

Leviathan or Democracy? The Case of Post-war Bosnia and Herzegovina

Abstract: *Very often it is taken for granted that rapid political and economic liberalization reforms make transitional or post-conflict countries stable and fully functional. However, such strategy proved insufficient and shallow since large number of post-conflict societies has continuously faced serious political, legal and economic problems over a long period of time. Probably, the ideal example would be the post-war Bosnia and Herzegovina where free and fair elections are held regularly but it is hard to argue that democracy has flourished in the country. Therefore, in this work my central standpoint is that in the absence of stable and efficient state institutions it is very difficult or almost impossible to implement successful political and economic liberalization reforms in the post-war countries such as Bosnia. To support my argument I have provided three cases or examples where speedy democratization proved wrong strategy in order to bring political stability and economic growth. Also, I have given two 'technocratic' examples which have made deep contributions in terms of building robust and effective state institutions rather than putting emphasis on rapid democratization.*

Keywords: state-building, democratization, post-conflict states, democracy, institutions, Dayton Agreement, elections, privatization process, international community

"Building a bridge from a dark past to a liberal future is difficult, perhaps impossible. It is on such a rugged terrain that the constructs of nation-building seek firm footing".

Williamson S.W.

The Basic Dynamics and Theoretical Framework

Despite widespread enthusiasm and powerful impulse toward democracy in the aftermath of a third wave democratization processes from the late 1980s and early 1990s a large number of new democratic countries have experienced very serious difficulties with the democratic transformations. For instance, a significant number of transitional and/or post-conflict countries have continuously faced serious problem of democratic deficit accounting for a threat to stable and well-functioning state apparatus in spite of the extensive and deep democratization reforms imple-

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mented. Put simply, rapid and extensive democratization reforms in the post-war societies often have resulted in weak, failed or near-to-fail states instead of permanent and successful democratic transitions. As Fareed Zakaria argues, in some parts of the world speedy and immediate democratization reforms have resulted in the regimes of "illiberal democracies" (1997: 23). In fact, the new democracies demonstrate a variety of specific subtypes and significant pathologies when compared with more established democratic countries (Berg-Schlosser, 2007: 15). Following such democratic failures and increasing possibility of the rise in the failed states worldwide the concept of state-building has been presented as a grand strategy to firmly build democracy in the post-conflict countries. In other words, before we can have democratic transformations or economic liberalization it is of critical importance to design stable and fully effective state institutions (Fukuyama, 2005: 84). In fact, the art of state building has recently attracted substantial attention within academic and diplomatic circles as the precursor to democratic reforms in post war regions. State-building involves, Fukuyama stresses, the creation of new government institutions and the strengthening of existing ones.. (2004: xi).

In this light, post-conflict states do not need to become extensive ones in terms of the scope, but they need strong and functional states with limited number of the most necessary state functions instrumentally decided. However, in the post-war Bosnia and Herzegovina (hereafter Bosnia or BiH), as our case study here as the perfect experimental ground for state-building techniques and democratic reforms, the international community (IC) largely put emphasis on thorough and speedy democratization process which so far has not resulted in stable, effective and democratic country as expected from the beginning. According to the Freedom House analysis, Bosnia has had a constant lack of democracy over the last decade just having democracy score of 4,16 in 2009 with 1 representing the highest score and 7 the lowest. Also, Bosnia has weak democratic prospects positioned only within the group of transitional governments or hybrid regimes sometimes also called the 'electoral authoritarianism' (Schedler, 2006: 4). Last but not least, Bosnia has scored very low in terms of political rights and civil liberties which is a clear indicator of the lack of democracy.

That is to say, although today Bosnian citizens can legitimately and freely elect their political representatives through fair and free elections it is very difficult and naïve to stress that democracy has flourished in this country. According to prominent professor from the Sarajevo University, Zdravko Grebo, BiH citizens have not had a real opportunity at least to learn what it means to behave democratically and what are the institutions and procedures needed for democratic society (Grebo, 2002: 1). In fact, there has been lack of proper institutional mechanisms through which ordinary citizens could be able to integrate fundamental democratic principles and ideas into their ordinary lives. Thus, my central argument in this work is that in the absence of stable and efficient state institutions it is very difficult or almost impossible to implement successful democratic reforms in the post-war countries such as Bosnia and Herzegovina.

To support such analytical statement, this study will mostly utilize Roland Paris's theoretical framework embedded in the 'institutionalization before liberalization (IBL)' and outlined in his most recent book, *At War's End: Building Peace after Civil Conflict*. The IBL is the strategy to transform war-torn countries into liberal market democracies by building effective and functional political and economic institutions before the introduction of thorough electoral democracy and market economy reforms (Paris, 2004: 179). Simply

put, the IBL strategy is a modified form of Wilsonianism pushing for an idea that speedy political and economic liberalization in the post-conflict societies do not expectedly bring reconciliation, political stability and economic growth in the circumstances of serious and troublesome institutional vacuum. Still, it would be a great mistake to conclude that Paris simply rejects democratic reforms since his theory is based on *raison d'être* that before political and economic liberalization processes it is of utmost significance to establish the institutional conditions necessary for latter in-depth democratic transformation. In short, the study makes use of Paris's inquiry whether the predominant models of state building missions emphasizing rapid democratization and market liberalization are appropriate strategies to apply in fragile and unstable war-shattered societies. In addition, from time to time we will use Fukuyama's theoretical perspective on state building as the central strategy to the future of world order.

