# Administrative Reforms in Bosnia and Herzegovina in Comparative Perspective: A Distinctive Case of Context in Motion

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This paper illustrates and critically analyses administrative and public management reforms in Bosnia and Herzegovina (BiH) over the period from 1995 to 2020, thereby filling a gap in the literature on post-socialist transition in Europe, which has largely missed this important case. The BiH case of reform is investigated through the analytical-theoretical lens of the "Pollitt and Bouckaert model", a prominent and widely employed framework developed by the late C. Pollitt and by G. Bouckaert. The P&B model provides a

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lens through which to investigate the BiH case and make it amenable to comparative analyses and discussion. At the same time, the uneasy way with which the BiH case can be accommodated into the P&B model enables us to revisit certain features of this very model, thus contributing also theoretically to knowledge generation in the field.

*Keywords*: administrative reform, Bosnia and Herzegovina, comparative public administration, contextual influences on administrative reforms, public management, public governance

## 1. Introduction

This paper illustrates and critically analyses administrative and public management reforms in Bosnia and Herzegovina (BiH) over the period from 1995 to 2020, thereby filling a gap in the literature on post-socialist transition in Europe, which has largely missed this important case. The BiH case of administrative reform is significant in international and comparative perspective at two levels: (i) for the intrinsic significance of the BiH case, in order to provide a more complete and comprehensive mapping of public administration and its reforms in the Western Balkans, and more broadly in post-socialist transition in Eastern and South-Eastern Europe; and (ii) because the BiH case displays a range of distinctive features which make it a "most dissimilar" case in a comparative perspective: therefore, the BiH case fits well into a research design aiming at augmenting our knowledge about how contextual factors influence and shape the dynamics of administrative and public management reforms (PMR).

To this purpose, in this paper we study the BiH case of PMR through the analytical-theoretical lens of the "Pollitt and Bouckaert (P &B) model", a prominent and widely employed framework developed by the late C. Pollitt and by G. Bouckaert through four editions (dated 2000, 2004, 2011, 2017) of their oft-cited book "Public Management Reform: A Comparative Analysis". The P&B model provides a lens through which to analyse the BiH case and make it amenable to comparative analyses and discussion, a theoretical-analytical lens with which a large part of the scholarly community, and to a significant extent also the community of practitioners, in public administration is familiar. At the same time, the uneasy way with which the BiH case can be accommodated into the P&B

model enables us to revisit certain features of this very model, thus contributing also theoretically to knowledge generation in the field.

In discussing the BiH case, we also employ on a selective basis, in order to shed light on certain specific aspects, a comparison with the cases studied in the P&B book. Notably, out of the twelve country case studies studied in the P&B book, we single out Belgium and Italy. The reason why we focus specifically on these cases is that, while these two countries may appear – and indeed are – so very different and distant from BiH, there are certain similarities which deserve being considered, and which may shed light on aspects of the BiH case in addition to being meaningful from the viewpoint of comparative public administration, which aims at detecting similarities alongside dissimilarities (even when these may not be *prima facie* apparent) among administrative systems.

In fact, taking the comparison with Belgium first, we may notice that both Belgium and BiH are consociational systems, namely political systems in which power and resources are spread out to social-linguistic-cultural groups as much as possible and each group retains veto powers over collective decision-making processes, alongside being federal. This entails public decision-making processes that either conform to a highly consensual pattern, or they tend to get paralysed. As regards the comparison between BiH and Italy, the notion of "context in motion" has been minted to qualify Italy since 1992 (Ongaro, 2009): context in motion refers to a situation in which the very dimensions of the political-administrative context, which are generally assumed to be constant or at least to transform only over longer time frames than the timeline of the object of investigation (the reform of public management), are themselves subject to change at a pace and speed comparable to the change occurring in the explanandum, that is, administrative reforms. The notion of context in motion may usefully be applied to characterise BiH since 1995.

From a methodological standpoint, this paper is an exploratory single case study of the public management reform trajectory in BiH as the unit of analysis. Data collection and analysis utilised for the preparation of this work includes: documentation, reports, books, written records of events and projects, written interviews, assessments, and articles as the secondary data collected from the Public Administration Reform Coordinator's Office (PARCO), European Commission (EC), World Bank (WB), International Monetary Fund (IMF), OECD/SIGMA, Office of the High Representative (OHR), and various international and local organisations.

The paper unfolds as follows: the next section outlines key features of the "unique" institutional landscape and socio-political and administrative context of BiH from the Dayton Peace Agreement (DPA) in 1995 to the end of 2020. The subsequent section describes the trajectory of PMR over the period of observation. The concluding sections then revisit certain analytical dimensions of the Pollitt and Bouckaert model of analysis of contextual influences on the reform of public management in a given jurisdiction by discussing its applicability to the distinctive case of BiH, and further argue on the significance of including the BiH case in the international and comparative study of public administration and public management reform.

## 2. The "Unique" Institutional Landscape and Socio-Political and Administrative Context of BiH since the Dayton Peace Agreement

### 2.1. BiH after the Dayton Peace Agreement

The Dayton Peace Agreement<sup>1</sup> in December 1995 put an end to the armed conflict. Since this event, BiH has embarked simultaneously on processes of post-conflict reconstruction, peace building, and democratic consolidation. The 1990s brought dramatic changes to BiH. The dissolution of Yugoslavia and the breakup of its common economic and political space gave a particular twist to the transnational context in which BiH, as well as the other newly formed states, had to launch and implement reforms. The referendum of independence held on 1 March 1992 and the secession from former Yugoslavia was a cornerstone, and the war, the conclusion of the Washington agreement (as first steps in redesigning the old BiH), and finally the Dayton Peace Agreement were founding moments, path-making in nature, seminal events that, in a historical institutionalist perspective (Ongaro, 2017; Peters, 2005; Thelen & Steinmo, 1992) can be seen as having shaped the subsequent course of political and policy decisions in the jurisdiction. BiH "represents the single largest post-cold war international effort to confront and contain intrastate conflict and promote reconstruction" (Andreas, 2004, p. 30). Political and

<sup>&</sup>lt;sup>1</sup> The full title of the Peace Treaty is General Framework Agreement for Peace in Bosnia and Herzegovina (GFAP).

economic reforms have taken place in an immediate post-war context and tripartite power-sharing governance that has led to a locked-in political status quo, sustained by socio-ethnic structures, constitutional, statutory and electoral institutions and political dynamics. BiH has faced distinctive challenges to extricate its socio-economic and political identity from the experience of belonging to a common state (Kostovicova & Bojičić-Dželilović, 2006).

The adverse social impacts of the conflict on the society and economy were equally deep. At the end of 1995, BiH was a war-torn and impoverished country with a complete institutional discontinuity from the pre-war period that embarked on a new era of democracy building and permanent reformation. Similarly to the case of Italy, it can be qualified as a case of (political-administrative) "context in motion" (Ongaro, 2009), giving rise to a distinctive setting for public administration reform to unfold within an endless tripartite transition process enduring severe political turmoil, instability, and crisis.

### 2.2. The New Constitution

The outcome of Dayton and the subsequent post-war reconstruction is the new and octroyed constitution. As a part of the peace agreement, the constitution was drafted and adopted without involvement of its citizens and applicable procedures that would have ensured democratic legitimacy. The new constitution and state architecture were defined externally and accepted in the form of minimal consensus by the presidents of former Yugoslavia, Croatia and BiH within the Davton framework. It is a unique case of a constitution never officially published in the official languages of the country concerned but agreed and published in a foreign language. Primarily based on principles of interethnic accommodation and compromise amongst the warring parties rather than democratisation (Bieber, 2019), the constitution does not recognise the "citizen" as a constitutional category but "constituent people", nor does it give national minorities a status that would ensure strong protections. The powers in BiH are divided between the Entities and the Brčko District, whereby each of them has legislative, executive, and judicial powers and constitutional autonomy. The two Entities (namely Republika Srpska (RS) and Federation of Bosnia and Herzegovina (FBiH), internally divided into ten cantons) have practically become states-within-a-state with extensive control and autonomy in exercising their own legislative, executive, and judicial powers subject to general guiding principles of the state constitution. The division of the FBiH Entity into ten cantons has decentralised the state authority further (Vanjskopolitička inicijativa, 2008).

