes creating identities, preferences, and resources that support the polity. It is about creating a meaning system and an understanding of history.\textsuperscript{94}

According to March and Olsen, democratic governments should build civic institutions, which make it easy to construct democratic identities. They should eliminate institutions that are not consistent with democracy. In a democracy, it is necessary that political actors act in a way that sustains democracy in terms of rules, norms, and duties. Democratic governance should create an adaptive political system that is able to deal effectively with changing demands and environments.\textsuperscript{95}

2.2.4 Ambiguity in Implementation
Implementation studies have stated two main points: First, policies do make a difference. Bureaucracies usually respond to policy changes by transforming administrative actions. Secondly, policy implementation is usually different from policy adoption.\textsuperscript{96} By identifying the differences between adopted policies and implemented policies as implementation problems, one can observe that the concept of ambiguity is very important to understand the problems concerning the policy process.

There are usually complications in moving from policy adoption to policy execution. Policy implementation is problematic. However, these problems cannot be regarded as independent from the confusions in the policy itself. These confusions in policy cannot be regarded as independent from the ways that the winning policy coalitions are established. Policies are usually ambiguous. However, their ambiguities are not only a consequence of the weaknesses of policy makers. Policy ambiguities are also the result of the policy makers’ efforts to get necessary public support for their policies, and of the changing preferences as time goes by.\textsuperscript{97}

2.3 Theoretical Combination
As a theoretical framework, this study will apply both NI and democratization theories, with a focus on the transition approach. These theoretical approaches will provide a guideline to explore EU relations with SEE in general, and the implementation of the SAP in BiH in particular. Utilizing both the transition approach and NI can contribute to our understanding of how institutions work in the transition processes from authoritarian systems to democratic ones.

The emphasis of institutional theory on the mechanisms that transfer individual preferences into collective choices is similar to the main emphasis of democratization theories. Also, the main foci of democratization theories, such as institution building, creation of collective actors and identities, are similar to the main foci of institutional theory.\textsuperscript{98}

According to NI, the individual gains civic identity through membership to an institution, which is defined by particular codes of conduct. Consequently, this has implications for democratization strategies. Democratizing institutions is related to transforming individual preferences and values as well as the political culture. If NI is applied, the main issue is how to deal with institutional identities that are incompatible with democratic values.\textsuperscript{99} For instance, cleavages in religious and

\textsuperscript{94} March & Olsen (1995), p. 28.
\textsuperscript{95} Ibid., pp. 45-46.
\textsuperscript{96} March (1988), p. 150.
\textsuperscript{97} Ibid., pp. 160-161.
\textsuperscript{98} Nørgaard (2001), p. 6.
\textsuperscript{99} Ibid., p. 21.
ethnic identities, as in the case of BiH, have created a political culture that is not very compatible with democracy.

There are certain interrelated questions that will be asked throughout this paper, especially regarding the institutional setting in BiH: Who participates in the institutional life of the society? Which values are institutionalized by public officials? Which kinds of democratic institutions can lead to normatively legitimate solutions in a pluralistic society? Which norms and rules should be present for democratic governance?

March and Olsen state that a democratic polity includes basic practices and rules, and individual purposes and intentions. Governance is about influencing the framework of politics. Citizens and officials act within this framework that also affects identities and institutions of civil society. Democratic governance is concerned with how this institutional framework can be transformed towards democratic values, and how institutions can be created and transformed within the processes that they define.100

3. EUROPEAN UNION-SOUTH EASTERN EUROPE RELATIONS

SEE does not have a fixed definition. This region can be defined in various ways regarding geographical, historical or cultural features. SEE is more than the sum of disparate states. It is composed of many interdependent variables that are connected to a common history, threats and concerns.\textsuperscript{101} The Balkans is another term that refers to SEE. In political terms, the Balkans can be defined as the territory that includes Albania, Bulgaria, former Yugoslavia, Romania, Greece and Turkey. The interaction of environmental factors, human migration and ethnic complexity are important features of the Balkans. In terms of ethnic, linguistic and religious complexities the Balkans is one of the most complicated regions in the world. Whereas Albania and Slovenia are considered as the most ethnically homogeneous countries in SEE, BiH has been characterised by a large amount of ethnic cleavages.\textsuperscript{102}

While exploring EU-SEE relations, this study will mainly focus on the region known as the Western Balkans, which consists of five countries: Albania, BiH, Croatia, Serbia and Montenegro, and FYROM.\textsuperscript{103} (Table 4)

Table 4: Ethnic Groups in Western Balkan Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (in millions)</th>
<th>Major Ethnic Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiH</td>
<td>4</td>
<td>Bosniaks (48%), Serbs (37%), Croats (14%), Others (1%)</td>
</tr>
<tr>
<td>Croatia</td>
<td>4.8</td>
<td>Croats (78%), Serbs (12%), Roma (1%), Others (9%)</td>
</tr>
<tr>
<td>FYROM</td>
<td>2.1</td>
<td>Macedonians (66%), Albanians (23%), Turks (4%), Roma (3%), Serbs (2%), Others (2%)</td>
</tr>
<tr>
<td>Serbia and Montenegro</td>
<td>10.5</td>
<td>Serbs (63%), Albanians (14%), Montenegrins (6%), Hungarians (4%), Roma (4%), Others (9%)</td>
</tr>
<tr>
<td>Albania</td>
<td>3.3</td>
<td>Albanians (95%), Greeks (3%), Roma (3%)</td>
</tr>
</tbody>
</table>


3.1 Historical Background

SEE is a part of Europe and its history cannot be seen as separate from the developments in European history. The last two centuries witnessed the collapse of three empires in the region: the Ottoman, Austria-Hungarian, and Russian Empires. All three empires had their own systems to accommodate multi-ethnic populations. Independence movements and nationalism accelerated the collapse of the Empires and led to the emergence of new states in SEE. What made it more complex was the fact that state borders were often drawn by major powers that were not mainly concerned about the ethnic complexities of the region. The Berlin Treaty of 1878 was an international legal framework for the fragmentation or ‘Balkanization’ of the region.\textsuperscript{104}

\textsuperscript{102} Hall & Danta (1996), pp. 3-12.
\textsuperscript{103} European Commission, ‘The EU’s relations with South Eastern Europe’, Available at: http://www.europa.eu.int/comm/external_relations/see/index.htm, 2004-09-17.
\textsuperscript{104} Dwan (1999), p. 96.
According to Attila Agh, Yugoslavia was an ‘artificial creation’ after World War I. The new country was very heterogeneous. Different religions and languages divided Yugoslavia into different ethnic groups. The major powers exploited these domestic divisions for their own interests. After World War II, during the Cold War period, the focus was on East-West polarization. Socialist Federal Republic of Yugoslavia benefited from this division and exploited its nonalignment status. Yugoslav leader, Tito, managed to keep the emerging Communist state of Yugoslavia independent from the Soviet Union. Tito enjoyed a certain amount of international prestige and had a leading role in the non-aligned movement in the Third World.

SEE has also been a diversified region in terms of membership to European and transatlantic organizations. For instance, during the Cold War, two North Atlantic Treaty Organization (NATO) countries, Greece and Turkey, were in the Western bloc. Two Warsaw Treaty members, Bulgaria and Romania, were in the Eastern bloc. Two independent countries, Albania and Yugoslavia, were supporters of the non-aligned movement.

Under the leadership of Tito, Yugoslavia was organized into six republics: Slovenia, Croatia, BiH, Serbia, Montenegro, and Macedonia. Vojvodina and Kosovo were autonomous regions within Serbia. Even though the 1974 Constitution tried to ease tensions among rival groups, the traditional rivalries continued. Tito tried to ease tensions by a system of required consensus in decision-making among the republics and autonomous regions. But, Croatia and Slovenia, which were the richest among the republics, gradually felt that they were exploited to support the other poorer republics. After Tito’s death in 1980, tensions continued to rise. New Yugoslav leader, Milosevic, started to reassert Serb power in Kosovo and Vojvodina. The political regime as well as the economy fragmented after Tito’s death. The fragmentation was fastened by the collapse of Communism in CEE. Even Yugoslavia could not adapt to the fast transformations that took place in the late 1980s. Eventually, Slovenia and Croatia composed non-communist governments and declared their independences in 1991. In January 1992, the European Community (EC) Member States recognized Slovenia and Croatia.

The collapse of Communism and the dissolution of Yugoslavia had consequences for SEE as well as Europe. The political and ethnic chaos that followed the disintegration of Yugoslavia was a big challenge to the ‘New World Order’. The independence processes of FYROM and BiH were more problematic compared to Slovenia. FYROM declared its independence in 1991. BiH declared its independence as a result of a referendum held in February 1992. BiH’s independence declaration was recognized by both the USA and the EC in April 1992. However, fighting broke out between the different ethnic groups in BiH and it lasted for more than three years. Finally, in December 1995, the DPA concluded that BiH is composed of two separate entities (Bosniak/Croat Federation and RS), and it should be recognised as a sovereign state.

3.2 Relations in the Post-Cold War Period

After the end of the Cold War, it was necessary that the EU reorient its policies towards SEE. Since 1989, there has been a new agenda in front of the EU as well as a search for a new institutional formula for EU-SEE relations. The unexpected fall of the Berlin Wall and the independence of Eastern European countries led to optimistic sentiments across Europe. Many viewed these events as the victory of the West and liberal democracy and market economy. However, these optimistic sentiments were challenged by a set of events such as wars in the Middle East, Bosnia, and Kosovo. Also, there were new uncertain threats such as environmental problems, weapons proliferation, reappearance of violent forms of nationalism, political radicalism, mass migration, international terrorism, and religious fundamentalism.114 Within this framework, it is necessary for the EU to deal with instable regions. SEE has gradually been viewed as one of the main priorities for the EU. Democracy promotion policies are viewed as the main method to establish peace and stability in this region.

In the 1990s, there was a fragmentation process in SEE, where smaller states have been formed. This is in contrast to the general integration trend in Western Europe. The international community has launched certain institutional frameworks to promote cooperation in SEE. The EU is concerned with the probability of spillover of the instability in SEE to the rest of Europe. Thus, it is decided that suitable methods should be found to appease current and future conflicts arising from ethnic and political tensions such as in Bosnia and Kosovo, and economic crises such as in Bulgaria, Albania, and FYROM.115 Another concern of the EU is insecurity arising from illegal trafficking of drugs, arms, and people in SEE. The EU is interested in aiding the SEE countries to build stronger institutional systems for combating criminal groups. Moreover, the EU is interested in SEE for the opportunities regarding economic expansion. If stabilisation process can be consolidated in SEE, trade and investment in SEE would increase a lot in the future. Additionally, at a broader level, the EU’s increasing involvement in SEE is also related to EU’s political interest in promoting further the EU’s credibility and reputation on the international scene. Both in the short run and long run, SEE is of important military significance for the EU as well due to EU’s eventual projection towards adjacent areas.116 Because of all these reasons, a number of cooperative steps have been taken by European and transatlantic organizations as well as SEE governments. These steps, which address political, economic, social, and military issues, try to increase cooperation, good neighbourhood, stability, and security in this region.117

The dissolution of Yugoslavia was a big challenge for the EU. The parts of the Yugoslav federation that declared their independences have been seeking EU support. The Croatian government has shown that it would like to follow Slovenia’s route towards EU membership. FYROM is looking for a closer relationship with the EU. Both BiH and Kosovo remain fragile grounds in the aftermath of the wars.118

The Balkan wars of the 1990s showed that it is necessary for the EU to create independent crisis management capabilities. Consequently, the EU summits throughout the 1990s promoted the need for a Common Foreign and Security Policy (CFSP). The 1999 Kosovo crisis demonstrated numerous problems for the EU regarding both political and military terms. As the EU has been

taking greater responsibility for SEE, it faces many challenges as well as political shortcomings.\textsuperscript{119}

Since the 1990s, democracy promotion has been an important component of EU’s external relations. In SEE, EU’s Regional Conditionality and the Stability Pact have included democratic clauses. EU policies try to influence democratic trends through more institutionalized and regularized cooperation. The EU has broadened the concept of ‘governance’. For instance, EU tries to widen governance frameworks beyond policy implementation capability and efficiency. Also, it tries to include more participatory decision-making mechanisms. However, there are shortcomings. Democratization is not an easy process. It is difficult to implement democratic clauses in practice when there are severe ethnic conflicts such as the case in BiH. The EU needs a more comprehensive democracy promotion policy, which will consider all political, social as well as economic factors.\textsuperscript{120}

Before the collapse of Yugoslavia, the EU did not have a very specific and coherent policy towards the Western Balkans. Nevertheless, former Yugoslavia, which was more advanced regarding its economy and civil society compared to most other CEE countries, had benefits from the EC’s trade preferences since 1974. Also, it had signed a trade and cooperation agreement with the EC in 1980. After the dissolution of Yugoslavia, the EU was mainly concerned with stopping the violent conflict in the region between 1991 and 1995. A more coherent EU policy towards Western Balkans was launched after the Rome Conference in 1996 that consolidated the DPA. Consequently, the EU promoted a \textit{Regional Approach} towards Western Balkans. This approach was complementary to the the Royaumont Process for Stability and Good Neighbourliness in South-East Europe, which is initiated in December 1996 and includes the EU Member States, SEE countries, USA, OSCE and Council of Europe. The purpose is to support the implementation of the DPA and promote democratization through regional projects about topics such as human rights, culture and civil society.\textsuperscript{121}

One of the main purposes of the EU regarding SEE is to create a peaceful region where military conflicts will not take place in the future. The method to realize this goal is to increase stability, prosperity and freedom in SEE. Over the last 10 years, the EU has taken many initiatives to reach this goal. The EU is the single largest assistance donor to the Western Balkan region. Between 1991 and 2001, the EU has given more than € 6.1 billion for the region through different aid programmes such as Phare, Obnova, and CARDS (Community Assistance for Reconstruction, Development and Stabilisation). Additionally, the EU Member States have provided troops for the region. For instance, in Kosovo, about 36,000 troops and 800 civilian police from EU Member States serve. The European Commission heads the department of the UN Mission in Kosovo that has the responsibility for economic reconstruction. Moreover, Romania and Bulgaria, which are both EU membership candidates, receive € 900 million per year as pre-accession aid.\textsuperscript{122}

In 1999, the European Commission and the World Bank established the Joint Office for South East Europe. The main purpose of the Joint Office is to coordinate international assistance for

\textsuperscript{119} Abramowitz, M., H. Hurlburt (2002): ‘Can the EU Hack the Balkans?’, \textit{Foreign Affairs}, vol. 81, issue 5, pp. 2-8.


