

## Summary of key state capture indicators

### INTRODUCTION

*State capture in Bosnia and Herzegovina is a complex and multidimensional phenomenon that permeates political, institutional and socio-economic structures. It manifests itself through the dominance of particularistic, predominantly party-political interests over the public interest, achieved by exercising control over institutions, resources and decision-making processes. Although democratic institutions, legal frameworks and accountability mechanisms formally exist, their effectiveness has been considerably weakened by systemic political interference and pervasive clientelist networks.*

*This review seeks to identify and analytically examine the key indicators of state capture across four interrelated dimensions: the democratic process, the decision-making process, the accountability ecosystem and the distribution of resources, in line with the methodology developed by Transparency International BiH. Drawing on available quantitative and qualitative sources, the document synthesises the findings of relevant domestic and international analyses, with the aim of providing an empirically informed overview of the situation and offering a basis for further discussion on potential reform directions and the strengthening of institutional integrity.*

#### **1. Democratic Process**

State capture is most clearly expressed through the control and manipulation of the electoral process, particularly given the operational practices of political parties, which rely on clientelist mobilisation of voters and lack clear programmatic profiles capable of generating genuine electoral support. Within such an arrangement, the reproduction of political power is

maintained without meaningful competition and with diminished accountability to citizens. The broader context in which this process unfolds is equally important for assessing the overall integrity of the democratic process; levels of media pluralism and the environment in which civil society operates offer indirect yet significant insights into the degree to which political and civic rights and freedoms are upheld.

Indicator	Source
1.1. Political parties (Internal Democracy, Clientelism and Programmatic Grounding)	V Dem, TI BiH
1.2. Electoral Integrity	CEC, TI BiH, audits
1.3. Media Pluralism	MPM, FH
1.4. Civil Society	

### 1.1 Political Parties (Internal Democracy, Clientelism and Programmatic Grounding)

Assessment: The activities of political parties may be assessed through three principal aspects: **internal democracy**, **clientelism** and **programmatic grounding**. Although internal democracy exists to a limited extent through formal decision-making procedures, in practice authority is concentrated within party leadership structures. Voter mobilisation is predominantly achieved through clientelist mechanisms rather than through programmatic or ideological profiling. An overview of the key aspects is provided below.

#### a.) Internal democracy

Political parties in BiH operate as **centralised and hierarchical structures** dominated by party leaders or a narrow leadership circle. Internal decision-making processes are opaque and frequently emulate democratic procedures without ensuring

meaningful participation. Intra-party elections, where they occur at all, are largely **controlled and ritualistic**. Genuine competition of ideas, internal pluralism and merit-based advancement are exceptionally rare.

**Key features:**

A prevailing culture of loyalty and obedience to the party leader;

Absence of substantive factions or ideological debate;

Limited or purely formal influence of party membership on policy formulation and personnel decisions.

b.) Clientelism

Political parties in BiH operate as extensive **clientelist networks** in which loyalty is compensated through access to public resources, public-sector employment and other forms of political rent. These clientelist mechanisms shape not only internal party relations but also the functioning of the entire **party-state apparatus**, effectively blurring the boundary between state institutions and political parties. The large membership base of political parties further reflects and reinforces their clientelist character.

**Key features:**

Party affiliation as a *de facto* requirement for employment in public institutions;

Politically motivated appointments irrespective of professional competence;

Instrumentalisation of state resources for partisan objectives;

Existence of “informal power channels” that circumvent formal institutional structures.

c.) Programmatic Grounding

Most political parties in BiH **lack clearly defined, coherent and ideologically grounded programmes**. In practice, these programmes serve largely as pre-election formalities and fail to function as substantive roadmaps for public policy. Party

agendas are dominated by ethno-national narratives, symbolism and *ad hoc* populist messaging, rather than strategic policy development.

Key features:

Predominant focus on identity and ethnic issues rather than substantive public policies;

Weak correlation between electoral promises and subsequent actions in government;

High degree of rhetorical flexibility aimed at maintaining power and securing access to resources.

Conclusion: Political parties in BiH may thus be characterised as quasi-mass organisations marked by limited internal democracy, a pronounced clientelist mode of operation and underdeveloped programmatic profiles. Rather than functioning as genuine channels of democratic representation, they operate as intermediaries in the distribution of public resources and political power, where loyalty outweighs competence and ethno-national discourse eclipses programmatic policy debate.

#### Sources:

Bertelsmann Stiftung, BTI 2024 Country Report — Bosnia and Herzegovina. Gütersloh: Bertelsmann Stiftung, 2024.

Auerbach, Kiran Rose. *Partisan Accountability and the Perversion of Local Democracy: Evidence from Bosnia and Herzegovina*. Doctoral Dissertation, University of North Carolina at Chapel Hill, 2018.

TI BiH (2022): Interno funkcionisanje političkih partija

#### Key indicators:

Relationship between political parties and voters	0.4 (scale 0–4) V Dem (0 fully clientelist – 4 fully programmatic)
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Clientelism Index	0.83 (scale 0–1) V Dem (0 absence – 1 full presence of clientelism)
Absence of internal democratic procedures and institutionalisation	
Accountability mechanisms used to enforce loyalty, not integrity	No examples of sanctions for integrity violations
Mass political parties	Approximate estimates of total party membership around 750,000; SDA 200,000 (2018); SNSD 193,300 (2019); SDP 43,000 (2018)
Relationship between councillors and political parties	Constitutional Court of BiH – Decision on Admissibility and Merits; Case No. AP-2368/21, resolving the appeal of the Party of Democratic Progress – PDP 25 September 2025

## 1.2. Electoral Integrity

Assessment: Electoral integrity remains unsatisfactory, despite certain technical improvements within the electoral process. The challenges are systemic and closely linked to the functioning of the political system, the broader political climate, prevailing ethnic divisions and the persistent lack of political will to implement substantive reforms.

Electoral integrity is undermined by persistent and complex problems that compromise the fundamental democratic principle of free and fair expression of the citizens' will. Although each electoral cycle is conducted under substantial domestic and international observation and within a legal framework that is, at least formally, largely harmonised with

international standards, electoral integrity continues to be jeopardised by systemic deficiencies, political manipulation and recurring technical shortcomings.