The Entities, to a significant extent, participate in the formation of the central government such as selection of delegates in the House of Peoples of the state Parliament, or selection of judges of the BiH Constitutional Court, or in the sense that they represent electoral units for the state institutions and administrative bodies (Ademović, Marko & Marković, 2012). However, the elements required for the functioning of a dual federal system were not incorporated into the new constitutional framework: instead of entrenching a high degree of independence in the decisionmaking process at the state level, both Entities are strongly represented in the state level decision-making process, and they have been effectively exerting, or indeed abusing, their veto power over the modest list of state competences. In terms of the P&B model, it is challenging to position BiH along the continuum from majoritarian to consensual systems (based on Liphart's scale): in an attempt to do it, we can say BiH lies at the extreme of the consensualistic point, but up to the point that each ethnic-political group or faction wields veto powers, and is so often keen on using it, to a level that sets the BiH case "off the scale", and leads to characterise decision-making in BiH in a way that cannot be detected in the other twelve country case studies in the P&B book.

## 2.3. The Role of the International Community in BiH

The post-war reality has been strongly marked by the presence of the international community. The influence wielded by the Office of the High Representative (OHR), the EU and other international actors in postconflict developments were of utmost importance (Divjak, 2007). The most distinctive feature of the BiH state – when compared with all the other jurisdictions studied in the P&B book – is the role played by the international community, notably through the Office of the High Representative.<sup>2</sup> Upon conclusion of the peace agreement, the OHR was established as a diplomatic mission to supervise civilian aspects of the peace implementation process and closely collaborate with parties to the agree-

<sup>&</sup>lt;sup>2</sup> The OHR makes BIH a non-sovereign state, and all efforts to reach full EU membership for BiH under the international control and supervision are sort of a bizarre political experiment.

ment<sup>3</sup>. It should have lasted only one year, but eventually its mandate was prolonged and its remit further enhanced. The institution is still operating in the country (at the time this publication goes to press) as a diplomatic mission to supervise civilian aspects of the peace implementation process and closely collaborate with parties to the agreement. The High Representative also acts as EU Special Representative. Throughout the various stages of the reform process, the EU has played several significant roles: the main financial contributor to the process; the role of a mentor, via various dedicated programs, action plans, and technical assistance; and the role of an unbiased observer, corrector, and advisor involved in the ongoing and planned reforming processes (Buha, 2013). The roles of evaluator, decision-maker, and gate keeper are some other "unofficial" roles that the EU added to itself (Milovich & Ossewarde, 2013). The EU also has a key role since BiH has been for a long time in the pre-accession to the EU process, and BiH has somewhat been affected indirectly by the developments of the European administration space (Koprić & Kovač, 2017). The accession to the EU has become one of the fundamental foreign policy and strategic priorities within this socio-historical context of peace building in BiH (Pejanović, 2016). The turning point in the relations with the EU was in 2000 when the EU conditionality was offered to the Balkan countries (Blagovčanin, 2016). The "Road Map for BiH" marked a (partial) transition from the international to EU "ownership", and gradual transformation of external regulatory mechanisms under the leadership of the EU (Chandler, 2006). The reforms demanded by the EU have linked the membership prospects with changes of the state structure, and most of these conditions were imposed by the OHR. The pressures of EU accession to adopt administrative reform packages have been insufficient for the reforms to unfold without a strong commitment of domestic actors whose political discourse has not significantly shifted towards the European agenda. Often demonstrating a lack of sensitivity for the complexity of the socio-political context of the country, the EU has not been able to develop an adequate "stick policy" when dealing with Bosnian politicians opposing the Euro-Atlantic integrations and disputing the BiH institutions (Brljavac, 2011).

<sup>&</sup>lt;sup>3</sup> The UN Security Council Resolution 1031 of December 1995 endorsed the establishment of the OHR and entrusted the High Representative (HR) "as the final authority in theatre", regarding the interpretation of Annex 10, being the agreement on civilian implementation of the peace settlement. The executive, judiciary, and legislature have been de facto unified in the person of the HR, and the OHR became the most influential institution in BiH, and the only one not formally based on the division of power (Bieber, 2004).

Neighbouring countries and key actors in the process have also been Serbia and Croatia, which committed to respect and guarantee BiH sovereignty and territorial integrity, and promote regional stabilisation through progressive measures. However, territorial aspirations on the side of Serbia seem to have greatly weakened this stabilising function. The preservation of the RS Entity has been one of Serbia's foreign policy priorities, and its interventionist approach has also infiltrated economic policy. Croatia has also been deemed to have interfered in BiH internal politics, through the promotion of separatist tendencies such as the proclamation of "Croatian territories" and rehabilitating "Herceg-Bosna" (Gačanica et al., 2021).

# 2.4. Distinctive Features of the Political-Administrative Elite in BiH

The post-conflict reconstruction and state-building has over time morphed into a long-term, continual process. Multiparty democracy took over from the prior communist single-party political system, and the earlier mix of planned socialist economy was replaced by institutions of market economy (Papić, 2015). First we focus on the constitutional design, while economic forces are discussed jointly with socio-demographic dynamics as part of the pressures for change and reform. Importantly, we do not discuss the theme of "corruption" (in a broad sense) and integrity of governance, due to space limits, but this, too, is a significant contextual influence on the dynamics of administrative reforms which deserves consideration.

Relations among ethnic groups remain strongly entrenched and continue to shape the political-administrative context, specifically at the state level and the FBiH Entity, and to a lesser extent in the RS Entity (Rabrenović & Verheijen, 2005). The BiH Presidency and the Council of Ministers represent the BiH Government, i.e. executive branch of power, which is assigned very limited competences by the Constitution, and these can be wielded only with the consent of representatives of the Entities.<sup>4</sup> Decisi-

<sup>&</sup>lt;sup>4</sup> These are: foreign policy, trade policy, customs and monetary policy, financing of institutions and international obligations of BiH, immigration and refugees, implementation of international and inter-entity criminal regulations including relations with Interpol, interentity transport, establishment and functioning of joint and international communication means, and air traffic control.

ons can only be taken by unanimity (hence the veto power for each constituent), which is a decisive factor in governmental decision-making. The tri-partite Presidency is represented by a Bosniak, Serb, and Croat, each directly elected from the territories of the Entities for a term of four years. The "Sextet" is the group of six leaders of the two largest parties from each of the three ethnic communities. It is tightly locked into the system and runs the government and the economy as an informal coalition operating by consensus. International actors use this group for their objectives, given that no progress is accomplished without their approval (ICG, 2014). Their grip has strengthened after the international community handed over political control in 2005 (Weber, 2017). This form of governance is central stage in BiH and somehow takes the place of the "political elite" and "administrative elite" at the centre of the P&B model. The incentives of this narrow and tightly-knit elite are likely to all lean in the direction of preserving the status quo, and in this sense run against reforming the public sector, if not in cosmetic ways, or however in ways that do not alter its fundamental decision-making process, but administrative and public management reforms do change decision-making (by introducing performance measures as decision-making criteria, by altering the composition and status of the civil service, by shifting decision powers, and so forth).