Last but not least, in order to adequately understand and examine our research problem it is of critical importance to choose appropriate and relevant methodological perspectives. Therefore, this study mainly concentrated on quantitative methodology since data gathered by a variety of institutes, organizations, and NGOs seems very relevant and provides clear or explicit answers to the scientific question we examine here. However, it is not enough just to count numbers because it is of critical significance to understand the whole process or the research problem and this can best be done through qualitative method. For instance, in the future the extended study can make use of qualitative methods such as interviews with international officials, domestic politicians, some experts and prominent scholars, and also standardized questionnaires with ordinary citizens or the bureaucrats working in public offices. Therefore, very often the researchers are suggested to combine these two methodological approaches to improve the quality and interpretability of the scientific inquiry (Weiss, 2003: 267).

Dayton Peace Accord: Democratic or Chauvinistic Pact?

The Dayton Peace Agreement (DPA) was signed in November 1995 as the post-war constitutional order establishing BiH as the state consisting of two largely autonomous entities, the Serbian-dominated Republika Srpska (RS) and the Bosniak-Croat dominated Federation of BiH (FBiH). It is believed that the structure of a constitution and constitution-making process is an integral part of the political and institutional set-up in the transitioning countries (Samuels, 2006: 19). Obviously, the DPA established highly decentralized state with a very weak and insufficient central institutions and very strong entity administrative bodies thus obstructing maintenance of Bosnia as a genuine multi-national and democratic country. The DPA created an institutional framework where the entities have powers which hinder effective decision-making processes and thus largely contributes to furthering of the ethnic polarization (Lexau, 2004: 7). Such an increasing ethnic hatreds after the DPA can be viewed through very low level of social trust among the Bosnian citizens. Thus, the DPA considerably decreased and distorted development of the idea of social capital among the Bosnian citizens. What's more, the Dayton Agreement failed to resolve the basic issues around which warring parties were in the three-years conflict thus only changing the means by which ethnic groups are still fighting for their separate statehood (Woodward, 1997: 29). In addition, Bosnian institutional set-up substantially increased the scope of state activity while significantly decreased the strength of state

power what is the position of quadrant IV in the Figure 6. In terms of economic performance such institutional order is the worst strategy located in the quadrant IV, where a highly ineffective state has control over wide range of activities that it can not perform satisfactorily and orderly (Fukuyama, 2004: 12). Furthermore, from the political point of view the quadrant IV seems to be the worst position since post-war countries such as Bosnia having *ineffective and extremely weak central institutional structures* could not coherently and systematically reduce or at least keep under control the national tensions amongst the BiH citizens. What's more, the concept of "state-ness accounts for a substantial centralization of public activities" which has not been the case in the post-war Bosnian state *structured extremely flexibly according to the constitutional order from Dayton* (Hadenius & Back, 2008: 15). In fact, a functional and effective state should have significant political autonomy and its own legitimacy and authority (Crothers, 2007: 19).

What's more, it is believed that numerous annexes and small print of the Dayton Accord have limited the actions of international community and created a *complex order of political institutions* which hinder the creation of strong centralized state and thus only continue to enable nationalist political parties to play the most dominant role in the policy-making process (Chandler, 2006: 17). In addition, the Dayton Accord created an institutional framework for state-building policies without explicitly defining what the role and significance of the central state would be, and without determining which central institutions should be strengthened at the expense of other units and what the hierarchical order should be designed between different levels of administration (Vogel, 2003: 8). Such a complex institutional framework blocked or distorted efficient state-building initiatives and even contributed to the rise of undemocratic actions countrywide. That is to say, no democracy can be established if the state lacks the capacity to control democratic decision-making process and put its results into the life (Tilly, 2007: 15). Similarly, the idea of democracy is an unaffordable luxury for transitioning countries which prioritize effective and viable government institutions rather than accountable government (Ayoob, 1995: 195). Virtually, it is very difficult for the post-war countries to accomplish successful democratic transition *with serious lack of strong and well-established central state institutions*. Perhaps the allocation of power has to be centralized initially in the aftermath of the conflict and then at later period allow open competition as a basis of viable democracy rather than a weak state from the very beginning (Johnsson, 2004: 15).