\textsuperscript{121} Pippan (2004), pp. 219-245.

\textsuperscript{122} European Commission, ‘The EU’s relations with South Eastern Europe’, Available at: \texttt{http://www.europa.eu.int/comm/external_relations/see/index.htm}, 2004-09-17.
reconstruction and development in SEE. Through organizing donor conferences, the Joint Office has an influential position to mobilize international assistance for SEE.\(^{123}\)

Slovenia has become an EU Member State in 2004. The current EU policy towards SEE revolves around two strategies: accession process to the EU (for Bulgaria and Romania, as well as for Turkey which are candidates for EU membership), and the SAP (for Albania, BiH, Croatia, FYROM, and Serbia and Montenegro) in order to prepare these countries for ‘eventual membership’ to the EU. Croatia has moved one step further and become an EU membership candidate.\(^{124}\)

### 3.3 Stabilisation and Association Process

In order to promote peace, stability and prosperity in SEE, the EU has set up several strategies ranging from Regional Approach to SAP. In the mid-1990s, the EU developed a Regional Approach to ensure the implementation of DPA and consolidation of the necessary political and economic conditions to form bilateral relations between EU and SEE countries. After an era of violent conflict, the main purpose of the Regional Approach was to provide basic stability and prosperity in Western Balkans.\(^{125}\) However, the 1999 Kosovo crisis demonstrated that the EU’s initial Regional Approach was inefficient in helping promote EU’s main priorities in the region, which were namely restoring peace, stability, and good neighbourhood between the relevant countries. Consequently, the Regional Approach, which was established to create a policy framework for bilateral relations between EU and some SEE countries, developed into a new concept: the SAP. Even though the SAP includes some of the elements of the Regional Approach, the SAP is a more comprehensive and ambitious project. SAP offers to replace the traditional cooperation agreements with potential Stabilisation and Association Agreements (SAAs). The SAP strategy has certain offers for the five Western Balkan countries (Albania, BiH, Croatia, FYROM, and Serbia and Montenegro). These offers include trade liberalization, improved financial and economic assistance, a regularized political dialogue, cooperation in justice and home affairs, and new contractual ties such as SAAs.\(^{126}\)

The EU has made a long-term commitment to peace, stability and prosperity in SEE. There is also recognition that the countries of the region hold the key to success themselves. Within the SAP framework, the EU tries to promote domestic reform processes as well. The European Commission states that the SAP “is a step-by-step approach based on aid, trade preferences, dialogue, technical advice and, ultimately, contractual relations. In the long term, the SAP offers these countries the prospect of full integration into EU structures.”\(^{127}\)

Apart from the EU aid that they receive, the five Western Balkan countries benefit from trade preferences. Many products from Western Balkans have benefited from duty-free and unlimited access to EU markets since December 2000. If the countries have made the necessary progress regarding political and economic reform as well as administrative capacity, the following step is a formal contractual relation with the EU. This is called the SAA. FYROM signed a SAA in April


\(^{126}\) Pippan (2004), pp. 219-229.

\(^{127}\) European Commission, ‘The EU’s relations with South Eastern Europe’, Available at: [http://www.europa.eu.int/comm/external_relations/see/index.htm](http://www.europa.eu.int/comm/external_relations/see/index.htm), 2004-09-17.
2001. Croatia signed a SAA in October 2001. Other countries will sign if they achieve sufficient progress on reforms. For instance, Albania is negotiating for a SAA with the EU since January 2003.\footnote{European Commission, ‘The EU’s relations with South Eastern Europe’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/index.htm}, 2004-09-17.}

The 24 November 2000 Zagreb Summit was an important step for the SAP because it set up a specific set of objectives and conditions. In exchange for an EU offer of a prospective EU membership, the SEE countries undertook to follow EU’s conditionality clauses as well as the obligations of the SAAs when signed.\footnote{European Commission, ‘The EU’s actions in Support to the Stabilisation & Association Process’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/actions/sap.htm}, 2004-09-21.}

The first phase of the SAP is preparation for a SAA. Each country prepares carefully according to its own circumstances for a SAA. The second phase is the negotiation and implementation of the SAAs. Similar to the Europe Agreements for CEE countries, the SAAs are formal mechanisms that allow the EU to engage with the relevant SEE country and to bring it closer to EU standards. SAAs concentrate on respect for democracy and the main principles of the EU single market. With the help of a free trade area with the EU and the related institutional adaptations, SAAs will enable the economies of SEE to start to integrate with the EU’s. SAAs are created according to specific conditions of each country. However, the “destination for all countries is expected to be the same: the full realisation of association after a transitional period through implementation of the same core obligations.”\footnote{Ibid.}

The European Commission concentrates on dealing with regional problems in Western Balkans and increasing regional cooperation between the countries of this region. The EU aid concentrates on management of international borders, regional infrastructure development, and supporting the countries to set up stronger domestic institutions. CARDS assistance programme is an important component of EU implementation policies. The CARDS is expected to provide €4.65 billion for the period 2000-2006. To help reach the goals of the SAP, “CARDS assistance will finance investment, institution-building and other programmes in four major areas:

- Reconstruction, democratic stabilisation, reconciliation and the return of refugees.
- Institutional and legislative development, including harmonisation with EU norms and approaches, to underpin democracy and the rule of law, human rights, civil society and the media, and the operation of a free market economy.
- Sustainable economic and social development, including structural reform.
- Promotion of closer relations and regional cooperation among SAP countries and between them, the European Union”.\footnote{European Commission, ‘CARDS Regional Strategy Paper 2002-2006’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/news/ip01_1464.htm}, 2004-09-21.}

The democratic, human rights and rule of law principles of the SAP are similar to those included in the Universal Declaration of Human Rights (1948), the Helsinki Final Act (1975) and the Charter of Paris for a New Europe (1990). The references to these documents and the comprehensive political and economic principles included in the SAP have set out high standards for the Western Balkans. For instance, a contracting party of the SAA has to respect international human rights. Moreover, it has the obligation to establish, consolidate and strengthen democracy. Consequently, a representative and pluralistic government is necessary. This government should be founded upon the will of the people, expressed by free and fair elections, thus ensuring
accountability to the electorate. The return to non-democratic government is forbidden under SAAs.\textsuperscript{132} Therefore, from a theoretical framework, SAAs aim to consolidate democratic governance as the only legal form of governance.

3.4 Stability Pact for South Eastern Europe
The Stability Pact for South Eastern Europe was adopted in Cologne on 10 June 1999 with the initiative of the EU. More than 40 countries and organizations agreed to support the SEE countries in their efforts “to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region. It is based on experiences and lessons from worldwide international crisis management and is the first serious attempt by the international community to replace the previous, reactive crisis intervention policy in South Eastern Europe with a comprehensive, long-term conflict prevention strategy.”\textsuperscript{133}

The Stability Pact was created in the wake of the Kosovo Crisis in 1999. Stability Pact was offered as a cooperation guideline between the EU Member States, G-8 countries\textsuperscript{134}, SEE countries, and many international organizations. The EU has a coordinator and facilitator role within this framework.\textsuperscript{135} The further development and implementation of the Stability Pact is vested in the OSCE. From a legal and institutional point of view, the Stability Pact was not created as a new international organization. It is rather a platform for international cooperation, and involves a political commitment by the participants to undertake responsibility to promote stability and growth in SEE.\textsuperscript{136}

According to Javier Solana, the EU High Representative for the CFSP, the original idea behind the Stability Pact was to support parallel developments in three main areas: strengthening sustainable democracy, promoting economic and social well being, as well as a secure environment.\textsuperscript{137} Consequently, the working mechanism of the Stability Pact includes a regional table (the most important political instrument of the Pact), and three working tables: Democratisation and Human Rights; Economic Reconstruction, Cooperation and Development; and Security Issues.\textsuperscript{138}

The Stability Pact and the SAP are complementary processes. They both aim to promote greater cooperation in SEE as well as democratic governments that would lead to peace and prosperity across SEE. They mutually support each other as well. For instance, the Stability Pact’s focus on areas such as local democracy, cross-border cooperation, trade and investment, infrastructure and energy, organized crime, media, and population movements are in conformity with the main focus of the SAP. In practice, most of the activities of the Stability Pact are absorbed by the SAP and accession programmes of specific countries.\textsuperscript{139}

\textsuperscript{132} Pippan (2004), pp. 236-238.
\textsuperscript{133} Special Co-ordinator of the Stability Pact for South Eastern Europe, Available at: \url{http://www.stabilitypact.org/}, 2004-09-23.
\textsuperscript{134} G-8 countries are: Canada, France, Germany, Italy, Japan, Russian Federation, United Kingdom and USA.
\textsuperscript{135} Dannreuther (2004), p. 15.
\textsuperscript{136} Pippan (2004), pp. 226-228.
\textsuperscript{138} Special Co-ordinator of the Stability Pact for South Eastern Europe, Available at: \url{http://www.stabilitypact.org/}, 2004-09-23.
Despite a certain level of progress, one of the weaknesses of the Stability Pact is the contradiction between its ambitious aims and the relatively limited resources in its hands. Its second weakness concerns a lack of appropriate focus and order between the multiple cooperation initiatives placed within the framework of the Stability Pact. Thirdly, certain imminent issues such as ethnic conflicts and security threats in SEE necessitate targeted action which is beyond the Stability Pact policies. Another setback is related to the nationalist tendencies in certain parts of SEE. Nationalist politics, problems of border, sovereignty, and political systems still remain unresolved in the Balkans. Moreover, a majority of the people in certain parts of SEE still live under difficult conditions (high unemployment rate, low salaries, problems related to property restitutions, and minority issues). For a genuine change of mentality in the region it is necessary to have time, as well as the ability to promote new sets of rules, legislation, government policies and initiatives in SEE.

At the beginning, many people expected the Stability Pact to be something similar to a ‘Marshall Plan’ for SEE. However, when this did not take place, doubts and disappointments regarding the Stability Pact have been expressed. Nevertheless, one must not forget that the Stability Pact is a good attempt for cooperation in SEE. Despite severe conflicts in the region, the first signs of a Balkan civil society, independent media, civic actions, and networks against resurgent nationalism are emerging.

The EU has concentrated on a limited number of programmes which are of key strategic value such as transport infrastructure, environmental protection, energy, and cross-border issues in SEE. Gradually, it has become obvious that the reform processes in SEE must consider the specific needs and limitations existing at the national level. Moreover, it is decided that reforms involving the transformation of economic and institutional setting of individual countries could be more effective if the national circumstances of the countries are taken into account.

To sum up, dialogue and regional cooperation in SEE are very important both for the region itself as well as for the EU. The Stability Pact has been important in assisting SEE countries to learn how to work together. Having peaceful and constructive relations with its neighbours is necessary for the future prospects of the EU. The EU as well as other organizations can support regional cooperation. However, the countries of the region have to spend effort themselves as well. For the long-term prospects of sustainable peace and democracy in SEE, the countries of the region should be self-sustaining.

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141 Calic (2004), p. 3.
144 Marshall Plan was a European Recovery Program based on the 5 June 1947 speech of the U.S. Secretary of State of the time George C. Marshall. The Marshall Plan aimed to foster economic recovery in certain European countries after World War II.
4. THE CASE OF BOSNIA AND HERZEGOVINA

4.1 Country Profile

BiH lies in SEE, on the Balkan Peninsula. The total area of BiH is 51,129 square kilometers. The country is bordered by Croatia in the north and west, and Serbia and Montenegro in the east. The population of BiH is around 4 million people of whom 48% are Bosnian Muslims (Bosniaks), 37% are Bosnian Serbs, and 14% are Bosnian Croats. The population is also divided along religious lines. Generally speaking, Bosniaks are Muslim, Serbs are Orthodox Christian, and Croats are Roman Catholic. The rest of the population is composed of about seventeen ‘national’ minority groups, the largest being the Roma. Throughout history, many outside powers, such as the Roman, Ottoman and Austro-Hungarian Empires, left their legacies on present-day BiH. Under four hundred years of Ottoman rule (that ended in 19th century), large numbers of people in the area converted to Islam. In a way, BiH represented the borderline between Islam and Christianity. After the ending of the four hundred years of Ottoman rule, most of the twentieth century of BiH was shaped by war and ethnic tensions.

Bosnia was one of the former republics of Yugoslavia that was created after World War I as a federation of six republics. Yugoslavia broke up in 1991. In BiH, the attempt to separate from Yugoslavia was promoted by Bosnia’s Muslim President, Aliya Izetbegovic. Bosnia’s attempt to separate from Yugoslavia was resisted by the Bosnian Serbs who were supported by the Serbian Serbs. BiH declared its independence from former Yugoslavia in March 1992 after a referendum that was boycotted by Bosnian Serbs. The Bosnian Serbs responded by armed resistance. After the dissolution of Yugoslavia, there was three years of war among the Serb, Croat, and Bosniak populations of BiH between 1992 and 1995. The war ended in December 1995 when the General Agreement for Peace (the DPA) was signed.