The Presidency works, like most other institutions, on a power-sharing basis, and it appoints its Chairman on a rotational basis every eight months; decisions are made by consensus and each Presidency member has de jure veto rights.<sup>5</sup> Such strict power-sharing rules of the Presidency have been frequently criticised to be the core obstacle for the inflexible and slow nature of the entire political system (European Commission for Democracy through Law, 2005). The High Representative, especially in the first post-war decade, removed several Presidency members from the office by using its supraordinate powers (Gavrić, Banović & Barreiro, 2013). In short, "the political administrative elite", which sits at the centre of the P&B model given its central role in the administrative reform process, has been during the observation period "both internally highly fragmented", due to the ethnic-based tripartite configuration of public governance (both in its political and in its administrative components at the country level), "and tightly connected and nearly impossible to replace". The elite is "complemented, albeit occasionally replaced by its superseding decisi-

 $<sup>^5</sup>$  If an overruled member declares a veto and finds the decision destructive for the vital interest of the Entity from which the member was elected, the decision is forwarded to an authorised Entity body for review.

ons, by the key international actors, chiefly embodied in and by the figure of the High Representative and the Office of the High Representative". While the dynamics of policy processes – and the process of administrative reform can be seen as a policy process in its own right (Barzelay, 2001) – is ampler than the sociogram of the elite decision-makers and their mutual social connections, we can argue that this configuration is likely conducive to administrative reforms that are externally (i.e. internationally) driven, and the country-level elite is unlikely to develop a sense of ownership over such reforms, and it is even less likely that a shared agenda for reform may overcome the cultural-political cleavages and be attained. Quite the opposite, the elite and political parties they are members of may have strong incentives in preserving the status quo, hence sapping reforms of their very premises.

# 2.5. The Political-Administrative System: Distribution of Power and Organisational Configuration

In terms of organisational configuration, understaffing on one hand, persisting political tensions and recurring disagreements between the Entities and the State on the division of competences on the other, have further constrained the effective exercise of the central state powers (European Commission, 2019), undermined by the aspirations of the Entities for greater autonomy (Freedom House, 2020). Only during one-term rule of civic parties in 2000 was the central state somewhat strengthened, most visibly in the establishment of new ministries (Bieber, 2004). In broad terms, "vertical dispersion of authority" that Pollitt and Bouckaert identify as a factor affecting the dynamics of formulation and implementation of administrative reforms, is extremely high, and the central state, in itself limitedly cohesive, is mostly prevented from intervening in the Entities. Indeed, the Presidency should promote the coordination between the Entities in the areas under their exclusive competencies (Art. 3, BiH Constitution) one of them being the responsibility for the reform of public administration that lies with their governments; however, the incentives for horizontal cooperation of the Entities under the coordination of Presidency are weak already in its formulation stage, and the Presidency has in practice not had a significant role (Woelk, 2019). Therefore, also on the horizontal dispersion of authority, which Pollitt and Bouckaert identify as a factor affecting the dynamics of the formulation and implementation of administrative reforms, the BiH displays a level of dispersion of power

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probably superior to any of the jurisdictions analysed in the P&B book, and power-sharing mechanisms are preventing rather than allowing the government to exercise its powers in a coordinated way, with no politicalinstitutional actor able to "call the shots".

Albeit formally a democracy, the state functions as a power-sharing ethnocracy (Bertelsmann Stiftung, 2022). Ethnically divided territory and governance system have brought ethno-territorial interest groups and civil society organisations (Bertelsmann Stiftung, 2022). Social cohesion and inter-ethnic reconciliation are victims of propaganda and political opportunism (Ker-Lindsay, 2016). Ethno-political segregation and ethnic polarisation are enduring key features of the socio-political context (Chandler, 2000). Both "ethnically exclusive" state structure and institutional functioning have favoured the establishment of an ethnocratic system (Džihić & Wieser, 2011) featuring ethnopolitics (Mujkić, 2015) which seeks to meet specific interests of political-economic elites defined along ethnic lines to protect their national "reserved domains".<sup>6</sup>

In sum, BiH displays a very high dispersion of power (obtained by design by means of a highly decentralised state structure and due to its underlying ethnic bases, up to the point that it is possible to speak of "fragmentation" of power to an extent not detected in the other jurisdictions studied by Pollitt and Bouckaert). As predicted by P&B, dispersion of power does indeed reduce both the rapidity and radicality of reforms: this confirms a finding of the P&B model, albeit through the case of a very distinctive state governance, profoundly diverse from that of the twelve countries investigated by Pollitt and Bouckaert. We should add that the dispersion of power would require a consensual style of governing for enabling reforms to occur compensating for lack of central coordination, but while in consensual systems like Federal Germany the cohesiveness of the political and societal groups is conducive to agreements on the contents of an administrative reform package that may enable its smooth, albeit slow, implementation later on, the confrontational style of governance in BiH

<sup>&</sup>lt;sup>6</sup> An analysis of the election results from 1996 to 2014 by applying volatility measures between party segments corroborates this picture: the analysis identifies three ethnically defined party subsystems with almost no fluctuation of voters across the ethnic groups and significant volatility but only within each ethnic group (Kapidžić, 2017) and "[N]o party has been able to successfully cater to a cross-ethnic, cross-entity electorate" (Bieber, 2019, p. 347). Reduced international interventions in the operational management of the state after 2006, and persevering lack of political willpower have set a specific power vacuum filled by ruling ethno-national elites and their strife to control the state and democratic processes (Blagovčanin, 2016).

compounds with the high dispersion of power (highly fragmented governance) to fundamentally disable reform attempts. In this regard, the *sui generis* stability determined by voters aligning closely with "their" ethnic parties (with no volatility across the clusters of parties, but with high volatility within each ethnic group) has not translated into consensual styles of governing, first and foremost because of the tensions between ethnicities, and also because of intra-ethnicity volatility and thence electoral competition further reinforcing "extremist" rather than more moderate positions (only the Croat segment has a system with one permanently dominating party, which is HDZ, Kapidžić, 2017).

### 2.6. Conception of Public Governance

Based on an analysis of the "conception of the role of the state in public governance" elaborated by Jon Pierre, Pollitt and Bouckaert classify public management regimes into "public interest", on one hand, and legalistic "constitutional state" orientation, on the other hand, as two particularly strong models, with very few systems falling in-between the two. However, in later editions of their book this assessment became more nuanced: arguing that there is more to administrative culture than just a dichotomy between the Rechtsstaat model, where the state is a central integrating force in the society with a focus on the enforcement of the law (France and Germany), and the Anglo-Saxon "public interest" model featuring a less dominant role for the state, viewed as a necessary evil (USA) in the society, the authors integrate a classification by Kuhlmann and Wollmann (2014) into six "administrative profiles" amongst which four are relevant for their observed European states, where the Central-Eastern and South-Eastern are administrative traditions pertinent to BiH. The BiH falls into the "legalistic camp, but with a number of traits in common with Central-Eastern and South-Eastern jurisdictions, and with its very distinctive twist due to its ethnic bases being rooted into the constitutional fabric" ethnicities rather than "the citizens" being at the centre. This constituent ethnic component is a feature that distinguishes BiH from all the other jurisdictions investigated in the P&B book.

To further "zoom in" on qualifying the culture of governance, and notably focusing on the administrative culture, it should be noted that BiH has extensively founded its administrative culture and practices on the old Yugoslav system of command and control (in this sense administrative reform undertaking a trajectory of reform different from other countries in former Yugoslavia, see e.g. Kovač & Bileišis, 2017), featuring low transparency and little responsiveness to the needs of citizens. A culture of government information-elitism, institutional secrecy, and deliberate withholding of information inherited from the previous system seem to be lingering features pervading the administrative culture (Vanjskopolitička inicijativa, 2008).

As regards the "ministers-mandarin" relations – another key contextual dimension identified in the P&B model – the extreme politicisation of the civil service system is a major feature, stemming from the polarisation that intensified during the wars and the painful processes of establishment of the new states that originated from the breakup of Yugoslavia. Earlier civil service legislation was not necessarily discarded in all cases, instead their interpretation and application became much more political (Rabrenović & Verheijen, 2005). Political patronage and cronyism have been affecting all administrative levels, while institutionalised ethnic divides are used to mask it (SIGMA, 2012). Ethnicity in the form of official nationality policy and the so called "national key" created a specific basis for power sharing and became a semi-official source of legitimising the semi-formal transformation of the socialist system. Ethnicisation serves as a tool to turn public administrations into the core instrument of systems of patronage.