There has been widespread consensus among international actors and diplomats that the Peace Agreement was a treaty structured so to end a war and not to build a functional state (Ashdown, 2004). In fact, it is now clear that Dayton Accords succeeded in bringing peace to Bosnian citizens, but the problem with the agreement is that it was structured in such a way that highly ignored the fact that *central state institutions had vanished and still its basis has been immediate political and economic liberalization*. In other words, the international actors have not decided that it is of crucial importance to establish stable state and state structures and institutions that can support successful and functional democratic political structures and efficient market economy (Paris, 2005: 769). This seems to be close to truth, according to Fukuyama, pointing out that state-building is based on the creation of a government that has a monopoly of legitimate power and that is capable of deciding on rules and regulations across whole state territory (2005: 87). Put differently, under the current legal framework it is very difficult for Bosnia to build stable and viable institutions since the government is shattered across several administrative levels including

two autonomous entity administrations. In fact, the agreement signed in Dayton failed to provide the newly established Bosnian state with the tools and mechanisms necessary to effectively and robustly build its statehood or central state structures (Donais, 2002: 3). As a result, weak and inefficient government structures have become even more evident as Bosnia strives to integrate into Euro-Atlantic institutions. All this said, nearly 15 years of ineffective and dysfunctional rule under the Dayton Accord it is obvious that this agreement has to be thoroughly redefined or, if domestic politicians agree, completely replaced by a new constitutional framework which would open a way for Bosnia to build strong and fully functioning government institutions leading to sincere democratic changes across the country as a whole. For instance, the results of National Survey of BiH from 2007 shows that 72% of BiH citizens think that the current system of government is too complicated and so should be changed. According to the ICG, if BiH doesn't acquire and develop the central state structures necessary for functional, affordable and EU-compatible administration it will continue to face a long, agonizing, and destabilizing period of twilight statehood (ICG: 2004). That is to say, for successful process of democratization reforms it is of utmost importance for transitioning countries to pay greater attention to the idea of stateness producing stronger and effective state structures (Sorensen, 2008: 65).

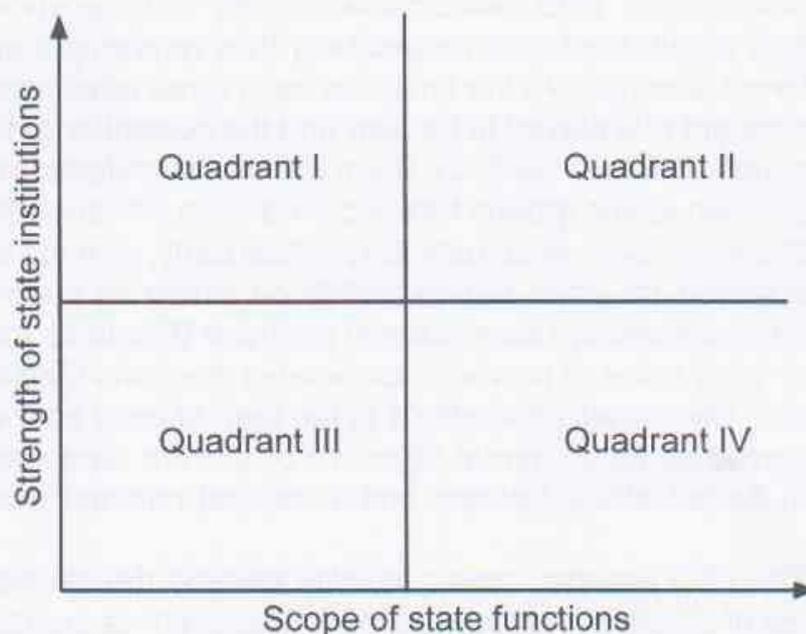


Figure 1 Stateness and efficiency

Post-war Elections: Motorforce of Ethnic Hatreds

In the literature of the political science it is clearly pointed out that holding democratic elections is one of the milestones of sincere democratic transition. That is to say, elections are highly visible and usually largely celebrated events: they are one of the most manifest and certain indicator that the democratic transformation is well under way (Sorensen, 2008: 56). In a similar light, the Article 2.4 of Dayton Agreement required the first elections in post-Dayton Bosnia to take place no later than nine months after the signing of the peace treaty (DPA, 1995). However, holding very early elections in the post-war societies can

become counterproductive thus further fuelling ethnic or religious hatreds from the past. That is, if the political parties participating in the elections appeal to the voters using the language of interethnic hatreds and mistrust then elections can further intensify nationalist divisions that international actors so tend to mitigate (Paris, 2004: 189). For instance, international community (IC) has made a catastrophic and very naïve mistake holding elections in Bosnia in 1996 in the aftermath of bloody ethnic conflict, the largest one after the Holocaust from the Second World War. Although international actors believed that holding early elections will strengthen democratic transition and open the way to stable peace-building process just the opposite happened as early post-war elections implicitly legitimized nationalist political parties and thus even deepened nationalist divisions and antagonisms within the Bosnian society. In fact, premature democratic reforms can be a fatal mistake as happened in post-war Bosnia holding early elections thus significantly strengthening the power and dominance of the ethnic political parties (Fukuyama, 2005: 88).

