Building a Federation within a Federation
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Building a Federation within a Federation
The Curious Case of the Federation of Bosnia and Herzegovina

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Introduction

Understanding federalism and federation in Bosnia and Herzegovina is not easy. The country has a highly complex structure, often overlapping and sharing similar competences, while the whole state remains contested from numerous sides. Consequently, there have been few in-depth discussions on federalism and federation in Bosnia, and most of them focus on post-war reconstruction, democratization and power-sharing. Only recently have there been some studies that concentrate on federalism and federation as essential elements of the political system in Bosnia and its development since 1995. While there is an evolv-

1. A previous version of this paper was presented at the International Workshop: “Small Worlds” in Chatham, Kent in April 2013. I am grateful for comments received from the participants of this workshop. I am also grateful to Trish Moore for her assistance and fine-tuning of this piece.

2. For reasons of readability, the short form ‘Bosnia’ will be used. This always refers to the whole country.


ing picture of the nature of federalism and federation in Bosnia as a new federal model, we still lack a deeper understanding of the territorial building-blocks of the Bosnian federation, i.e. their identity and their role in the wider federal system. It is this gap in the literature, which this article will address. By focusing on the Federation of Bosnia and Herzegovina (FBiH) as one of the entities and discussing its “territorial identity,” as well as its historical “critical junctures”, its ethnic diversity, its demography and its constitution, it is hoped that it will become clearer precisely what the FBiH is, what its role is in the federal system and how its identity could be described.

To discuss the territorial identity of the FBiH, this paper will progress in three major steps. In the first part, it will discuss and describe the nature and history of the federal political system in Bosnia and Herzegovina. By doing so, it will allow for a later discussion on the critical junctures in the evolution of Bosnia as a federal political system and of the FBiH as one entity in this federal system. In the second part, the analysis will focus on the evolution of the FBiH and its development since 1994. The aim of this article is to identify core segments of the mosaic that forms the territorial and political identity of this entity in Bosnia. Finally, going back to Burgess’ framework, a first attempt to analyse and describe the identity of the FBiH will be undertaken. This will be done in two steps, first assessing the FBiH as an entity by itself and, secondly, assessing it as an entity within the wider federal political system in Bosnia. Hence, it is the aim of this discussion to look at the FBiH as an independent micro-cosmos, a ‘small world’ in its own right, but to understand fully the identity of the FBiH, it also has to be discussed as part of a wider system, namely, the state of Bosnia and Herzegovina.

As identity theorists have long been teaching us, identity is formed simultaneously by engaging with those that are similar and by engaging with Others. For this discussion it means that the FBiH identity is formed from within and by engaging with the other entity in Bosnia, the Republika Srpska (RS), while both

7. On the theoretical framework applied see Michael Burgess’ contribution “Small Worlds: The Character, Role and Significance of Constituent Units in Federations and Federal Political Systems” in this volume.
entities’ identity is also fundamentally influenced by their inclusion as federal units in Bosnia and Herzegovina.

**Federalism and Federation in Bosnia and Herzegovina**

The traditional understanding of federalism as a form of “self-rule and shared-rule,” is particularly complex in Bosnia and Herzegovina. The principle of federalism as an ideological framework for self-rule and shared-rule is not a natural one for Bosnia and Herzegovina, but has been imposed by external actors. During the war in Bosnia and Herzegovina between 1992 and 1995 many international peace treaties included the territorial division of the country into autonomous cantons, statelets and eventually entities. While there has been a long tradition of territorial and regional divisions and power-sharing in Bosnia (as well as in other countries in the Western Balkans), there has never been a territorial division of the country along ethnic lines. The federal division of Bosnia and Herzegovina into two entities (the Federation of Bosnia and Herzegovina, FBiH, and the Republika Srpska, RS) is a result of the Dayton Peace Agreement, which ended the war in the country and includes a constitution for post-war Bosnia in Annex 4.

The “Internationalisation of the Bosnian Question” started when the country claimed its independence from Yugoslavia in April 1992 and Serb forces immediately counteracted by fighting for the secession of Serb-controlled territory from Bosnia. Ever since then, international actors have played a key role in the political system of Bosnia and its development. Federalism was seen as a strategy of conflict-resolution and as the best way to get the three main warring groups, Serbs, Croats and Bosniaks, to agree to a cease fire and a peace settlement. The political parties in Bosnia did not agree on the federal principle, in fact the war aims of Serbs and militant Croats (until 1994) was to secede from Bosnia and Herzegovina, not to be re-integrated and join a complex power-sharing system. Bosniaks, the majority of the population, favour a more centralised system and their political representatives at Dayton argued for the dissolution of the entities and a stronger role for central institutions.