# 2.7. Sources of Policy Advice in Matters of Administrative Reform

As regards the "sources of policy advice" in matters of administrative reforms, in their model Pollitt and Bouckaert propose that the wider the range of sources of advice, the more likely it is that new ideas, especially those from outside the public sector, will be heard by the ministers in persuasive and influential forms. The external sources of policy advice prevailed in case of BiH and were more influential in comparison to the (almost entirely absent) internal ones. Such an extremely wide range and extensive list have not necessarily ensured greater results: "[t]he extension of international mandates over the state has left little space for Bosnian state institutions to make or to implement policy" (Chandler, 2000, p. 55). International organisations have conceptualised and drafted all common state policy documents since 1995, from the justice matters to the SAA conditions (Vanjskopolitička inicijativa, 2008), but these have often resulted in a patchwork of inconsistent pieces of legislation or reform packages depending on the international organisation active in the given time and policy area, leading to fragmented reform packages, for which local stakeholders had no or very little sense of ownership, hence (as predicted by P&B) external sources of policy advice led to limited ownership and even less implementation, notably so in this extreme form whereby almost all reform ideas were external to the government and bureaucracy.

### 2.8. Institutional Configuration and the Legacy of the Past

The legacy of the past – Yugoslavian public governance and administrative culture – should also not be underestimated. BiH endures all of the governance problems of the former Yugoslavia (SIGMA, 2012). Some of the key policy and governance features which are an outcome of post-war decisions are (remain) deeply rooted in the socialist past, and display clear continuities of the socialist governance and similar dynamics and governance issues consistent across different governmental layers regardless of their constitutional design (ESI, 2004). The legacy of the war has additionally slowed down the transition towards truly "post-Yugoslavian" governance arrangements in comparison to other former Yugoslavia countries.

These lingering features have proved to be remarkably resilient in passing almost unaltered through the radical changes to the legal system and to the formal structures of government that were foisted upon BiH. The most prominent continuity pertains to the fundamental understanding of the notion of what good governance means, and a crucial segment of the Bosnian elite is susceptible to the belief that policy, mainly understood as legislation, can be best formulated outside the political process and imposed without the participation of those who have a stake in it. A long tradition of top-down development and decision-making by outsiders and lack of participatory politics are still present (ESI, 2004). Compared with other communist regime legacies, it has been placing significant emphasis on legalism with retained elements of professional competence in the recruitment and promotion of officials (Meyer-Sahling, 2012). Legalism characterises the mode of reforming and powerfully determines the constellation of influential actors in the reform policy process (Ongaro, 2009). Legacies of ancient socialist cadre administration and legalist bias imply that in BiH a lot more attention has been paid to enacting the legislation rather than to the actual implementation.

The broader lesson that can be drawn here is that, notwithstanding the major discontinuity brought about by the collapse of Yugoslavia, the war and the post-war "new" governance arrangements, there seems to be

much about decision-making processes in contemporary BiH that can be learnt from a comparative analysis of public decision-making processes in the former Yugoslavia – although this path of investigation might be made difficult by the very passing of time (historians are required to work with political scientists and public administration scholars here), and especially by continuing political sensitivities about the controversial past.

To add complexity - and sensitivity - to the significance of the past for BiH, one should also take into account how Austro-Hungarian institutions were incorporated into the administrative fabric of BiH. It is important to notice that BiH was under Austro-Hungarian rule between 1878–1918, before becoming part of Yugoslavia, a state that was created in the aftermath of WWI in 1918 as the Kingdom of Serbs, Croats and Slovenes, renamed into Kingdom of Yugoslavia in 1929 and then, after falling apart in 1941 during the attacks of Nazi Germany, re-established by communist formations in 1943 as Democratic Federal Yugoslavia, which later, in 1945, became the Federal People's Republic of Yugoslavia, and finally, in 1963 until its dissolution in 1992 the Socialist Federal Republic of Yugoslavia (SFRY), with BiH as one of its constituent units. And before Austro-Hungarian rule, it is important to consider that BiH was part of the Ottoman Empire, hence experienced (and partook of) its distinctive administrative system, a system of public governance and a bureaucracy with a long and impressive history of administration and its reform. According to Drechsler (2017), the (only) institution that, in a limited and transformed way, to a certain extent still survives of the Ottoman period are the *waqfs*, re-established as of recent after the collapse of Yugoslavia. The *waqfs* are charitable Islamic foundations and represented a key welfare institution in the Ottoman Empire: "inalienable private foundations, sometimes endowed by the rulers and their relatives, financed much of social care or charity as religious institutions" (Drechsler, 2017, p. 1041; Barnes, 1987). Once more, this reinforces the message that the study of the administrative history of BiH in particular, and of the Balkans more widely, would be extremely beneficial to the understanding of contemporary PA – but as said, this path of investigation might be especially challenging and controversial in this region.

### 2.9. Pressures for Reform in BiH

Finally, Pollitt and Bouckaert argue that the upsurge of reforms over the decades since the 1980s can be attributed to a number of factors exerci-

sing pressures for reform (albeit by themselves not suggesting what reforms), and particularly global economic forces, socio-economic changes, as well as pressures from citizens. Starting from macroeconomic forces, in the case of BiH, the "official" economy has been governed and dominated by international agencies, with the model of economic transformation ultimately derived from the neoliberal ideology and the Washington consensus on developmentalism dominant at the time. However, as in many other socialist regimes in transition, in BiH much of the old socialist regime legislation, arrangements and policies (social protection, healthcare, employment, and pension) coexisted with the "new" mechanisms of allocation of resources through free markets and free movements of capital, goods, and services (Omerbegović-Arapović, 2015). The patronage economy proved resilient, having survived the fall of communism, war, and intrusive international administration (ICG, 2014,). This "hybrid" regime hardly proved to be enabling or facilitating the development of administrative reform packages, rather its two separate trails tended to inhibit, if not the formulation, then the implementation of reforms.

New constitutional design tied up the hands of the central government in the state-wide socio-economic affairs by assigning the exclusive authority only for foreign trade, customs and monetary policy, whereas all other economic and social policies are delegated to the Entities and Cantons. The state has been powerless in managing its own development, further disrupted by the lack of openness of the two Entities (Domazet, 2016), and their collaboration with the BiH government. Administratively devised economic space and the weak central government have disabled the development of one unified and coordinated macroeconomic policy. Even though background socio-economic pressures and changes may be high, the government has been disabled from reflecting them in the policies that could have any significant influence on the reform.

As regards socio-demographic changes, the first crucial event to consider – and one which sharply differentiates the BiH case from those of the jurisdictions studied by Pollitt and Bouckaert, is the war and consequent displacements that caused major changes to the demographic composition of the population and war-induced structural change in attitudes whereby the ethnically tolerant Bosnian society turned into a very intolerant one in only a few years (Dyrstad, 2012). Approximately half of the population registered in 1991, or approximately 2.3 million, fled their homes and became refugees abroad or were displaced within the country. According to the first and only post-war census that took place in 2013, the total population was 3,531,159, with the three dominant ethnic grou-

ps accounting for 96.32% of this number. Bosniaks account for 50.11% of the population, 30.77% are Serbs, and 15.42% are Croats. Ethnic identities are mainly built on religious identities: Bosnian Muslims most often declare themselves as Bosniaks, Bosnian Catholics as Croats, and Bosnian Orthodox as Serbs. The two Entities have a clear ethnic structure, with just over 81.5% of all Bosnian Serbs living in the RS Entity, while 22.4% of Bosnian Croats, 70.4% of Bosniaks, and 2.5% of Serbs are living in the FBiH. The remaining 3.6% are other ethnic groups (Census 2013, 2016). Ethnicity defines political and social life, tightly intertwined with religion, nationality and frequently politicised (United Nations Development Program, 2009). Despite the formal delineation between the state and religion, religious communities exert influence on public and political life, with mixed effects on post-war reconciliation. During the disintegration of former secular Yugoslavia, religious leaders of the three confessional groups became the key components of informal elite structures. Alliances with emerging ethno-nationalist movements and lending legitimacy to the policies of ethnic cleansing were semi-integrated by the three communities into political party structures. An almost complete merger of ethnic and religious identification, particularly among Serbs and Croats, resulted from this alliance. They have continued to use their positions to shape political discourse and developments in the country, and underscore the perceived disadvantageous position of their ethno-religious communities rather than promoting interethnic tolerance and understanding (Bertelsmann Stiftung, 2018).