Key actors involved in monitoring electoral integrity, such as the OSCE Office for Democratic Institutions and Human Rights (ODIHR), domestic NGOs such as the Coalition “Pod lupom” and Transparency International BiH, as well as the BiH Central Election Commission (CEC), regularly report the same recurring problems, which persist across electoral cycles with only limited variation.

**The principal challenges and irregularities that systematically undermine the integrity of the electoral process in BiH can be grouped into several key categories:**

- a.) **Outdated and inaccurate electoral roll:** One of the fundamental problems concerns the electoral roll (voter register), which, according to numerous analyses, is outdated and does not accurately reflect the real demographic situation. A particularly significant issue is that the full, integral version of the electoral roll is not publicly accessible, despite this being an explicit legal requirement. This lack of transparency creates wide scope for manipulation, including the casting of votes on behalf of deceased individuals and the misuse of ballots linked to the diaspora. Analyses also indicate a discrepancy between the number of registered voters and the actual population, which directly undermines the credibility of the overall electoral process.
- b.) **Politically controlled election administration:** Although the Central Election Commission (CEC) is formally an independent institution, the appointment of its members is often shaped by political negotiations, raising doubts about its genuine impartiality. At lower levels, specifically within polling station committees, the problems are even more acute. Although legal amendments require that the presidents of polling station committees be individuals without political affiliation, this provision has yet to be effectively implemented. Most polling station committee

members are nominated by political parties, generating inherent conflicts of interest and fostering conditions conducive to allegations of electoral fraud, biased vote counting and other forms of irregular conduct. In past elections, the CEC dismissed more than 2,500 polling station members, though TI BiH data suggest that the number of politically affiliated members is considerably higher.

- c.) **Misuse of public resources and campaigning by incumbents:** A pervasive and notoriously difficult-to-prove irregularity is the large-scale use of public resources for electoral advantage. Ruling parties and their candidates routinely mobilise public enterprises, budgetary funds and media outlets under their influence for campaign-related promotion. This “campaigning by incumbents” places opposition candidates at a structural disadvantage and further blurs the boundary between state functions and party activities. TI BiH’s monitoring of the 2024 elections identified 2,700 cases of public resource misuse for election campaigning. The largest share (1,600) concerned the intensification of public works, valued at BAM 600 million during the pre-election period. Additionally, 336 cases involved one-off cash assistance to citizens, totalling around BAM 60 million. Despite available legal mechanisms, the CEC declined to sanction most reported violations.
- d.) **Voter pressure and vote buying:** Pressure on public sector employees to support particular political parties, along with direct vote buying, represents one of the most troubling dimensions of the electoral process in BiH. TI BiH data indicate a persistent practice of direct cash transfers to various population groups in the pre-election period. Although these phenomena frequently attract public attention, prosecutions and sanctions remain rare and largely ineffective.
- e.) **Challenges in counting and publishing results:** The tabulation of votes is often protracted and fraught with technical difficulties and disputes over accuracy. A consistently high number of invalid ballots, as regularly highlighted in CEC analyses, further reflects underlying problems, arising either from voter error or from deliberate attempts at manipulation.

The scale of manipulation in the vote-counting process is most clearly demonstrated by the convictions for electoral fraud in Dobož, uncovered in 2020. A total of 67 indictments were filed against 350 individuals, while the Basic Court in Dobož issued 27 acquittals for 139 persons and one suspended sentence for two persons, frequently acknowledging that electoral fraud had occurred while refraining from attributing responsibility to members of polling station committees. Transparency International BiH analysed 22 judgments, confirming that the Prosecutor's Office had established instances of vote theft through: (1) voting on behalf of voters who had not cast their ballots, particularly those residing abroad and (2) voting on behalf of deceased persons. The annulment of the election followed a suspiciously high turnout of nearly 70%, with findings from some polling stations indicating a voting rate of one ballot cast every 90 seconds. Graphological examinations conducted by the CEC established that between 10% and 20% of signatures had been forged.

In an effort to enhance transparency and limit the scope for fraud, technical innovations (such as ballot scanners and electronic voter identification) were piloted at selected polling stations in the 2024 local elections, with full implementation still forthcoming. Although welcomed as a step in the right direction, initial analyses show that these technologies are not immune to challenges.

The High Representative in BiH, exercising his authorities, imposed amendments to the Election Law aimed at strengthening the integrity of the electoral process, including the introduction of a prohibition on individuals convicted of war crimes from standing for public office. Although widely debated and contested within the domestic public sphere, these interventions constitute a response to the persistent refusal of domestic political actors to implement the recommendations of the OSCE/ODIHR and other international institutions.

Conclusion: The integrity of the electoral process has been significantly compromised, as systemic irregularities – ranging from outdated voter registers, politically influenced election administration and the misuse of public resources, to voter



intimidation and technical shortcomings in vote counting – continue to erode citizens’ trust in elections and democratic institutions. Despite the introduction of certain technical improvements to enhance integrity, the absence of genuine political will for comprehensive reform continues to obstruct the establishment of an electoral system capable of ensuring the free and fair expression of voters’ preferences.

Sources:

OSCE/ODIHR (2025): Bosnia & Herzegovina, Local elections, 6 October 2024: Final Report;  
MONITORING AND EVALUATION SUPPORT ACTIVITY II (MEASURE II): ASSESSMENT OF ELECTION AND POLITICAL  
PROCESSES IN BOSNIA AND HERZEGOVINA Final Report November 2022;  
Monitoring izborne kampanje TI BiH 2024.

Key indicators:

Number of registered voters	3,213,970 (2024)
Number of invalid ballots	7% (2022), acceptability standard is 3–4% <sup>1</sup>
Irregularities in the electoral process	Out of 5420 polling stations, at over 1000 the polling station committees did not fully comply with the law (CEC 2022) did not fully act in accordance with the law (CIK 2022)

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<sup>1</sup> Acceptable number/proportion of invalid votes, The Electoral Knowledge Network ACE, <https://aceproject.org/electoral-advice/archive/questions/replies/864793780>

Abuse of public resources	One-off budgetary cash transfers for youth, veterans, pensioners and public sector employees totalled almost BAM 300 million in 2022. The launch or announcement of public works amounted to over BAM one billion.
Electoral integrity index	0.51 (scale 0–1) V Dem (0 low – 1 high level)

### 1.3. Media Pluralism

Assessment: The media sector is subject to systemic pressures, reflected in the undue influence exerted by political and economic power structures over editorial independence and operational practices. Overall, the media largely fail to serve the public interest, as the instrumentalisation of media outlets for maintaining or expanding influence, targeting dissenting voices and reinforcing ethno-national divisions remains widespread.