The DPA kept BiH’s international borders and established a joint multi-ethnic government. The national government is charged with running foreign, diplomatic and fiscal policies. The second tier of government consists of two entities: the Bosniak/Croat Federation of Bosnia and Herzegovina, and the Serb-led RS. The Office of the High Representative (OHR) was created to oversee the implementation of the civilian clauses of the DPA. The duty of the High Representative (who is also the EU’s Special Representative) is to cooperate with BiH people and the international community to make sure that BiH is a stable, viable country on the road to European integration. Between 1995-96, NATO-led Implementation Force (IFOR) provided 60,000 troops in BiH to implement and monitor the military clauses of DPA. IFOR was replaced by a smaller-sized, NATO-led Stabilization Force (SFOR) whose duty was to deter renewed hostilities. 2 December 2004 marks the conclusion of SFOR and the launch of the EU Force (EUFOR) in BiH. EUFOR’s mission, code-named Althea, includes 7,000 troops from 33

countries. EUFOR’s responsibilities will be to ensure a secure environment, support BiH authorities in countering organised crime and detaining indicted war criminals.\textsuperscript{153}

The DPA is monitored by the international community institutions. DPA created international control over military forces on the ground. Moreover, it initiated a new, post-Cold War international agenda of long-term peace building. According to Chandler, this international agenda broadened the scope of international involvement in post-conflict circumstances from keeping warring parties apart to leading in finding long-term political solutions. This new aim of the international institutions has gradually been described as ‘democratization’.\textsuperscript{154} The situation in post-Dayton BiH is a complex one. Even though BiH has come a long way from its war-torn past, BiH functions mostly because the international community has put a lot of resources into it. This led to the dependence of BiH on the international community to a great extent. One of the most important goals of DPA, which is the restoration of security and physical infrastructure, has mostly been met. However, the broader goal of establishing a multi-ethnic, democratic, and economically self-sustaining country is still a long way to go.\textsuperscript{155}

\textbf{4.1.1 Political and Administrative Framework}

The national (BiH State) political system is composed of “a Parliamentary Assembly, which is divided into a House of Representatives and a House of Peoples, a rotating tripartite presidency (with one member from each of the constituent peoples – Bosniac, Croat and Serb), and a Council of Ministers with nine ministries.”\textsuperscript{156} The State of BiH is divided into two Entities: the Bosniak/Croat Federation of BiH (controlled by the Bosniaks and Croats), and the RS (governed by the Serbs). Both Entities have their own political structure and administration. The Bosniak/Croat Federation is divided into three levels: the Entity level, the Cantonal level, and the Municipal level. RS does not have a Cantonal level, it only has municipalities.\textsuperscript{157}

The community of Brcko is situated in northeastern BiH. Brcko is a self-governing administrative unit and it is not part of the two entities.\textsuperscript{158}

The Bosniak/Croat Federation and RS are both overseen by a central presidency, which is a co-presidency. Three people are the head of the state of BiH. One Bosniak and one Croat are elected by the citizens of the Bosniak/Croat Federation, and one Serb is elected by the people of RS. All three are elected for a four-year term, but they rotate in holding the presidency position every eight months. The presidency is responsible for conducting BiH’s foreign policy, representing the country in international organizations, and negotiating treaties.\textsuperscript{159}

\textbf{4.2 Political Culture}

Kamrava defines \textit{political culture} as “a set of values and orientations which determine and influence the public’s perception of politics.”\textsuperscript{160} The political development of post-Communist

\begin{footnotes}
\item[157] Ibid.
\item[159] Ibid.
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countries is affected by the elites’ attitudes and the features of the political parties and other institutions through which they aim for power. Also, the initial situation and the consequent evolution of the country’s political culture is important for the long-term democratization processes. In general, political culture represents the citizens’ basic attitudes such as trustworthiness towards other citizens, the capability of citizen influence on government policies, and the legitimacy of current political institutions. The ‘deep beliefs’ of the post-Communist country citizens are very important to explain perspectives and limitations on post-Communist democratization.

Whether the new regimes in SEE countries will be run by disunified or consensually unified elites is important for the possibilities of consolidating new democracies. The institutional elites orientation focuses on the ability of ‘consensus-building’ among political elites, their efficiency, and the contribution of confidence building towards central institutions and political representatives. However, in contrast to the relatively homogenous political cultures of Western European countries, SEE political culture is more fragmented. There is a divide between the political attitudes of the ‘new entrepreneurial class’ and the economically and socially stressed, paternalistic parts of the population. Economic problems and the fear of a decrease in social status breed paternalistic expectations and the need for protection.

BiH is an ethnically divided society. Bosnian Muslims, Serbs, and Croats are three ethno cultural communities whose relationship throughout history has been characterized by periods of both intergroup accommodation and conflict. Following the collapse of communist authoritarianism, liberalization efforts took place in BiH, the political rules were changed, and a certain amount of political pluralization came into existence. More than 40 new political groups were created after 1990. However, the social conditions in BiH continue to vary greatly among the country’s different regions as well as between urban and rural areas. Moreover, there is a considerable social distance and insecurity feelings between the major ethnic groups.

BiH has a diverse multicultural population in terms of religion as well. Bosnian Muslims follow Islam, Serbs follow Orthodox Christianity, and Croats follow Roman Catholicism. In BiH, people’s religion also affects their identity, life style, and whom they vote for.

‘Power sharing’ has not been very successful in BiH because of the lack of cooperative efforts from the leaderships, the conflicts between the major ethnic groups at the grass roots level, and the external conditions that favour nationalist parties’ confrontation. BiH, as a deeply divided society, needs more cooperation between the major ethnic groups for the success of stabilisation attempts.

After the dissolution of Yugoslavia, new nationalist political formations came into existence in BiH. According to Michael Kennedy, transition and nationalism’s wars originated mainly from the need of the political leaders and civil societies to redefine their positions in a period

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164 Ibid., p. 127.
166 Dawisha & Parrott (1997), pp. 138-139.
transformed by the ending of the Cold War.\textsuperscript{168} Susan Woodward states that the main feature of \textit{nationalism} is the definition of a political community (its principles of membership, cultural and territorial borders, and its enemies). Nationalist politicians use the ethnic elements and identities in a society to win the loyalty of citizens whose loyalties were in doubt. For example, in BiH, a majority of the votes have been cast for ethno national parties.\textsuperscript{169}

The Communist Party prevailed for 40 years in Bosnia. After the end of the Communist Party rule, a clearly outlined party structure came into existence in BiH where the parties became organized along ethnic lines.\textsuperscript{170} Bosnian Muslims were the first to establish a sectional party, the Party of Democratic Action (SDA), in May 1990 under the leadership of Alija Izetbegovic. The Serbs organized the Serb Democratic Party (SDS) in July 1990 under the leadership of Radovan Karadzic. The Croats organized the local branch of the Croatian Democratic Union (HDZ) in October 1990 under the leadership of Stjepan Kljujic.\textsuperscript{171}

The only free elections in BiH before the DPA were held in November 1990. According to Chandler, the 1990 elections illustrated the failure of democracy in BiH because of the success of the nationalist parties at the expense of the reformist parties. 84\% of the seats of the legislature were won by the major ethnic parties, where SDA got 33.8\%, SDS got 29.6\%, and the HDZ got 18.3\% of the seats.\textsuperscript{172} After the signing of the 1995 DPA, the same trend of voting for ethnic/nationalist parties continued despite a gradual decrease and fragmentation in the nationalist parties’ votes. For instance, in the October 2002 elections for the National House of Representatives, SDA got 21.9\%, SDS got 14\%, and HDZ got 9.5\% of the votes. Some of the remaining votes mainly went to Social Democrats, with the Social Democratic Party of BiH (SDP) getting 10.4\%, and the Alliance of Independent Social Democrats (SNSD) getting 9.8\% of the votes.\textsuperscript{173}

Some of the causes of the 1992-95 Bosnian War were located at Bosnian culture. Moreover, the Bosnian culture was held responsible for preventing the parties from resolving conflict through negotiation and compromise. The elected leaders, who were seen as the results of the ethnic Balkan culture, were perceived as incapable of finding a peaceful solution. Many authors point out that the irrational nature of the Bosnian elected leaders necessitated international intervention.\textsuperscript{174}

Democratization efforts in BiH rely mainly on the institutionalisation of ethnic divisions. However, the politicisation of ethnicity and the success of political parties that appeal to one ethnic group are obstacles in front of a genuine long-term democratization process.\textsuperscript{175}

The weaknesses of Bosnian institutions have accelerated fragmentation of political power and reliance on personal networks of support. The absence of coherent political structures forced the


\textsuperscript{172} Chandler (2000), p. 29.


\textsuperscript{174} Chandler (2000), p. 32.

\textsuperscript{175} Ibid., p. 111.
Bosnians to depend on more narrow and parochial survival networks, which signifies that ethnicity continues its relevance as a political source. One of the main concerns of Bosnian people is political security. The State and the two Entities are founded on weak foundations and there is no guarantee that these arrangements will survive after a future withdrawal of the international community. The absence of political security has led to continuing support for the three major nationalist parties.176

Bosnian political culture has been going through change since the mid-1990s. However, this change is initiated mainly by the international community. For instance, progress is made in women participation in politics in BiH. In the first post-war elections in September 1996, which was organized by the OSCE Mission, only 2% of female candidates were elected at the State level. Consequently, the OSCE sponsored strategy sessions that led to a reform in election rules. A new rule was introduced, which stated that at least 30% of political party candidates be women. As a consequence, the percentage of women in BiH House of Representatives increased to 26% in 1998. According to OSCE Press Release of 7 August 2001, BiH has the highest percentage of women in political office in SEE. This trend continues while people realize the important contributions of women to the traditionally male-dominated Bosnian political culture.177

The main emphasis of civil society-building in BiH is on local non-governmental organizations (NGOs) that are viewed as capable of articulating needs and including grass-roots voices. However, the assumption of the democratization strategy that NGOs are a prerequisite for Bosnian self-government is debatable. Considering that Bosnian and former Yugoslav citizens had a considerably high level of education and involvement in local political life before the war, it may be the contemporary level of international control over Bosnian life, and the failure of Bosnian political representatives to achieve accountability that prevent the formation of wider voluntary associational ties. As the democratization attempts continue, a vicious circle is formed where the Bosnians are viewed as less capable of political autonomy and the international community seems more necessary to ensure democratic progress.178

4.3 EU-Bosnia Relations
Chandler points out the importance of BiH for international relations after the Cold War. Bosnia has been a crucial place for the transition in European security and stability frameworks. For example, in 1991 there were not any foreign troops in SEE. Today, there are many deployments in SEE including Bosnia. This region is essential for the general attempts to create and consolidate stability in Europe in the future. The significance of Bosnia is that in an era of international transition after the Cold War, Bosnia became a focus for the international community in their efforts to redefine their political and strategic goals and transform themselves institutionally. Democratization is a main component of this transition process from anti-communist rhetoric to human rights promotion.179

Democratization process in BiH is important for the transformation of international institutions after the Cold War. The international consensus that was created in the later stages of the Bosnian War brought together the European and United States interests and led to international

176 Ibid., p. 195.
179 Ibid., pp. 184-186.
cooperation through the NATO-led operations. Bosnia was important for NATO to define its post-Cold War role. Moreover, Bosnia remains essential for cohering the alliance.\textsuperscript{180}

The EU has usually been criticized for its ineffectiveness at the beginning stages of the Yugoslav crisis that started in June 1991 with the independence declarations of Croatia and Slovenia. After the referendum in Bosnia, the EC and United States recognized the independence of BiH. However, when the war broke out in BiH, the international community has been criticized on the ground that it was too slow to take concrete action until 1995 when the NATO-led operation forced the conflicting parties to accept the constitutional arrangements, which were very far from the conflicting parties’ original political objectives. The Bosnian War came to an end with the signing of the DPA in December 1995.\textsuperscript{181} Only after the conclusion of the DPA a more concrete and coherent relationship started to take place between the EU and BiH.

After their initial differences in the beginning of the 1990s, the United States and EU came together to solve the conflict in BiH in 1995.\textsuperscript{182} However, according to Carl Bildt, the EU’s High Representative in Bosnia between 1995-97, the weaknesses of the EU’s CFSP were apparent during the Bosnian Crisis. The EU’s shortcomings were further illustrated when the United States came in to deal with the crisis. The result was that the Americans looked like heroes although “they only provided a small part of the reconstruction assistance, and committed fewer troops than the EU countries.”\textsuperscript{183} Especially since the mid-1990s, the EU has gradually been more involved in peacekeeping and peacebuilding operations in SEE.\textsuperscript{184}

The 1995 DPA was an important milestone for EU-Bosnia relations. After 1995, the EU developed a more coherent strategy towards Bosnia. Within the framework of \textit{Regional Approach} in 1997, the EU Council of Ministers put forward political and economic conditionality principles for the development of bilateral relations. BiH started to benefit from trade preferences and EU assistance. In 1998, the EU/BiH Consultative Task Force was established as a joint mechanism for technical and expert advice concerning administration, regulatory framework and policies. Since 1999, the SAP offers a prospect for integration into EU structures for the Western Balkan countries. In 2000, the EU published the Road Map as a document including 18 vital steps to be undertaken by BiH before the Feasibility Study for the opening of SAA negotiations could start. Following a considerable completion of the Road Map by 2003, the European Commission presented the Feasibility Study on the opening of SAA negotiations with BiH.\textsuperscript{185}

The major goals of the EU to support BiH in the SAP are:

- To help consolidate the peace process and foster inter-Entity co-operation.
- To help ethnic reconciliation and the return of refugees and displaced persons to their homes of origin.
- To establish functioning institutions and a viable democracy, based on the rule of law and respect for human rights.