The census was a long-standing, highly politicised, and sensitive issue resulting from the inability of political parties to reach an agreement, hence the results were published three years later (Cvitković, 2017). The 2013 census showed a major population decline.<sup>7</sup> For the first time since World War II, population decline was registered in comparison with the 1991 census. Such a declining trend has continued thereafter, placing BiH amongst the fastest shrinking and aging populations in the world (World Bank, 2015), with an impact in terms of reduced GDP growth, and pressures on public budgets due to a higher total cost of health and retirement programmes for the elderly. Between 2005 and 2017, BiH noted a slow and steady rise of pensions and health care, already accounting for a large portion of the GDP share in both Entities. Ageing population and

<sup>&</sup>lt;sup>7</sup> The estimates of the Ministry for Human Rights and Refugees indicate that around 1.7 million citizens are residing in other European countries, around 350,000 in the US, 50,000 in Canada, and 60,000 in Australia (Emirhafizović et al., 2013).

declining younger population, coupled with fiscal pressures, however, has not encouraged the governments in BiH to review the scope of services provided.

Social and economic disparities are extreme as the society is divided into a relatively small active group earning a regular salary and frequently abroad, and a larger part reliant on transfers from the government or remittances from relatives (World Bank, 2015) as a socio-economic minimum. Pervasive inequality has been essential for running clientelistic politics (Obradović & Filić, 2019). Most of the population has lived on a low income, international humanitarian help, and activities from the informal economy. As a considerable background pressure for the public management reform, socio-demographic changes such as an increase in the number of pensioners or high unemployment did not provide a powerful incentive for the politicians and civil servants to search for the ways to ease the strain on the system, nor were these pressures reflected in the socio-economic policies of the different administrative levels.

The extant social welfare system has had no effect on the reduction of poverty (Papić, 2015). Its inefficient and fragmented delivery is one of the reasons human development indicators are below expectation, undermining the human capital development, heightening governmental costs, and adding to the tax burden on work force (World Bank, 2015).

As one of the challenges of the BiH society, ageing population influences all life segments, from the family composition and life arrangements, social welfare, and economic activity to the employment rates and intergenerational transfers (Peace et al., 2007 as found in Emirhafizović & Zolić, 2017). Together with the declining younger population and fiscal pressures, it should encourage the governments to review the scope of services (Wolf & Amirkhanyan, 2010), as the public sector could become an ageing workforce responsible for a large number of the elderly, who may have to work longer as well as reconsider carefully the risks and opportunities it carries (Bossaert, Demmke & Moilanen, 2012).

As regards "pressures from citizens", the long socialist rule and inherited behaviours from the previous communist regime in combination with the new constitutional framework continuously fostering ethnic homogenisation, entity voting with ethnic groups that placed the political elites at the forefront of decision-making process, undeveloped political culture and environment in which almost every individual is identified by own ethnic group (Žeravčić, 2016), have marginalised and constrained the development of civil society. Although somewhat robust, civil society remains

institutionally weak and fragmented, financially unsustainable, and largely dependent on political will and funding by the international community (Žeravčić, 2016), and with no significant impact on any aspect of public sector reform. The dominant ethno-nationalist agenda has deprived BiH citizens of playing a more significant role (Brljavac, 2011). The notion of "citizen" is undeveloped and the pressure exerted by citizens failed to influence significantly either the elites or the ideas of political parties. Ultimately, they are a weak voice in demanding reforms of the public sector and public services.

# 3. Overview of the Trajectory of (Non-)Reform of Public Administration in BiH over 1995–2020

### 3.1. Dynamics of the Reform Process

The first stage in the timeline of reforms across CEE countries (Nemec. 2008) is the democratisation stage, which in Central Europe started in the early 1990s and focused on building new PA systems by replacing the old socialist structures with new democratic ones. In the EU preaccession phase at the end of 1990s and beginning of 2000s, typical tasks included decentralisation, establishment of the Civil Service, introduction of e-government, and improvement of financial control. Subsequently, reform directions diversified across CEE, including post-conditionality subsiding after accession for a number of countries that joined the EU (Mever-Sahling, 2009; for an overview of convergences and divergences in those CEE countries which joined the EU, see Kovač & Bileišis, 2017). In BiH, the public management reform unfolded in three stages. "Pledges on Public Administration" presented to the Peace Implementation Council in 2003 marked the first cycle of the reform that ended with the of the first Action Plan (AP1) in 2010. Lack of funds and delayed recruitments constrained the preparation of a country-wide strategy (European Commission, 2006), therefore the initial endeavours focused exclusively on promoting the reform. Public Administration Reform Coordinator's Office (PARCO) established in 2004 was the key coordinator of the process (PAR Strategy, 2006), together with the coordinators for the Entities and the Brčko District. Finding the initial objectives ambitious or without added value, PARCO concluded the Revised AP1 (RAP1) at the end of 2010, setting the new deadline for 2014 (PARCO, 2011), which marked the start of the second cycle of reform. After the expiry of the RAP1 and the Strategy in 2014, the four governments extended the RAP1 in 2015 and continued without a state-wide strategic framework, adopted at the end of 2018. The grave socio-economic situation and social protests in 2014 further exacerbated by floods prompted the EU to set socio-economic reforms as a priority in the process of EU integration. The "Reform Agenda 2015–2018" was the third cycle of the reform targeting the economic recovery and modernisation through new measures, nonetheless without significant economic outcomes.

The sluggishness in the reform process has been largely caused by permanent clashes over ethno-national issues amongst the ruling coalition partners at the level of the State and FBiH, and the subsequent government and parliamentary inertia across all governmental levels. Structural reforms that would undermine the existing patronage systems and challenge the interests of the ruling elites were not implemented (Bertelsmann Stiftung. 2020). The Economic Development and European Coordination Board as a political body tasked with steering, coordinating, and overseeing the reform never gathered since it was founded in 2007 (SIGMA, 2017: Transparency International, 2014). Notwithstanding the formal and functioning reform coordination structures set at political and administrative levels, individual and managerial responsibility for specific reforming activities was not assigned, nor were nongovernmental stakeholders involved (SIGMA, 2017). Political involvement boiled down to a mere review of progress reports and deciding on projects financed by the Reform Fund. The state structure and inexistent institutions and procedures governing relations amongst the administrative levels constrained any coordinated approach to the reform, making it almost impossible in practice.

The OHR steered most reforms to ensure some degree of complementarity between numerous reform projects running simultaneously. Institutional discontinuity at the level of the State and the unresolved status of the Brčko District demanded additional attention. The four administrative levels worked rather independently on their reforms that unfolded differently across the levels due to various donors' interventions. The dominating role of the OHR likely produced an inert stance of local authorities towards the reforms with avoidance of responsibility, and hampered the making of policy compromises (SIGMA, 2004; 2006). The governments of the Entities, and more specifically the RS, have been hostile towards the rationalisation of the public administration that implies a transfer of competences to the State (EC, 2011). The RS and the majority of its political parties have viewed the EU conditionality as a major surrender of power. They have traditionally obstructed any changes to the Dayton system, owing to fears of marginalisation in a more centralised system of governance while hiding their interests in the status quo and the nationalistic rhetoric (Noutcheva, 2007). Since 2006, the RS leadership has often criticised and ideologically rejected any transfer of competences to the State, refusing to coordinate or harmonise the Entity policies.

