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1. Introduction

From the dawn of time people have gravitated towards organized societal structures. What started off as a couple of individuals forming tribes several thousand years ago eventually led its way to states as countries which we are familiarized with today. Ancient empires, medieval kingdoms and ultimately national states represent a simplified evolution of an organized society.

Due to complex geopolitical, cultural and economic factors, these national states have formed intra-governmental alliances and unions with the aim to consolidate their position in the ever-changing global arena. From loose unions such as the Commonwealth to more integrated ones such as the United States of America, these states had to adapt to common principles and regulations which were needed for their proper functioning. One of them is the European Union.

A union of 28 member states, European Union represents one of the pinnacles of grouping different national states into one.¹ With its beginnings dating back to the mid-20th century, it has evolved from its original conception to accommodate integration not just of economic policies, but also going beyond to encapsulate common human right regulations, scientific rules, cultural strategies, foreign affairs and many more functions. The principle of the European Union is that of compromise, where national states agree to withhold and transfer some of its sovereignty on the international level, while enjoying full benefits of the membership².

As of today, the European Union has 28 member states, but other European countries also plan to join it. FYR Macedonia is a candidate country, as well as Serbia. Having the slowest momentum currently, but also aspirations to become a member of the European Union is also Bosnia and Herzegovina. Torn economically, politically, culturally, and overall in the entire societal ways in the 1992-1995 war and stagnant

¹ Jones, Menon, Weatherill, The Oxford Handbook of the European Union (2012)

² Ibid

with corruption and high unemployment figures, this country is keen on joining the European Union and fulfilling the necessary criteria.³

The topic which I have selected for my master thesis is “The relationship of Bosnia and Herzegovina with the European Union – the fulfillment of political criteria for accession of Bosnia and Herzegovina to the European Union.” In the previous years, despite its slow progress, Bosnia and Herzegovina managed to break away from its impediment and finally have a swing at progressing steadily to the European Union.

In writing this master thesis, the problem and the main question which I formulated is: how does the fulfillment of political criteria for the accession of Bosnia and Herzegovina to the European Union impact its relationship with the EU? The goal in this thesis is to fully analyze all theoretical and research elements of this relationship and the political situation in Bosnia and Herzegovina, which later on impacts all other social spheres: the economic factors, cultural, etc. Thus, the main hypothesis was devised: The political situation in Bosnia and Herzegovina negatively impacts its accession to the European Union.

Wanting to either confirm or reject this hypothesis and delve on the intrinsic details of this relationship, I divided my thesis in several parts. First of all, I researched the history of the European Union and its evolution of internal and external mechanisms. I analyzed its main bodies which are in charge of running daily operations and long-term strategic guidance and planning.

After the introductory part of the European Union, I presented the historic progress of Bosnia and Herzegovina and its formation of political and governmental bodies which are ultimately bearing the formal responsibility on the way to full accession to the European Union. Regarding comparison models, I decided to take the example of Croatia which became a member in 2013. The reasoning behind taking Croatia is the

³ Irina Zarin, Ministarstvo spoljnih poslova, Srbija I Crna Gora, “Razvoj Regionalnog pristupa Evropske Unije prema zemljama Zapadnog Balkana”, JSTORE database (2008)

fact that the enlargement criteria for the EU accession are becoming more concrete, precise and strict⁴.

Ultimately, the main part of this thesis focuses on the capacity of Bosnia and Herzegovina to join the European Union. It analyses the current progress which was made, as well as the current situation and finally the future path Bosnia and Herzegovina needs to undertake.

Before this master thesis was conceptualized, there were several ideas on conducting primary research. However, still early in the research phase, I concluded that conducting my own primary research would be redundant. There already exists a massive amount of primary research performed by numerous individuals and institutions which contains both the qualitative and quantitative information. For the purpose of writing the thesis, I have based my research on various credible books, articles, research papers, journals, websites, interviews and other sources.

2. Methodology

As it was described in the introductory part, the main methodological conclusions came from using secondary sources of information. Due to previous existence of other sources of primary information research conducted by institutions and individuals, I have used their conclusion into making my own, by previously and properly disseminating and exploiting the results which they came up with.

Therefore, the secondary information which I used were books, articles, reports, interviews and other. By properly analyzing all former research, I was able to come up with my own idea of the topic of the master thesis. It ultimately allowed to critically evaluate my hypothesis and to offer an explanation to its validity.

⁴ Picula T, 'Croatia Is The Most Prepared Country For EU Membership Ever' (*Clingendael*, 2012) <<https://www.clingendael.nl/publication/croatia-most-prepared-country-eu-membership-ever>> accessed January 2017

3. European Union

The European Union is an economic and political union comprised of 28 member states with a collective aim to ensure and stabilize the free movement of goods, services, capital and people in a joint, internal market with keeping and maintaining mutual policies on regional development, trade, agriculture and fisheries⁵.

The EU functions through the supranational and intergovernmental system of decision making, with seven bodies that serve as main decision makers: the European Parliament, the European Commission, the European Council, the Council of the European Union, the Court of Justice of the EU, the European Central Bank and the European Court of Auditors.⁶

With a nominal GDP of \$16.477 trillion over 7.3% of the world population, EU is considered to be a current global superpower – its global influence, high standard of living of 0.865 Human Development Index on average, and a strong role in diplomatic missions, foreign politics, relations and defense, European Union seems like a safe haven for the upcoming times⁷.

3.1. History of the European Union

With the aim of stabilization of political situation in Europe, hence bringing the peace in between countries in war, first integration trial under the name of European Coal and Steel Community starts to unite Europe in terms of economic and political parameters⁸. Founded in 1950, by Belgium, Germany, France, Italy, Luxembourg and the Netherlands, the European Coal and Steel Community had to neutralize the cold war between east and west in all terms.⁹

During the 1950-s, this community evolved in the European Economic Community by the Treaty of Rome, which brought more integration of countries through the common

⁵ Burgess M, 'Introduction: Federalism And Building The European Union' (1996) 26 Publius: The Journal of Federalism

⁶ Ibid

⁷ Franchino F, 'Perspectives On European Immigration Policies' (2009) 10 European Union Politics

⁸ Covell M, 'European Union Constitution Making In Comparative Perspective' SSRN Electronic Journal

⁹ Burgess M, 'Introduction: Federalism And Building The European Union' (1996) 26 Publius: The Journal of Federalism

market. Besides the Treaty of Rome, another pact has been signed called the European Atomic Energy Community or Euratom¹⁰, which targeted further cooperation in the development of the nuclear energy.

During the 1960-s, European economy was experiencing a boom, as a consequence of EEC, but more specifically due to the stop of custom duty charges in between countries in the EEC.¹¹ Furthermore, joint control of food production brought benefits in the agricultural production. As the functionality and effectiveness of the EEC (already starting to be known as the European Union) rose during the prosperity, Denmark, Ireland and the United Kingdom were the first ones to recognize the benefits that this system brings, so the unilateral decision was to join – in 1973, the number of Member States was raised to nine.¹²

Besides aforementioned, Norway was also considering the decision of joining in, but Norwegian community denied this decision through a referendum. Six years later, the European Parliament started to raise its influence in the EU affairs with the system of election, where all citizens could vote and elect the members of the Parliament directly for the first time.¹³

This step brought a political advancement whereas the European Parliament enforced the regional policy of transferring money to create jobs and infrastructure in poor areas. In addition, the EU adopts the law of environmental protection as a strong trend in the 1970-s, where the notion of „the polluter pays“, as a concept, was introduced for the first time¹⁴.

In 1981, Greece had made a decision to join the EU to become the tenth member of the union, which was followed by Spain and Portugal in 1986.¹⁵ This is an important year for the EU because of the Single European Act that brought the basis for the six-year programme which aimed to sort out problems with the free flow of trade across the EU

¹⁰ 'Accueil - CVCE Website' (*Cvce.eu*, 2017) <<http://www.cvce.eu/>> accessed 8 February 2017

¹¹ E.Baldwin: Towards an Integrated Europe (1994)

¹² Ibid

¹³ Ibid

¹⁴ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

¹⁵ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) https://europa.eu/european-union/about-eu/history/1980-1989_en

borders. Moreover, this brought the formation of the single market. Schengen Agreement in 1985 paved the way for the creation of open borders with no need for passport controls among the member states, and some non-member states. Of course, major upheaval was produced by the fall of the Berlin Wall in 1989, which was a major step towards even greater integration, leading to the reunification of Germany in 1990.¹⁶

1990-s were the years of the EU; in 1993, the single market was stated to be comprised of four freedoms: movement of goods, movement of services, movement of people and movement of money. Furthermore, two most important treaties for the EU were signed – the Maastricht Treaty on the European Union in 1993 and the Treaty of Amsterdam in 1999. Official creation of the European Union was crowned by the Maastricht Treaty which renamed the EEC in the EU.¹⁷ In 1995, three more members decide to join the EU: Sweden, Austria and Finland.

The Euro as the official currency of the EU was adopted in 2002 (McCormick and Olsen, 2013), where euro banknotes and coins replaced national currencies in 12 of the current member states of the EU.¹⁸ In the year 2004, 10 countries, namely the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Cyprus, Poland, Slovakia and Slovenia decided to join the EU, known as the biggest enlargement to date of the EU. This trend was followed by Bulgaria and Romania in 2007¹⁹.

In this year, Slovenia adopted the euro as its currency, which was further followed by Cyprus and Malta in 2008, Slovakia in 2009, Estonia in 2011, Latvia in 2014 and Lithuania in 2015. Year 2008 is famous because of the global economic downturn that affected the EU as well. As a defense mechanism, Treaty of Lisbon is ratified by Member States in 2009, ensuring modern institution and efficient and effective working methods to fight the current crisis²⁰.