It is often admitted that the introduction of elections is the event that has a capacity to significantly transform political dynamics in a country and thus may bring about critical democratic changes in the future (Munck, 2007:48). However the three nationalist parties, Bosniaks' SDA, Bosnian Serbs' SDS, and Bosnian Croats' HDZ received the highest number of votes from their ethnic electorate respectively thus renewing their 'at-war positions' through the different channels. At the time, the main three ethnic political parties largely stressed their important role played in the war and the possibility of threat coming from the other ethnic groups (Borden, 1996: 2). Such a trend of preferring strictly ethnic political parties by the Bosnian ethnic groups has occurred each election with the exception of elections from 2000 when SDP, multi-national political party, won the elections. Put differently, political competition for votes based mainly on extremist rhetoric, so-called politics of outbidding, has continuously taken place in post-war Bosnia as nationalist parties have cemented their early seize of power in successive elections (Jarstad, 2006: 16). Indeed, it is clear that rapid democratization efforts in the form of early post-war elections in Bosnia have not achieved its fundamental objective of sincere democratic transition but only legitimized and fuelled ethnic hatreds and increased mistrust among Bosnian citizens.

As Roland Paris (2005: 770) asserts, moving quickly towards the elections may help to institutionalize the lines of divisions that defined the previous ethnic conflict. Therefore, as one of the most basic elements of the IBL strategy the possible solution to the problem would be the postponement of the elections for some period of time until necessary conditions are created for sincere democratic transition. Obviously, in the post-conflict societies it is very difficult to apply the Dahl's conception of polyarchy mainly based on contestation (including elections), wide public participation, and basic human rights (Dahl, 1971). Also, one possible alternative could be for the international players to shoulder more direct responsibility for the governance of the war-shattered country before democratic elections are finally held (Paris, 2004: 224). However, here the crucial question is whether and for how long time is it possible and legitimate in the eyes of ordinary citizens to talk about democratic reforms without holding any elections. As Carothers outlines, "in many countries democracy can barely live with elections, but in no country can it live without them" (2007: 21). Still, we should remember here that postponement of the elections in war-torn countries is only a temporary measure before necessary institutions are set up.

Furthermore, it is possible to ask a question whether is it better for the democratic future of the whole country to allow radical political movements such as the fascist and ultra-nationalist political parties to participate in early elections and thus implicitly legitimize their political projects of ethnic homogenization.

All this said, although the postponement of elections for some time may seem illegitimate in the eyes of citizens in short run it is the most adequate strategy in the long run until the proper institutional framework is maintained. The best policy would be to delay the elections at all levels until a minimal social and political conditions are at place (Borden, 1996: 3). Put differently, the challenge for the international community is to design proper methods in order to establish market democracy in the war-torn countries while avoiding the pathologies of political and economic liberalizing reforms (Paris, 2004: 185). For instance, it is necessary to frame electoral laws which prohibit active political participation to political parties and politicians which support chauvinistic and fascist doctrine of ethnic cleansing as happened in Bosnia. In other words, one of the greatest challenges for the international community is to make moderating political parties and politicians welcome and rewarding and to sanction extremist voices (Horowitz, 1990: 452). However, in Bosnia the international electoral officers made a great mistake allowing war criminals to implicitly have a strong influence on the post-war elections. That is, the refusal of IFOR to arrest indicted war criminals until after the elections demonstrated poor commitment of international community to Bosnian democratic future and thus guaranteed that the elections lose its democratic underpinnings (Borden, 1996: 3). In addition, it happened just at the end of 1997 that international community decided to break the continuing ethnic threats coming from the Republika Srpska and to isolate the war criminal Radovan Karadzic from the political circles (Delamer & Rabkin, 2006: 23). Last but not least, one alternative solution could be to frame the constitutional and electoral rules that compel political representatives to gain significant political support from each ethnic group (Paris, 2004: 194). Still, such rule has to get an acceptance at national parliament from all three ethnic parties which seems very improbable for the time being.

Rapid Privatization as a Threat

In the aftermath of decline of the Soviet Union and the consequent crash of state-run economy it has become widespread view that open market economy is currently the most efficient type of economic system. Following such trend, the international community has tended to implement rapid economic liberalization reforms in the transitioning countries in order to stimulate their economic growth and build market democracy at the end. For instance, in the aftermath of the Bosnian war the international economic experts immediately started deep and rapid privatization reforms from state-run enterprises to private companies holding opinion that such reforms would work spontaneously through the ideal of 'hidden hand' as it is the case in western industrialized countries. However, it is clear that after deep liberalization reforms Bosnia still scores very low in terms of economic freedoms and economic openness. Furthermore, international actors had paid little attention to the fact that political stability was still non-existent or at least fragile for the efficient and serious economic transformation to be made. As Callaghy points out (1993: 165), the reforms of economic liberalization without paying enough attention to domestic political stability are very likely to disrupt successful economic and political adjustment. Put

simply, without stable and peaceful political conditions it is very risky or naïve to start thorough economic reforms across whole of the country since old warlords and nationalists dominate every stage of the public life. In addition, the international community missed the point that almost whole Bosnian economic infrastructure and institutional capacity were destroyed or seriously degraded during the war.