In the end, nobody was happy with the result of the peace agreement and the new constitution. Bosnia became a country of two entities, each with substantial autonomy (including control over their own military forces), and with

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10. The principle of self-rule and shared-rule was developed by Daniel Elazar and has since become the most common definition of a federal state. See: Daniel Elazar, *Exploring Federalism*, Tuscaloosa: University of Alabama Press, 1987.


very weak shared-rule institutions at the centre. Complex power-sharing regulations currently require not only the agreement between representatives of the two entities, but also between the three main ethnic groups (which are listed as “constituent peoples” in the constitution). The political elites in both entities were more focused on consolidating their power in the territory under their control than on establishing effective governance structures and overcoming the legacies of the war in terms of economic decline, trauma and ethnic division. Instead, there was a permanent delay in decision-making, with the state virtually unable to address any important issue until 1997. It was only when the representatives of the international community intervened and extended the powers of the High Representative (HR), who oversees the implementation of the civilian aspects of the Dayton Agreement, that some progress was made. Since then, successive HRs used their powers to impose laws and dismiss elected officials who had acted against the peace agreement. Between 1998 and 2006, there has been some important progress in the country’s internal integration and in overcoming some of the results of the war. The military was put under joint control and oversight was given to a state-level Ministry of Defence. Border control, Media affairs, and aspects of taxation were centralised to ensure more efficiency and more effectiveness in policy implementation. New symbols and a new currency also go back to international intervention. While some have argued that Bosnia was ruled like a protectorate with no respect for locally elected officials,14 others have defended this international engagement by demonstrating how local elites have failed permanently in their responsibility to agree and pass much needed policies.15

Today Bosnia remains a deeply divided society, in which political elites still have a hard time to reach consensus and agree on important policies. Failure to implement important policies in the area of agricultural product registration, for example, will have very serious consequences for farmers in Bosnia, whose main export market is Croatia—which joined the EU in July 2013 and therefore became part of a complex network of registration for food origins. The continuing failure of political elites to agree on a new law for citizen registration numbers sparked wide-spread protests and anti-government demonstrations in the country in June 2013. The federal system as a whole has not become stabilised and self-sustaining, and while international actors have stopped intervening directly into the political affairs, there remains a long way towards political stability and a mutual consensus on the nature and the organisation of the joint state. Serbs in Bosnia insist on the autonomy of the RS and have started challenging some

of the decisions taken by international actors since 1998, in particular in the areas of media and cultural affairs and the legal system. Furthermore, the current President of the RS, Milorad Dodik, continues to claim that Serbs have the right to self-determination and has linked the RS to developments in Kosovo, which declared its independence from Serbia in February 2008. Bosnian Croats on the other side have insisted on a wider reform of the state to buttress their own ‘entity’ as they feel that the FBiH is discriminating against them and leaving them without any form of territorial autonomy. Bosniak parties demand further centralisation and the abolition of the entity system. Economic stagnation and a lack of progress towards membership in the EU have also contributed to a wider political frustration amongst the Bosnian population. Federalism and Bosnia’s organisation as a federation remain highly contested because political elites of the different ethnic groups fail to agree on a consensual definition of the state and a joint vision for its future. Yet, the current state has functioned since 1995, and some political progress and developments in different areas have demonstrated that the institutions in the entities and at central level have developed a life of their own and are important. Hence, by focusing on the FBiH, it will be possible to demonstrate some of the progress already made, the challenges remaining, and some of the overall structural conditions that characterise the whole state of Bosnia and Herzegovina.

The Curious Case of the Federation of Bosnia and Herzegovina

The Federation of Bosnia and Herzegovina (FBiH) is one of the two entities in Bosnia and Herzegovina. It covers 51 per cent of the territory, about 65 per cent of the population and is further sub-divided into ten cantons. Map 1 demonstrates the internal organisation of the FBiH, which has five cantons with a Bosniak majority, three cantons with a Croat majority and two mixed cantons. The origin of the FBiH goes back to the Washington Agreement between President Izetbegovic and Croatian President Franjo Tudjman, which was signed in 1994. This ended the conflict between Bosniak (i.e. Bosnian Army) and Croat (Bosnian Croats but also regular Croatian army) forces, following the Bosnian Croats attempt to declare the Croat Republic of Herzeg Bosna independent from Bosnia. The Washington Agreement was the result of a new massive diplomatic intervention of the United States in Bosnia, after the European Community (later EU) and the United Nations (UN) had failed to bring peace to the conflict-ridden country since the start of violence in 1992.16 This American effort would

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later result in NATO air-strikes on Bosnian Serb positions and the final negotiations about a peace agreement in Dayton, Ohio in November 1995.