What follows is an overview of reforms, according to the components identified in the Pollitt and Bouckaert model. Reforms did not encompass cantonal and municipal levels nor envisage any major changes concerning the organisational setup: for this reason, this component is not presented here. Also, reforms in the area of performance management were extremely limited (some elements can be indirectly found in financial management reforms). The focus is therefore on reforms in the areas of financial management and personnel management.

# 3.2. Financial Management (Budgeting, Accounting, Auditing)

In a complex system of public finances, the administrative levels have been managing their finances according to their own and substantially disparate legislative frameworks. Posing considerable challenges to policy coherence and frequent policy paralysis not because of ethnic issues embodied in the system exclusively but a weak central government and its limited capacity to promote binding and sustainable decisions state-wide (World Bank, 2003), high fragmentation and lack of coordination amongst various levels have been undermining the accountability, economy, efficiency, and effectiveness of public financial management. Minimal delegating by the heads of budget organisations (SIGMA, 2009; World Bank, 2003) and inadequate internal controls have exposed them further to inefficiencies and waste of resources (World Bank, 2014). Despite an inexistent countrywide strategy, some segments of public finances have undergone significant changes.

*Budgeting.* The objective of the reform has been to replace the traditional line-item-based budgeting process with a programme-based approach within a Medium-Term Expenditure Framework. Amendments to the legislation, preparation of the Medium-Term Budgetary Framework in the form of the Budget Framework Paper, and their integration into organic budget laws were the initial steps. Because of insufficient political engagement in setting the budget parameters and policy priorities (World Bank, 2007), improved coordination and harmonisation of the budget processes was seen in the Budget Coordination Board formed in 2006 (PARCO, 2006), and was incorporated into the Fiscal Council that took over the management of the budget process in 2008. Integration of budget calendars and timetables based on a "ten-step" approach to medium-term budget planning and formulation followed thereafter, aiming to enhance budget process discipline. Budget calendars became broadly closer in 2008 (PARCO, 2008). Budget Planning and Management Information System (BPMIS) implemented in both Entities and at the State level in 2014 marked the completion of technical requirements for the programme format (PARCO, 2014), used for the first time to prepare the budget for 2015. Nonetheless, the budgets are planned and registered in different software, whereas only the budget documentation of the State level is in programme format. The Entities present their budgets according to administrative and economic classifications incompliant with IPSAS or COFOG (Transparency International, 2017).

Accounting. The reform of the old internal payment system was another large economic project (Pugh, 2002) implemented primarily because of OHR interventions (Zaum, 2005). The socialist payment bureaus were dismantled and new treasury system introduced in both Entities between 2001 and 2002. The US Department of Treasury and the USAID assisted the State Ministry of Finance and Treasury in implementing the new system and single account in 2003. The reform necessitated a transfer of responsibilities to the respective Ministries of Finance for all payments of the public administration, and subordinating the three Direct Tax Authorities to the ministries. Since the project did not encompass local self-government units nor extra-budgetary funds, the objective was set to expand the system to all administrative levels, introduce a single harmonised accounting model, and contemporary accounting standards. At the end of 2010, the new treasury systems were installed in more than half of municipalities in the RS and only one in the FBiH. In the Brčko District, the project was still in procurement phase in 2014 (PARCO, 2010; 2014). The reform was the backbone of budget execution and control, overall cash management and financial reporting that brought outright savings to all levels, increased accountability and transparency, and improved efficiency as the public expenditure became tighter to the adopted budgets. However, the systems of accounting and expenditure control encountered no significant changes. The four legal frameworks still considerably differ concerning the accounting and reporting methodologies, most obvious from the unharmonised charts of accounts. While the RS is the only level that adopted IPSAS in 2006 and transited to full accrual system in 2013, other levels still apply a "dual" system using the cash-based approach for budget and the accrual-based approach for accounting (World Bank, 2014).

Another significant development was the indirect taxation reform in 2004 that required a transfer of competences to the State level. Prior to the reform, indirect tax policy was governed and administered by the Entities and three separate tax administrations, without coordination of sales, excise, tax policy or administration. Collection and distribution of revenues from the indirect taxation for the first time become the responsibility of the central government and newly formed state Indirect Taxation Agency (ITA). The new state laws replaced previous sales tax and customs legislation at the end of 2004 (Zupčević & Čaušević, 2009), and laid the basis for the operation of a single account.

Auditing. Considering that the old payment bureaus were the key element of the internal controls system that performed quasi-audit functions (World Bank, 2003), and since the new Constitutions did not include provisions on the mandate of public external audit, the audit institutions had to be created *ex novo*. The World Bank introduced external audit functions and supported the founding of Supreme Audit Institutions (SAI) at the State level and both Entities in 2000. The Brčko District established its own modelled on the State SAI (SIGMA, 2012). Independent external audit of government accounts started in late 2000 with the support of SIDA. Although auditing capacities advanced and the coverage expanded over the years (World Bank, 2014), better follow-up on external audit findings and recommendations has not been achieved, while the coverage and quality of performance audits is still uncomprehensive (World Bank, 2015).

Functional and EU compliant internal audit has not been established (Vuković, 2017). Lack of political support in early 2000s disabled the administrations to set efficient public internal financial control systems (PIFC) so they could endorse the transition to the new treasury system (World Bank, 2003). Between 2008 and 2011, laws on internal audit were adopted and Central Harmonisation Units (CHU) created to develop unified PIFC standards and methodologies. The exception is the Brčko District which, after creating the Audit Office in 2007, adopted its own PIFC strategy in 2014, and worked on drafting a new Budget Law with a specific section on PIFC (PARCO, 2015). Although almost half of the institutions introduced internal audit functions, 20% of them meeting the

minimum staffing levels (SIGMA, 2017). Budgetary issues and inadequate institutional setup have aggravated the situation further since continuity and sustainability could not be secured because of frequent replacements of appointed staff prompted by political turmoil (SIGMA, 2012). The institutions have not been complying with the rules and procedures nor adequately monitoring them. Recommendations of internal auditors are not implemented, and potential collaboration between internal and external auditing units is insufficiently explored (Vuković, 2017).

### 3.3. Personnel Management

As the primary goal of political conditions from the "EU Road Map", the reform of civil service unfolded in 2002 (SIGMA, 2004), aiming to separate the political from administrative sphere, and enact civil service legislation. The OHR imposed civil service laws at the level of the State in 2002 and FBiH in 2003, while RS and the Brčko District autonomously adopted theirs in 2002 and 2006, respectively. Without consulting the stakeholders and due considerations given to the constitutional and political setup, legislation was brought independently from each other and in an uncoordinated fashion (EC, 2015). The founding of civil service agencies for each administrative level was the next step, stemming from the need to centralise some horizontal functions and establish a professional and politically neutral civil service (Virant et al., 2015). Their competences are limited and administrative capacities weak (EC, 2019). While they contributed to the improvement of overall management of civil service, modern personnel management practices have not been developed nor one systematic and unified approach to this function agreed (EC, 2020).