¹⁶ 'European Union Website, The Official EU Website' (*European Union website, the official EU website* - *European Commission*, 2017) https://europa.eu/european-union/about-eu/history/1980-1989_en

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Ibid

²⁰ 'European Union Website, The Official EU Website' (*European Union website, the official EU website* - *European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed February 2017

With a strong hit in the interval between 2008 and 2012, global economic downturn produced the need for the establishment of the Banking Union that aimed towards ensuring safer and more reliable banking system. What is more, the Treaty of Lisbon changed the legal structure of the EU with the merger of the three EU pillars system into a single legal entity. This resulted in a Nobel Peace Prize for the EU – in particular for the contribution to the advancement of peace and reconciliation, democracy, and human rights in Europe²¹.

In 2013, the EU got a new member – Croatia, as the 28th member of the EU. This is the current number of the EU Member States. From 2010 to today, a challenging agenda has been served to the table: climate change and environmental problems still rank high. Besides this, elections held in 2014 brought more Euro skeptics into the European Parliament, which is not quite comfortable for the EU in general.

Further on, new security policy has been established in the wake of the annexation of Crimea by Russia, but also because of the increase in the religious extremism, especially in the Middle East, which brought the wars and unrest that further brought refugees to Europe. Above all, another tackle to the EU was produced by a referendum in the UK on the membership of the European Union, where most of the voters chose the Brexit as the option²². Consequently, the UK has not yet started the official withdrawal procedure, and can't leave the EU until the European Council notifies the final decision.

Generally speaking, what is certain is that the EU is faced with a lot of challenges in the future with the active dilemma of how to ensure the economic, social, environmental and political stability in the EU²³.

²¹ 'Croatia: From Isolation To EU Membership - BBC News' (*BBC News*, 2017) <<http://www.bbc.com/news/world-europe-22218640>> accessed 8 February 2017

²²The Guardian, <https://www.theguardian.com/politics/2016/jun/29/uk-voted-for-brexit-but-is-there-a-way-back>

²³ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

3.2. EU institutions and institutional set-up

The EU has a unique institutional set-up: wide-scale priorities are set up by the European Council; its role is to bring national leaders and EU leaders together. Furthermore, MEPs are elected by the citizens of EU for the European Parliament. European Commission promotes the interests of the EU whose members are appointed by national governments, and national interests are defended in the Council of the European Union²⁴.

The European Council has a role of setting the overall political direction, but without the power to set and pass laws. Three institutions are involved in the EU legislation process: the European Parliament, the Council of the European Union and the European Commission. These establishments collaborate and work together through the Ordinary Legislative Procedure²⁵, and create the policies and laws that are supposed to be applied through the European Union. The European Commission propose new laws, moreover, the European Parliament and the Council of the European Union choose which ones to adopt. Furthermore, the European Commission and the member countries implement these laws, and they are managed by the European Commission subsequently²⁶. Two other institutions have very important role in the EU: the Court of Justice of the EU with the rule-making of the European law, and the Court of Auditors, that checks the financing of the EU's activities. They are regulated by the Treaties, which are agreed by the presidents and prime ministers of all EU countries, and further ratified by their parliaments²⁷.

Other institutions and inter-institutional bodies are worth mentioning, such as the European Central Bank, the European External Action Service, the European Economic and Social Committee, the Committee of the Regions, the European Investment Bank and other, but they don't play a vital role in this work²⁸.

²⁴ Magnette P, 'In The Name Of Simplification: Coping With Constitutional Conflicts In The Convention On The Future Of Europe' (2005) 11 European Law Journal

²⁵ Ibid.

²⁶ Schimmelfennig F, 'Liberal Intergovernmentalism And The Euro Area Crisis' (2015) 22 Journal of European Public Policy

²⁷ Ibid

²⁸ Ibid

3.3. European Parliament

The European Parliament is a directly elected EU body with legislative, supervisory and budgetary responsibilities consisted of 751 Members of the European Parliament. Its legislative power lies in passing EU laws in coherence with the Council of the EU, but based on European Commission proposals. Furthermore, it has a power over decisions on international agreements and further enlargements of the EU. Besides mentioned, the European Parliament reviews and supervises the European Commission's work programme²⁹.

As a supervisory role, the European Parliament does the democratic scrutiny of all EU institutions and elects the president of the European Commission, with the approval of the European Commission as a body. This is followed by the grant of discharge in a way of approving the reasons and means of budget spending in the EU. Other supervisory roles include examination of citizens' petitions and discussion of the monetary policy with the European Central Bank. Budgetary roles include the establishment of the EU budget with the Council of the EU and approval of the EU's long-term budget³⁰.

The number of MEPs for every country is proportionate to its population. This is by digressive proportionality: no country can have fewer than 6 or more than 96 MEPs and the overall number cannot surpass 751 (meaning 750 plus the President).³¹ As a very important fact, MEPs are assembled by political affiliation, not by nationality.

Furthermore, the President represents Parliament to other EU institutions and the outside world and gives the closing go-ahead to the EU budget.

The work of the European Parliament is divided into two main stages: committees that prepare legislations, and plenary sessions where legislations are passed. The European Parliament is consisted of 20 committees and two subcommittees where each of them handles a particular policy area.³² The committees examine proposals for legislations,

²⁹ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

³⁰ de Vries C, 'The Oxford Handbook Of The European Union' (2014) 37 West European Politics

³¹ Ibid

³² Ibid

and MEPs and political groups can put forward amendments or propose to reject legislation. In plenary sessions, all MEPs gather in the chamber to give a final vote on the proposed legislation and amendments.

3.4. European Council

The European Council outlines the general political course and creates priorities of the European Union. In order to accomplish its task, the European Council brings together EU leaders that set the EU's political agenda that represents the highest level of political cooperation between EU countries. The Council takes the form of quarterly summit meetings between EU leaders which is chaired by a permanent president³³.

The European Council has a task of making a decision of the EU's overall direction and political priorities, but it actually does not have the power to pass laws. What is one of its most important roles is that through this institution, problems that are complex or cannot be resolved at lower levels of intergovernmental cooperation are solved in the European Council. Besides mentioned, it sets the EU's common foreign and security policy, where it takes into account the EU strategic interests. As a power, the European Council can ask the European Commission to make a proposal that needs to be addressed, and also pass in on to the Council of the EU to deal with it³⁴.

3.5. Council of the European Union

Council of the European Union has a role of adoption of EU laws and coordination of EU policies. This institution is the main decision-making body of the EU, together with the European Parliament. In sessions of the Council of the European Union, ministers from each EU country meet in order to discuss, adopt and amend laws with further coordination of policies.³⁵ Afterwards, ministers have the authority to commit the governments to the steps that are agreed on the meetings.

The main task of the Council of the EU is to negotiate and adopt EU laws and coordinate EU countries' policies, in coherence with the European Parliament. By using

³³ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

³⁴ de Vries C, 'The Oxford Handbook Of The European Union' (2014) 37 West European Politics

³⁵ Ibid

the guidelines that are created by the European Council, the Council of the EU develops the EU's foreign and security policy.³⁶ Furthermore, it adopts the annual EU budget.

3.6. European Commission

The European Commission is the institution that is responsible for drawing up proposals for new European legislations, and for implementation of the decisions of the European Parliament and the Council of the EU. The European Commission does a variety of things: through proposals of new laws, it protects the interests of the EU on the basis that can't be resolved at the national level. It also gets technical details right by consulting experts and the public³⁷.

Through managing EU policies and allocation of EU funding, it sets EU spending priorities and draws up annual budgets, where both are approved by the European Parliament and the Council of the European Union. Together with the Court of Justice, the European Commission ensures that EU law is properly and functionally applied in all Member States. Finally, the European Commission represents the EU internationally, where it speaks on behalf of all EU countries in international bodies, but also negotiates international agreements for the EU³⁸.

The European Commission work through distributing decisions of strategic objectives and annual work programme that are decided by Commissioners. All Commissioners are equal in the decision-making process and equally accountable for the decisions they have made.

3.7. Court of Justice of the European Union

The Court of Justice of the European Union has a role of interpreting EU law in order to make sure it is applied in the same way in all EU countries, but also settling previous and future legal disputes between national governments and EU institutions.³⁹

³⁶ Ibid

³⁷ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

³⁸ de Vries C, 'The Oxford Handbook Of The European Union' (2014) 37 West European Politics

³⁹ Ibid

Main tasks of the Court of Justice of the European Union consist of interpreting the law, enforcing the law, annulling EU legal acts, ensuring the EU takes action and sanctioning EU institutions⁴⁰.

It is divided into 2 courts – the Court of Justice which actually deals with requests for preliminary rulings from national courts, as well as the certain actions for annulment and appeals. Moreover, there is the General Court, which rules on activities for annulment brought by individuals and companies⁴¹. This court mainly deals with trademarks and trade, also competition law and agriculture.

3.8. European Central Bank

The European Central Bank manages the euro, keeps the stability of prices and conducts the EU's economic and monetary policy. This implies that one of its main missions is to support economic growth and job creation in the European Union.

The European Central Bank controls the money supply and inflation rate in the Eurozone by setting the interest rate (in this case the discount rate) at which it lends to commercial banks. Also, this institution manages the foreign currency reserves in order to control the balance of exchange rate. Furthermore, it ensures that financial markets and institutions are supervised by national authorities, but also that payment systems function well⁴².

The ECB is consisted out of 3 decision-making bodies: the governing council, the executive board and the general council⁴³.