Put differently, the war-shattered countries most of the time are left without proper institutional capacity to successfully and programmatically accomplish market-oriented reforms (Paris, 2004: 201). Similarly, in post-war Bosnia it was under chaotic and confusing institutional circumstances that serious privatization process has started as it was a case with any developed and established western democracy. The fundamental privatization reforms in Bosnia were believed to be successfully made even before the thorough and in-depth economic transformation and institution building process was fully underway (Donais, 2002: 5). In other words, without ripe and robust institutional structures increasing privatization reforms had been initiated in order to stimulate economic progress and demonstrate to the world that market democracy has been built. In an institutional deficit the process of privatization can and most often has resulted in serious stagnation and de-capitalization rather than producing better economic results and increased efficiency and productiveness (Nellis, 1999: ix). Also, it was after the widespread privatization that black market economy flourished in Bosnian society since there have not been robust and sophisticated institutions to watch over the ongoing economic transformations. In addition, one great problem was that World Bank and IMF have expected that markets in the post-war regions can organize themselves spontaneously thus pushing hardly for economic liberalization reforms in the obvious vacuum of so needed governmental and legal structures (Kolodko, 2000: 202). As a result, the post-war Bosnian rapid liberalization reforms made in the serious vacuum of effective and stable institutions have only increased the power and dominance of clientelistic and mafia political economies (Pugh, 2000a: 2). In fact, state firms passed into the hands of warlords and powerful mafia bosses that were very close to three nationalist parties rather than being bought in a transparent and fair manner by new capitalist owners.

Therefore, privatization process has become another field where ethnic groups and their leaders struggled for their narrow interests. That is to say, Bosnian ruling ethnic leaders did not support a kind of neutral, professional, apolitical and technocratic privatization process thus making use of the economic reforms for their own political interests (Donais, 2002: 6). As a result, privatization of state-run companies was a great opportunity for ethnic parties to enrich themselves and their loyalists since there had not existed necessary institutional bodies that could enforce the laws and regulations. Giving support to economic liberalization without having designed stable and secure legal structures is a road to malfunctioning and inefficient market economy in which the natural boundaries between business and criminal are lifted as happened in the Russian economy in the 1990s (Nellis, 1999: 95). Thus, what international economic experts believed to be an apolitical, effective and programmatic privatization process has turned to a corrupt, ethicized, and great struggle for power which has done little to increase or stimulate economic progress or promote inter-ethnic peace and reconciliation (Donais, 2002: 2). In fact, rapid post-war economic liberalization has caused more bad than good in terms of the economic and political results. Therefore, extensive economic liberalization reforms better be delayed while the governmental and legal structures necessary to regulate and manage

a market economy are constructed (Paris, 2004: 204).

In addition, Adam Smith and other classical liberal economists suggested that successful market economy requires stable rule of law: that is, a legal framework which guarantees everyone known, predictable and clear rules and regulations which are then enforced in a consistent, neutral and disinterested manner. Simply put, it is obvious that the rule of law is probably more important than privatization (Friedman, Gwartney, and Lawson, 2002: 19). However, in the last decade the results for judiciary in Bosnia are very low. All said, Singer believes that "the criminalization of the Bosnian body politic now represents the single greatest threat to the implementation of the Dayton agreement, concluding that instead of the expected shift from ethnic nationalism and war to political pluralism and economic liberalism, there is only a tightening vise of corruption and cronyism" (2000: 31). Due to the lack of proper and reliable institutions rapid and non transparent privatization has mainly produced results such as black market, increasing corruption rates and widespread inequalities across Bosnian society. Corruption records for post-war Bosnia are very negative since they range between 4, 25 and 6, 00 over the last decade according to Freedom House with 1 representing the highest score and 7 the lowest.

The OHR: The Threat to Domestic Institutions?

It is well known that the Office of High Representative (OHR) has played very significant role in the decision-making processes in Bosnia from the very termination of the conflict. According to the Article V. of the Dayton Accords Annex 10, the High Representative is "the final authority in theater regarding interpretation of this Agreement on the civilian implementation of the peace settlement" (DPA: 1995). After weak start by the High Representative in 1997 its powers have been significantly extended customarily referred as the "Bonn powers" which included the power to remove elected officials, impose legislation, and pronounce administrative rulings. Given such an extraordinary powers of the High Representative a large number of analysts outline that Bosnia is virtually ruled undemocratically by the nonelected international official who can not be a sincere representative of the ordinary citizens. Very often the "Bonn powers" of the HR are exercised in an imperial way while the dismissals of public officials have contradicted the most basic principles of the rule of law (Marko, 2005: 17). That is to say, substantive powers exercised by the HR has created a 'European Raj' where international experts make decisions on the agenda, impose it, and punish all those who refuse to put it into effect (Knaus and Martin, 2003: 2). However, such statement seems extremely exaggerated since international administration in Bosnia was built with the legitimate agreement of the Bosnian themselves as one of the implementation aspect of the Dayton Accords.