The key issues can be summarised in three interrelated points:

- a.) **Political and economic context:** The principal mechanism of control is the combination of opaque ownership structures and financial dependence on public funds. The absence of legislation ensuring ownership transparency enables politicians and affiliated business actors to covertly influence editorial policies. This influence is further reinforced through non-transparent allocation of advertising revenues and subsidies, which financially reward compliant outlets while undermining critical media. Public broadcasters are subject to pronounced political interference (most notably RTRS, but others as well) and constitute the clearest example of media instrumentalisation, having been transformed into promoters of ruling party interests rather than providers of services to all citizens.
- b.) **Violation of legal and physical security:** The legal framework intended to safeguard journalists is undergoing active deterioration, most evidently demonstrated by the recriminalisation of defamation in RS, which directly fosters self-

editorial independence. Simultaneously, the absence of protection against SLAPP lawsuits leaves journalists and media outlets fully exposed to pressure from powerful actors. Physical safety is also severely compromised, as frequent threats and attacks largely remain unpunished, creating an atmosphere of fear and eroding trust in institutional protection.

c.) **Systemic and institutional dysfunction:** These problems are not isolated incidents but stem from systemic dysfunction. The Communications Regulatory Agency (CRA) lacks genuine political independence, reflected in the manner in which its leadership is appointed. Technical prerequisites for sectoral development, including the digitalisation process, have remain unresolved for years, thereby constraining access to information.

Conclusion: Media pluralism in Bosnia and Herzegovina is seriously undermined by pervasive political and economic interference, insufficient ownership transparency and the politically selective distribution of public resources, resulting in media instrumentalisation and a narrowing space for independent journalistic work. Legal and physical pressures on journalists, exemplified by the recriminalisation of defamation and the lack of protection against SLAPP litigation, intensify self-censorship and weaken the media's ability to act in the public interest. The dysfunction of regulatory and developmental mechanisms (CRA, digitalisation) perpetuates these conditions, while public service broadcasters, instead of offering balanced and impartial reporting, serve as vehicles of political propaganda, exacerbating social polarisation and diminishing public confidence in the media landscape.

#### Sources:

MONITORING MEDIA PLURALISM IN THE EUROPEAN UNION RESULTS OF THE MPM 2025 Country report: Bosnia and Herzegovina, European University Institute (EUI), Center for Media Pluralism and Media Freedom Lejla Turcilo

Freedom House: Nations in Transit – Bosnia and Herzegovina 2024

Reporters Without Borders: World Press Freedom Index 2025

Transparentno.ba: [Istraživanje TI BiH: Koliko plaćamo rad javnih medija?](#)

### Key indicators:

Media Pluralism Monitor	76% (scale 0 very low – 100 very high risk for media pluralism and freedoms)
Sources of Funding	Three-quarters (3/4) of the funds used to finance the media are under direct government control <sup>2</sup>
Media Independence (Freedom House)	3.00 (scale 1 lowest – 7 highest score)
World Press Freedom Index (Reporters Without Borders)	86 <sup>th</sup> position

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<sup>2</sup> According to available data, allocations at all administrative levels for financing public media have been steadily rising, reaching slightly under BAM 31 million in 2018, representing a 44% increase compared with 2014 (TI BiH, 2019). Revenues generated from television licence fees amount to approximately BAM 35 million annually (Audit Office of the Federation of BiH, 2018). Although precise data on the size of the advertising market are unavailable, existing estimates place it between BAM 70 and 100 million (Braunwasser, Turčilo & Marko, 2016). Considering the scale of the public sector in the economy (comprising around 550 state-owned enterprises with roughly 80,000 employees and ownership of 40% of total economic assets (IMF, 2019)), it is evident that a substantial degree of influence, namely control over advertising, continues to be exercised by the state (estimated at more than 50% of the advertising market), primarily through management structures of state-owned enterprises. In contrast, private companies seeking access to the public procurement market (with total annual allocations of about BAM 3 billion in BiH) (KLIX, 2019) are highly unlikely to advertise in media outlets engaged in investigative journalism or critical reporting on government conduct. Consequently, a broad assessment of media financing sources in BiH indicates that approximately three-quarters of all funds used to finance the media sector remain under direct government control.

## 1.4 Civil Society

**Assessment:** Civil society operates within an increasingly constrained and unpredictable environment, marked by strong political pressures and the emergence of restrictive legislative initiatives. Although formal mechanisms for consultation and participation of civil society organisations in decision-making processes exist, their substantive influence remains minimal – consultations are largely formalistic and *ad hoc*, and the proposals and recommendations of NGOs are seldom integrated into public policies. As a result, civil society is effectively relegated to the role of observer rather than partner in democratic governance.

Key challenges and negative trends:

a.) **Political pressures and restrictive legislation:** The adoption of the so-called Law on Foreign Agents in Republika Srpska (2025) – although temporarily suspended – has generated an atmosphere of legal uncertainty and heightened fear among organisations, particularly those focused on human rights and anti-corruption efforts.

b.) **Compromised security and financial opacity:** More than a dozen organisations have reported threats and disruptions to their work, while gender-based violence against women activists has increased. The safety of civil society actors remains alarming, with 14% of organisations reporting threats, property damage or interference with their activities. Financial sustainability is further weakened by the opaque and inequitable allocation of domestic public funds, a process perceived as such by only 23% of organisations. The high share of unsuccessful applications (61% in 2024) further illustrates the challenges associated with accessing domestic sources of funding.