\textsuperscript{180} Ibid., p. 193.
\textsuperscript{185} European Commission, ‘The EU’s Relations with Bosnia&Herzegovina: Overview’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/bosnie_herze/index.htm}, 2004-10-09.
- To lay the foundations for sustainable economic development and growth.
- To bring Bosnia and Herzegovina closer to EU standards and principles.\footnote{Ibid.}

Within this framework, the EU has allocated a considerable amount of assistance to BiH. (Table 5)

**Table 5: EU Assistance to BiH (in millions of €)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Phare, OBNOVA, CARDS</th>
<th>ECHO (Humanitarian Assistance)</th>
<th>Specific Actions</th>
<th>Democracy &amp; Human Rights</th>
<th>Balance of Payments Support</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-1994</td>
<td>0.21</td>
<td>495.26</td>
<td></td>
<td></td>
<td></td>
<td>495.47</td>
</tr>
<tr>
<td>1995</td>
<td>0.65</td>
<td>145.03</td>
<td>70.00</td>
<td>0.70</td>
<td></td>
<td>216.38</td>
</tr>
<tr>
<td>1996</td>
<td>229.77</td>
<td>142.45</td>
<td>65.40</td>
<td>4.80</td>
<td></td>
<td>442.42</td>
</tr>
<tr>
<td>1997</td>
<td>211.16</td>
<td>105.00</td>
<td>39.90</td>
<td>4.80</td>
<td></td>
<td>360.86</td>
</tr>
<tr>
<td>1998</td>
<td>190.50</td>
<td>87.95</td>
<td>15.00</td>
<td>1.80</td>
<td></td>
<td>295.25</td>
</tr>
<tr>
<td>1999</td>
<td>118.36</td>
<td>58.90</td>
<td>30.90</td>
<td>0.80</td>
<td>25.00</td>
<td>233.96</td>
</tr>
<tr>
<td>2000</td>
<td>90.30</td>
<td>0.40</td>
<td>3.96</td>
<td>0.60</td>
<td>10.00</td>
<td>105.26</td>
</tr>
<tr>
<td>2001</td>
<td>105.23</td>
<td>0.75</td>
<td></td>
<td>0.80</td>
<td>25.00</td>
<td>131.78</td>
</tr>
<tr>
<td>2002</td>
<td>71.90</td>
<td></td>
<td>2.30</td>
<td></td>
<td>74.20</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>63.00</td>
<td>2.00</td>
<td>15.00</td>
<td></td>
<td>80.00</td>
<td></td>
</tr>
</tbody>
</table>


**4.3.1 The EU Police Mission in Bosnia and Herzegovina**

The ambition of the EU to get involved in crisis management operations were formulated at the Cologne European Council of June 1999 that also signifies the initiation of the European Security and Defence Policy (ESDP) as a part of the EU’s CFSP. Promoted in January 2003, the EU Police Mission in BiH is the EU’s first civilian crisis management operation within the ESDP. The United Nations (UN) International Police Task Force, which was established in December 1995, is replaced by the EU Police Mission, which tries to develop local law enforcement capabilities as a contribution to the stabilisation attempts in the region. Police officers (about 80% from EU Member States, and 20% from third States) conduct monitoring, mentoring and inspection tasks. With the EU Police Mission in BiH, the EU augmented its commitment to its periphery. However, the EU activities so far are limited in scope and depend mostly on the leadership and commitment of the main EU Member States. Another problem is related to who will continue to be willing to finance such EU-led operations.\footnote{Missiroli, A. (2003): ‘The European Union: Just a Regional Peacekeeper?’, European Foreign Affairs Review, 8, pp. 483-503.}

To sum up, BiH remains an important challenge for the EU. First, there is a relatively intense EU engagement in BiH as well as a European perspective through the SAP. Secondly, the EU has assumed responsibility for peacekeeping operations in BiH through the EUFOR. Thirdly, the EU will have more political responsibilities as the transition from Dayton agenda to the European integration agenda proceeds.\footnote{EU Special Representative in BiH, ‘European Security Strategy-Bosnia and Herzegovina/Comprehensive Policy’, Adopted by the European Council 17/18 June 2004, Available at: http://www.eusrbih.org/policy-docs/?cid=1,1,1, 2004-10-09.}

\footnote{186 Ibid.}
\footnote{188 EU Special Representative in BiH, ‘European Security Strategy-Bosnia and Herzegovina/Comprehensive Policy’, Adopted by the European Council 17/18 June 2004, Available at: http://www.eusrbih.org/policy-docs/?cid=1,1,1, 2004-10-09.}
5. IMPLEMENTATION OF THE STABILISATION AND ASSOCIATION PROCESS IN BOSNIA

5.1 Civilian Implementation of the Dayton Peace Agreement

The EU’s short-term goals in BiH are continued progress regarding the implementation of the DPA, as underlined in the OHR’s Mission Implementation Plan, and the starting of negotiations on a SAA after the fulfilment of the necessary conditions. The medium-term goals are the completion of the Mission Implementation Plan and the signature of a SAA. The long-term goal is a stable, peaceful and multiethnic BiH, which cooperates with its neighbours and which is on track towards EU membership.189

One of the features of the Bosnian war (1992-1995) was the large amount of international involvement (the UN, EU, OSCE, NATO, etc.). After the war, international involvement increased as new institutions were established, such as the OHR, to implement the civilian clauses of the DPA. However, the OHR has not been totally successful in implementation of the civilian aspects of the DPA. OHR and SFOR each monitored the implementation of different sections of the DPA, which meant that no one institution was fully responsible for the success of DPA. Consequently, the conflicting policies of the different actors led to the absence of a clear overall strategy to establish a strong civil society in BiH.190

When peace was brought to BiH through the DPA, the biggest challenge was to find a formula that would enable the different ethnic groups of the country to live in Bosnia. However, the framework for national diversity as stated in the Bosnian constitution is based on the rigid determination of the ethnic origins of central institutions’ members.191 Because of the rigidity of the constitutional setting, the institutions reflect the ethnic divisions of Bosnia without promoting much cooperation.

To sum up, the first aim of the DPA, which was to stop the military conflict in BiH, has been achieved. However, the second aim, which is the promotion of peace and stability, is a more difficult task. The attempts to foster cooperation and integration between sharply divided groups, such as the case in BiH, has turned into a prolonged process whose outcome is not yet determined.192

5.2 Implementing Stabilisation and Association Process in Bosnia

The European Commission is the main institution for the implementation of EU policies towards SEE countries. The general tasks of the European Commission are to contribute to the design of EU policies regarding SEE, to implement EU assistance for the region, to develop assessment reports for SEE countries on the progress made by each country, and to negotiate contractual agreements.193

In April 2001, a new review mechanism was established for a more systematic and coherent monitoring of the political and economic situation in Western Balkans. It includes an annual

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193 Pippan (2004), pp. 219-245.
assessment of the SAP, compliance of Western Balkan countries to the EU conditionality criteria, and progress made by each country regarding the general goals of the program. The Commission develops SAP reports, which incorporates annual country reports and recommendations for future steps. The Commission bases its assessment on information gathered from EU delegations and EU Member State embassies in the region, reports from various international organizations (Council of Europe, OSCE, World Bank…) and reports from independent agencies. According to Pippan, it is not certain to what degree the Commission also includes SAP countries directly, for instance by written consultations or bilateral meetings.194

The aim of this review mechanism is to regularly assess a country’s degree of compliance with the relevant SAP criteria and the degree of engagement with the EU. If the assessment is negative, appropriate measures, which range from the suspension of new cooperation initiatives to the suspension of existing cooperation under the SAP, can be taken. This mechanism allows the EU to regularly criticize the problems regarding the implementation of democracy, rule of law, and human rights in SEE and to put pressure on violators in the cases of serious noncompliance. Therefore, if a country wants to profit well from the benefits offered by SAP instruments, it should show strong compliance with EU conditions.195

The European Commission’s first annual report on the SAP for SEE was published in April 2002. The second annual report of March 2003 confirms EU accession prospects for SEE countries and reviews the current trends and problems in the region. The 2003 report states that the political situation in SEE has improved since 2002. There is continuation in the reform of public administrations and judicial systems. Respect for human rights and protection of minorities show better prospects. However, one of the main themes in the Commission’s 2003 SAP report is the poor record on implementation. Moreover, weak institutions, poor administration capacity, and problems in the application of the rule of law are identified. There is political pressure on the judiciary and media. Even though economic growth in SEE is around 4%, unemployment and public deficits are still high. Although there is progress in regional cooperation especially in sectors of energy, transport, and judicial and police cooperation, the amount of trade between SEE countries is still low. The 2003 Report categorizes future challenges into five groups: creating functioning democracies, more effective implementation of the SAP, social and economic development, respecting the right of all remaining refugees and displaced persons to their places of origin in a sustainable manner, and tackling organised crime and corruption.196

According to the Commission’s 2003 SAP report, the general elections of October 2002 in Bosnia confirmed that the country adheres to basic democratic principles. There is a certain level of progress, such as more integration at the national politics level, deployment of the State Border Service at all border crossing points, and efficient military reductions. However, pressure from the OHR and the international community is still the main force behind the reform initiatives. One of the remaining problems is the continuous impunity of indicted war criminals (for example Radovan Karadzic) in RS. The fight against corruption and organised crime should be strengthened. Economic growth is slowing down and the country is still dependent on international aid. To sum up, progress has been made in BiH regarding the SAP. Bosnia substantially completed its Road Map by September 2002. However, it took too much time and

194 Ibid., p. 239.
195 Ibid., pp. 239-240.
the full implementation of the Road Map necessitates continuous attention. Bosnia’s self-sustainability is still not guaranteed.\textsuperscript{197}

\subsection*{5.2.1 European Commission’s 2003 Feasibility Study and its Aftermath}

On 18 November 2003, the Commission published a Feasibility Study that reviews BiH’s readiness to open negotiations on a SAA with the EU. In March 2003, a questionnaire was given to the BiH Directorate for European Integration. The questionnaire covered all sectors that are relevant to a future SAA. BiH’s answers to the questionnaire were discussed with the Commission through working groups. The findings of the Feasibility Study are based on Bosnia’s answers to the questionnaire, findings of the working groups, and the Commission’s further research. The Feasibility Study concludes that the aim of integration into EU structures enjoys wide support in BiH. To realize this aim, BiH needs to show that it shares certain fundamental EU values, and that it has the capability to meet the obligations of a SAA.\textsuperscript{198}

The Feasibility Study restates that BiH has achieved considerable progress in stabilisation since the conflictual situation of the 1990s ended. BiH is a member of the Council of Europe, has achieved normal relations with its neighbours, and supports regional cooperation. About one million refugees and displaced persons have returned and some property disputes are settled. A certain level of confidence has been reestablished between the communities. Democratic elections take place, political succession happens peacefully, and new laws are adopted. Measures are taken to increase the independence of the judiciary. The country’s infrastructure is largely renovated. However, it is necessary to undertake further reforms to achieve a self-sustaining country. BiH does not have the full responsibility of government yet. The strength, functionality, and coordination capability of the central government should increase. There should be an appropriate balance of responsibility between the Entities and State. Additionally, BiH’s administrative base is weak. BiH should have professional, merit-based, and independent public servants. Moreover, RS has not shown full cooperation with the International Criminal Tribunal for the former Yugoslavia. Future efforts need to be accelerated to meet all these challenges. The Commission recommends that BiH should take steps to comply with the existing conditionality, develop a more effective government at the State level, strengthen the rule of law, continue with economic reform, and enhance institutional capacity. The Commission stated that it hopes to be in a position to recommend to the Council the starting of SAA negotiations in 2004 on the condition that BiH makes significant progress in the reform areas outlined in the Feasibility Study.\textsuperscript{199}

European Commission’s third annual report on SAP for SEE was published in March 2004. Accordingly, BiH has shown moderate progress regarding the political reforms recommended in the Feasibility Study. The State level government is still under-developed, and tensions between the State and Entities have a negative effect on government business and reform. There are recent successes, such as Council of Minister’s approving of an Action Plan for Feasibility Study issues, BiH’s first convictions regarding human trafficking, and the beginning steps in establishing the Indirect Tax Authority. However, there is still a concern that in many of the areas where there is progress, progress comes due to international pressure. Nevertheless, the 2004 SAP Report states that the EU will continue to support BiH through technical and financial aid, guidance from the EU Special Representative, and actions within the ESDP framework. As soon as there is

\\textsuperscript{197} Ibid.
\\textsuperscript{199} Ibid.
significant progress in meeting the requirements of the Feasibility Study, the Commission will recommend the opening of SAA negotiations with BiH. In contrast, if there is insufficient progress, the Commission will not be able to recommend the opening of negotiations. It is up to BiH to ensure success.\textsuperscript{200}

The Commission approved the first European Partnerships for the Western Balkans in March 2004, which are similar to the Accession Partnerships that prepared the former candidates for EU membership. The European Partnerships are prepared according to each Western Balkan Country’s specific needs. The European Partnerships set out priorities for the short-term (12-24 months), and medium-term (3-4 years). The Partnerships will aid the governments to focus reform efforts and available resources to the places where they are most necessary. The relevant authorities are expected to reply with a detailed plan for implementing the Partnership priorities, outlining concrete actions, a timetable, and showing which human and capital resources will be allocated to the relevant tasks.\textsuperscript{201}

The European Partnership for BiH is based on the provisions of Council Regulation No. 533/2004. It includes short-term and medium-term priorities for BiH’s preparation for further integration with the EU as stated in the Commission’s 2004 SAP Report. It is expected that BiH will reply by establishing a plan, timetable, and details of how BiH will deal with the European Partnership priorities. The progress regarding the implementation of priorities will regularly be monitored by the Commission through SAP Annual Reports and the structures within the SAP framework.\textsuperscript{202}