In other words, in the aftermath of the war the international community has had a duty under the UN auspices to help rebuilding of the Bosnian state and establishing stable and functional democracy. It would be "not just heartless, it is foolish" to choose a policy of standing by side and watching post-war countries struggling with a variety of problems (Collier, 2003: 11). According to the UN advisors and the Secretary-General Kofi Annan, a special committee of the 'great and the good' from around the world and pursuing the actions under UN auspices should support international intervention and help from early warning, through preventive commitments, and the post-conflict transitional administrati-

ons to the war-torn societies (Annan, 2004: 5). More importantly, to leave a war-shattered country without helping establishing the most necessary state institutions, in all likelihood, increases the possibility for the renewal of old conflicts (Crocker, 2005: 59). Therefore, international actors such as the HR have just carried out their activities within the legal framework of the peace treaty signed in Dayton by the representatives of three Bosnian ethnic groups. Furthermore, given post-conflict ethnic polarized positions it was of the utmost moment to have international mediator to act out of politics in an effective and integrative fashion in order to maintain order and stability whenever domestic politicians could not reach agreement over some important issues. What's more, the Democratization Policy Institute (DPI) asserts forcibly that domestic politicians should be marginalized during the law-making process when they can not initially agree due to their opposing positions (DPI, 2002: 15). Lord Paddy Ashdown, one of the HRs, in his inaugural speech of May 2002, clarified the Bosnian real politik stating:

"I have concluded that there are two ways I can make my decisions. One is with a tape measure, measuring the precise equidistant position between three sides. The other is by doing what I think is right for the country as a whole. I prefer the second of these. So when I act, I shall seek to do so in defense of the interests of all the people of Bosnia and Herzegovina, putting their priorities first" (Ashdown, 2002).

The OHR largely used its Bonn powers to efficiently realize the most fundamental state-building policies: identity symbols and integrationist legislation of the state, (such as the citizenship law, the flag, the national anthem, currency, license plate etc.) and to dismiss local officials who obstructed the return of refugees and other integrationist policies (Lexua, 2004: 5). Therefore, the HR played very critical role in the creation of the integrationist policies making significant contributions to sincere reconciliation and stability across whole of Bosnia. In addition, the OHR introduced new property and housing legislation to encourage refugee and IDP return and also initiated an extensive media reform, involving media restructuring and regulation under the newly established Independent Media Commission (IMC), the encouragement of independent and alternative media and public information campaign (OHR). The OHR concentrated mainly on strengthening state institutions and thus has made significant progress in improving the functioning and work of the Council of Ministers and in staffing new ministries (Lexau, 2004: 9). Obviously, if we remember recent unsuccessful visa liberalization reforms carried out by Bosnian officials who could not carry out necessary reforms because of their different political interests then it is crystal clear what an important role the HR played in both initiating necessary decisions over the last decade where the public power regulation has been based on vertical order as seen in the Figure 14. As Fukuyama argues, post-war countries have such a weak state institutions that it is necessary to allow outside powers to exert authority in order to avoid or decrease calamity and stalemate (2005: 86). That is, a sort of muscular approach to state-building held to be necessary to deal with fragile countries in which democratic forces have been marginalized through authoritarian rule has been practiced in Bosnia during Ashdown's mandate (Washington Post, 2002). Still, international involvement in the form of the OHR has been short-term strategy for post-war Bosnia and the long-term plan is to pass the ball to domestic politicians who can now use institutional structures made mainly by the HR and build new ones when necessary as well. That is to say, now it is ripe time to remove the OHR and establish more horizontal order based on partnership relationships where Bosnian politicians will shoulder more responsibility

for political decisions and the HR have a more consultative rather than legislative role as is outlined in the Figure 15. Probably, the new public power regulation could be achieved with the transition of the OHR to the EU Special Representative in BiH as recently envisaged by the international community.



Figure 2. Public Power Regulation in BiH post-conflict (Arrows denote regulation).

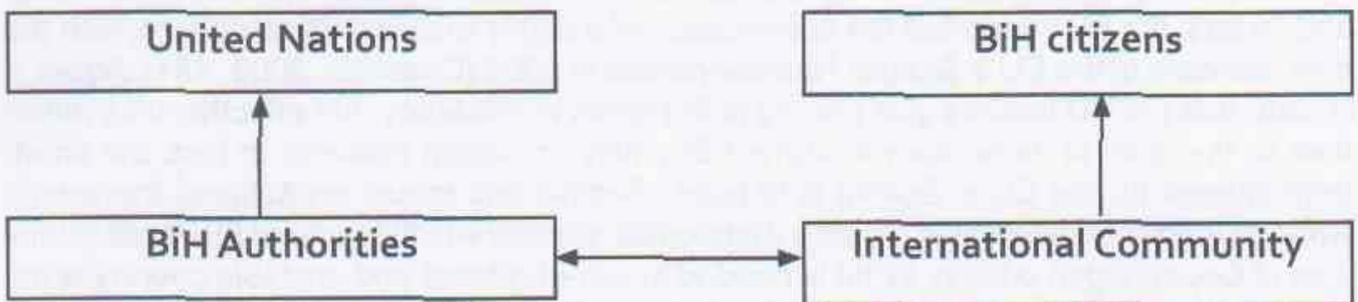


Figure 3. Public Power Regulation in BiH (post-OHR version).