Between 2019 and 2023, at least BAM 383 million was allocated in BiH for the financing of 12,200 associations, according to data from the Register of Distribution of Public Funds to Associations and Foundations in BiH, compiled by Transparency International BiH from all levels of government. As much as BAM 64 million was awarded to associations that may be directly linked to political parties, given that the leaders of 1,807 associations appeared on candidate lists in the last three election

cycles. TI BiH compared data on recipients of public funds with the Register of Officials and identified 344 associations whose responsible persons hold public office, with BAM 16 million allocated for their financing in the past five years. Among these, 83 associations are headed by managers of public enterprises (directors and members of supervisory boards), while 184 are led by managers of public institutions. There are also 77 associations headed by elected or appointed officials who perform various political functions.

c.) **Minimal impact on public policies:** Mechanisms for formal participation, such as public hearings or consultations, often serve only to fulfil procedural criteria, without meaningful engagement or incorporation of the views put forward by civil society.

Conclusion: Overall, civil society in BiH faces profound constraints that undermine its role as a constructive counterweight and partner in policymaking. The dominance of political elites and the absence of inclusive dialogue marginalise its impact on public policies, while legal uncertainty, political pressure and financial instability raise concerns about the long-term sustainability and security of the sector. Without genuine political will to engage civil society and strengthen transparent funding and consultation mechanisms, its potential to contribute to democratisation and social reform will remain underutilised.

Sources:

TACSO (2024): Third Regional Assessment Report under the DGENEST Guidelines for EU Support to Civil Society in the Enlargement Region (2021-2027)

Freedom House: Nations in Transit – Bosnia and Herzegovina 2024

TI BiH Register of Grants

Monitoring the distribution of public funds to associations and foundations in Bosnia and Herzegovina, TI BiH

### Key indicators:

Civil Society (Freedom House)	4.25 (scale 1 lowest – 7 highest score)
Funding of CSOs from all levels of the budget	Over the last five years, BAM 383 million were allocated in BiH to fund 12,200 associations
Integrity of the process of funding CSOs from the budget	344 associations whose responsible persons hold public office received BAM 16 million in funding over the last five years

## **1. Decision-making Process**

Key decisions are frequently adopted through non-institutional, politically controlled forums that operate without public scrutiny, while formal institutional procedures are largely utilised only for their subsequent legalisation. Within the formal decision-making framework, the executive branch overwhelmingly dominates, leaving the legislature with a limited role and providing minimal opportunities for engagement by other actors. Consequently, the resulting decisions rarely reflect the broader public interest but are instead shaped by particularistic interests, with implementation dependent on clientelistic networks. This pattern further erodes public trust, weakens institutional legitimacy and deepens the capture of the regulatory framework.

<b>Indicator</b>	<b>Source</b>
2.1. Legislative Process	SIGMA
2.2. Executive Decision-making	SIGMA

## 2.1. Legislative Process

The legislative process is profoundly dysfunctional, characterised by political capture, systemic inefficiency and a persistent lack of transparency. Rather than serving as a mechanism for articulating the public interest and addressing citizens' needs, legislation is frequently employed to advance particularistic interests, consolidate power and preserve a *status quo* that benefits the ruling ethno-political elites.

The principal features that characterise the current legislative process are:

- **Instrumentalisation:** A central problem is that laws are often not developed on the basis of expert analysis or societal needs but emerge from political agreements and compromises that favour specific business or political groups. Numerous examples exist of “tailor-made” legislation, i.e. laws drafted to meet the interests of individuals or organised groups. This practice is used to legalise particularistic interests, while legislative powers are simultaneously employed to restrict freedoms, as illustrated by the adoption of the restrictive “Law on Foreign Agents” in RS.
- **Excessive use of fast-tracked legislative procedures and persistent blockades:** Democratic debate and oversight are systematically bypassed through the excessive use of fast-tracked legislative procedures. This mechanism excludes the general public, civil society and experts from the decision-making process, enabling the adoption of laws without adequate scrutiny. Conversely, political blockades occur regularly, resulting in parliaments operating with minimal capacity, while key reform laws, notably those related to the EU integration process, remain stalled for extended periods.
- **Insufficient transparency and limited public participation:** The process of drafting and adopting legislation remains largely non-transparent. Public hearings and debates, when they occur at all, are frequently treated as mere



formalities, without genuine consideration of proposals submitted by citizens or CSOs. This exclusion of the broader public further strengthens the perception that institutions operate primarily in the interests of political parties rather than the citizenry.

- Contradiction in the process (formal progress vs actual intent): The legislative process also reflects a pronounced duality. Under pressure from the international community, particularly the European Union, laws are adopted that suggest formal progress, such as the Law on the Prevention of Money Laundering or the Law on the Prevention of Conflict of Interest. However, such progress often remains purely nominal, as implementation is systematically obstructed through various means, including withholding budgetary resources, delaying the adoption of secondary legislation or blocking the appointment of implementing bodies, while favouring politically suitable candidates. Despite occasional positive developments, the European Commission has noted the absence of progress in key areas, such as media freedom, directly illustrating the failure of the legislative framework to produce substantive change.

Conclusion: The legislative process in BiH is not only inefficient but also functions as a key instrument within the broader mechanism of state capture. It predominantly serves to legitimise the interests of ruling elites rather than to enhance the quality of life for citizens. As long as the process remains subordinated to particularistic interests and deprived of transparency and inclusiveness, it constitutes an impediment rather than a catalyst for democratic and societal development.

#### Sources:

Bertelsmann Stiftung, BTI 2024 Country Report — Bosnia and Herzegovina. Gütersloh: Bertelsmann Stiftung, 2024.

SIGMA (2024): Parliaments and evidence-based lawmaking in the Western Balkans A comparative analysis of parliamentary rules, procedures and practice

TI BiH (2025) Odgovorna vlast nema šta da krije: Otvoriti sve faze donošenja odluka vlada i parlamenata

Key indicators:

Laws adopted through non-standard procedures (SIGMA 2024)<sup>3</sup>      More than 50%

Share of citizens who believe that the government consults civil society and the private sector during the legislative process (SIGMA, 2024)      18%

Share of citizens who believe that parliamentary work is sufficiently open and transparent (SIGMA, 2024)      23 %

The practice of adopting tailor-made legislation designed to favour particularistic interests<sup>4</sup>

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<sup>3</sup> In 2024, only one law was passed through the regular procedure.