3.9. European Court of Auditors

Role of the European Court of Auditors consists of checking if the EU funds are collected and used correctly, and by that helping to improve the EU financial management in general. This institution does not have any legal power, but it is

⁴⁰ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

⁴¹ Ibid

⁴² de Vries C, 'The Oxford Handbook Of The European Union' (2014)

⁴³ Ibid

important because it plays a vital role in the creation and management of the EU budget and EU finance reports⁴⁴.

The European Court of Auditors audit EU revenue and expenditure in order to check if they are correctly raised and spent. Besides this, it collects findings and recommendations in audit reports, but also reports suspected fraud, corruption or other illegal activity to another institution called European Anti-Fraud Office⁴⁵.

There are 3 types of audit that are used by the European Court of Auditors:

1. Financial audit – checks that accounts accurately present the financial position, results and cash flow;
2. Compliance audit – checks that financial transactions follow the rules;
3. Performance audit – checks that the EU funds achieve goals with the fewest possible resource, efficiently and effectively.⁴⁶

4. Competition policy in the EU

Controlling competition among companies is an area in which the European Union is principally powerful, mainly because its decisions are clearly handled by European citizens. The EU's mechanism over competition policy contributes to the power to rule on mergers, takeovers, cartels and the use of state aid. They undertake a number of actions against big names like Microsoft.

The Treaty of Rome in 1957 gave the overview of the European Union competition policy. This gave extensive powers to oversee and also inhibit all the doings that would expectedly prevent competition between the firms. During the 1990s, the EU became much more dynamic in its pursuit of breaches of competition law⁴⁷ in a way of increasing the number of prosecutions that were brought. Furthermore, it began acting against cases that are not stringently within the EU jurisdiction, such as the 1997 merger

⁴⁴ Jones, Menon, Weatherill, *The Oxford Handbook of the European Union* (2012)

⁴⁵ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

⁴⁶ Ibid

⁴⁷ Hoffmann S and Rifkin J, 'The European Dream: How Europe's Vision Of The Future Is Quietly Eclipsing The American Dream' (2004) 83 *Foreign Affairs*

of two large US aircraft manufacturers, Boeing and McDonnell-Douglas⁴⁸. In May 2004, the EU's powers were transformed succeeding criticism that the EU was way too inexplicable in its pursuit of breaches of competition law⁴⁹. Competition policy comprises EU policies that sustain the structure, conduct and support of industry, including state aid. Moreover, antitrust policy is the key point of the competition policy and this section shows EU antitrust law and its administration.⁵⁰

The actual antitrust law of the European Union is found in articles 81 and 82 of the Treaty Establishing the European Community⁵¹. The articles have two antecedents. First one is Treaty of Rome goal of market integration. The second one is U.S. Antitrust law, where Articles 81 and 82 correspond to Sections 1 and 2 of the Sherman act, but EU antitrust law differs somewhat from U.S. law. Both aim at promoting competition, but EU law allows defenses, such as economic consequences not explicitly provided for under U.S. law. Hence, EU law does not have per se offenses⁵².

The Treaty of Rome explains how the Commission is authorized to observe price fixing, as well as the abuse of market position by leading companies and agreements that fix market share, limit manufacture or technical expansion⁵³. What is important is that it can also interfere against governments that try to prop-up uncompetitive companies with state aid. Directorate-General for Competition is a part of European Union Commission that runs competition policy⁵⁴.

Possible breaches are investigated together with the European Court of Justice (ECJ). This includes not only court cases but also active investigation, with the EU leading dawn raids on businesses that it suspects of engaging in illegal practices⁵⁵. The main sanction is to carry out fines on those who do not obey. The French government

⁴⁸ 'Welcome To Civitas: The Institute For The Study Of Civil Society' (Civitas: Institute for the Study of Civil Society, 2017) <<http://www.civitas.org.uk/>> accessed February 2017

⁴⁹ 'Welcome To Civitas: The Institute For The Study Of Civil Society' (*Civitas: Institute for the Study of Civil Society*, 2017) <<http://www.civitas.org.uk/>> accessed 8 February 2017

⁵⁰ Ibid

⁵¹ Ibid

⁵² Baron D, *Business And Its Environment* (1st edn, Prentice Hall 2000)

⁵³ Jones, Menon, Weatherill, *The Oxford Handbook of the European Union* (2012)

⁵⁴ Ibid

⁵⁵ Hoffmann S and Rifkin J, 'The European Dream: How Europe's Vision Of The Future Is Quietly Eclipsing The American Dream' (2004) 83 *Foreign Affairs*

believes that they have a right to protect so-called 'national champions' - companies which bring them into conflict⁵⁶.

Moreover, EU has been assessed for going beyond its accepted remit, as well as for following a free market policy that might weaken parts of the social market model that has operated in numerous European countries⁵⁷. European Union enforced large number of fines to Microsoft for uncompetitive practices, but the highest fine that EU imposed was to Intel in May 2009, where the fine was exactly 1.06 billion Euros⁵⁸.

4.1. The social charter, labor markets and social democracy

The EU embraced a Social Charter as a major aspect of the Treaty Establishing the European Community. This Charter gives a clear image of the free flow of work and the rights to reasonable wages, change of living and working conditions, government disability, free affiliation and aggregate haggling, professional preparing and instruction, square with treatment for men and women, data, conference and investment for specialists, wellbeing assurance and security in the working environment, insurance for kids, young people and the elderly and security of the handicapped⁵⁹.

The Charter incorporates key rights in the field of social arrangement for the most part wellbeing, standardized savings, welfare, and particularly in the fields of business and modern relations, including the rights to work, to simply states of work, to a reasonable compensation and to sort out and deal on the whole. It was the principal global bargain explicitly perceiving the privilege to strike⁶⁰.

States who endorse the Charter acknowledge no less than five of the seven center Articles of the Charter: the rights to work, sort out, deal aggregately, government

⁵⁶ 'Welcome To Civitas: The Institute For The Study Of Civil Society' (*Civitas: Institute for the Study of Civil Society*, 2017) <<http://www.civitas.org.uk/>> accessed 8 February 2017

⁵⁷ Hoffmann S and Rifkin J, 'The European Dream: How Europe's Vision Of The Future Is Quietly Eclipsing The American Dream' (2004) 83 *Foreign Affairs*

⁵⁸ 'Welcome To Civitas: The Institute For The Study Of Civil Society' (*Civitas: Institute for the Study of Civil Society*, 2017) <<http://www.civitas.org.uk/>> accessed 8 February 2017

⁵⁹ Baron D, *Business And Its Environment* (1st edn, Prentice Hall 2000)

⁶⁰ Platt K, 'European Union Enlargement Announcement And Corporate Valuations' [2016] *Emerging Markets Finance and Trade*

managed savings, social and therapeutic help, privileges of the family to social, legitimate and medicinal insurance and the security of transient laborers⁶¹.

The requirement hardware of the Charter is altogether different from that of the parallel instrument of the Council of Europe in the field of human rights, to be specific the European Convention of Human Rights (ECHR)⁶². The European Social Charter depends rather on supervision of practices through investigation of the customary reports put together by the states to an advisory group of autonomous specialists, the European Committee of Social Rights⁶³. The ECHR takes into consideration singular dissensions to the European Court of Human Rights.

EU laws mirror the targets of enabling work and shielding people from hazard and hardship through broad social projects. The European Union requires work boards or consultative process amongst administration and specialists in the wording of EU . At the plant level in Germany laborers have both portrayal and interest rights and those are in the regions of staff approach, working conditions and data, for example required notice of marketable strategies that influence specialists⁶⁴. Works gatherings utilize their rights to impact administration, and administration subsequently has an enthusiasm for pleasing committee intrigue. Administration, nonetheless, controls most basic leadership. A lot of EU work compel is knowledgeable and exceedingly gifted and work costs in numerous EU part states are high. Duty is obviously shared between the EU and its member nations.

There are two dangers for high-wage part states when amazing failure wage part state turns out to be a piece of EU. One of them is that occupations could stream east to exploit both low wages and taxes⁶⁵. This would expand unemployment and drive wage concessions in the west. Moreover, laborers might want to stream west looking for higher wages. Suspecting this, 15 member nations of EU claimed all authority to confine up to 7 years the privilege of laborers from the new part states to work in the

⁶¹ Jones, Menon, Weatherill, *The Oxford Handbook of the European Union* (2012)

⁶² 'Eurofound |' (*Eurofound.europa.eu*, 2017) <<https://www.eurofound.europa.eu/>> accessed 8 February 2017

⁶³ Ibid

⁶⁴ Jones, Menon, Weatherill, *The Oxford Handbook of the European Union* (2012)

⁶⁵ Ibid

west. Limitations were forced by a few part states, including Austria, Denmark, Germany, Netherlands and UK⁶⁶.

4.2. Non-market problems

Non-market concerns in EU may be considered by the level at which they are put, the EU level versus that of a member state, and if they are specific to an industry or to an individual firm. Vital issues incorporate further political combination, the monetary coordination of new part expresses, the organization of rivalry arrangement, steady high unemployment, and further changes of CAP, exchange strategy, resistance, and harmonization of monetary approaches, for example, vitality and money related administrations and takeover arrangement⁶⁷. For instance, the administrations of a few part states held brilliant partakes in organizations, which essentially gave the legislatures a veto over any takeover endeavor. This obviously hindered the free stream of capital with the EU. General taxation rate is still huge issue. Nations like France, Denmark and Sweden have taxes-to-GDP proportion more than half, contrasted with 31% in U.S. also, 33% in Japan⁶⁸. Another imperative danger is the way that assessment rates in new part states are low which makes them more appealing areas for the new plants and undertakings⁶⁹. The primary premiums in zone of nonmarket issues are the rural biotechnology organizations, the premium gatherings and activists worried about biotechnology issues, and the general population.