The EU: Pushing the State-Building Agenda

During the war and at its aftermath the European Union did not play very significant role in the democratic transition of Bosnian society due to its internally divided interests towards this troubling part of the world. However, from the late 1990s the EU changed its politics towards the Balkan region and started to influence its domestic political and economic agenda through the tentative partnerships in the form of Stabilization and Association Agreements (SAA). For instance, by 2005 the EU has virtually taken part in almost every level of Bosnian policy design and its implementation and annual Bosnian government work plans were being framed in order to meet the necessary SAP criteria (Chandler, 2006: 33). Thus, after meeting necessary requirements from the Road Map the Bosnian authorities on 16th of June 2008 signed the SAA thus further strengthening its institutional relations with the EU (Brijavac, 2009: 42). The Road Map established 18 key conditions presupposing the reforms concerning elections, the civil service, state institutions, border services, the judiciary, trade regulations, foreign direct investment, property laws, and public broadcasting (EURM, 2000). Obviously, the EU has been interested in strengthening state institutions and increasing state capacity in order to prepare Bosnia

for the future EU membership. That is to say, for the EU it has been of crucial significance to rebuild or improve Bosnian state institutions in order to bring about effective and functional administrative structures which is clearly in line with Paris's IBL strategy. Put simply, the European Commission has recently played very remarkable role in carrying out functional and vertical reviews of government institutions thus significantly putting emphasis on the state-building enterprise (Lexua, 2004: 6). Furthermore, the 2005 report released by the International Commission on the Balkans (ISB) firmly recommends that the EU take over the direct management of the Balkan region rather than continue with previous role of mere state-supporting activities and assistance (ICB, 2005).

Frankly speaking, there are both moral motives and pragmatic reasons of self-interest to emphasize state-building in this part of Europe since unstable and weak Bosnia directly threatens stability and progress of the EU member states (Williamson, 2007:15). Therefore, it is of utmost importance for the EU to build robust and efficient state institutions in Bosnia and then, if necessary, to concentrate on the democratic reforms. Pragmatically speaking, the weak and unstable state institutions present a threat both to Bosnia itself and to the neighboring countries and the EU, but fragile democracy is greater threat to Bosnian citizens than to the region and the EU. What's more, the lack of democracy in Bosnia has not been perceived by the EU as an obstacle towards the EU membership and, in fact, the EU supported the continuation of a highly limited political sphere, with the new mandate of the EU's Special Representative in 2002 (Chandler, 2006: 491). Again, it is clear that the EU leaders give priority to the ideas of efficiency and effectiveness rather than to the ideal of democracy in current Bosnian accession process. In fact, the short-term interest for the EU in Bosnia is to build effective and robust institutional framework while its long-term interest is for sure democratic stability which is one of the three principles of Copenhagen criteria. What is needed in war-shattered and unstable country is not rapid democratic and market changes but rather political stability and the building of effective and robust administration across whole of the country (Paris, 2004: 187). Therefore, the Brussels-era of Bosnia accounts for the period when the state and capacity building will be emphasized and given utmost priority and attention (Petritsch, 2006:7).

In addition, Knaus and Cox state that the European Union has very remarkable and attractive mechanism used during the EU accession process when certain criteria must be met before the final membership thus providing the candidate or potential candidate countries an incentive to shoulder more responsibilities for the state-building reforms (Knaus & Cox, 2005:51). Despite some failures this has proven true during the recent visa liberalization and constitutional changes reforms as leaders of three ethnic groups have shown more commitment towards working together. To be more precise, they together passed around 150 important laws necessary for Bosnia to be accepted for the free-visa regime within the EU. In addition, rather than state-building, the European Union will focus on the "member-state building" in the Balkan region thus creating countries which never have to deal with the substantial problem of 'unconditional sovereignty' (Keohane, 2002: 756). Indeed, such EU strategy has become perhaps the most successful exercise of soft power in the world today (Fukuyama, 2005: 86). That is to say, the EU's principle of conditionality has proven very successful in making candidate and potential candidate countries to work more efficiently to meet necessary criteria in order to enter the EU. In fact, the EU has applied the principle of conditionality in the provision of the macro-economic support in return for recommended economic and political reforms (EC, 2004a: 3.2).