<sup>4</sup> Law Amending the Law on Prevention of Conflict of Interest in the Authorities of Republika Srpska (Lex Tegeltija)

Law on Geological Exploration of Republika Srpska

Law on Immunity of Republika Srpska

Law on Prevention of Conflict of Interest of FBiH (adoption obstructed for 12 years)

Law on Misdemeanours against Public Order and Peace in Sarajevo Canton

Amendments to the Criminal Code of Republika Srpska (criminalisation of defamation)

Law on the Special Register and Publicity of Work of Non-Profit Organisations of Republika Srpska

Law on the Financing of Political Organisations in Republika Srpska

## 2.2. Executive Decision-making

**Assessment:** The executive decision-making process is generally opaque, with insufficient and ineffective oversight by the legislature and the wider public. The analysis identifies several key features that systematically undermine the efficiency, transparency and overall quality of decision-making:

- a.) **Lack of evidence-based policy-making:** A central concern is the inadequate analytical preparation underlying executive decisions. Specifically:
  - **Regulatory Impact Assessment (RIA):** Although legally required across different levels of government, RIAs are either not conducted or are undertaken in a purely formalistic and superficial manner, following a “tick-the-box” logic. Decisions are frequently adopted without a meaningful assessment of their financial, social, economic or environmental consequences.
  - **Public hearings and consultations:** Consultations with experts, social partners and citizens are commonly reduced to formality. Deadlines are excessively short, while comments and recommendations are typically disregarded or left unreflected in the final acts.
- b.) **Fragmentation and lack of coordination:** The report confirms that formal mechanisms for both vertical and horizontal coordination exist but are, in practice, weak, ineffective or bypassed. Decisions are often adopted in isolation, without consideration of broader implications, resulting in fragmented policies and increased legal uncertainty.
- c.) **Deficiencies in strategic planning:** Decision-making is predominantly reactive and *ad hoc*, rather than grounded in strategic or planning frameworks. Although numerous strategic documents exist (often produced under pressure and with the technical assistance of international partners) they are seldom used as genuine guidance for policymaking. Governments frequently depart from their own plans, driven by short-term political interests.

- d.) **Prevalence of political-ethnic agendas:** Key decisions are not taken within institutional settings (such as the Council of Ministers or entity governments) on the basis of expert analyses, but are instead pre-negotiated at meetings of ruling party leaders or within party structures. Executive institutions subsequently function merely as formal venues for endorsing political deals that have already been concluded. This informal process entirely bypasses procedures based on evidence and transparency.
- e.) **Politicised control of managerial posts:** A central mechanism for maintaining political control over the administration is the politicised appointment of managers in the public sector, including senior civil servants and directors of public enterprises and agencies. Although civil service laws prescribe merit-based recruitment procedures, these processes are routinely manipulated to install politically loyal individuals in strategic posts. Such appointees are primarily accountable to the party that placed them, rather than to professional standards or the public interest. This practice directly erodes administrative professionalism and ensures that politically negotiated decisions, reached informally, are implemented through institutions without resistance.

Conclusion: The decision-making process of the executive branch in BiH is **dysfunctional, non-transparent and predominantly driven by particularistic rather than public interests**. It is marked by a profound discrepancy between the normative framework (laws and procedures that formally exist) and actual practice. While the formal framework prescribes analysis, planning and consultation, real decision-making is informal, conducted outside institutional channels, grounded in political transactionalism and implemented through politicised leadership. The consequences are:

Sources:

Bertelsmann Stiftung, BTI 2024 Country Report — Bosnia and Herzegovina. Gütersloh: Bertelsmann Stiftung, 2024.

OECD (2025), Public Administration in Bosnia and Herzegovina 2024: Assessment against the Principles of Public Administration, SIGMA Monitoring Reports, OECD Publishing, Paris

TI BiH (2025) Odgovorna vlast nema šta da krije: Otvoriti sve faze donošenja odluka vlada i parlamenata

Key indicators:

Use of indicators and impact assessments in policymaking 39/100  
(SIGMA, 2024)

Consultation of internal and external stakeholders in policymaking (SIGMA, 2024) 29/100

Governments in BiH regularly publish their decisions on their websites 3 out of 14 governments

### 2.3. Budget Process

Assessment: Although the budget process in BiH is formally well defined and aligned with international standards through the legal framework and the three-year budget planning cycle, its practical implementation is weakened by frequent delays, inconsistent adherence to the budget calendar and insufficient integration with strategic planning. Limited transparency, the restricted role of parliaments and the public and weak parliamentary oversight further diminish the credibility and inclusiveness of the process.

The legal framework for budget planning is clearly established through organic budget laws and annual budget circulars at both the state and entity levels. The system requires the adoption of a three-year Budget Framework Paper (BFP) by mid-year, based on the centrally adopted Global Framework of Fiscal Balance and Policies (GFFBP). However, in practice, the budget calendar is not consistently followed. Delays in adopting the GFFBP and BFP are common, leading to missed deadlines for the adoption of annual budgets and resulting in reliance on temporary financing arrangements, particularly at the state level. These delays substantially reduce the time available to parliaments for conducting detailed analysis and debate of the proposed budgets, thereby weakening the effectiveness of parliamentary oversight.

Strategic planning and sectoral policies are not fully integrated into the budget process, and the link between budgeting and strategic planning is assessed as very weak. Budget documents submitted to Parliament are frequently incomplete; they lack information on tax expenditures, new policies, long-term projections and estimated budget outcomes for the current year.

In terms of budget execution, discrepancies between plans and results are evident. In both FBiH and RS, public revenues consistently exceed projections, often resulting in in-year budget revisions. A Treasury Single Account (TSA) system operates at all levels, with regular cash consolidation and bank account reconciliation. However, information on outstanding government liabilities remains non-transparent. Reporting practices vary across jurisdictions – quarterly and systematic at the state level, monthly and quarterly in RS and irregular in FBiH. The quality of annual accounts also varies, and parliamentary oversight of budget implementation and annual reports is limited. Audit reports on budget execution at the state and entity levels have received qualified opinions. Bosnia and Herzegovina's Open Budget Index (OBI) declined from 32 points in 2021 to 27 points in 2023, placing the country 96<sup>th</sup> out of 125 surveyed.

Conclusion: Despite a solid legal framework, the budget process in BiH continues to suffer from delays and low transparency, reducing its predictability and limiting opportunities for meaningful parliamentary and public debate. Incomplete budget

documentation, persistent gaps between planned and realised outcomes and inadequate parliamentary control over budget execution contribute to declining trust and place BiH among the countries with the lowest levels of budget openness. Improvement requires consistent adherence to the budget calendar, effective integration of strategic planning and the strengthening of parliamentary oversight and the role of independent audit institutions.