\textbf{5.2.2 Summary of the Current Implementation Problems}

The main challenges facing BiH are strengthening the State, developing the conditions for the sustainable return of the refugees, strengthening the administration, establishing functional government, creating self-sustained economic development, creating an effective and accountable legal system, and achieving progress in the SAP.\textsuperscript{203}

One of the frequent criticisms against RS in particular is the lack of cooperation with the International Criminal Tribunal for the former Yugoslavia. RS is criticized on the ground that it refuses to hand in indicted war criminals for trial. A second problem related to BiH is the corruption of the political and social system, which involves the domination of the political system by ethnically controlled parties, political pressure on the police and judicial systems, and the increasing segregation of schools and religious control over curriculum. Thirdly, the implementation of the SAP also depends on the situation in Bosnia’s near abroad. For example, the assassination of Serbian Prime Minister Zoran Djindjic in March 2003 had a negative impact on the stability attempts in the Western Balkans.\textsuperscript{204}

Another difficult part of the implementation has been the return of refugees and internally displaced persons. Especially, minority returns have been both limited, and dangerous for the

\textsuperscript{202} Ibid.
\textsuperscript{204} Friedman (2004), pp. 81-119.
All of these problems have created a cycle, which is very difficult to break. According to Daalder & Froman, for BiH to become a functioning multiethnic society, refugees should return to their homes. However, for refugees to go back, jobs should be created in these areas. To create jobs, economic reforms that favor investment should be adopted. To apply these reforms, corruption and the leaders’ commitment to authoritarian measures should be prevented. To eliminate the culture of corruption, the nationalist dynamics of politics should be replaced by the dynamics of reform.206

One of the possible solutions for BiH’s problems could be that the Bosnian leaders fully commit themselves to the implementation of economic and political reforms.207 Secondly, aid projects to Bosnia can be more carefully prepared and designed, with a comprehensive monitoring of their implementation. Thirdly, policy coherence between the different actors regarding criteria and transparency of their policies as well as policy coordination between different political bodies, which are concerned about BiH could help overcome the SAP implementation problems.208

### 5.3 Democratization Aspect

Today, the democratization approach has two main components. First, the definition of democracy has shifted from studies on elections and government to a more focus on the political culture and liberal democratic values. Secondly, it is argued that the issue of democratic consolidation necessitates international institutional guidance.209

Leading authors on democratic transition state that new democracies are fragile democracies. The political cultures of SEE countries do not always support a democratic system. The initial democratic transition can be the result of an ‘euphoria’, however, in the later stages there is the risk of disorientation at the elite and mass levels. New democracies can be vulnerable to collapse, or they can go through a lengthy and complicated transition period.210

Article I.2 of the constitution of BiH states that BiH is a democratic state, which operates within the rule of law as well as free and democratic elections. The BiH constitution also incorporates the European Convention on Human Rights. According to the European Commission’s Feasibility Study, democratic systems have started to function in BiH. The rule of law is gradually re-established. In general, the country is peaceful. Freedom of expression and peaceful assembly exist. Considering the recent history of BiH, these are not small achievements. However, the Dayton system has usually been questioned. The present constitutional order is not optimal. The constitution offers the possibility of amendment211, and through an incremental process the constitutional basis of BiH can be updated according to the country’s current needs.

Even though the BiH constitution incorporates basic human rights and the relevant conventions, this seemingly elaborate system is not perfect. Some of the clauses do not have direct applicability and their implementation is not regular. Instead, what BiH needs is a dynamic

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207 Ibid.
210 Ibid., p. 9.
Internationally monitored elections have been taking place throughout BiH. However, the implementation of election results is problematic in some cases where ethnic minorities were elected to local governments in areas from which they had been expelled. Moreover, election results still show strong support for ethnic-based parties. For the deepening of democracy, BiH needs to have more interest-based parties.

Most progress in BiH has come as a consequence of the international community’s attempts. However, the international community has not been very successful in encouraging the local leaders to accept the ownership of reforms. Therefore, the progress in BiH has not been self-sustainable. What BiH needs is more encouragement for Bosnian officials to take more responsibility regarding policy formation and implementation. Another main problem in Bosnia is the continuing presence of the nomenklatura system, which exists due to the absence of a strong support for change. An additional problem is the difficulties in developing new, democratic institutions that will replace the old ones. The DPA can be viewed as an obstacle in front of this, since it organizes the country along ethnic lines.

The European Initiative for Democracy and Human Rights programme has the goal to strengthen pluralist democracy, human rights, and rule of law in BiH. Especially, it supports the activities of NGOs and international organizations that act at the local level. The programme has three main methods of implementation:

- Macro Projects identified through the call for proposals, that are projects of €300.000 or more that are implemented by civil society operators;
- Targeted Projects that are identified by the European Commission in the pursuit of specific objectives; and
- Micro Projects, which may not exceed €50.000 that are administered directly by the European Commission delegations in the countries concerned.

In 1997 and 1999, the EU supported Small Scale Operations in BiH, which was a quick mechanism to respond to the funding requests of local level NGOs that contributed to the peace process, inter-entity cooperation, as well as social and cultural development. The main goal of the programme is to create a sustainable civil society to promote social development in BiH. In 1997 and 1999, about 110 projects of BiH NGOs were supported with the total budget of 3 million Euro. Under CARDS 2001, €300.000 was allocated to support Small Scale Operations and to be allocated as grants to local NGOs that deal with culture and sports activities, contribute to peace, social cohesion, and refugee return.

Education is an important issue that is connected to the democratization process and structural reforms. Further improvement of the education system in BiH could help to promote democratic

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214 Nomenklatura refers to the system of patronage to senior positions in the bureaucracy of the Soviet Union and some other Communist states, controlled by committees at various levels of the Communist Party.
217 Ibid.
values, pluralism, and employment. Non-governmental youth organizations are also important for the development of democratic societies through the promotion of inter-ethnic dialogue and active participation of the youth. In BiH’s education system, the EU is included in Vocational Educational Training by institution-building, staff and curriculum developing, and partnerships with EU schools. Moreover, the EU gives technical assistance for reforms in primary, secondary, and higher education. Since 1996, BiH has been participating in the TEMPUS inter-university cooperation program.\footnote{European Commission, ‘The EU’s Relations with Bosnia&Herzegovina: Overview’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/bosnie_herze/index.htm}, 2004-10-09.}

OSCE is another organization that helps BiH to develop effective, transparent and accountable institutions. One of the main priorities of the OSCE Democratization Department is to “transform institutions from formal to functioning democratic structures, to develop a participatory culture and promote citizen engagement. Over the past five years, the OSCE has been focusing increasingly on:
- capacity-building initiatives for newly elected officials and for the institutions in which they work;
- enhancing crucial aspects of institutional performance at all levels of government;
- promoting local ownership of public sector and reform;
- addressing the causes of citizen disengagement and apathy, building from the local community up;
- promoting youth leadership and participation at all levels of political, civic and economic life to counter youth disillusionment.”\footnote{OSCE Mission to Bosnia and Herzegovina, ‘Background: A Stable and Democratic State’, Available at: \url{http://www.oscebih.org/democratization/?d=3}, 2004-10-17.}

\textbf{5.3.1 Human Rights}

Respect for human rights, their protection and promotion is usually regarded as an important prerequisite for a democratic society. The international community supports the view that in order to consolidate the democratization process in Bosnia, a political culture, which universally respects human rights, should be developed. Preventing human rights abuses, increasing BiH’s cooperation with the war crimes tribunals, and support for refugee return are three areas, which concerns the international community. However, the international community has usually imposed solutions to BiH in a top-down approach, which has prevented the Bosnian people from having more control over their own lives.\footnote{Chandler (2000), pp. 90-110.}

The EU has supported the two parts of the BiH’s Commission on Human Rights: the Human Rights Chamber and the Ombudsperson, which was created to protect fundamental rights and freedoms of the individual. Projects that support the rule of law, respect for human rights, minority protection, and political pluralism are sponsored by the European Initiative for Democracy and Human Rights. Moreover, there is support to some independent media projects. The EU is involved in the restructuring of the public broadcasting system.\footnote{European Commission, ‘The EU’s Relations with Bosnia&Herzegovina: Overview’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/bosnie_herze/index.htm}, 2004-10-09.}

According to the European Commission Feasibility Study, BiH has shown progress in establishing democracy and the rule of law. However, there are shortcomings. It is a contradiction...
that in contrast to BiH’s commitments, the RS constitution (Article 11) still allows the death penalty for capital crimes. This is incompatible with EU values.\footnote{222 European Commission (18 November 2003): ‘Report from the Commission to the Council on the preparedness of Bosnia and Herzegovina to negotiate a Stabilisation and Association Agreement with the European Union’, Available at: \url{http://www.europa.eu.int/comm/external_relations/see/docs/com03_692_en.pdf}, 2004-10-16.}

In an important decision in 2000, the Constitutional Court decided that changes should be made to Entity constitutions to protect the rights of BiH constituent peoples. Next, constitutional mechanisms were brought to the Entities to equalise and protect the rights of the constituent peoples. However, neither of the Entities has enacted all the required amendments yet. Some of the provisions are ignored. There is not genuine commitment by the regional governments to the constitutionally based civil and political rights.\footnote{Ibid.}

There are many NGOs in Bosnia. However, they are often only locally active, which does not necessarily serve BiH-wide needs, and they depend on international funding. Shortcomings in their advocacy skills limit their effectiveness and influence on the government. The role of think-tanks is still very small.\footnote{Ibid.} Civil society in BiH can be strengthened through more inter-NGO cooperation. Furthermore, a political culture of consensus can provide the promotion of democratization throughout BiH.

\footnote{224 Ibid.}
6. THE INSTITUTIONAL FRAMEWORK IN BOSNIA

6.1 Institution Building

Building democratic institutions in countries that had gone through conflict or non-democratic regimes is a complex and time-consuming process, such as the case in BiH. According to Reif, even though the country itself should be responsible for the long-term process of institution building, the country can also get assistance from the international community. The building or re-building of democratic institutions can cover a wide range of areas such as governance structures, the legislative, executive, and judicial branches, law reform, strengthening of the civil society, human rights, and free press.\(^\text{225}\) The goal of reconstructing a multi-ethnic state has been an important component of the democratization strategy in Bosnia as well as the peace preservation efforts in SEE.

The institutions in relation to governance can be categorized into three groups. First, there are institutional arrangements, which are the main foundations of a country. For example, the relations between the legislature, executive and judiciary, the mechanisms for power transfer between successive governments, such as the election system are in the first group. These arrangements can either create or prevent corruption. Secondly, there are institutional arrangements, which are more technical, such as public expenditure mechanisms, budgetary processes, personnel management, and legal arrangements. Thirdly, there are civil society institutions, NGOs, and the media, which can pressure governments to increase government accountability.\(^\text{226}\)

As previously mentioned in Chapter 4.1.1 of this study, BiH has a two-tier government. The first tier is the State level joint multi-ethnic government. The second tier is composed of the two Entities: the Bosniak/Croat Federation and the RS. At the State level, the executive branch is composed of a rotating presidency, which rotates between the Bosniak, Croat, and Serb members, and the Council of Ministers. (Table 6) The three members of the presidency are elected by popular vote for a four-year term, and the chairmanship rotates every eight months. The legislative branch is composed of a bicameral parliamentary assembly: the National House of Representatives and House of Peoples. The House of Representatives has 42 seats, elected by proportional representation, with 28 seats from the Bosniak/Croat Federation and 14 seats from the RS, elected by popular vote to serve four-year terms. The House of Peoples has 15 seats (5 Bosniak, 5 Croat, 5 Serb), elected by the Bosniak/Croat Federation’s House of Representatives and the RS’s National Assembly to serve four-year terms. The judicial branch is mainly composed of a Constitutional Court, and the BiH State Court. BiH Constitutional Court has nine members: four members are selected by Bosniak/Croat Federation’s House of Representatives, two members selected by the RS National Assembly, and three non-Bosnian members selected by the European Court of Human Rights president.\(^\text{227}\)


Table 6: Main Executive Officials in Bosnia

<table>
<thead>
<tr>
<th>Chief of State:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Presidency: Borislav Paravac (Serb)</td>
</tr>
<tr>
<td>Member of Presidency: Sulejman Tihic (Bosniak)</td>
</tr>
<tr>
<td>Member of Presidency: Dragan Covic (Croat)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Head of Government:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Council of Ministers: Adnan Terzic</td>
</tr>
</tbody>
</table>


BiH has many political parties, which represent different views, from a wide range of the political spectrum. Most of the political parties in BiH are based on ethnicity. For instance, SDA is the leading Muslim party. Most people regard SDA as a nationalist Muslim party, whose members include radicals and moderates. On political and economic issues, SDA is in favour of a strong central government. At the same time, SDA states that every ethnic group in BiH should continue to celebrate their own cultural legacy without government interference. SDA’s main opponent party is the Bosnian Social Democratic Party (SDP) that was created in 1999 through the merging of two smaller social democratic parties. The SDP’s inclinations are non-nationalistic. On the other hand, the Serb Democratic Party (SDS) has one aim: to watch out for the welfare of all Serbs. SDS was founded as an ultra-nationalist party, but currently it includes both moderates and ultra-nationalists. The Croats also have several parties, the most significant being the HDZ. The HDZ also has nationalist inclinations, even though they may vary in connection to who is the leader at the time being.228