EU additionally has solid ecological directions. A standout amongst the most critical controls is REACH 2007, Registration, Evaluation, Authorization and Restriction of Chemical substances⁷⁰. Various matters talked by the EU strongly affect different nations. It's essential to talk about activists groups because they are generally doing activities and challenging, either a particular organization, or against the EU activities. In late period, there are many activities and disappointments about the way that European Union is managing the money related emergency.

⁶⁶ Baron D, *Business And Its Environment* (1st edn, Prentice Hall 2000)

⁶⁷ Pelkmans, Correia de Brito, *Enforcement in the EU Single Market* (Centre for European Policy Studies, 2012)

⁶⁸ Baron D, *Business And Its Environment* (1st edn, Prentice Hall 2000)

⁶⁹ Ibid

⁷⁰ 'European Union Website, The Official EU Website' (*European Union website, the official EU website - European Commission*, 2017) <https://europa.eu/european-union/index_en> accessed 8 February 2017

4.3. Non-market strategies

Non-market strategies are applied at the levels of the member states and the institutions of the European Union. The accumulation of interests is one of the main and widely researched topics in the national setting of political science. The interest for intermediation in European Union has become very popular in the last 10-20 years, due to extensive process of European integration.

Furthermore, Greenwood nicely explains the relation between interest groups and EU institutions as interdependency, what clarifies the growth of interest groups while broadening the EU competencies.⁷¹

As the EU is being a supranational organization which is controlled by representatives of national governments, meaning Council, and bureaucracy, meaning Commission, the European Parliament stays weaker as national parliaments⁷². This all leads to the conclusion that democracy is a special task for the EU. The discussion on the democratic deficit is hot topic for a long time and is not fixed to this date. Major difficulties in the EU's pathway to the democratic reorganization were recognized as the lack of legality and contribution⁷³.

European Union uses several thousand working groups and committees. They encompass the following:

- Advisory.
- Management.
- Regulation.
- Oversight committees, but nonmarket action in the EU proceeds in the shadows.⁷⁴

⁷¹ Jones, Menon, Weatherill, *The Oxford Handbook of the European Union* (2012)

⁷² de Vries C, *'The Oxford Handbook Of The European Union'* (2014)

⁷³ Schimmelfennig F, *'Liberal Intergovernmentalism And The Euro Area Crisis'* (2015) 22 *Journal of European Public Policy*

⁷⁴ Pelkmans, Correia de Brito, *Enforcement in the EU Single Market* (Centre for European Policy Studies, 2012)

4.4. Ad hoc coalition

Numerous recent publications on lobbying at the European Union level query the position and role of established Euro groups which represent business interests. The federate Euro groups in specific enticement reservations from numerous observers. Furthermore, the benefits of alternative formulae for cooperatively defending and promoting business interests at the European Union level have been defined.

Important example is the direct membership Euro-association of the companies. Another type of combined business foyer at the European Union level which could also be striking auxiliary to relying on Euro-federations⁷⁵ is the ad hoc coalition of companies.

5. Requirements for Western Balkans Institutional set-up and Coordination in the Overall EU Integration Process

Pre-accession/accession process has substantially changed after the CEE enlargement in a way that new entrants in the negotiation process need to face more challenges than before. The Stabilization and Association Process so far brought very specific issues that held the relevancy in the accession process in a way of state building, good neighborly relations and the rule of law⁷⁶.

The Stage between state building and EU accession sheds new light on the process of enlargement, but also gives a specific political weight – directly affecting countries of the former Yugoslavia.

There is a deep impact of Balkan dynamics on the institutional setting for EU accession, where reforms require full political commitment, political consensus and administrative capacity.⁷⁷ All the countries from the region have had extensive preparations in their accession process and have drawn on the lessons learned, especially from the CEE enlargement. Due to the proximity and shared past, most countries of the region,

⁷⁵ Hoffmann S and Rifkin J, 'The European Dream: How Europe's Vision Of The Future Is Quietly Eclipsing The American Dream' (2004) 83 Foreign Affairs

⁷⁶ Titini E, 'Western Balkans' Accession To The European Union, Intertwined Interests' [2014] Academic Journal of Interdisciplinary Studies

⁷⁷ Ibid

especially those from former Yugoslavia, have followed advice and models from Slovenia, extensively benefitting from Slovenian expertise and sharing of experience as part of EU technical assistance. However, that does not mean that all the models applied by the pre-accession and accession countries of the Western Balkans copy the Slovenian accession institutional model⁷⁸.

6. Case of Croatia's Institutional Setup for EU Accession Negotiations

The intensification of the relations between Croatia and the European Union towards the end of 1999 and particularly from the beginning of 2000 led to the signing of the Stabilization and Association Agreement (SAA). Croatia was the second country to sign a Stabilization and Association Agreement with the EU⁷⁹ and that agreement represented the first formal contractual step in institutionalizing the relationship of Croatia with the EU.

One of the advantages of the Croatian Negotiation Framework was the wide negotiation approach. When establishing the negotiation structure, the principle that the EU project is not just a project of political elites, but the project of the entire society was applied.⁸⁰ It was necessary to use the expertise and knowledge of professionals both within and outside the administration.

Accordingly, the Working Groups for preparation of negotiations on the individual chapters had a large number of members: representatives of state administration bodies; independent expert institutions, professional organizations; academic community; representatives of the private sector⁸¹ and trade unions.

During the screening process, the principle of inclusion was applied and all members of the Working Groups participated in both screening phases. The reason for this was not only to participate later in the preparation of all necessary negotiation documents but

⁷⁸ Titini E, 'Western Balkans' Accession To The European Union, Intertwined Interests' [2014] Academic Journal of Interdisciplinary Studies

⁷⁹ Bojinović Fenko A and Urlić A, 'Political Criteria Vs. Political Conditionality: Comparative Analysis Of Slovenian And Croatian European Union Accession Processes' (2015) 21 Croatian International Relations Review

⁸⁰ Ibid

⁸¹ 'Croatian Chamber Of Economy' (*Hrvatska gospodarska komora*, 2017) <<http://hgk.hr/english>> accessed 8 February 2017

also to get familiar with acquit requirements and preconditions for full implementation⁸². The positive consequences of this approach certainly included transparency along the whole process and dissemination of information.

Another positive example of implementation of the national system is the establishment of the coordination system for monitoring the fulfillment of all obligations undertaken during the accession negotiations.⁸³ In the process of the negotiation procedure, after agreement has been grasped between the EU and the candidate country on the individual chapter of the discussions, and when the set targets have been achieved, the respective chapter is considered momentarily closed. It is important to stress that, in the period before concluding the Accession Treaty, if the candidate country does not meet the set benchmarks or responsibilities presumed under the particular chapter, negotiations for the chapter in question can be reopened. For this reason, it is necessary to have not only a negotiation structure responsible for the negotiations with EU institutions and adopting of negotiating positions but also a system that monitors the fulfillment of all obligations undertaken during the accession negotiations⁸⁴.

The entire European integration process is a very demanding process combining political and legal aspects, which requires strategic planning and defining national interests and priorities. It is also a dynamic process which requires flexibility and often swift response to new challenges. Efficient coordination mechanisms have to be established that ensure cooperation with all interested partners (private sector, academic community, civil sector)⁸⁵.

A successful national coordination system requires organizational development and adaptation at all levels of central government. In developing its national coordination system and the negotiation structure Croatia also considered good practices from countries of the 5th enlargement⁸⁶.

⁸² Bojinović Fenko A and Urlič A, 'Political Criteria Vs. Political Conditionality: Comparative Analysis Of Slovenian And Croatian European Union Accession Processes' (2015) 21 Croatian International Relations Review

⁸³ Ibid

⁸⁴ Ibid.

⁸⁵ Rácz S, 'Regional Development In Croatia From The Turn Of Millennium To The EU Accession' (2014) 4 Regional Statistics

⁸⁶ Ibid

However, an effective domestic coordination mechanism has to ensure optimal compliance with domestic objectives of the process. In this regard no unique model exists; good practices from other countries have to be considered but the national coordination system has to be based on the candidate country's own political system, administrative culture and institutional capacity.

7. Bosnia and Herzegovina

Bosnia and Herzegovina is a country with vast and rich cultural history. Plagued often with turbulent period with moments of deep social instability, unrest and the complete change of governmental structures, this country has somehow still relatively managed to preserve its form throughout centuries.

While not ignoring its beginnings with the Slavic tribes settling themselves in the Balkan region, the first proper mentioning of Bosnia and Herzegovina leads us to a couple of centuries after Slavs came⁸⁷. From its independent status as an official kingdom in the medieval period⁸⁸ to being a part of the prevailing Ottoman Empire⁸⁹, being run with administrative diligence by the Austro-Hungarians and finally experiencing the evolutionary stages of Yugoslavia: the kingdom and the social federal republic⁹⁰. Ultimately, in 1992, Bosnia and Herzegovina managed to acquire its long-lost independence while also being thrown at the same into a terrible war⁹¹.

This section of the master thesis will deal with the establishment of the parliamentary system in Bosnia and Herzegovina since early days and will finally focus on its current governmental structure. Furthermore, there will be a detailed analysis of the current political challenges in the country which directly and indirectly impact the accession path of Bosnia and Herzegovina to the European Union.

⁸⁷ Malcolm N, *Bosnia* (1st edn, New York University Press 1994)

⁸⁸ *Ibid.*

⁸⁹ *Ibid.*

⁹⁰ *Ibid.*

⁹¹ Holbrooke R, *To End A War* (1st edn, Random House 1998)

7.1. The history of parliamentarism in Bosnia and Herzegovina

7.1.1. Ancient period

Even though the official records of Bosnia and Herzegovina start in its medieval phase, there are some traces of an assembly type present within the Illyrian period. The tribe of Daesitiates was one of those examples⁹². Some indicators suggest that the tribesmen summoned and formed a special form of a military assembly which had the task of trialing political leaders and which acted as a supreme body in making the final decision.