Thus, today a vast majority of the population among the three ethnic groups and their political representatives as well want and hope to see Bosnia within the EU sometimes in the future. Hopes and expectations from the EU membership are very high, so this can be a great opportunity to unite polarized ethnic groups to work together towards the realization of the common objective. In short, while the EU wants to see the leaders of Bosnian nationalist parties to cooperate and thus build functional and well-established state institutions the majority of the Bosnian citizens hope to enter the EU in the future. Therefore, this would present a win-win game where both side pragmatically tend to achieve their envisaged objectives. So far it has been clear that the EU diplomats generally want Bosnia with strong and functional institutions. However, from time to time the EU leaders do not speak with one voice and they are highly divided along the national lines trying to defend their respective spheres of interests, but this is the topic for some other study and needs special examination and assessment.

Concluding Remarks and Lessons Learned

Despite a widespread enthusiasm in the aftermath of the third wave democratization of 1990s today many transitioning and/or post-conflict countries still face serious and deep democratic deficit problems. One such country is Bosnia and Herzegovina in which free and fair elections are held regularly but it would be naïve and oversimplified argument to state that democracy has flourished in the country. In my opinion, the main problem behind such democratic failures is that the emphasis in the post-war Bosnia was on rapid democratization process rather than building stable and fully functioning state institutions. Therefore, my central argument in the study has been that under the conditions of serious institutional vacuum it is very difficult or almost impossible to carry out successful political and economic liberalization reforms in the post-war societies such as BiH. For that purpose, I have used Roland Paris's IBL theory which supports the idea that it is of crucial importance in the post-war societies to construct effective and stable political and economic institutions before thorough liberalization reforms are initiated.

In 1995 the war in Bosnia was successfully terminated by the Dayton Accords but under this legal framework it has proved very hard for Bosnia to build stable and viable institutions since the government is shattered across several administrative levels including two highly autonomous entity governments. While the *raison d'être* of the DPA has been speedy economic and political liberalization it has not paid enough attention to the state-building enterprise thus making Bosnia failed or near-to-fail country. Therefore, after almost 15 years of ineffective and dysfunctional Dayton era it is of critical importance to *redefine the agreement or completely replace it by the new constitutional framework* which would open a way for Bosnia to build strong and fully functioning state institutions leading to long-lasting democratic changes. Furthermore, the international actors purported rapid democratization process in the form of early post-war elections rather than constructing strong and effective government institutions. However, early elections did not strengthen democratic transition as was expected but just the opposite happened as early post-war elections implicitly legitimized nationalist political parties and thus even deepened nationalist divisions and increased nationalist hatreds within the Bosnian society. Therefore, one of the alternatives is the postponement of the elections until the necessary political and electoral conditions are set. Although the postponement of elections for

some time may seem undemocratic and illegitimate in the eyes of citizens in short run, it is the most adequate strategy in the long-run until the proper institutional framework is implemented. Also, speedy privatization process in the post-war Bosnia initiated by the international economic experts has not resulted in real and efficient market economy but rather produced extensive black market economy, strengthened nationalist leaders and their loyalists, and increased the rate of corruption in the country. That is, the post-war Bosnian rapid liberalization reforms carried out under the circumstances of troublesome lack of effective and stable institutional framework have only increased the power and dominance of clientelistic and nationalist political economies. Thus, extensive economic liberalization should be delayed until necessary governmental and legal mechanisms are established which then can regulate the functioning of the market economy.

Still, in the post-war Bosnia there have been a number of very successful policies which have significantly contributed to the building of strong and effective state institutional framework. For instance, despite strong criticisms concerning his authoritative and undemocratic position the High Representative has played very constructive and critical role in the building of the most fundamental state institutions. That is to say, whenever domestic politicians could not agree on certain political issues it was the HR that used his legal competences and resolved the stalemate. Therefore, I firmly believe that the HR has played strong integrationist role amongst the Bosnian ethnic groups and has accounted not for the threat to domestic institutions but rather strengthened the most necessary state structures. However, international involvement in the form of the OHR has been short-term strategy for the post-war Bosnia and the long-term strategy is to give domestic politicians more responsibility after necessary institutional structures are at the place. Furthermore, it was the European Union that played very significant role in terms of building of strong and functional Bosnian state institutions and increasing the state capacity. In other words, the EU leaders acting pragmatically have emphasized the art of state-building in Bosnia rather than deep democratic reforms since unstable and weak Bosnian state is a serious and direct threat to the EU member states while the same can not be said for fragile Bosnian democracy. In fact, the short-term interest for the EU in Bosnia is to build effective and robust state institutions while its long-term interest is democratic stability which is one of the three principles of Copenhagen criteria. All said, it is clear that the EU has significantly moved in the direction of the IBL strategy making extensive contributions in the institutional framework of Bosnian state. Therefore, it is worth thorough academic enterprise to research and examine state-building or a 'Leviathanization' contributions of the EU in Bosnian state rather than its role and influences in the democratization process.

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