The EU is giving support to BiH State institutions in the drafting and implementation of new laws, especially in foreign trade, investment, and commercial legislation. It is important that assistance is given to BiH institutions to make sure that the country has the required working structures and capacity to meet the necessities of the SAP. Up to now, BiH State level (Common) institutions have been relatively weak in comparison with the institutions of the two Entities. The EU is trying to aid BiH to create a professional civil service that will serve at the State institutions. For the EU, it is important that BiH strengthen its capability in justice and home affairs as well. Through the European Union Police Mission, the EU tries to create sustainable policing mechanisms under the ownership of Bosnia. Moreover, the CARDS programme is helping for judicial reform and the State Border Service activities. Today, Bosnia is a single and uniform customs territory, as a consequence of the Customs and Fiscal Assistance Office (CAFAO) programme under EU funding. This programme contributes to increasing budget resources at both the State and Entities levels. For instance, customs revenues have tripled since 1996.229

6.1.1 Institutional Performance

Pre-war governance and economic structures were mostly destroyed during the 1992-95 war in BiH. With the Dayton process, it was necessary to build new institutions. Most of the basic political and economic institutions (national currency, Central Bank…) have been established. Public finance system reform has started. However, a higher level of business activity requires a more conducive legal and institutional framework. Contradictory business laws are prejudiced against small business, while they favour large state-owned companies. Inconsistent business regulations create difficulties, favoritism, and encourage corruption. Separate policies and

228 Schuman (2004), pp. 66-73.
implementation strategies due to the coordination problems between the State, Entities, and local governments are obstacles in front of improved institutional performance. Public administration reforms take time and resources. Today, the rebuilding capabilities mostly cover basic spending requirements and social assistance. The Court System in BiH is regarded as slow and inefficient, and the fairness and justice of its decisions are questioned.\textsuperscript{230} (Table 7)

Table 7: Nations in Transit Ratings of Bosnia

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electoral Process</td>
<td>N/a</td>
<td>5.00</td>
<td>5.00</td>
<td>4.75</td>
<td>4.25</td>
<td>3.75</td>
<td>3.50</td>
</tr>
<tr>
<td>Civil Society</td>
<td>N/a</td>
<td>5.00</td>
<td>4.50</td>
<td>4.50</td>
<td>4.25</td>
<td>4.00</td>
<td>3.75</td>
</tr>
<tr>
<td>Independent Media</td>
<td>N/a</td>
<td>4.75</td>
<td>5.00</td>
<td>4.50</td>
<td>4.25</td>
<td>4.25</td>
<td>4.25</td>
</tr>
<tr>
<td>Governance</td>
<td>N/a</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>5.50</td>
<td>5.25</td>
<td>5.00</td>
</tr>
<tr>
<td>Constitutional, Legislative, and Judicial Framework</td>
<td>N/a</td>
<td>6.00</td>
<td>6.00</td>
<td>5.50</td>
<td>5.25</td>
<td>5.00</td>
<td>4.50</td>
</tr>
<tr>
<td>Corruption</td>
<td>N/a</td>
<td>N/a</td>
<td>6.00</td>
<td>5.75</td>
<td>5.50</td>
<td>5.00</td>
<td>4.75</td>
</tr>
</tbody>
</table>

Note: These ratings are based on a scale of 1 to 7, with 1 representing the highest level and 7 representing the lowest level of democratic progress.


The Bosnian legal system descends from former Yugoslavia’s legal system. The outward forms and courtroom symbols might have changed, however, there is still the legacy of the legal system of a socialist state, which had a number of built-in problems. The new Constitution of BiH was included in the 1995 DPA, as its Annex 4. Even though the new BiH constitution guarantees the democratic minimums of free multiparty elections and open media, there is not much historical democratic tradition to support these mechanisms. The Constitution did not come as a result of a long internal “consensus seeking” in BiH. It is rather the product of the international community, which negotiated the new BiH Constitution at Dayton, Ohio. This is another weakness of the constitutional framework in BiH.\textsuperscript{231} One of the main rationales of institution building is the rebuilding of the domestic legal system. An improved legal system in Bosnia could be achieved by reforming the constitutional framework in accordance with the current needs of the society.

There are many lessons to be learned from the governance reform experience in Bosnia. First of all, institutional reform is difficult. Even the budgetary processes, legal and judicial arrangements are difficult to reform. The difficulties occur due to many reasons. For instance, technical arrangements are complex and they can fail. Moreover, institutional reforms upset prevailing interests. The ones who have an interest in the status quo are likely to resist changes that will upset their interests. Civil servants that fear loss of influence, interest groups who fear the destruction of their access to influence, or legislators that fear the decrease of their power can resist institutional change. Institutional reform produces losers and winners. The privileged groups who benefit from the status quo can oppose change. To overcome these difficulties, one must keep in mind three points: participation, ownership and information.\textsuperscript{232} Participation within government is essential for the success of the reform process. It is important to create partnerships with the ones who will implement the reforms. Participation of the civil society is also important.

\textsuperscript{230} World Bank (2000).
\textsuperscript{231} Sokolovic & Bieber (2001), pp. 68-85.
Participation is linked to information. Transparency is a good method to transmit information. Information is necessary for the relevant parties inside and outside the government who try to reach consensus regarding the nature of the problem and how to improve the solutions. Through adequate information, it is possible to track governance reforms. In general, the beneficiaries of the reform are interested in performance, and public authorities are interested in the institutions. It is important to find consensus among these different parties and be careful against manipulation from outside events. Establishing a set of indicators to monitor the implementation process can aid to assess institutional reform.

6.2 The State Level (Common) Institutions
The current institutional framework of BiH was outlined in the DPA. (Table 8) This study focuses mainly on State level institutions because these are the ones, which are viewed as the most ‘problematic’ regarding the implementation of the SAP.

Table 8: The General Structure of Bosnia’s Main Formal Institutions

<table>
<thead>
<tr>
<th>International Institution</th>
<th>The State Level (Common) Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the High Representative</td>
<td>Presidency</td>
</tr>
<tr>
<td></td>
<td>Council of Ministers</td>
</tr>
<tr>
<td></td>
<td>Parliamentary Assembly (bicameral): National House of Representatives &amp; House of Peoples</td>
</tr>
<tr>
<td></td>
<td>Ministries</td>
</tr>
<tr>
<td></td>
<td>Directorate of European Integration</td>
</tr>
<tr>
<td></td>
<td>Standing Committee on Military Matters</td>
</tr>
<tr>
<td></td>
<td>Constitutional Court of BiH</td>
</tr>
<tr>
<td></td>
<td>Office of the Human Rights Ombudsman</td>
</tr>
<tr>
<td></td>
<td>Central Bank</td>
</tr>
<tr>
<td><strong>Entities Level Institutions:</strong></td>
<td>Republika Srpska</td>
</tr>
<tr>
<td>Bosniak/Croat Federation</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Vice Presidents</td>
</tr>
<tr>
<td></td>
<td>Government of the Bosniak/Croat Federation</td>
</tr>
<tr>
<td></td>
<td>Bicameral Parliament: House of Representatives &amp; House of Peoples</td>
</tr>
<tr>
<td></td>
<td>Constitutional Court</td>
</tr>
<tr>
<td></td>
<td>Ministries</td>
</tr>
<tr>
<td><strong>Local Level Institutions:</strong></td>
<td>Constitutional Court</td>
</tr>
<tr>
<td>Bosniak/Croat Federation</td>
<td>Ministries</td>
</tr>
<tr>
<td></td>
<td>National Assembly</td>
</tr>
<tr>
<td></td>
<td>Constitutional Court</td>
</tr>
<tr>
<td></td>
<td>Ministries</td>
</tr>
<tr>
<td>Republika Srpska</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>Vice Presidents</td>
</tr>
<tr>
<td></td>
<td>Government of Republika Srpska</td>
</tr>
<tr>
<td></td>
<td>National Assembly</td>
</tr>
</tbody>
</table>


The responsibilities of the State and Entities institutions are outlined in Article III of the Bosnian constitution. Accordingly, the State institutions are responsible for foreign policy, foreign trade, customs, monetary policy, inter-entity communication, international and inter-entity law enforcement and transportation. The Common institutions are also responsible for immigration, refugee and asylum policies, as well as common and international communications facilities. On the other hand, the Entities are responsible for other functions, such as education and social policy.233

The Common institutions of BiH have a complex structure. The top Common institution is the tripartite Presidency. Another important Common institution is the Constitutional Court of BiH. The Constitutional Court has jurisdiction over issues, which are referred to it by other courts in BiH regarding whether a law is compatible with the Constitution, the European Convention for Human Rights, or with BiH laws. Since four members of the Constitutional Court are selected by Bosniak/Croat Federation’s House of Representatives, two by RS National Assembly, and three non-Bosnian members by the European Court of Human Rights president, the domestic judicial appointments mainly reflect ethnic politics.\(^{234}\)

The ombudsman institution has its roots in the office of justitieombudsman (ombudsman for justice) established in Sweden in 1809. The classical ombudsman system monitors the conduct of public administration to make sure that it is conducted in a legal and fair way. Especially since the 1970s, other countries have used this model in their governance structure reform processes as well as democratization processes. In BiH, Annex 6 of the DPA created the Commission on Human Rights that included two structures: the Office of the Human Rights Ombudsman and the Human Rights Chamber. According to a new Law on 3 January 2001, the Human Rights Ombudsman of BiH is an independent institution established to promote good governance and the rule of law, and to protect rights and freedoms of natural and legal persons by monitoring the activities of the institutions of BiH, the Entities, and the District of Brcko. However, human rights violations continue in BiH. The Human Rights Ombudsman has been criticized regarding its bureaucratic activities, and uneven cooperation degree with the Entities and local levels. However, the situation has gradually been improving and the Human Rights Ombudsman is expected to contribute more to the strengthening of the domestic human rights structure in the future.\(^{235}\)

According to the European Commission, the development of a stable and democratic BiH necessitates a comprehensive administrative capacity and institution building support. The aim is to create an effective, responsive and accountable public administration. The European Commission’s main priority is to strengthen the Common institutions. Support has been given to the Directorate of European Integration as an important counterpart for the European Commission regarding the SAP. Moreover, the EU wants to strengthen BiH in the field of justice and home affairs. The main goal is to contribute to the effective administration of civil and criminal justice by building an independent, impartial judiciary and an adequate enforcement mechanism. The wider goal is to strengthen the police through increasing the national authorities’ capabilities to participate in international fight against drugs, organized crime, smuggling, money laundering, trafficking of human beings and the fight against corruption.\(^{236}\)

**6.2.1 Problems Regarding Common Institutions and Recommended Solutions**

The institutional structure of BiH is a complex mechanism. One of the reasons for this is that it was established to end a long war (1992-95). It was based on mutual concessions, such as the existence of three Constitutions in the country. In the long-term, simplifications and amendments are necessary. Today, the international community tries to strengthen the Common institutions and reduce the inconsistencies of this system.\(^{237}\)

\[^{234}\] Sokolovic & Bieber (2001), pp. 77-78.

\[^{235}\] Reif (2000), pp. 7-37.


\[^{237}\] Domin, Thierry (2001): ‘Political System of Bosnia and Herzegovina’, SFOR Informer #125, Available at: [http://www.nato.int/sfor/indexinf/125/p03a/chapter2.htm](http://www.nato.int/sfor/indexinf/125/p03a/chapter2.htm), 2004-10-23.
One of the main problems in BiH is the lack of coordination between the State institutions and the Entities. Absence of coordination is viewed as an obstacle in front of the functioning of public administration. This problem is connected to the complicated administrative structure, political considerations and communication problems because of the absence of an efficient infrastructure.238

Another problem is the individuals and parties at the State level who are unwilling to compromise. This can block the decision-making process. Also, rather than expressing their demands within the existing frameworks, some parties have withdrawn or opted out from the decision-making mechanisms. The elite political behavior has not been very cooperative, and the continuous mutual tensions have led to political instability. For instance, the three members of the presidency have not demonstrated much enthusiasm to work together, and this has a negative impact on other levels of politics as well.239 To sum up, the Common institutions in BiH have not been fully functional.

One of the recommended solutions for BiH’s institutional problems is to explore tools to improve the dysfunctional mechanisms of the current political framework. Secondly, the institutional framework needs to be simplified, reformed, and updated according to a careful assessment of what has been working well in BiH and what has not been working. Thirdly, the individuals at the State level could be encouraged to cooperate better with each other instead of undermining the decision-making process. Fourthly, there must be better coordination between State level and Entities level policies. Finally, encouraging active civil society involvement in the political processes could help to overcome some of the institutional challenges.

6.3 Informal Institutions: The Impact of Norms, Values and Culture

From a New Institutionalist perspective, institutions do not necessarily have to be defined in formal terms. Institutions can also be defined informally, such as a set of rules, norms, values and beliefs. Today, most of the democratic transition literature agrees that informal institutions are also important indicators in exploring the transition process from an authoritarian regime to a democratic one. Informal institutions affect democratic performance. The relationship between informal institutions and democracy can be conflictive and can undermine democracy240, if the informal institutions of a society are mostly occupied by authoritarian inclinations, exclusive ethnic nationalism and lack of trust, such as the case in BiH.

There can be many examples to informal institutions. Some of them are rather abstract concepts, such as trust or distrust. Other examples can be informal right systems or corruption. One can identify informal institutions by their relation to civic traditions. On the one hand, informal institutions like trust, tolerance and fairness can support the formal institutions of democracy. On the other hand, in the absence of such ‘positive’ informal institutions, other informal institutions such as distrust, egoism, intolerance and unfairness can undermine the functioning of the formal democratic institutions. In ‘defective’ democracies, the democratic elements can be free and fair elections, while the defects may arise from informal factors, such as lack of accountability. In order to analyze the dynamics of ‘young’ democracies, institutional theories are necessary. The effects of informal institutions on democratic institutions, as well as the prospects of bringing


239 Black (1999), pp. 78-81.

about informal institutional change should also be taken into consideration. Institution building should include both formal and informal institutions. To strengthen emerging democracies, such as BiH, one must find a formula to eliminate the informal rules of clientelism and corruption.