7.1.2. Medieval Bosnia

Bosnia and Herzegovina was known in the Middle Ages as a sovereign kingdom with the ultimate ruler being the king himself. However, it also important to notice the formation of the so-called stanak which acted as its national council⁹³. Stanak was comprised of mostly barons in the kingdom, meaning all those of the noble heritage. Together with the king, they made decisions on all matters which were related to the state, e.g. foreign policy, the coronation of Bosnian rulers, signing agreements with other countries, proclaiming war or peace, and others⁹⁴.

King being the sole responsible for his people and the kingdom had a varied sense of influence coming from stanak members. In some moments in history, the influence of stanak was vast and in others diminished, all depending on the relationship the king had with the nobility, as well as the relationship of their power status.

7.1.3. Ottoman Empire

With the Ottoman Empire defeating and eventually taking the territory of the former Kingdom of Bosnia within its own borders, the Bosnian autonomy and sovereignty quickly faded. All major decisions were designated by the capital and the sultan himself, leaving little political power within Bosnia. However, Bosnia, as well as other

⁹² Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

⁹³ Ibid.

⁹⁴ Ibid.

regions in the Ottoman Empire, had a special national assembly called divan. Divan included administrative, judicial and financial authorities, and was sometimes known to include senior military officials in its ranks. With valiija, who was the governor of the Bosnian region, divan discussed many points related to the main principles of governing. Unfortunately, it did not have any legislative or any other function which would make it influential⁹⁵.

Sometimes, though, divan would also include other important persons from Bosnia ultimately making the discussions more thought-through.

After Bosnia was reorganised from an ejalet to a vilajet, according to the entire territorial and administrative reorganisation of the Ottoman empire, a new form of an assembly was established, the so-called General Vilajet Council or Vilajet Assembly⁹⁶. This new principal allowed every region within the Bosnian vilajet to delegate four members to the Assembly, two of them being Muslim and two being non-Muslim. Assembly was to convene on a yearly basis and it could last maximum up to forty days⁹⁷.

According to sources, the Vilajet Assembly discussed “public works, building and maintenance of communications, public and military facilities, public order and traffic, promotion of the economy, health care, education and culture, tax liabilities, tax assessment and collection, in addition to issues concerning landed property”⁹⁸. Nevertheless, correspondingly to the standard of the divan, every decision had to later be permitted by the capital.

Despite the fact that the Vilajet Assembly was still extremely limited in the scope of its authority, the ways it included representatives, the discussions which were discussed and other similar difficulties, it still represented an evolution of the parliamentarism in

⁹⁵ Ibid.

⁹⁶ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

⁹⁷ Ibid.

⁹⁸ Ibid.

Bosnia and Herzegovina, especially by including a more representative mix of people from different religions in the process of decision-making.⁹⁹

7.1.4. Austro-Hungarian Empire

In July 1878, following the Berlin Congress, Bosnia and Herzegovina was temporarily occupied by the Austro-Hungarian Empire¹⁰⁰. After a couple of years passed, the Empire formally annexed Bosnia and Herzegovina and this lasted from 1908 to 1918. The evolution of governing institutions has rapidly increased in this period. However, there were still some restrictions, seeing that the major control of all decisions of administrative nature remained with the Joint Ministry of Finance in Vienna.

Despite this fact, Bosnia and Herzegovina had three new bodies in which the Council had the most important legislative role. Its usefulness was mostly revolved around issues which did not fall under the authority of both the Austrian and the Hungarian Parliament. The system of check-and-balance, mostly used by numerous countries around the world today, was not truly represented during this period. The National Government did not seek counsel or affirmations from the Council, however, the Council still had some power seeing that it approved the annual funding¹⁰¹. As it was stated previously, all major decisions were still carried out by the Empire authorities and all decisions made by the Council had to be checked and approved.

The composition of the Council was based primarily on the confessional curia with 20 delegated members and 72 elected representatives¹⁰². In the delegated members 5 came from each of the three major religions with 1 coming from the Jewish population, and the remaining seats being filled by the mayor, Supreme Court president, chamber of commerce president and the chamber of attorney president.

Regarding the remaining 72 elected representatives, they were selected from three specific curiae. The first one included wealthy and important people in the society, such

⁹⁹ Osmanković, J., Pejanović, M.: Euro region and Bosnia - Hercegovina, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006)

¹⁰⁰ Ibid.

¹⁰¹ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

¹⁰² Ibid.

as landowners and tradesmen, which constituted for 18 seats in the Council. The second group came from the urban population which did not belong to the first curia, and they had 22 seats. Finally, the rural population encompassed the last segment of the society with 83 seats. Regarding the religious identity of the Council members, 31 were Orthodox, 24 Muslims, 16 Catholics and one seat held by the Jews¹⁰³.

Soon enough it became apparent that the political groups being formed in the Council were rather strictly aligned to the religious identity. Despite having limited authority in implementing decisions, the Council took on an array of other issues and trying to resolve them. One of the biggest struggles and key debates within the Council were related to the land property and the used language in Bosnia and Herzegovina.

Regarding the former point, land property and who owns the land was a major division point inside the Council, mostly between the Muslim (or now known as Bosniak) and the Serb representatives. Since Muslims were still majorly involved and were the owners of the land, the Serb representatives fought over who deserves the land, wanting to prove they are better contenders to the land. It became apparent however, that resolving this dispute is far from effortless and it continued to be a pivotal point of discussion in further moments in the history of Bosnia and Herzegovina.

The second issue was the language issue. A lot of political groups within the Council discussed heavily which language is used in the country and how it should be named. As it was the case throughout the Balkan, even nowadays¹⁰⁴, the language issue is never focused on the internal elements and the essence of the language, rather what should its name be and which alphabet should be used. The Council finally somehow agreed that the name of the language should be Serbo-Croatian¹⁰⁵. Highly politicizing this topic also urged Council to push for its adoption and trying to influence the National Government. They finally managed to set up an ultimatum, not wanting to vote for certain major proposals by the Government, unless the Government votes for the legalisation of the

¹⁰³ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

¹⁰⁴ Lasić I, 'Snježana Kordić: Četiri Naziva Uzgajaju Zabludu O Četiri Jezika' (*Novosti.com*, 2017) <<http://www.portalnovosti.com/snjezana-kordic-cetiri-naziva-uzgajaju-zabludu-o-cetiri-jezika>> accessed January 2017

¹⁰⁵ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

Serbo-Croatian. After a tremulous period causing stagnation in other parts of a governed society and passing laws, the Serbo-Croatian law was finally enacted.

Ultimately, with the assassination of the heir to the Austro-Hungarian Empire, Franz Ferdinand, the last session of the Council was held on July 9 1914¹⁰⁶, after which the Council was abolished by the Emperor.

7.1.5. Kingdom of Serbs, Croats and Slovenes / Kingdom of Yugoslavia

The period after the World War I which completely changed the national spectrum of nations in the Balkan region was mostly characterized by turbulent and difficult political crises. Whereas the former time periods, when compared chronologically, represent an evolution in governmental bodies and the rule of law pertaining to proper functioning of the overall society, the in period of Kingdom until World War one is merely a degradation of the effort achieved so far.

The influence of Bosnia and Herzegovina was limited on the Yugoslav political stage, even though there were some politicians who were fiercely defending its positions. The final blow to the progress, not only in Bosnia and Herzegovina, but in other countries, was when the king passed a new Constitution, barring any form of parliamentarism or political debate taking place¹⁰⁷. Furthermore, all countries were merely reduced to territorial units which did not respect the previous border lines. The power within the country was intensely centralized and that started to cause uproar across the kingdom.¹⁰⁸

With numerous political problems and issues arising in the country and the inability of the king and the central government to tackle them, it became apparent that the current system was about to be diminished. These challenges, alongside with the eminent threat from rising power of Hitler, eventually disintegrated the administrative capacity of the entire country.

¹⁰⁶ Ibid.

¹⁰⁷ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

¹⁰⁸ Ibid

7.1.6. 1941 – 1945

In the subsequent WWII years in Yugoslavia, there was one fraction which came out as the most progressive ones, claiming to represent the entire population, and that was the Communist party and the partisan fighters¹⁰⁹.

Amidst the war challenges and faced with brutal and on-going tragedies, the people of Yugoslavia and its constituting countries, somehow managed to preserve the spirit of democracy by forming country-based and Yugoslav-based committees empowered with executive and legislative functions at the same time. In Bosnia and Herzegovina this body was called ZAVNOBiH and it established major definitive guidelines to setting up a modern Bosnian state¹¹⁰.

After the war passed, steps were taken in order to make parliamentary assembly in Bosnia and Herzegovina as functional as it could get, especially when taking in mind making credible decisions.

7.1.7. Social Federal Republic of Yugoslavia

After the war ended, ZAVNOBiH was officially transformed into the National Assembly of Bosnia and Herzegovina. With all the members of the original ZAVNOBiH and additional 44, the first National Assembly had 220 representatives¹¹¹. Quickly after its formation, the National Assembly created the National Government which was to be responsible to the Assembly.

In order to allow everyone the same voting rights and to establish the voting procedures, everyone who turned 18, regardless of sex, race, religion, education and place of living had the right to vote¹¹². In the subsequent years until 1950, the National Assembly set up the political system, the process of rebuilding started and the first five-year plan was created.