#### Sources:

OECD (2025), Public Administration in Bosnia and Herzegovina 2024: Assessment against the Principles of Public Administration, SIGMA Monitoring Reports, OECD Publishing, Paris  
 Open Budget Survey (OBS)  
 CIN (2022) Izvještaji o analizi budžetskih procesa politika sa aspekta transparentnosti

#### Key indicators:

Comprehensiveness and credibility of the annual budget within a medium-term fiscal framework, which balances policy needs with fiscal constraints (SIGMA 2024)	40/100
Budget Transparency (OBS)	27/100 index points
External audit assessment of budget execution	Qualified opinion

### 3. Accountability Ecosystem

The accountability ecosystem constitutes a core institutional framework for safeguarding the rule of law and integrity, yet its overall functionality remains severely constrained. Control mechanisms – including internal controls and audits, anti-corruption authorities, law enforcement institutions and the judiciary – operate within a fragmented and politically charged environment marked by insufficient institutional and financial independence. In practice, their actions are often selective and exposed to political interference, which undermines their preventive and enforcement capacities and further entrenches impunity. Weak coordination, limited institutional capacities and the inadequate implementation of supervisory recommendations additionally erode public confidence and diminish the overall effectiveness of the accountability system.

Indicator	Source
3.1. Internal Controls/FMC/Internal and External Audits	Consolidated internal control reports; SIGMA Report;
3.2. Anti-corruption Bodies	
3.3. Law Enforcement Agencies	TI BiH NIS
3.4. Judiciary	HJPC

#### 3.1. Internal Controls/FMC/Internal and External Audits

Assessment: A comprehensive regulatory framework for internal controls and internal and external audits is in place and aligned with international standards. Nevertheless, a significant gap persists between the formal system and its actual functionality.



a.) Internal control systems (PIFC/FMC)

Internal control systems in BiH have been formally established, yet their practical application remains limited and uneven across institutions. Although the regulatory framework exists and Financial Management and Control Units (FMC) operate within institutions, these units often function in a formalistic manner, without genuine integration into decision-making processes. Insufficient capacity for robust risk assessment and the lack of systematic monitoring of control measures considerably diminish the system's preventive impact.

b.) Internal audit

Internal audit structures are institutionally in place in most state- and entity-level institutions; however, the number of internal auditors remains inadequate and their work is constrained by limited resources and insufficient managerial support. Audit findings are frequently not implemented in a consistent manner, and mechanisms for monitoring the implementation of recommendations are weak. While there is a gradual trend towards professionalisation and standardisation, internal audit has yet to evolve into an effective tool for strengthening managerial practices and accountability.

c.) External audit

The Audit Office of the Institutions of BiH and the entity audit institutions function as formally independent bodies and regularly issue annual audit reports identifying substantial irregularities in financial management and the use of public funds. Nonetheless, the implementation of audit recommendations remains the system's principal weakness: a significant proportion of recommendations is not acted upon, which undermines the overall performance of the audit function. Parliamentary oversight of audit findings is limited in scope and lacks a proactive approach.

Conclusion: Although the regulatory framework for internal controls and internal and external audit in BiH is broadly aligned with international standards, its practical implementation remains limited and largely formalistic. Financial Management and Control Systems (FMC) are insufficiently embedded in institutional decision-making, and capacities for risk assessment and the monitoring of control measures are inadequate. Internal audit continues to suffer from chronic understaffing and

resource constraints, while recommendations issued by both internal and external auditors frequently remain unimplemented due to weak follow-up mechanisms and a lack of political and managerial commitment. Parliamentary oversight of external audit findings is superficial, considerably diminishing the preventive and corrective potential of the system. Overall, internal and external control mechanisms exert limited real influence on enhancing accountability and ensuring the efficient management of public funds.

Sources:

OECD (2025), Public Administration in Bosnia and Herzegovina 2024: Assessment against the Principles of Public Administration, SIGMA Monitoring Reports, OECD Publishing, Paris

Key indicators:

Implementation of internal audit recommendations:	BiH 58%; FBiH 46%; RS 41%;
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Implementation of external audit recommendations:	BiH 35%; FBiH 37%; BD 27.99%; RS 55%.
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### 3.2. Anti-corruption Bodies

**Assessment:** Anti-corruption bodies in BiH are fragmented, passive and lack genuine political and operational independence, resulting in minimal measurable impact on reducing corruption, particularly at higher levels of governance.

The institutional framework for preventing and combating corruption in BiH remains insufficiently developed and highly fragmented, severely constraining its effectiveness. Although the Agency for Prevention of Corruption and Coordination of the Fight against Corruption (APIK) is formally mandated to serve as the central coordinating institution for anti-corruption efforts, it has not fulfilled expectations regarding proactivity or its strategic leadership role.

APIK does not perform a proactive role as the central coordinator of anti-corruption activities, nor does it ensure full implementation of the strategic framework or compliance with international obligations and standards, including GRECO recommendations. Corruption prevention carried out by APIK and by bodies operating at lower levels of government remains largely ineffective and inadequately coordinated. While certain positive practices at the cantonal level (Sarajevo, Tuzla) demonstrate that localised initiatives can yield tangible results, these efforts are not systematically supported. Overall, anti-corruption bodies in BiH lack sufficient institutional capacity, political backing and operational independence to exert a meaningful influence on reducing corruption. The system is further characterised by fragmentation, weak coordination and limited interaction with enforcement authorities (police and prosecutors' offices), which significantly constrains its real impact, particularly in addressing high-level corruption.

**Conclusion:** Anti-corruption bodies in Bosnia and Herzegovina operate within a highly unfavourable institutional and political environment and lack the necessary proactivity, coordination and independence. APIK's absence of strategic leadership, combined with the limited capacity of cantonal and entity-level bodies, results in corruption prevention and sanctioning that

is selective and sporadic. Systemic fragmentation and weak ties with law enforcement agencies further diminish the effectiveness of these institutions, especially in tackling higher-level corruption. Without strengthened capacities, full alignment with international standards and genuine political support, anti-corruption bodies will remain unable to significantly reduce corruption or rebuild public trust in institutions.