Illegal institutions, such as corruption and organized crime are among the particular problems of BiH. The illegal groups derive their power partly from close links with political elites, which is one of the legacies of the war. Some of the illegal parties control key firms, which prevents further economic reform.

According to the European Commission’s 2003 SAP Report, the EU is a union of values. The governments of SEE countries should follow the EU values related to democracy, the rule of law, respect for human rights, protection of minorities and a market economy. However, values cannot change overnight. The SAP is not a short-term project. It is rather a long-term strategy that is expected to lead to sustainable results. The SAP and the possibilities of closer ties with the EU mean that the SEE countries should reform themselves and adopt to European values and norms. For BiH, a closer relationship with the EU requires meeting the necessary requirements in terms of norms and values as well.

6.3.1 Authoritarian Temptation

There are continuities between the governance problems of former socialist Yugoslavia and today’s BiH. Some of the legacies of former Yugoslavia have turned into obstacles in front of the effective governance prospects of BiH. During the Yugoslav rule, especially between the 1950s and 80s, Bosnia went through an ‘authoritarian development’ process, which was fuelled by the vast resources Yugoslavia attracted due to its non-aligned status. The investments were made rather through a political logic, and usually did not make much economic sense. With the end of the Cold War and dissolution of Yugoslavia, Bosnia was left with numerous development challenges. Bosnia was left with a workforce trained for jobs which no longer existed, an infrastructure designed for enterprises that ceased to exist, and rural underdevelopment. The Bosnian governments have not been able to implement effective policies to overcome these difficult legacies. A large amount of public money is spent by the Bosnian government to support its own institutions in a self-serving manner, rather than on investment for future development.

The Bosnian government does not have much accountability. Because of the complex governance structure, most citizens do not know whom to blame when they are dissatisfied with the policies. The relationship between the governments and business is also problematic. During the socialist era, it was the government’s responsibility to ensure that the state owned enterprises survived. In a market economy, this is no longer the case. In BiH, the governments should be better skilled to be responsive to the present needs of the community, instead of attempting to direct the whole development process. It is necessary to change some of the deeply embedded habits. This will be a long-term process. In addition to the international community’s attempts for reform, the pushing force for change should also come from the Bosnian society. Currently, even though many Bosnians are not satisfied with the government work, they do not push for change because they

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241 Ibid., pp. 11–47.
have low expectations from the government. The Bosnian society is not well organized into interest groups to lobby for the policies they need. In a democratic regime, interest groups are very important to monitor government performance and provide inputs into policy-making. The strengthening of democracy in Bosnia requires that the Bosnian citizens be more active in lobbying for change.\textsuperscript{245}

Authoritarian temptation means not trusting democratic processes, and preferring a government of ‘experts’, who are isolated from the ordinary people. There is also a tendency to look to outsiders for solving Bosnia’s problems, instead of finding solutions home.\textsuperscript{246} But, Bosnia is no longer trapped by its past. Providing effective governance and overcoming the authoritarian legacies of the past can help Bosnia to move forward in the democratization process.

\textbf{6.3.2 Exclusive Ethnic Nationalism}

Ethnic nationalism is one of the other factors that undermine the democratic institution building process in BiH. BiH has a torn society. The DPA institutionalized a system that is based on group rights and ethnic representation. Ethno nationalism is an obstacle in front of inter-ethnic cooperation in BiH. Society-building requires changing these conceptualizations of identity from ethno nationalism to civic nationalism, where the ‘nation’ is perceived as an organic entity, where national identity, state territory and political frameworks coincide.\textsuperscript{247} A wide range of institutional, civic, and coalitional supports is necessary to prevent ethnic nationalist tendencies. Today, the establishment of a non-ethnic based civil society can help to support democratization in Bosnia.

The dissolution of Yugoslavia and the following Bosnian War accelerated ethnic conflict. Woodward states that the “final collapse of all formal institutions for providing security left individuals and households to provide for their own through informal networks and relations they could trust. In defending land, particularly in villages where the fighting first raged and in a war characterized by local battles, there was a natural tendency to rely on older (pre-state) mechanisms of solidarity and insurance adapted to survival – family, kinship, ethnicity.”\textsuperscript{248}

\textbf{6.3.3 Lack of Trust}

Popular trust in institutions is essential for democracy. However, in most post-Communist countries, such as BiH, distrust in institutions is the prevailing norm. Performance of the institutions is one of the factors that affect the perceptions of the people. Inefficient institutional performance usually results in public distrust. Also, the behaviour of some political leaders (confrontational approaches, personal agendas, corruption, and obstruction instead of focusing on the needs of the population) can undermine public confidence in institutions.\textsuperscript{249}

Identifying the reasons of distrust in institutions is important for prospective public policy changes. Trust can be nurtured by improving institutional performance. Additionally, it can be nurtured by changes in governance. Governments can generate public trust by providing honest

\begin{flushleft}
\textsuperscript{245} Ibid.
\textsuperscript{246} Ibid.
\end{flushleft}
and effective implementation, eliminating corruption, protecting freedoms, and offering responsive policies to public problems.\textsuperscript{250}

7. DISCUSSION OF THE RESULTS & ANALYSIS OF THE THEORETICAL AND EMPIRICAL ASPECTS OF THE STUDY

7.1 South Eastern Europe and Bosnia from the Perspective of Democratization Theories/The Transition Approach

While exploring European Union’s relations with SEE in general, and BiH in particular, one of the main findings of this study is that the EU is mainly concerned with the promotion of peace and stability in this region. Democratization is viewed as the main tool to establish peace, stability and prosperity at the doorstep of the EU. After the collapse of Communism and the end of the Cold War, the EU has been engaged in democracy building and democratization activities in SEE. The transition from authoritarian regimes to democracy in SEE is a process that involves changes in the political, economic and social frameworks in SEE countries. The democratization efforts in each country are influenced by a number of different factors ranging from the legacies of the past, ethnic composition of the population, cooperation level among the political elites, socio-economic conditions to the impact of the international community. A general trend identified in the transition efforts is that democratization is a long-term, open-ended and continuous process.

The dissolution of Yugoslavia transformed the political setting of the Western Balkans. Consequently, the EU had to re-orient its policies regarding this region. The international community and the EU have often been criticized due to their slowness in dealing with the Bosnian War (1992-1995). It was after the signing of the DPA, which ended the Bosnian War, that the EU could promote a better-coordinated policy towards BiH. First, the Regional Approach tried to support the implementation of the DPA and democratization efforts through regional projects. Since the initiation of the SAP in 1999 with the aim of promoting peace, stability and prosperity in the Western Balkans, the EU has followed a more coherent and comprehensive policy towards SEE and BiH. In BiH, there have been considerable advances since the ending of the Bosnian War. Most of the material damage is repaired, almost a million refugees and internally displaced persons have returned, and the resurgence of conflict is not very likely. However, the democratization process in BiH is mainly a top-down, international community-imposed process. The progress of the reforms is dependent on the international community. Therefore, the main problem in BiH is that the democratization process is not self-sustainable. As a result, the domestic implementation of the SAP is not very efficient.

As previously mentioned in Chapter 2.1, one of the main questions that the democratization theories are concerned with is: What kind of democracy are we dealing with when we look at democratization? One of the findings of this study is that BiH is an emerging or ‘young’ democracy.

According to the transition approach, there are four phases on the road to democracy. In the first phase, there should be national unity in a given territory. In BiH, there is no sense of national unity or a civic Bosnian identity. Instead, BiH society is divided into different ethnic groups, the main ones being the Bosnian Muslims, Serbs and Croats, none of which form an absolute majority. The politics of ethnic exclusiveness limit the future progress in Bosnia. The second phase of democratic transition occurs when the national community goes through a long political struggle. In BiH, because of the lack of a sense of national unity, the continuous political struggle has been among the ethnic-based groups and political parties, which has undermined further prospects of national unity. The third phase is the decision phase, where the parties of the political struggle decide to compromise and follow democratic rules. In BiH, an artificial compromise was supplied by the DPA as an international community-imposed solution. The fourth phase is the habituation phase, where democratic rules slowly become a habit. It is
expected that the new generation of political elites would get used to democratic rules. In BiH, democratic procedures have not turned into a habit yet. The authoritarian legacy of the past is still visible. In the transition approach, there is a clear distinction between democratic transition (phases 1 and 2), and democratic consolidation (phases 3 and 4). One can say that BiH is still in the initial democratic transition phases.

Free and open multi-party elections have been taking place in BiH since the DPA. A more or less democratic constitution and political institutions have been established. However, despite this democratic setting in Bosnia, what has been done in practice and in implementation has contradicted democratic measures. Democratic consolidation requires more than free and open elections. Democratic consolidation requires deeper democratic commitments, including the civil society and the self-sustainability of the regime. In this sense, democracy is not consolidated in Bosnia.

According to Linz and Stepan, a modern consolidated democracy should include the necessary amount of democratization in five arenas: civil society, political society (free and inclusive electoral competition), rule of law, state apparatus (rational-legal bureaucratic norms), and economic society (institutionalized market). The situation in SEE has substantially improved since the beginning of the 1990s. There is the emergence of human rights associations, NGOs, independent think tanks, free and open elections, the rule of law, a ‘Western style’ state apparatus, and transition to market economy. However, these are still mostly in the transition stage, and not necessarily represent consolidated democracy. Especially, the development of a modern state apparatus founded on rational-legal bureaucratic norms and the institutionalized market will be a long-term process, which requires more reforms.

The consolidation of democracy means that the regime should meet the procedural criteria of democracy. According to the transition approach, the political elites are important to explain democratic consolidation. Thus, the politically significant groups – the elite – should adhere to democratic rules. This is not the case in BiH. Bosnia is not ruled by consensually unified elites. The artificial consensus-building attempts are not efficient. The leaders of the main ethnic groups do not show enough cooperation at the State Level (Common) institutions.

The transition approach states that if a country is composed of multi ethnic, lingual, religious, or cultural societies, it is more difficult to reach a consensus on the fundamentals of democracy. However, this does not mean that democratic consolidation cannot take place in multiethnic states. How can democracy be consolidated in multiethnic countries? It is necessary to carefully craft a lot of democratic norms, practices and institutions that promote inclusive and equal citizenship. The transition approach especially contributes to this study by not only identifying the reasons of the democratization difficulties in BiH, but also by offering solutions that will contribute to the future prospects of Bosnia.

The transition approach has been criticized due to its focus on relatively short-term processes and a narrow number of elites. To overcome this shortcoming, this study not only focused on the democratic transition process in BiH, but with the help of the institutionalist theory, this study also referred to the historical legacy of former Yugoslavia and its path-dependent effects on present day Bosnian institutions. For example, Bosnia’s legal system and authoritarian inclinations are identified as two path-dependent criteria deriving from former Yugoslavia, which are viewed as limitations on democratic prospects of Bosnia.

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252 Ibid., p. 33.
To overcome the weaknesses of the transition approach, today’s transitionalists have been encouraged to incorporate more of structural constraints, state traditions and civil society actors in their analysis. Therefore, this study did not isolate multiple factors such as the international context within which the democratic transition takes place (the collapse of Communism, the end of the Cold War, the dissolution of Yugoslavia), as well as domestic mass level politics in Bosnia. For instance, one of the results of this study is that for the consolidation of democracy in Bosnia, a stronger civil society and interest-based groups are necessary that would put pressure on the government to implement democratic reforms as stated in the SAP reports.

7.2 South Eastern Europe and Bosnia from the Perspective of New Institutionalism

How can one apply the institutional approach into democratization research? Institutionalization is the main theme in the democratization process. During the transition phase one can see the establishment of the minimums of democracy: ratification of the rules concerning the basic rights and freedoms, free and open elections, multiple political parties, and the submission of government institutions to the norms of political accountability.253 Most of the emerging democracies in the Western Balkans, including BiH are in this initial phase of the transition and they try to establish these minimums of democracy. Strengthening the normative dimensions of democracy will necessitate that political actors learn to act in connection with the procedures and rules established by the new institutions. One of the main problems of the Bosnian institutional framework is that the newly created institutions and ‘old’ institutions deriving from former Yugoslavia exist simultaneously in a manner that complicates the stabilisation attempts in the country. Secondly, even the newly created institutions lack the necessary amount of consensus that is vital for effective governance. Therefore, further change is required to simplify the confusions of meaning in BiH institutions.

As previously mentioned in Chapter 2.2, NI states that institutions simplify heterogeneity by influencing individual preferences. In the case of BiH, the new institutions have not been so successful in simplifying heterogeneity. The institutional setting of BiH established by the DPA is very complex and it is based on ethnic representation in the institutions. The international community-imposed new institutions of BiH have not been very well tailored for the country. They could not create an inclusive civic identity. In contrast, ethnic representativeness at the State level (Common) institutions is in practice based on exclusion, which undermines cooperation. Furthermore, there is lack of cooperation between the State level and Entities level institutions.

One of the criticisms against BiH is that the Bosnian institutions are rigid. They cannot adjust to fast changes and cannot deal with the most pressing problems of the country. Public bureaucracy in Bosnia is complex and inflexible. It is not oriented towards the needs of the citizens. It lacks effectiveness, efficiency and productivity. It cannot respond sufficiently to policy initiatives, such as the SAP.