¹⁰⁹ Ibid

¹¹⁰ Babić, Otasević, ZAVNOBiH i izgradnja BiH državnosti (1970)

¹¹¹ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

¹¹² Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

From 1963 the Assembly of the Socialist Republic Bosnia and Herzegovina had five Chambers¹¹³: the Republic Council (citizens in municipalities), Economic Council, Educational-Cultural Council, Social-Healthcare Council and the Organisational-Political Council (workers in the work communities)¹¹⁴. The legislative power and activities of the Assembly were active since there was a lot of discussion about changing the Constitution. Since the current system could not create a democratic society in Yugoslavia and with all unsuccessful economic reforms, deep political crisis was induced in the sixties and seventies¹¹⁵.

One of the most important novelties of the 1974 Constitution, apart from reducing the number of Council to just three, is that the Muslims were officially recognized under the constitution as an equal nationality within the country¹¹⁶.

Unfortunately, all these Constitutional changes proved inefficient in solving mounting political problems in Bosnia and Herzegovina, and Yugoslavia as a whole. That is why in 1990, the multi-party system was introduced, various forms of property were declared equal and also all economic activities could be performed by anyone¹¹⁷. The Government of Bosnia and Herzegovina was introduced and it represented an evolution of the former Executive Council¹¹⁸. What is more, the changes in the Constitution also allowed greater independence for Bosnia and Herzegovina within Yugoslavia.

7.1.8. Post-Dayton

Following the timid periods in 1992-1995, the Dayton Peace Agreement was finally signed and it included 11 annexes: “Military Aspects of the Peace Settlement, Inter-Entity Boundary Line and Related Issues, Elections, the Constitution of Bosnia and Herzegovina, Arbitration, Human Rights, Refugees and Displaced Persons, Commission to Preserve National Monuments, Establishment of Bosnia and

¹¹³ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010)

¹¹⁴ Babic, Otasevic, *ZAVNOBIH i izgradnja BiH drzavnosti* (1970)

¹¹⁵ *Ibid.*

¹¹⁶ Osmanković, J., Pejanović, M.: *Euro region and Bosnia - Hercegovina*, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006)

¹¹⁷ *Ibid.*

¹¹⁸ Radušić E and Vukadinović S, *Parliamentary Assembly Of Bosnia And Herzegovina* (1st edn, Parliamentary Assembly of Bosnia and Herzegovina 2010).

Herzegovina Public Corporations, the Civilian Implementation of Peace Settlement and the International Police Task Force”¹¹⁹.

The country was finally a full independent state with its own borders and internally organized democratic governance and bodies.

Today, the two-house Parliamentary Assembly of Bosnia and Herzegovina, that is the House of Representatives and the House of Peoples, has numerous responsibilities and roles within the country. It enacts legislation, decides on finances for institutions of Bosnia and Herzegovina by approving the budget and it decides whether international treaties should be ratified.

Furthermore, the responsibilities of the Assembly are found in the following fields:

- “Foreign policy;
- Foreign trade policy;
- Customs policy;
- Monetary policy;
- Finances of the institutions and international commitments of Bosnia and Herzegovina;
- Immigration, refugee, and asylum policy and regulation;
- International and inter-Entity criminal law enforcement, including relations with Interpol;
- Establishment and operation of common and international communications facilities;
- Regulation of inter-Entity transportation; and
- Air traffic control”¹²⁰.

8. Governance and political conflicts

There are many obstacles on the road to European integration. They are mainly related to the lack of real political will and abilities and also the lack of human resources and

¹¹⁹ Article, The general framework agreement for peace in Bosnia and Herzegovina <https://www.osce.org/bih/126173?download=true>

¹²⁰ 'Parlamentarna Skupština BiH' (*Parlament.ba*, 2017) <<http://parlament.ba>> accessed 25 January 2017

weak institutional capacities to adopt and implement laws, together with the lack of financial resources. Nonetheless the signing of a joint statement of actual government structure and opposition in early 2004, it is difficult to conclude that the political will, in some areas, is not only declarative. Adoption of the law has been increased, but the pace of their implementation is very slow. The absence of political determination directly affects the lack of a single administrative area of Bosnia and Herzegovina. Bosnia and Herzegovina is a highly complex country nowadays, with respect to its internal administrative and territorial composition. It is comprised of two entities, Federation of Bosnia and Herzegovina and Republic of Srpska, and additionally a third part of the country called District Brčko.¹²¹ Federation of Bosnia and Herzegovina furthermore has ten cantons, each having their own internal laws and regulations which are in general harmonized across the Federation, but sometimes are not.

All of this creates a country with 14 governments (the national government, two entity-level governments, one district government and ten canton governments), a Presidency with three rotating presidents and numerous agencies and other institutions which create a large bureaucracy.¹²² This can create certain difficulties with approaching the EU, especially since a lot of different levels of government have different interest and aspirations with respect to EU accession.

This problem is not new and lack of proper coordination between the entities and the state was even pronounced before. According to one remark: “Within the framework of the 1996 intergovernmental conference, the EC/ EU faces the major unresolved issue of revising its institutional format. There are already indications that this deadline may be brought forward. Politicization and enlargement—not to mention growing evidence of problems in the implementation of existing policies and the blatant failure of efforts at foreign policy co-ordination with regard to Bosnia-Herzegovina—are putting great strain on existing arrangements. It is not inconceivable that the legitimacy of the entire enterprise could be at stake.”¹²³

¹²¹ Parlamentarna Skupština BiH' (*Parlament.ba*, 2017) <<http://parlament.ba>> accessed 25 January 2017

¹²² Ibid

¹²³ Mény Y, Muller P and Quermonne J, *Adjusting To Europe* (1st edn, Routledge 1996)

The misperception of the political course is further probably best summarized by Abramowitz (2011) who said: “In Bosnia, Prime Minister Milorad Dodik persists in his efforts to preserve Republic of Srpska’s autonomy and continues to evoke the prospect of a formal separation. The EU and the Obama administration have jointly undertaken several high-level efforts over the past two years to try to bridge the constitutional divide in Bosnia through talks with the main players. So far such talks have led nowhere. The OHR is unable to change the political situation. The EU and outside observers believe that, whether the OHR stays or goes, what is needed is a robust EU mission, more aid, and the promises of accession, which will help transform the Bosnian political scene and produce greater political cooperation.”¹²⁴

9. Progress report of BiH accession to the EU regarding political criteria

Since the EU bodies dealing with the process of BiH fulfilling the criteria needed for the full membership are highly professional and skilled in their assessment I will use the major part of the EU progress report on BiH, and more specifically, the political factors criteria¹²⁵.

The election legislation was previously amended by OSCE/ODIHR and GRECO on matters regarding: campaign financing, the party and independent candidate deregistration progression, the increase in the threshold for distribution of mandates on candidate lists, and increased fines for violating the election process¹²⁶. Issues with funding the elections have been faced by a number of municipalities.

The Bosnia and Herzegovina Parliamentary Assembly including the entities’ parliaments adopted several multiannual strategic documents to increase legislative efficiency, transparency, public outreach, dialogue and cooperation in relation to Reform Agenda¹²⁷. On the other hand, the Stabilization and Association Parliamentary

¹²⁴ 'Interview: Morton Abramowitz On The 'End Of Bosnia' (*Radio Free Europe / Radio Liberty*, 2011) <http://www.rferl.org/a/interview_abramowitz_end_of_bosnia/24295787.html> accessed 20 January 2017

¹²⁵ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹²⁶ Ibid.

¹²⁷ Ibid.

Committee (SAPC) failed to adopt its Rules of Procedures due to insistence by some delegates for the inclusion of a voting mechanism provision which would not comply with European standards.¹²⁸

Fast-track procedures were often used for law-making while the assembly's EU Integration Committee was active in fostering the cooperation with other parliamentary institutions in the country and abroad. That on the other hand, resulted with precarious quality of adopted legislations. While the parliament adopted a number of Reform Agenda-related legislations, the overall decision-making process was slow due to disagreements in the coalition¹²⁹. The legislative process was further negatively affected by the Federation House of Peoples remaining short of three Serb delegates, including the Deputy Chair.¹³⁰ The work of the parliament was additionally inhibited by the lack of space in its rented premises and inadequate volume to deal with European integration-related matters¹³¹.

Frequent lack of quorum at meetings and the limited capacity of the district assembly's services remained problematic in regard of the work of Brčko district. The Committee for European Integration held only two meetings. The four parliaments adopted a joint concept of cooperation on EU matters which further improved inter-parliamentary cooperation. Members of sectorial committees of the four parliaments were also active in joint activities about the Bosnia and Herzegovina EU integration process¹³².

Speaking of the budget preparation and management information system, it is used in the different levels of administration for budget planning and the medium-term budget framework. 11 public investment management information system is still being brought up to its full capacity.¹³³ Budget preparation and adoption timelines mostly improved in

¹²⁸ Directorate fo European Integration of European Union in Bosnia and Herzegovina, http://www.dei.gov.ba/dei/bih_eu/sporazum/?id=9812

¹²⁹ Ibid

¹³⁰ Directorate fo European Integration of European Union in Bosnia and Herzegovina, http://www.dei.gov.ba/dei/bih_eu/sporazum/?id=9812

¹³¹ Ibid

¹³² European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹³³ Osmanković, J., Pejanović, M.: Euro region and Bosnia - Hercegovina, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006),

2016, taking into account the Brčko District where the 2016 budget was adopted after the legal deadline¹³⁴.

Considerable weaknesses in internal control and public procurement are notable in institutions at all levels, making the systems very vulnerable leading them towards inefficiency and waste. Speaking of social contributions and pension entitlements as a significant portion of public funds, they are being managed by extra-budgetary funds that are neither integrated into the budget process nor into budget documentation, such as the medium-term or annual budgetary outlooks. The inclusion of the pension fund in Republika Srpska's treasury system as of January 2016 to stabilize its liquidity has yet to produce the expected results¹³⁵.