Personnel management practices are decentralised, fragmented, and inefficient (Transparency International, 2017), boiling down to the provision of legal advice during recruitments or general administration (Virant et al., 2015). Planning is absent and recruitment procedures differ between the levels, being a basic effort to recruit the same number of staff as those who left the civil service (Transparency International, 2017). Giving simultaneous consideration to multiethnicity and the requirement for proportional representation and parity principle, constitutional provisions have not been supportive of a meritocratic and professional civil service. This principle has been left rather vague, often overshadowing and to some extent eroding the merit principle (SIGMA, 2016). The indifference of managers and poor understanding of the overall value of systematic staff evaluation

have not improved. Moreover, continuous political and ethnic patronage in managerial posts has brought opaque, informal lines of reporting, making a meaningful implementation of performance appraisal mechanisms difficult (Vanjskopolitička inicijativa, 2008). Evaluation of staff performance is a sophisticated and bureaucratic paper exercise without practical impact, conducted mainly to comply with legal requirements or even simply disregarded (SIGMA, 2017). Launched in 2008, the new information system project envisaging one common staff register failed. The principle of "equal pay for equal work" is not ensured due to disparate laws, salary regulations, and policies enforced at each level of administration. The remuneration systems are not transparent (SIGMA, 2012), and are still around 40% higher in comparison to the private sector (EC, 2019).

An overview of the trajectory of reform is reported in Table 1.

Table 1: Trajectory of the financial management and personnel managementreform in BiH

Compo- nents of reform trajectory	Sub- compo- nent	Status in 2000	Status in 2020
Personnel manage- ment	Civil service system	Public administra- tions operating with- out relevant legisla- tion in place.	Four coexisting civil service systems gov- erned by own legal frameworks at the level of the State, Entities and the Brčko Dis- trict, defined differently in terms of hori- zontal and vertical scope.
	Civil service manage- ment	Random human re- sources management (HRM) units mostly operating as part of administrative/finance departments. Modern HRM functions are not developed or insti- tutionalised.	Civil service agencies established, per- forming centralised functions mostly re- lated to recruitment, professional exami- nations and development etc., and limited to civil servants. HRM units are random, operate independently or as part of other sections.
	HRM data- base	Personnel files are kept and maintained in hard copy at each of the levels.	Independently operating electronic per- sonnel registries set across all levels but not integrated into one joint system. The Brčko District level reverted to maintain- ing personnel files in hard copy.
	Recruit- ments	Disparate and non- transparent recruit- ment procedures across the adminis- trative levels.	Position-based recruitment with some ele- ments of the career system. Each adminis- trative level has own and non-transparent recruitment procedure, involving costs for the applicants.

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	Training and develop- ment	Training conducted and funded mostly by international agencies.	Professional development is not estab- lished. Training conducted and funded mostly by international agencies unsys- tematically.
	Remu- neration	Diverse laws and decisions govern remunerations at each administrative level. Salary levels considerably differ across government levels. Scales are compressed, all lev- els use a base rate for the position and a multiplier to define the minimum sal- ary for the position with supplements for different degrees of complexity, and in- crements.	Legislation governing remunerations adopted at each level applying different scales and method of calculation. All lev- els use a base rate for the position and a multiplier to define the minimum salary for the position with supplements for dif- ferent degrees of complexity, and incre- ments.
Financial Manage- ment	Budget	Budgets are pre- pared at each admin- istrative level as per own procedures and calendars, applying traditional line-item- based budgeting. Only the FBiH En- tity has the Organic Budget Law in place.	Organic budget laws adopted and mid- term programme budgeting with "10 step" methodology in place. Budgets are planned and registered in different soft- ware while calendars are broadly har- monised. Entities present their budgets according to administrative and economic classifications incompliant with IPSAS or COFOG.
	Ac- counts	All transactions are executed via old Yu- goslav system of pay- ment bureaus.	Computerised treasury single account systems implemented at all four levels. New system further expanded to some RS and very few FBiH self-government units.
		Modified accrual accounting applied across the levels.	BiH institutions apply modified accrual accounting including the FBiH Entity and Brčko District. RS Entity applies ac- crual basis whereas all four apply different charts of accounts.
	Audits	External audit is not developed. Ru- dimentary form of control is performed through payment bureaus.	Established Supreme Audit Institutions empowered to perform financial, per- formance, and compliance audits with primary focus on compliance audits. Im- plementation rate of accepted recommen- dations by the governments is low.

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Source: Authors.

## 4. The BiH Case in Comparative Perspective: Revisiting the Pollitt and Bouckaert Model

There are a number of contextual features which display traits quite significantly different from those detectable in the twelve countries, plus the "special case" of the European Commission, addressed in the work of Pollitt and Bouckaert.

The first one is that the constitutional order has remained contested, and this is a major point of difference vis-ã-vis the cases considered in the Pollitt and Bouckaert book, where the constitutional order is generally not contested, or at least not to the extent detectable in the BiH case (or at least the constitutional order was not contested during the period of observation taken into account by Pollitt and Bouckaert, i.e. from the early 1980s to 2017, as, for example, the events of 6 January 2021 in the US may reveal a more fragile basis for democratic governance in the country than it has usually been assumed by observers, both within and outside the US).

The second difference is that BiH is a case of "context in motion": amongst the countries and jurisdictions in the P&B book, it is only the case of Italy (Ongaro, 2009), and to a certain extent that of the European Commission, that display some significant degree of variation in the basic dimensions of the political-administrative context. However, the extent to which the governance arrangements changed in these cases is somewhat lesser than in the BiH case, and fundamental issues of legitimacy or acceptance of the political-institutional order are not so marked in these cases as they are in the BiH case. In effect, the gist of the P&B model is that, while recognising that "everything changes" and that no feature of context can be considered constant in the sense of immutable, certain dimensions of the political-administrative system tend to be highly stable and vary much more slowly than, for example, the contents and declared objectives of a policy. This, however, is not the case in BiH, where dimensions of context have mutated even more quickly than the contents of the administrative reform packages, due to an inherently unstable public governance.

Theoretically, BiH is a case which sheds light on a fundamental, yet oftforgotten aspect: that administrative reforms are ultimately subordinate to the broader political-institutional setting, which in a fundamental sense enables administrative reforms to occur. To the extent that in a given jurisdiction the political-institutional setting, while facilitating administrative reforms more or less, at least does not hinder them in a fundamental way, reforms will unfold, more or less radically and rapidly, more or less consensualistic or in an adversarial style which makes them more amenable to reversals when a new government takes office, but they will unfold. However, the case of BiH shows that certain political-institutional settings may make it nearly impossible to reform the public sector, apart from through major exogenous shocks (like an externally imposed revamping of the public sector by the guarantors of the peace process).

In fact, the configuration of the separation of powers – to the extent it is designed in such a radical way, as a consequence of the overarching need to address the necessity of accommodating and soothing the effects of entrenched and hard-felt ethnic divisions and to stem latent or apparent conflicts – may simply make it nearly impossible for certain administrative reforms to occur. In BiH, the dominant ethnic composition of the Entities and the power-sharing mechanisms have so far fostered ethnic voting with rather slim chances for non-nationalist political parties, which might be more likely to uphold a vision, or at least some tentative sets of ideas, for administrative reforms. Interethnic power-sharing has encouraged a highly confrontational style of politics, which saps the very basic premises of the laborious and patient work demanded for reforming the administrative system; these parties have displayed features of cartels more than political organisations with a clear programme profile (Papić, 2015). By evoking ethnic differences and territorial control, political parties have influenced the execution of many reforms required to build the central state and its administrative capacities. They have worked actively to preserve the war-induced symbolic, institutional, and territorial divisions of which they are the key beneficiaries (Bojičić-Dželilović, 2015), demonstrating no interest in inserting the reform of public management on the political agenda.

Another key feature of administrative reforms in BiH is reliance on external funding of support (this being a characteristic less "peculiar and unique" and indeed common to a number of other countries and jurisdictions across the world, but less so in Europe). Reforms have been frequently conceived as a juxtaposition of one-off projects rather than a set of connected processes, potentially explained by the fact that they have been mostly donor-driven. Key reforms have been designed by international actors with little reliance on capacities within the civil service (also because these were mostly absent). While this feature is in common with many other jurisdictions across the world, it is less common in the European region, and surely is another differentiating feature from the countries considered in the P&B model (which all belong to the "western" world, whether in Europe or the Anglo-sphere). However, there is a long debate about EU conditionality and administrative reforms (Meyer-Sahling, 2009; Meyer-Sahling & Mikkelsen, 2016); moreover and significantly, more recently, the EU has played a major role in the dynamics of the reform of the public sector also in a number of EU, hence European, countries (see Kickert & Ongaro, 2019; Ongaro & Kickert, 2020, and the related special issue in "Public Management Review and Public Policy and Administration").