Sources:

Transparency International BiH (2023) – National Integrity System Study

Key indicators:

Number of professional anti-corruption bodies	9
Number of strategic documents/action plans	6

### 3.3. Law Enforcement Agencies

Assessment: Law enforcement agencies in BiH are fragmented, highly vulnerable to political interference and characterised by weak capacities, insufficient coordination and inadequate integrity controls, resulting in a lack of proactive action against high-level corruption and organised crime.

The law enforcement sector in Bosnia and Herzegovina is marked by institutional fragmentation, resource constraints and pronounced political influence, all of which significantly undermine its effectiveness, particularly in addressing high-level corruption and organised crime. The institutional framework remains incomplete and insufficiently coordinated. Although multiple agencies operate at state, entity and cantonal levels (SIPA, ISA, BP BiH and entity and cantonal police forces), unified strategic planning and efficient operational coordination mechanisms are lacking. Overlapping and conflicting jurisdictions slow investigations, prompt frequent case transfers and substantially diminish the efficiency of proceedings.

Institutional capacity and operational performance remain weak. Police bodies rarely initiate investigations *ex officio*, while financial investigations and asset confiscation measures are infrequent. Anti-corruption efforts suffer from the passivity and formalistic approach of key actors. Neither in 2022 nor in 2023 did SIPA or other agencies submit reports on high-level corruption to the BiH Prosecutor's Office. Existing high-level corruption cases are marked by selective handling, procedural shortcomings and political pressures, eroding public trust in police bodies and the broader law enforcement system.

Integrity and accountability remain major challenges. The appointment of agency leadership is frequently subject to political blockades, while incidents such as the escape of the SIPA deputy director from arrest, along with persistent media allegations regarding links between police structures and organised crime or their involvement in various criminal activities, underscore weak internal controls and the absence of effective accountability mechanisms. There are no functional systems for verifying the integrity of officials, and disciplinary procedures are infrequent and insufficiently dissuasive. Cooperation and information exchange between police agencies and prosecutors' offices is limited, and police bodies often display selective reluctance to act on prosecutorial instructions, particularly in high-level corruption cases. The lack of trust and the absence of clear hierarchical relations between state and entity-level prosecutors' offices and police agencies further complicate operational processes.

Conclusion: Overall, the law enforcement sector is characterised by inadequate institutional capacity, an erosion of independence, weak inter-institutional cooperation and the lack of effective mechanisms for verifying integrity and ensuring accountability. Consequently, proactive work on high-level corruption cases, the intensification of financial investigations and the confiscation of illicit assets remain largely absent.

Sources:

Transparency International BiH (2023) – National Integrity System Study

Key indicators:

Number of criminal reports submitted by law enforcement agencies to the Prosecutor's Office of BiH on suspected high-level corruption offences (2022–2023) 0

Number of police officers per 100,000 inhabitants 445.64 (EU average 340)<sup>5</sup>

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<sup>5</sup> Police officers in Europe – Landgeist

### 3.4. Judiciary

The judiciary continues to face profound structural challenges relating to independence, integrity, functionality and efficiency. Although certain positive developments can be observed, the pace of reform remains slow and public confidence in judicial institutions is persistently low.

The High Judicial and Prosecutorial Council (HJPC), the principal governance body of the judiciary, faces difficulties concerning transparency, integrity and institutional capacity. Political influence over appointment processes needs to be addressed, and the Council requires a larger budget, particularly to strengthen the verification of asset declarations and to improve mechanisms for enforcing its decisions as well as cooperation with court presidents and chief prosecutors.

Judicial independence and impartiality are seriously compromised. The lack of prosecution of political corruption signals continued political pressure and control. Weak institutional responses to threats against judges and prosecutors further exacerbate concerns about independence. Lengthy criminal proceedings, including cases involving judicial office holders, continue to undermine public trust. The almost unrestricted discretion of prosecutors, combined with a selective approach and the absence of proactive action, remains a central challenge to the functioning of the judiciary.

Accountability and integrity also remain structural weaknesses. Disciplinary measures exert only a limited deterrent effect, and case selection and prioritisation fail to target the most serious integrity breaches. Although integrity plans and codes of ethics exist, their implementation and monitoring require substantial strengthening to ensure a meaningful preventive impact. Mechanisms for verifying the assets of judges and prosecutors are in place but have not yet operated at full capacity.

The quality and efficiency of the justice system remain below European standards. Although the average length of proceedings has slightly decreased, the backlog still exceeds two million cases, while the absence of an effective enforcement system for small and uncontested claims continues to create systemic bottlenecks. The reform of prosecutorial quotas has not produced the expected results – the number of indictments continues to fall. Equally concerning are instances of manual case reassignment despite the existence of a random assignment system, which seriously erodes the perception of judicial independence.

Strategic planning remains inadequate. The new Justice Sector Reform Strategy and its accompanying Action Plan have not been adopted, even though their content is the result of an inclusive consultation process. The absence of an adopted strategic framework hampers reform implementation and prevents a systematic approach to addressing existing problems.

Transparency and uniformity of jurisprudence require significant improvements. The publication of court decisions and the regular scheduling of hearings remain inconsistent. Progress in the harmonisation of jurisprudence is limited, and a state-level mechanism to ensure uniform interpretation and application of the law is still missing.

Conclusion: The judiciary remains one of the structurally weakest components of the institutional framework, with deep-rooted deficiencies in independence, integrity and efficiency. Despite certain technical improvements (e.g. amendments to the Law on the HJPC, advances in digitalisation and better statistical reporting), the reform process is slow and insufficiently coordinated, while key strategic documents remain unadopted. Political interference and pressure continue to significantly shape judicial outcomes, particularly visible in the chronic absence of prosecution for high-level corruption and the excessive duration of proceedings, including those involving judicial office holders themselves. Limited capacity to enforce decisions, selectivity and the weak deterrent effect of disciplinary proceedings further undermine public trust. Without the adoption of a new judicial reform strategy, reinforcement of budgetary and human resources, greater transparency and the



establishment of effective mechanisms for harmonising jurisprudence, the judiciary will remain unable to perform its role as an independent guarantor of the rule of law and as a key pillar of Bosnia and Herzegovina's EU integration process.