In the history of the FBiH, it is possible to identify three important historical junctures. The first one is the above mentioned Washington Agreement of 1994, which created the FBiH by providing for the cantonization of a part of Bosnia. While this Agreement primarily aimed at ending the war between Bosniaks and Croats and shifting the balance in Bosnia against the Bosnian Serbs, the second important juncture legalised the FBiH as one of two entities in Bosnia. The Dayton Peace Agreement of December 1995 provided for a federal framework as discussed in the previous section and accepted the organisation of the FBiH in cantons. Dayton also fixed the complex power-sharing mechanisms in the FBiH and provided for a representation of the entity and its constituent peoples (until 2002 only Bosniaks and Croats) in central institutions. Furthermore, Bosnia’s new constitution also established a large number of policy areas, which the FBiH and the cantons would be responsible for. Indeed, all reform efforts in Bosnia have failed to take into account that both entities, the RS and the FBiH, existed before the current federal state, and that any major reform of the current system (even if it seems necessary from the point of efficiency and effectiveness) has to accept the existing structure or provide an alternative structure that is also acceptable to the three constituent peoples. The FBiH’s third critical juncture in its relatively young history can be identified in 2000, when the Bosnian Constitutional Court ruled that entities cannot have different “constituent peoples” to the Bosnian constitution. The FBiH listed Bosniaks and Croats as constituent peoples, while the RS focused on Serbs exclusively and even described the entity as the “entity of Serbs in Bosnia and Herzegovina.” The Constitutional Court found this to be a violation of Bosnia’s constitution, which lists “Bosniaks, Serbs and Croats, among Others” as constituent peoples. The failure of the political elites in the FBiH and the RS to reform their constitutions and implement the Court’s ruling led to an intervention by the HR, Wolfgang Petritsch, who imposed these changes. This fundamentally changed the identity of the FBiH, which became the entity of Bosniaks, Croats, Serbs and Others. While Bosniaks and Croats are still the vast majority of the population, the constitutional changes nevertheless also had far-reaching political consequences. The power-sharing arrangements between Bosniaks and Croats in the FBiH were extended to include Serbs and Others, and their representation in parliament and the civil service was massively extended.

What do these historical junctures tell us about the identity of the FBiH? First and foremost it is important to recognise that federalism in Bosnia and Herzegovina is used as a strategy of conflict resolution. Federalism and a federal
political system are not the result of an elite bargaining process, but have been imposed on the Bosnian actors by outsiders, who used it as a strategy to end the violent conflict and ensure the continued existence of a united Bosnia and Herzegovina. Second, the FBiH is considered a multi-ethnic and multi-religious entity, and so are its cantons. However, this normative claim, articulated by the focus on numerous constituent peoples in the constitution of the FBiH, does not represent the political reality of the FBiH. Most cantons have a clear ethnic majority, and minorities remain marginalised in the system. Even the equality of Croats in the FBiH has been limited because they only make up 25 per cent of

the population and believe that they are often discriminated against and ignored in the FBiH.19

Yet, and this is often underestimated when Bosnia is being discussed in the academic literature, the FBiH, neither liked by Croats who demand their own territorial unit, nor by Bosniaks who prefer a generally more centralised state, has nevertheless developed its own life. It has its own institutional structures, its own government and is responsible for a number of important policy areas. Hence, an analysis of the political system of the FBiH is important to get one step closer to describing the territorial identity of this federal sub-unit in Bosnia.20

The institutional architecture of the FBiH reflects the key features of the central state in many respects. Strict power-sharing between Bosniaks, Croats, and since 2002 also Serbs (and others) can be found in executive and legislative institutions. For example, the Federation Presidency consists of one president and two vice-presidents. The Federation government likewise consists of representatives of Bosniaks, Croats and Serbs.21 While Bosniaks dominate the lower chamber of Parliament, namely the House of Representatives, strict power-sharing and veto rules are applied in the upper chamber, the Federation House of Peoples.22 The FBiH, like the whole state of Bosnia and Herzegovina, fits perfectly the framework of a consociational democracy, as developed by Arend Lijphart.23 Grand coalitions, proportionality, veto rights and territorial autonomy characterise the entity and complicate the political decision-making process.24 As already mentioned, the Federation consists of ten cantons. Each of these cantons has its own parliament and government.