Another feature deserves attention, one which is outside the scope of the P&B model. The influence of political clientelism and more broadly the differential scope of illicit governance, unaddressed by Pollitt and Bouckaert's model, is particularly pertinent in the case of BiH. Without overarching loyalties to the state and by prioritising ethnicity over citizenship when forming the identity, the country remains deeply ethnically divided, most obviously by the geographical segregation and social relationships between ethnic communities being a major feature of political processes. The key element of power structure inherited from Yugoslavia is the "nomenklatura" system that has spread in contexts of an authoritarian decentralisation process (ESI, 1999). Many earlier members of the *nomenklatura* and bureaucracy by the middle of 1990s have become major opponents to continuing market reforms. This happened not because they were the losers, but, paradoxically, because they captured the process sufficiently to be the winners. Extended conflicts give rise to an extraordinary concentration of wealth and power in the hands of the military and political elite (Cox, 2001). While the new elites emerged as a part of the transition process throughout post-communist Eastern Europe (Stark & Bruszt, 1999), this process differs in case of BiH as it occurred and was intenselv accelerated under criminalised warfare circumstances (Andreas, 2004). The Sextet (as seen earlier: the group of six leaders of the two largest parties from each of the three ethnic communities) is tightly linked in the system and runs the government and economy as an informal coalition operating by consensus, becoming also the main interlocutor of international actors. This cohesive group partakes – perhaps is at the core - of an extensive system of patronage. This form of governance is central stage in BiH and somehow represents the "political elite" and "administrative elite" at the centre of the P&B model. The incentives of this narrow and tightly-knit elite are likely to all lean in the direction of preserving the status quo, and in this sense run against reforming the public sector - because administrative and public management reforms do change decision-making (by introducing performance measures as decision-making criteria, by altering the composition and status of the civil service, by shifting decision powers, and so forth) – if not in cosmetic ways, or however in ways that do not alter its fundamental decision-making process.

Finally, an apparent high level of "passivity" and fatalism by the civil society, and economic and social policies being hardly driven by "rational" concerns about basic socio-economic parameters (reducing unemployment, improving national wealth, etc.), seem to reinforce the lack of political incentives for administrative reforms.

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## 5. Conclusion

This article presents the trajectory of administrative reform in the case of BiH. In doing so, it both provides precious empirical evidence about a very limitedly investigated case in the scientific literature on comparative public management reform, and furnishes a critical revisiting of the reference framework of analysis in the field, the Pollitt and Bouckaert model.

This study further reinforces the core message of the P&B approach to studying the dynamics of public management reform, namely that context does matter. It also points out the important observation that context, whilst generally relatively stable, may in certain cases change quite rapidly, even dramatically, and, of special significance for public administration studies, in certain regards even more rapidly than the administrative system itself. Other features of the BiH case include the extent to which the constitutional order is contested, which in BiH is extreme when compared with all the cases studied by Pollitt and Bouckaert. The extent of external, international donor-driven support for reforms is also higher than in any of the P&B set of cases, and especially, what is highly distinctive of the BiH case, lies in the powers of the OHR to replace top political officials: in a sense, the national political-administrative elite at the heart of the P&B model is in the BiH case not a datum, rather it operated under the shadow of an external, international authority to replace members of it. The apathy of civil society, its passivity and fatalism, somewhat higher than in the set of cases investigated in the P&B study, is also a feature to consider.

Further research work aimed at contributing to the field of comparative public administration and management reform through in-depth investigation and systematic inclusion of the BiH case may include: theoretically, expanding the range of theories and models employed to frame and analyse contextual influences, thereby integrating and supplementing the P&B model; empirically, expanding the period of observation and the focus of inquiry, most notably to account for the impact of the COVID-19 pandemic on PAR in BiH (thereby also contributing to the research agenda on drawing lessons for theorising about public policy and administration from the empirical investigation of the pandemic's impact, see Dunlop, Ongaro & Keith, 2020).

The inclusion of the case of BiH is an important addition, both theoretically and empirically, to the comparative study of administrative and public management reforms internationally. Theoretically, the inclusion of the BiH case of administrative reforms may make it possible to expand and make more supple and encompassing the models employed for researching the dynamics of public management reform processes; empirically, the BiH case can provide abundant evidence for identifying similarities and dissimilarities and hence the influence of different factors on reform processes. We hope this article may contribute to the field of comparative public administration and prompt the inclusion of such an important case for the progress of administrative sciences.

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### ADMINISTRATIVE REFORMS IN BOSNIA AND HERZEGOVINA IN COMPARATIVE PERSPECTIVE: A DISTINCTIVE CASE OF CONTEXT IN MOTION

#### Summary

This paper illustrates and critically analyses administrative and public management reforms in Bosnia and Herzegovina (BiH) over the period from 1995 to 2020, thereby filling a gap in the literature on post-socialist transition in Europe, which has largely missed this important case. Reforms in both the field of personnel management and the field of financial management are considered. Specifically, the features of the civil service system and management, the use of HRM databases, recruitment, training and development, and remuneration are analysed in relation to personnel management, and budgeting, accounting, and auditing processes are examined in relation to financial management. The BiH case of reform is investigated through the analytical-theoretical lens of the "Pollitt and Bouckaert model", a prominent and widely employed framework developed by the late C. Pollitt and by G. Bouckaert. The P&B model provides a lens through which to investigate the BiH case and make it amenable to comparative analyses and discussion. At the same time, the uneasy way with which the BiH case can be accommodated into the P&B model enables us to revisit certain features of this very model, thus contributing also theoretically to knowledge generation in the field.

Keywords: administrative reform, Bosnia and Herzegovina, comparative public administration, contextual influences on administrative reforms, public management, public governance

### UPRAVNE REFORME U BOSNI I HERCEGOVINI U KOMPARATIVNOJ PERSPEKTIVI: OSOBIT SLUČAJ KONTEKSTA U POKRETU

### Sažetak

Ovaj rad ilustrira i kritički analizira reforme javne uprave i javnog upravljanja u Bosni i Hercegovini (BiH) od 1995. do 2020. godine, čime se popunjava praznina u literaturi o postsocijalističkoj tranziciji u Europi, koja je u velikoj mjeri propustila taj važni slučaj. Razmatraju se reforme i u području upravljanja upravnim osobljem i u području financijskog upravljanja. Konkretno, obilježja službeničkog sustava i upravljanja, korištenje baza podataka o ljudskim resursima, zapošljavanje, usavršavanje i razvoj te nagrađivanje analiziraju se u kontekstu suvremenog upravljanja ljudskim potencijalima u javnoj upravi, a proračunski, računovodstveni i revizijski procesi ispituju se u kontekstu financijskog upravljanja. Slučaj upravnih reformi u BiH istražuje se kroz analitičkoteorijsku optiku "modela Pollitta i Bouckaerta", istaknutog i naširoko korištenog okvira koji su razvili C. Pollitt i G. Bouckaert. P & B model pruža okvir kroz koji se može istražiti slučaj BiH i učiniti ga prikladnim za komparativne analize i rasprave. Istodobno, izazovan način na koji se slučaj BiH može smjestiti u P & B model omogućava nam da preispitamo određene karakteristike upravo tog modela, čime i teorijski doprinosimo stvaranju znanja u tom području.

Ključne riječi: upravna reforma, Bosna i Hercegovina, komparativna javna uprava, kontekstualni utjecaj na upravne reforme, javno upravljanje

CROATIAN AND COMPARATIVE PUBLIC ADMINISTRATION