NI states that human action is mostly driven by a logic of appropriateness as reflected in a structure of rules and identity conceptions. Institutions get their logic of appropriateness from the society into which they are established.254 In BiH, this is not the case. Bosnia’s new institutions do not take their meaning from the Bosnian society. Instead, the international community tries to impose its own logic of appropriateness into the BiH institutions, which does not necessarily fit well the Bosnian view of what is appropriate and what is not. The contribution of NI to this study

is that it illustrates one of the mistakes of the international community in dealing with Bosnia. The mistake is to impose mainly a top-down approach. The solution that this study suggests is to apply a more comprehensive approach, where a strategy will be applied to transform the non-democratic identities of the Bosnian society into democratic, inclusive civic identities, which eventually will become the logic of appropriateness of the new institutions.

Democratic transition can start with changing the formal institutions from an authoritarian orientation to a democratic one. The contribution of NI is that for the consolidation of democracy, one needs to focus on transforming informal institutions (collection of norms, rules, understandings and routines) as well. If the informal institutions are mainly occupied by authoritarian inclinations, exclusive ethnic nationalism, and distrust, such as the case in BiH, they undermine democratization. Therefore, it is necessary to transform the informal institutions of the Bosnian society in order to achieve genuine democratization. For the self-sustainability of democratization in Bosnia, it is necessary to create democratic governance based on mutual trust and an adaptive political system, which is able to deal with changing environments. March & Olsen state that “achieving political equality is not simply a matter of perfecting institutions for mediating among conflicting interests. It requires significant attention to what those interests are and how they can be compared, shared, and molded in a way that sustains, rather than undermines, democracy.”

According to the institutional approach, future possibilities are shaped by the past as expressed by the concept of path dependency. Path dependency contributes to explain implementation problems of the SAP in BiH due to the legacies of the past that can resist the implementation of new policies. The deep beliefs of authoritarianism that are still present in some post-communist institutions can limit the effective implementation of new, democratic initiatives. For example, the Bosnian legal system derives from former Yugoslavia’s legal system. There is still the legacy of the legal system of a socialist state that had many built-in problems. The Bosnian legal system might look reformed on the surface; however, there is not much historical democratic tradition to support the new legal rules. Another example is that some of the legacies of the 1992-95 Bosnian War still have a path dependency. Illegal institutions, such as corruption and organized crime continue to be the problems of BiH. To sum up, path dependency is an important explanatory concept to analyse democratic transition in BiH. The detailed analysis of pre-transitional conditions can offer a guideline to explore current problems of BiH as well as other SEE countries.

Institutions can change. The changes can be daily incremental transformations, or metamorphoses at historical turning points, such as war. In Western Balkans and BiH, the change was not incremental. Rather, the change came about as a result of historical turning points that included the collapse of Communism, the dissolution of Yugoslavia and the following war in Bosnia. When comparing the BiH institutions that existed before the 1990s with the current institutions, one can identify a considerable amount of differences, which signifies the finding that path dependency has already started to weaken. As BiH is engaged in a closer relationship with the EU, it is expected that path dependency will weaken further in the long-term.

One thing that is problematic with institutional change is that there can be gaps in the adaptation of institutions to their environments. The gaps can result in unpredictability in the direction of change and unexpected policy outcomes. Institutional change usually does not satisfy the intentions of the ones who initiated it. In this sense, NI can contribute to policy analysis. By

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defining the differences between adopted policies and implemented policies as implementation problems (Chapter 2.2.4), one can see that policies are usually ambiguous. For instance, the EU through the SAP is aiming to promote peace, prosperity and stability in SEE, as well as institutional, legislative, and sustainable economic and social development. However, the implementation of the SAP is not so easy. The new institutions of BiH have not been able to adapt completely to the new environment in SEE. The solution is to transform further BiH’s undemocratic institutional identities and rules into inclusive values, which will support democracy.

7.3 The Road Ahead: Suggestions for Policy Implementation

Through the SAP, the EU has made a long-term commitment to increase and consolidate peace, stability and prosperity in the Western Balkans. This is the general trend of the EU policy towards this region. Nevertheless, the EU’s relationship with individual countries shows variation according to the level of success achieved in each country in implementing the SAP. For example, Croatia and FYROM have been more successful in implementing the SAP; therefore, they have signed SAAs with the EU. Moreover, Croatia is an EU membership candidate. On the other hand, the implementation of the SAP has been more problematic in Albania, BiH, and Serbia and Montenegro. Albania is still negotiating for a SAA with the EU since January 2003. BiH and Serbia & Montenegro are trying to improve their implementations of the SAP in order to start SAA negotiations with the EU. For the other SEE countries, which are not included in the SAP, the EU strategy revolves around accession. For instance, Slovenia has become an EU Member State. Bulgaria, Romania, and Turkey are official EU membership candidates. The dynamics of the EU relationship with individual countries differ from country to country and are influenced by a number of different factors. The aim of this study was to focus on the implementation of the SAP in the case of BiH. The purpose was not only to explore the implementation problems, but also to suggest solutions to overcome these implementation challenges.

BiH’s post-Dayton condition is very complex. DPA’s first goal, that is to stop the military conflict, is achieved. However, DPA’s wider goal to create a multiethnic, democratic and sustainable country is a long-term process, which faces many challenges. BiH’s governance and stability still depend on the supervision of the international community to a large extent. The political system is very complicated and the multiethnic government requirements have resulted in fragile coalitions. Which values are institutionalized by BiH public officials? Intransparency, corruption, authoritarian inclinations, distrust and exclusive ethnic nationalism are the informal institutions that prevent the successful implementation of the SAP in BiH. This study recommends that in order to improve policy implementation, it is necessary to increase the level of cooperation, consensus, transparency, accountability, participation, and inclusiveness in the BiH institutions. Democratic norms should be implemented, not just declared. Moreover, it is necessary to build mutual confidence and trust at the elite and mass levels.

A reformed education system can be a solution to BiH’s problems. An inclusive and cooperation-based education system, which nurtures a civic identity throughout BiH can help to overcome the ethno national cleavages in the country.

The level of international involvement in BiH has been debated. One of the criticisms raised against the international community existence in BiH is that intensive international involvement in BiH has prevented the country from becoming a self-sustainable state (a country that itself has the ownership of reforms). One of the recommended solutions is that the various international parties involved in BiH should devolve the governance responsibility of the country to the citizens of BiH itself. The prospective role of the international community can be to provide
coherent information, expertise, and training as a guideline for a more self-sustainable democratization process. Furthermore, simplification of the complex political system of the country would enable more public understanding of the issues regarding BiH.
8. CONCLUSIONS

This study explored the EU’s relations with SEE, with a case study of BiH and the implementation of the SAP. The focus of this study was on the concept of democratization. Democratization was a relevant concept because the general transition trend in SEE since the beginning of the 1990s has been the transition process from authoritarian regimes to liberal democracy. One of the conclusions of this study is that democratization is a long-term, open-ended process, which does not have a fixed end-point. As the democratization level increases, one can start using the term democratic consolidation. However, most democracies in SEE are emerging or ‘young’ democracies. They are still in the initial democratic transition phases. Thus, it is early to talk about a genuine democratic consolidation in SEE countries. SEE was chosen as a region to locate the findings of this study regarding BiH because the current general trend of EU-BiH relations is shaped by the SAP: the main EU strategy towards SEE since 1999. Thus, it was relevant to start this research by outlining EU-SEE relations and to identify the main dynamics of this relationship. Despite the main SAP dynamics of EU-SEE relations, the EU’s relationship with each country is unique. The aim of this study was not to explain the EU’s individual relationship with every SEE country. The focus of this study was on EU-BiH relations within the framework of the SAP. The reconstruction and institution building in a war-torn, multiethnic society like BiH was and still remains a big challenge for the EU. The situation in BiH has improved considerably since the 1995 DPA, and the SAP offers an opportunity for BiH to have a closer relationship with the EU. However, the implementation of the SAP in BiH remains problematic. The purpose of this study was to illustrate the multiple factors that limit the implementation of the SAP and to suggest possible implementation improvements for the case of BiH.

What are the main aims and dynamics of the EU’s relations with SEE? SEE lies at the doorstep of the EU. Since the beginning of the 1990s, the EU is faced with a new agenda in SEE in the search for a new institutional framework for its relationship with SEE countries in the post-Cold War period. The EU has launched a number of initiatives for this region. In the mid-1990s, the EU through the Regional Approach tried to support the implementation of the DPA and to promote the necessary political and economic conditions to provide basic stability and prosperity in SEE. After the 1999 Kosovo crisis, the EU launched the SAP, which is a more ambitious project compared to previous EU strategies for SEE. The SAP offers to replace the traditional cooperation agreements with potential SAAs. Within the SAP framework, the main aims of the current EU relations with SEE are to promote peace, stability and prosperity in the region. The enhancement of cooperation and dialogue in SEE remain very important both for the countries of the region as well as for the EU. The EU aid is mostly given to institution-building, finance investment, democratic stabilisation, and institutional and legal development programmes. There is an understanding that instability in SEE can spillover into EU. It is to the benefit of the EU to help SEE countries to build efficient institutional systems to cope with their problems. Also, stabilisation in SEE offers the EU opportunities for economic expansion. Additionally, EU’s increasing involvement in SEE is beneficial to augment EU’s political reputation in the international scene. The SAP has become the motor for reform in the Western Balkans. However, the SAP faces with problems especially in the implementation stage. The political situation in SEE has improved since 1999, but certain problems remain such as dysfunctioning of the institutions, political pressure over the judiciary and media, organized crime and corruption. Further and better implemented efforts are needed both from the EU and the SEE countries to improve the political, social, and economic environment in SEE. The EU needs a more comprehensive democracy promotion policy in SEE, which could put more emphasis on civil society building.
What are the main problems concerning the implementation of the SAP in the case of BiH? BiH is one of the Western Balkan countries that is covered within the framework of the SAP. The main aims of the EU regarding BiH are to consolidate the peace process and inter-Entity cooperation, to establish functioning democratic institutions, to aid sustainable economic development, and to raise BiH closer to EU standards. The current position of BiH is that the European Commission has prepared a Feasibility Study for the opening of SAA negotiations with BiH. If BiH can fulfill the necessary requirements, the country will be able to move one step closer in its relationship with the EU and start SAA negotiations, which will lead to a contractual relationship with the EU. However, in order to start SAA negotiations, BiH needs to improve SAP implementation. Weak institutional and administrative capacity, problems in the application of the rule of law, unemployment, public deficits, organized crime, corruption, lack of cooperation with the International Criminal Tribunal for the former Yugoslavia, and limitations on refugee return are among the major SAP implementation problems in BiH. Moreover, there is not enough elite consensus at the State level institutions. Furthermore, there is lack of cooperation between State level and Entities level institutions. The democratic transition process in BiH is mostly dependent on the international community, which prevents the country from becoming a self-sustainable state.

How do the norms, values and culture of BiH affect the implementation of the SAP? Political culture is one of the defining factors in BiH. BiH political culture is composed of multi ethnic groups, cultures, religions, and languages. People’s ethnicity affect who they vote for. Ethnic-based political parties still get a considerable amount of votes, which breeds exclusive ethnic nationalism. The political system of the country as framed in the DPA is based on ethnic representation at the State level (Common) institutions. Moreover, the country is divided into two Entities: The Bosniak/Croat Federation and the RS. Institutional reform attempts in post-Dayton BiH have become part of the power struggles among competing groups (Bosnian Muslims, Serbs and Croats). What lacks in BiH is a common civic identity that would lead to inclusive cooperation in the whole country. A political culture of consensus could help BiH in overcoming its SAP implementation problems. From the perspective of NI, path dependency is an important concept to explain SAP implementation difficulties in BiH. The deeply embedded norms and values in BiH institutions derive from the legacy of former Yugoslavia, which was not mainly dominated by democratic norms and values. The authoritarian inclinations in BiH institutions are path dependent. Moreover, informal institutions of BiH limit the implementation of the SAP. For instance, corruption, distrust and parochial survival networks are still the prevailing norms in BiH’s institutional framework. In order to achieve genuine democratization in BiH, it is necessary to change the informal institutional framework towards democracy-supporting norms and values, such as accountability, transparency, and participation.

To conclude, even though BiH is not the most successful example of democratic transition, the country has moved forward a considerable amount from its war-torn situation. Democracy is emerging in BiH, yet slowly and gradually. The country is still in the initial stages of democratization, which will be a long-term process. Despite the complexities in BiH, such as its complicated institutional setting, lack of self-sustainability, economic problems, ethnic, religious, linguistic, and cultural cleavages, the country can proceed forward if it can spend the necessary amount of effort to overcome these challenges. The SAP is a good opportunity for BiH to enhance its relationship with the EU. If implemented effectively and carefully with the fulfilment of the required conditions, the SAP will lead to the signing of a SAA with the EU, which will open new doors for the country’s future. As increasing its ties with the ‘European Union of values’, BiH will need to adjust to the EU norms and values as well, which support democracy. The EU’s long-term goal is a stable and peaceful multiethnic Bosnia, which cooperates with its neighbours. In order to succeed, the EU needs to be more coherent, comprehensive and efficient
in its dealings with BiH. Rather than applying international community imposed democratization strategies in BiH, strengthening civil society institutions and promoting democracy-supporting norms and values throughout the country could open the road for a self-sustainable democratic development in the country.

8.1 Future Research
There are many ways that future research can build on the findings of this study. The SAP is a continuous process; therefore, one way to further this research would be to continue to periodically explore the implementation of the SAP in the case of BiH. A second way to continue future research would be to look at different stages of policy making other than the implementation stage. For instance, problem recognition and issue identification, agenda setting, policy formulation, policy adoption, and policy evaluation regarding the SAP can be researched. Thirdly, future research can be conducted as a comparative study of the implementation of the SAP in other Western Balkan countries, such as Albania, Croatia, Serbia and Montenegro, and FYROM.
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