Annual budgets are published and annual reports on budget implementation are produced by the Ministry of Finance and Treasury and audited by the Supreme Audit Institution. Similar provisions also apply in the entities and in the Brčko District. The lack of harmonization on the charts of accounts at state level and in the entities complicates an access to joint data¹³⁶. Speaking of budget overview, follow-up on external audit findings and recommendations requires an improvement. In-year reporting and citizens' participation in the budget process are insufficient, as there was no attempt to prepare a citizens' budget at any of the government levels.

Speaking of the report of the European Commission and public administration, Bosnian institutions did not even address the last year recommendations¹³⁷. The policy making system in BiH is assessed to be very challenging. Again, fragmented system with a 'whole-of-government' approach aggravates putting itself into a practice. The attempt to set up an inter-institutional structure for public administration reform strategy development represents some progress however the coordination itself has to be

¹³⁴ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed January 2017

¹³⁵ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed January 2017

¹³⁶ Ibid.

¹³⁷ Ibid.

improved. With the changes to the Federation entity's legal framework for the civil service, backsliding in terms of the reform of its public administration has been recorded. Despite the fact that the principle of merit-based recruitment as well as the promotion for civil servants is generally included within the legislation, its application is inhibited by unclear legal provisions, formalistic application of procedures and low capacity of selection committees. The criteria for dismissals and disciplinary procedures, including the possibility to appeal, are also enshrined in the laws. In practice the number of dismissals is low¹³⁸.

Speaking of Human resources management (HRM), there are four main civil service agencies which perform centralized HRM functions, without being allowed to lead and monitor implementation of the civil service policy and legal framework¹³⁹. Again, due to absence of a central policy-making institution at state and entity levels, HRM is also fragmented and pretty much inefficient.

HRM units have been established only in a small number of institutions and its information systems have been put in place at different levels of administration without being used as tools for decision-making and planning. Its inefficiency on the other hand exists, due to the lack of complete information as well as legal obstacles over data, which further implies that BiH institutions need to establish a unified personnel database¹⁴⁰.

The remuneration system does not ensure equal pay for equal work since different salary regulations are in force: at different levels of administration. That suggests that the system itself is not transparent enough since fair and objective job evaluation and classification system is still to be implemented. The right to professional development is not fully ensured or monitored, yet the state and both entities have training strategies in place and are insufficient to cover the needs without external donor funding resources. Furthermore, a close link has to be established between performance appraisal and professional development as well as mobility, taking into account that performance

¹³⁸ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017)
<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf>
accessed 24 January 2017

¹³⁹ Ibid.

¹⁴⁰ Ibid.

appraisals are carried out regularly. On the other hand, integrity in public service is relatively well addressed at state level through *anti-corruption and integrity plans, codes of conduct for civil servants, rules on incompatibility of office and the work of the Agency for Prevention of Corruption and Coordination of the Fight Against Corruption*.¹⁴¹ When it comes to corruption in general, the Commission has further recommended: “adopting consistent action plans and ensuring the implementation and monitoring of anticorruption strategies, establishing remaining prevention bodies and linking them with the Agency for Prevention of Corruption and Coordination of the Fight against Corruption.”¹⁴² Also, amending legislation to ensure effective monitoring of conflicts of interest at all levels with improving legislation on asset declarations and protection of whistle-blowers was included as well as ensuring the implementation of tougher penalties for corruption-related crimes in order to achieve a more deterrent effect¹⁴³. However, there is a limited power to enforce these plans as far as the Agency itself is concerned.

Complex constitutional arrangements make the overall organization of the public administration in Bosnia and Herzegovina equally complex in its nature which is further affected by arrangements that are not suitable for ensuring clear lines of accountability. Counting over 40 institutions that report directly to the Council of Ministers rather than to their line ministries resulted from the structure and powers of the different public administration bodies which are further regulated by overlapping and unclear legislative framework.¹⁴⁴

Managerial accountability within institutions is not yet being part of the administrative culture; hence, citizens’ right to good administration is insufficiently protected as the Ombudsman’s Office issues recommendations rarely on its own initiative.¹⁴⁵ Also, the rate at which the public administration implements such recommendations is low and the right to access public information is regulated by law at all levels. When citizens are

¹⁴¹ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhoodenlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹⁴² Ibid

¹⁴³ Ibid

¹⁴⁴ Osmanković, J., Pejanović, M.: Euro region and Bosnia - Hercegovina, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006)

¹⁴⁵ Ibid

not given access to public information, administrative inspection is authorized to act upon the complaint and penalize the responsible person or institution.

The implementation of the law is not uniform in its practice despite the fact that it is consistent on all levels and as such, it enables a wide scope of access. There is no independent body to deal with appeals, but second-instance body to review appeals and issue final decisions at the level of the state institutions does exist¹⁴⁶. When it comes to administrative justice, the judicial review of administrative acts is decentralized and handled by general courts that are defined with a low level of public trust. Due to the lack of a legal framework on public liability, the right to seek compensation in cases of wrongdoing is rarely exercised.

There is a need for an increased focus on user-oriented administration, thanks to the country's highly decentralized responsibilities when it comes to service delivery. Public satisfaction with government services is not regularly measured and the e-signature does not function at state level due to incomplete secondary legislation¹⁴⁷. That makes the current scope of available e-services limited in regard of providing information.

An operational plan to establish the interoperability framework at the level of Bosnia and Herzegovina institutions was adopted in December 2015. Further development of e-services is held back by the lack of a state-wide approach, differences in the application of the legal framework for e-signatures on different levels and development of e-government portals including the implementation of an interoperability framework; due to the country's highly decentralized responsibilities for service delivery¹⁴⁸. The current legal framework at different levels provides the key principles of good administrative behavior, with further simplification being required. In regard to special administrative procedures, they need to be reviewed as in sense of being abolished or

¹⁴⁶ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹⁴⁷ Ibid.

¹⁴⁸ Ibid.

brought in line with the law on administrative procedure with exemptions being minimized¹⁴⁹.

There has been some progress when it comes to justice system as far as accountability and integrity are concerned. Yet the number of recommendations from the previous year was not met and fragmentation of the system itself makes implementation less possible¹⁵⁰.

The 2014-2018 justice sector reform strategy has yet to be adopted. Politically motivated threats on the judiciary by politicians continue and the corruption itself prevails as declared political commitment on the subject is rarely implemented. Due to expiration of state-wide strategy for public administration back in 2014, Bosnia and Herzegovina is required to develop a new strategy in line with the objectives of the Reform Agenda¹⁵¹.

The actual drafting process could be expected seeing governments' display of political support to the reform itself, thus by approving the Information Note on the Operational Plan. The development of the strategy is yet in its early stage and members of inter-institutional working groups responsible for drafting itself, have been nominated at all levels. The Public Administration Reform Coordinator's Office sustained to instrument projects financed with the PAR Fund despite the expiry of the 2014 strategy and its action plan and the annual report for 2015 declared at 65% rate of implementation¹⁵².

Nevertheless, current monitoring framework does not have clear performance indicators that would be able to determine the actual achievement of reform objectives. It also continues to provide an effective structure for cooperation with entities and Brčko district despite the fact that it is not financially sustainable. Human resource needs including other implementation cost estimates have not been presented in the annual budgets and medium term expenditure frameworks at all levels.

¹⁴⁹ Osmanković, J., Pejanović, M.: Euro region and Bosnia - Hercegovina, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006)

¹⁵⁰ Ibid.

¹⁵¹ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017)

<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹⁵² Ibid.

When it comes to countering criminal infiltration of the political, legal and economic system of the country, fighting organized crime remains to be fundamental. There has been a progress when it comes to inter-agency cooperation. Notably, international standard on anti-money laundering and countering the financing of terrorism haven't been met yet and in addition to foreign terrorist fighters and radicalization, more work needs to be done when it comes to addressing human rights and minorities' issues.

Despite of progress with the adoption of amendments to the anti-discrimination law: the strategic, legal, institutional and policy frameworks for the observance of human rights remain in need of substantial improvement¹⁵³. The constitution itself represents an obstacle for citizens who do not declare themselves to belong to either of three constitutional ethnicities to run as candidates for both the Presidency and the House of Peoples of the Parliamentary Assembly¹⁵⁴. That further aggravates the implementation of the ruling of European Convention on Human Rights in the *Sejdić-Finci* case. No progress is made when it comes to the freedom of expression¹⁵⁵.

The financial stability of the public broadcasting system remains to be addressed, which further includes the lack of transparency of media ownership which overall serves as a breeding ground for pressure and intimidation against journalists.

The country's cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) is satisfactory including the persecution of war crimes including charges for sexual violence¹⁵⁶. Yet further attempts to improve victims' and witness' trust in institutions and the judiciary system must be made in order to avoid further trauma. Sarajevo Declaration Process on the other hand reminds that all countries involved have to make further efforts implement the agreed housing solutions. The agreement between BiH and neighboring countries that aims to provide sustainable

¹⁵³ Ibid.

¹⁵⁴ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed 24 January 2017

¹⁵⁵ Marko Milanovic, *Sejdic and Finci V. Bosnia and Herzegovina*, American Society of International Law; Vol.104, No. 4 (October 2010)

¹⁵⁶ Ibid.

solutions for 74 000 refugees and displaced persons during armed conflicts in the former Yugoslavia¹⁵⁷.