Whilst the constitution of the Federation states in Part I Article I, that the federation has all decision-making competences which are not those of the

19. Hence, Croat proposals for a re-organisation of Bosnia's federal system have focused on establishing a third entity for Croats to protect them and guarantee their equal representation at federal level as well. For more on the role of the Croats in Bosnia see: Soren Keil and Jens Woelki, “The Territorial Dimension of the Croat Question in Bosnia and Herzegovina” in: Konrad-Adenauer-Stiftung BiH, eds. Constitutional Reform and the Croat Question in Bosnia and Herzegovina, Sarajevo: KAS, forthcoming 2013.

20. To do this, the constitution of the FBiH will be analysed. This is available at: http://www.ohr.int/ohr-dept/legal/const/.

21. Altogether, there are 16 Ministries, 8 Bosniak Ministers, 5 Croat and 3 Serb Ministers. Unlike in the case of the Presidency, where there have been Croats and Bosniaks in charge as Presidents, all Prime Ministers of the FBiH have always been Bosniaks, with the exception of Dragan Covic, who was an acting Prime Minister from January until March 2001.

22. It has 58 members, 17 Bosniaks, 17 Croats and 17 Serbs plus 7 Others. They are delegated by the Cantonal Assemblies.


central institutions, Part III Art. 4 outlines a long list of decision-making competences for the cantons, including police, education, cultural policy, housing policy, public services, local economic policy, energy policy, media policy, welfare, tourism and the rights of the cantons to introduce own taxation and to borrow money. Consequently, the powers of the Federation itself were limited to military agreements (changed after the centralisation of military resources), Federation citizenship, economic planning, fighting against organised crime and terrorism, inter-cantonal energy and telecommunications policy, and, finally, the right of the Federation to introduce taxes (Part III, Art. 1, Constitution of the Federation of Bosnia and Herzegovina). Art. 2 of the same Part outlines a list of joint tasks of the Federation and cantons, something the Dayton Constitution does not provide for between entities and the central level. These joint tasks include: the enforcement of human rights, health and environmental policy, infrastructure, social welfare, tourism and natural resources. Having said this, it is important to highlight that in many joint tasks the cantons have taken a lead and little input from the Federation can be observed. This is the result of the cantons interpreting their own decision-making competences more widely and can be seen as a result of the Bosnian Croat (but also some Bosniak cantons) desire for more autonomy. However, the cantons also play a more active role because decision-making in the Federation is painfully slow and complex, and the entity has been on the brink of bankruptcy in recent years. While both the Federation and the cantons can raise their own taxes, most of the social security and welfare provisions are being paid for by the Federation. Recently, the International Monetary Fund and the World Bank in conjunction with the EU have argued that the Federation needs to cut its welfare budget, but attempts to do so have resulted in violent unrest in Sarajevo. Particularly well-organised interest groups such as veterans have been able to mobilise across ethnic lines and pressure political elites to maintain unsustainable benefit payments. The EU has also asked for a fundamental reform of the FBiH and the 2012 Progress Report for Bosnia and Herzegovina states that “The Federation’s Constitution entails costly and complex governance structures with certain overlapping competences between the Federation, the Cantons and the municipalities.”

In light of this criticism from international actors in Bosnia, as well as the current financial crisis in the FBiH, it remains to be asked why there is no agreement on fundamental reform. This is a particularly important question, because neither Bosniaks nor Croats are strong supporters of the FBiH. However, the lack

of constitutional changes in the FBiH can be explained in the same way as the lack of political progress at central level and throughout Bosnia and Herzegovina. Political elites have used the ethno-national division of the country in relatively homogeneous territories to pursue their own interests. Political elites in the cantons often control local state-owned industries and decide over jobs in the civil service. In a country where the official unemployment rate is around 40 per cent, this means that elites are able to use their privileged position to ‘buy’ support and stay in office. Being in office means getting access to financial and material benefits and it allows parties to provide wider support networks to party supporters and businesses linked with these parties. Networks of dependency characterised by corruption and the entanglement of politics, social policy and business develop, are all profiting from the current status quo.  