The results of the protocol signed between the Prosecutor's Office of Bosnia and Herzegovina and the Office of the War Crimes Prosecutor of Serbia on cooperation in prosecution of perpetrators of war crimes, crimes against humanity and genocide continued showed a success with two additional indictments for war crimes filed and further confirmed during the reporting period in Bosnia and Herzegovina (one indictment confirmed and a guilty plea agreement reached in Serbia and one case transferred to Serbia from Bosnia and Herzegovina). On the other hand protocols signed with the Croatian and Montenegrin Prosecutor's Offices are yet to produce results. Missing persons from the 1990s' conflicts are still a matter of concern in the Western Balkans and the support fund for their families has not been established yet¹⁵⁸. Since this is vital for reconciliation and stability in the region, the Missing Persons Institute of BiH still remains financially stable despite political pressures.

As far as regional cooperation is concerned, Bosnia and Herzegovina took over the chairmanship of the Central European Initiative in January¹⁵⁹. The country has successfully completed its first Chairmanship of the Committee of Ministers of the Council of Europe and it actively participates in: South-East European Cooperation Process, the Regional Cooperation Council, CEFTA and the 'Western Balkans Six' initiative¹⁶⁰. When it comes to other neighbouring countries, relations to FYROM have been ratified in 2006¹⁶¹.

Speaking of its relations to Albania, there are no specific restrictions and as a matter of the fact they are satisfactory. When it comes to Kosovo, BiH does not recognise its

¹⁵⁷ Marko Milanovic, *Sejdic and Finci V. Bosnia and Herzegovina*, American Society of International Law; Vol.104, No. 4 (October 2010)

¹⁵⁸ Ibid.

¹⁵⁹ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017)

<https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed January 2017

¹⁶⁰ Ibid

¹⁶¹ Osmanković, J., Pejanović, M.: Euro region and Bosnia - Hercegovina, Fakultet političkih nauka Sarajevo; Centar za razvoj lokalne i regionalne samouprave, (Sarajevo, 2006)

independence and holds a very strict visa regime towards its citizens¹⁶². On the other hand, an agreement on the state border with Montenegro has entered into a force in April while a protocol on cross-border supervision was signed in December.

Speaking of Serbia, with previously mentioned cooperation, BiH remains in good relations. Council of Ministers of BiH and government of Republic of Serbia had their first joint session in November, followed by signing several bilateral agreements and memoranda (missing persons, the environment and telecommunications, construction of the inter-state bridge across Drina river, on international road transport of passengers and cargo, in the field of radiation and nuclear safety).

Its good bilateral relations with Croatia have produced a ratified Agreement on rights and obligations for use of water from public water supply systems that cut across the state border and an Agreement on European Partnership signed in May 2016¹⁶³. Yet more important issues such as property issues and border demarcation remain unresolved.

10. Conclusion

Bosnia and Herzegovina - along with other Western Balkans countries – was acknowledged as a potential candidate for EU membership during the Thessaloniki European Council summit in June 2003. From that moment on, many agreements between the EU and Bosnia and Herzegovina have paved the way into becoming reality. For example, interesting ones are visa facilitation and readmission agreements from 2008, Interim Agreement on Trade and Trade-related issues also from the year 2008¹⁶⁴. The Stabilization and Association Agreement (SAA) has been approved and entered into force on 1 June 2015¹⁶⁵.

¹⁶² Ibid.

¹⁶³ European Commission, 'Bosnia And Herzegovina 2016 Report' (European Union 2017) <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2016/20161109_report_bosnia_and_herzegovina.pdf> accessed January 2017

¹⁶⁴ Directorate fo European Integration of European Union in Bosnia and Herzegovina, http://www.dei.gov.ba/dei/bih_eu/sporazum/?id=9812

¹⁶⁵ Ibid

The EU closely paid attention on the development Bosnia and Herzegovina which was made on the way to the Copenhagen political criteria, which required constancy of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities¹⁶⁶. Besides aforementioned, it also monitored regional cooperation, good neighborly relations with enlargement countries and Member States, and acquiescence with international responsibilities, such as collaboration with the International Criminal Tribunal for the former Yugoslavia. Up to now, the complex decision-making procedure, absence of cooperation between the various levels of government have delayed structural reforms and disadvantaged the growth towards the EU. Nonetheless, the European Union's 28 member countries accepted Bosnia and Herzegovina's membership application. They also ordered the bloc's supervisory to communicate an assessment of the Balkan country's preparedness to join the bloc.

As discussed through the paper, very complicated political criteria which involve reforms in the Democracy and the rule of law, namely constitution, election process, parliament, ombudsman, government, public administration, civil society, judicial system, fight against corruption and fight against organized crime, has not been fulfilled by Bosnia and Herzegovina at this point. Overall, Bosnia and Herzegovina has made little or no progress in all points, especially in progressing reforms to decrease corruption. This continues to affect whole public sector and rests critically bad in the zones of service delivery and access to employment. However, as my guiding question targeted to answer on how does the fulfillment of political criteria for the accession of Bosnia and Herzegovina to the European Union impact its relationship with the EU, it can be concluded that fulfillment of political criteria will have a positive impact on the relationship between parties, but so far did not have enough impact, since only few points have been improved so far.

For the Bosnia and Herzegovina's progress in the integration process, it is necessary that the European Union regenerates relations regarding mechanism of conditioning towards Bosnia and Herzegovina. This could be the main catalyst of social change and reform. Experience with Central and Eastern Europe countries showed that conditionality is the most efficient method for successfully joining the European Union. The example of

¹⁶⁶ Ibid.

Bulgaria and Romania indicate harmful effects, or better said maladjustment to European Union, which is now the source of the problem both for the two countries and for the Union itself. Those are examples of the conditioning process prematurely withdrawal or when the mechanism compromises political concessions. In the case of Bosnia and Herzegovina, but also in other Western Balkan countries, the conditionality mechanism has failed, but it is partly European Union's fault, which gives priority to stability of democratization and calls on political compromise on the fundamental standards and values of the Union.

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12. Annex

The case of Bosnia and Herzegovina is particularly illustrative in the context of Western Balkan integration into the European Union. There is also symptomatic lack of strategic actions of the European Union in this country. Bosnia and Herzegovina is perhaps the most prominent example of tendencies of European Union to the region that gives priority to stabilization over democratization. This paper explores the steps to show and grade the efforts of Bosnia and Herzegovina in joining the EU and development of the country in its process of integration to the European Union. As Bosnia and Herzegovina is heading for the progress on its path towards European integration, the interest for the European Union is constantly growing, and it is therefore necessary to satisfy the needs for information for further improvement. The focus is on key sources in order to determine the level of success of the current status of Bosnia and Herzegovina. This includes the current negotiating and whether BiH has enough political and social potency to deliver the task. The EU gives a support to countries of Western Balkan that are on the way to become potential candidates with Stabilization and Accession program. It showed the development of countries that had accessed to this program, which is particularly relevant for the countries of the Western Balkans, where Croatia made its way to the EU and is accessing in July 2013. Furthermore, as the European Union is a regional organization of European states, Bosnia is trying to become a part of it and achieve common goals such as the balanced economic and social development, high levels of employment, and to protect the rights and interests of citizens. On its way to the goals, Bosnia and Herzegovina needs to resolve certain problems and obstacles that are strongly inhibiting it from the advancement. The obstacles are of political and economic nature and contain need for the reform of the Constitution, termination of the Sejdic-Finci case, solve a huge problem regarding increased corruption.

Der Fall von Bosnien und Herzegowina ist besonders anschaulich im Rahmen der Integrationen des Westbalkans in die Europäische Union. Dabei fällt auch der symptomatische Mangel an strategischen Maßnahmen der Europäischen Union in diesem Land auf. Bosnien und Herzegowina ist vielleicht das bekannteste Beispiel für Tendenzen der Europäischen Union für die Region, die der Stabilisierung der Demokratie Priorität einräumt. In diesem Beitrag werden die Schritte untersucht, die die Bemühungen von Bosnien und Herzegowina in seinem Integrationsprozess in die EU sowie bei der Entwicklung des Landes auf diesem Weg darstellen und werten. Mit dem Fortschritt Bosniens und Herzegowinas auf dem Weg in die EU-Integrationen wächst auch das Interesse der Europäischen Union, und daher ist es notwendig, den Bedarf an Informationen zur weiteren Verbesserung zu befriedigen. Um das Erfolgsniveau des derzeitigen Standes von Bosnien und Herzegowina bestimmen zu können, liegt der Schwerpunkt auf den wichtigsten Quellen. Dazu gehören auch die aktuellen Verhandlungen sowie die Frage, ob BiH über ausreichende politische und soziale Potenz verfügt, die Aufgabe zu erfüllen. Die EU unterstützt die Länder des Westbalkans, die auf dem Weg sind, potentielle Kandidaten für das Stabilisierungs- und Assoziierungsprogramm zu werden. Dies zeigte die Entwicklung der Länder, die auf dieses Programm zugegriffen hatten, was für die Länder des Westbalkans besonders relevant ist, wodurch auch Kroatien seinen Weg in die EU gefunden hat und 2013 ihr beigetreten ist. Außerdem, da die Europäische Union eine regionale Organisation europäischer Staaten ist, bemüht sich Bosnien, ein Teil davon zu werden und gemeinsame Ziele, wie die ausgewogene wirtschaftliche und soziale Entwicklung, ein hohes Beschäftigungsniveau und den Schutz der Rechte und Interessen der BürgerInnen zu erreichen. Doch auf dem Weg zu diesen Zielen muss Bosnien und Herzegowina bestimmte Probleme und Hindernisse überwinden, die den Fortschritt stark hemmen. Diese Hindernisse sind politischer und wirtschaftlicher Natur und enthalten die Notwendigkeit einer Reform der Verfassung, Beendigung des Sejdic-Finci Falls und Bekämpfung der erhöhten Korruption.