Conclusion: The Territorial Identity of the FBiH

What is the “territorial identity” of the FBiH and what is its role in the federal system of Bosnia and Herzegovina? The FBiH is one of two entities in Bosnia, where mainly Bosniaks and Croats live. Its territorial identity is defined by its historical junctures. It is the result of a peace treaty and is based on power-sharing arrangements at FBiH level and further centralisation because the unit is organised into 10 cantons. While it is neither liked by Croats, who feel discriminated against and disadvantaged at FBiH level; nor by Bosniaks, who would prefer a more centralised state, it nevertheless has developed its own political institutions, culture and identity. Having said this, it is important to point out that the FBiH has become a replica of similar structures at the central level and has also since become a replica of what is wrong with the state of Bosnia and Herzegovina. The entity was imposed upon Bosniaks and Croats by American diplomats, just like the state Bosnia and Herzegovina (and its federal division) was imposed upon Bosniaks, Serbs and Croats during the Dayton negotiations in November 1995. Further, strict power-sharing rules have prolonged decision-making, often resulting in belated action or even the incapability to deal with important pieces of legislation. Finally, the high decentralisation of the FBiH, as well as of the central state, has resulted in permanent contestation of both polities. Bosnia remains challenged particularly by the Bosnian Serbs, who continue to claim that they have a right to external self-determination.  


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of Bosnian Croats to re-organise Bosnia into a federation of three entities, to ensure full equality for Croats in Bosnia and Herzegovina. Yet, despite the dislike for the FBiH amongst Bosniaks and Croats, as well as international actors, there have been no major reform efforts in recent years. Instead, political elites have found arrangements to use the current institutional set-up to benefit members of their own ethnic group, and more directly their political supporters. While economic and financial developments might require more substantial political reforms in the near future, at the moment the FBiH is kept alive by financial assistance from the IMF, the World Bank and the EU. Many reform proposals have been developed to change the FBiH, as well as to reform the overall constitutional situation in Bosnia and Herzegovina. Yet, unless the system develops towards a self-sustaining federal state, in which the three constituent peoples are treated equally, but minorities are not discriminated against either, there will be no progress in Bosnia or the FBiH towards better economic conditions and faster integration into the EU.

Citizens from all sections of Bosnia have recently come together to demonstrate their discontent both with the system as a whole and Bosnia’s baby-revolution (Bebolucija)—so named, not because of its size, but because the latest political stalemate is affecting babies born after 12 February 2013. These children are not being allocated their official identity number (known as JMBG), without which, among other things, they are unable to obtain a passport. Protests began on 5 June 2013, when the plight of a three month old girl, who was prevented from travelling to Germany for medical treatment, was circulated on social media and these protests intensified upon news of the death of another baby who had needed treatment in Serbia but was unable to cross the border. Citizens are getting more and more frustrated with the system. It remains to be seen if local and international elites are able to reform this highly contested state and create a more self-sustaining and less discriminatory system.

Abstract

Bosnia and Herzegovina remains one of the most unique federal systems in the world. Its federal structure was imposed during a peace conference in Dayton, Ohio in 1995. Since then, the federal system has become highly dependent on external intervention. Progress was only achieved because outsiders enforced reforms. This article looks specifically at one of the two entities in Bosnia, namely the Federation of Bosnia and Herzegovina, which itself consist of ten cantons. It examines to what extent it is possible to talk about this curious construction having its own territorial (i.e. federal) identity. The paper concludes by highlighting how the Federation of Bosnia and Herzegovina reflects some of the fundamental problems of the Bosnian state, namely over-institutionalisation, ethnic rivalries and a lack of consensus on the nature and organisation of different territorial units within the country.

Résumé

La Bosnie-Herzégovine reste un des systèmes fédéraux les plus particuliers au monde. Tout d’abord, sa structure fédérale lui a été imposée au cours de la conférence de paix de Dayton en 1995. Depuis le système fédéral est resté fortement dépendant de l’intervention extérieure. Les seuls progrès réalisés l’ont...
été sous la pression étrangère. Cet article s’intéresse en particulier à l’une des deux entités bosniaques, à savoir la Fédération de Bosnie-Herzégovine, qui est elle-même constituée de dix cantons. L’article étudie comment cette construction juridique très particulière pourrait développer sa propre identité territoriale (ou fédérale). La conclusion met en avant comment la Fédération de Bosnie-Herzégovine reflète certains des problèmes fondamentaux de l’État fédéral de Bosnie, à savoir la surinstitutionnalisation, les rivalités ethniques, et le manque de consensus sur la nature et l’organisation des différentes unités territoriales à l’intérieur du pays.