Sources:

HJPC Annual Reports

Bosnia and Herzegovina Open Society Foundation, "The Blindfolding Justice in Bosnia and Herzegovina", State Capture of Bosnia and Herzegovina's Judiciary and Public Prosecution, January 2021

Key indicators:

Statistics on High-level Corruption Offences ("KTKV")	2022	2023	2024
Reports received	38	30	28
Total number of reports	49	55	57
Investigations ordered	33	20	22
Total number of investigations	43	40	34
Indictments issued	17	20	16
Indictments upheld	14	16	18
First-instance judgements – Imprisonment	1	1	5
First-instance judgements – Suspended sentence	0	0	1

First-instance judgements – Fine	0	0	0
First-instance judgements - Acquittal	1	4	7
Second-instance judgements – Imprisonment	4	5	8
Second-instance judgements – Suspended sentence	3	2	4
Second-instance judgements – Fine	0	0	0
Second-instance judgements – Acquittal	3	3	7

#### 4. Resource Distribution

The system governing the distribution of public resources in Bosnia and Herzegovina is marked by low levels of transparency and a pronounced influence of political actors, rendering it one of the central mechanisms of state capture. Public procurement, concessions and employment within the public sector are frequently shaped by political and clientelistic pressures, with decisions taken in favour of narrow interest groups rather than guided by principles of efficiency and the public interest. The absence of robust systemic controls and the limited institutional capacity of oversight bodies enable the misuse of public resources, while the weak and inconsistent application of sanctions further entrenches impunity. Such patterns of resource distribution exacerbate economic and social inequalities and significantly impede reform processes as well as progress towards EU integration.

Indicator	Source
4.1. Public Procurement	PPA Reports
4.2. Concessions	Reports of the Commission for Concessions/TI BiH

4.3. Recruitment and Appointments – Public Administration (in the narrow sense), Education, Public Enterprises	TI BiH; SIGMA
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#### 4.1. Public Procurement

Assessment: Public procurement in Bosnia and Herzegovina is characterised by a legal framework that is only partially aligned with the EU *acquis*, alongside substantial deficiencies in implementation, institutional capacity and the overall efficiency of the system. Despite certain reform initiatives, practical application continues to lag behind formal commitments, leaving the system highly vulnerable to irregularities and corruption.

While the legislative framework provides a reasonable basis, enforcement and implementation capacities remain weak, and procurement practices are largely formalistic. The Public Procurement Agency (PPA) lacks sufficient resources and authority to ensure effective law enforcement, systematic monitoring and strategic guidance of public procurement policy. Moreover, improved coordination with the Competition Council, as well as audit and judicial institutions, remains necessary.

In 2023, public procurement accounted for 10.31% of GDP, while the average number of bids per tender remained low at 1.75. Particularly concerning is the fact that more than half of all tenders (51%) attracted only a single bid, and that price served as the sole award criterion in as many as 82.43% of cases. The public procurement process therefore remains susceptible to irregularities and corruption, underscoring the need for additional measures to strengthen integrity and effectively prevent conflicts of interest.

The legal protection framework is largely aligned with EU legislation; however, it faces serious challenges in practice. The Procurement Review Body (PRB) operates with insufficient technical capacity and is burdened by a high volume of

complaints. The effectiveness of the system is further compromised by limited access to consistent case law, protracted appeals procedures and legal loopholes that obstruct timely proceedings. Transparency in the decision-making of the PRB requires substantial improvement.

Conclusion: While the legal framework for public procurement is broadly aligned with EU standards, its implementation remains weak and formalistic, marked by low institutional capacity and limited effectiveness of control mechanisms. The public procurement market is characterised by low levels of competition, the dominant use of the lowest-price criterion and the frequent occurrence of single-bid procedures, all of which significantly heighten the risk of corruption and inefficient use of public funds. Practices of tailoring requirements to predetermined conditions and collusive behaviour remain persistent challenges despite certain improvements in transparency. Insufficient capacity within the Public Procurement Agency and the Procurement Review Body, together with inadequate coordination with judicial and supervisory institutions, further undermines the integrity of the system. Targeted measures are therefore required to strengthen institutional capacity, transparency and effective remedies in order to ensure a genuinely competitive and fair public procurement system.

#### Sources:

Annual Report on Awarded Public Procurement Contracts – Public Procurement Agency of BiH  
Analysis of the Application of Exemptions under the on Public Procurement Law (Article 10a) –Public Procurement Agency of BiH

#### Key indicators:

Total values of contracts awarded in 2004:	BAM 5,108,742,365.63
Share of public procurement procedures with only one bid in 2023:	51%, compared to the EU average of 28%
Average number of bids per tender in 2024:	1.75; average number of eligible bids: 1.61; EU average: 4.1
Spending carried out via exemptions from regular public procurement procedures in the period 2023–2025, without applying the fundamental principles of transparency, competition and equal treatment:	more than BAM two billion

## 4.2. Concessions

Assessment: The concession system is marked by a high degree of legal and institutional fragmentation, as well as a lack of alignment with EU standards, creating an environment of legal uncertainty and significantly undermining investment attractiveness. Concession award procedures are frequently non-transparent and rely on negotiated processes with limited competition, which increases the risk of corruption and weakens the principle of equal treatment of bidders. The absence of centralised registers and underdeveloped oversight mechanisms further erode accountability and transparency within the system.

The legal framework governing concessions is extremely fragmented, comprising a total of **fourteen laws** across all levels of government: one at the state level, two at the entity level, ten at the cantonal level in FBiH and one in Brčko District. These regulations are neither mutually harmonised nor aligned with the EU *acquis*, resulting in legal uncertainty, difficulties in implementing large-scale investment projects and a discouraging environment for potential investors.

In practice, concession award procedures are often non-transparent and rely on negotiated procedures without a public call or on so-called unplanned initiatives, substantially increasing the risk of corruption and the circumvention of equal treatment of bidders. A further challenge lies in the absence of a centralised database and systematic monitoring of the fulfilment of contractual obligations, which complicates oversight and reduces institutional accountability. The predominantly chronological approach to awarding concessions further weakens effective control over resource exploitation.

The institutional architecture of the concession system is highly complex and fragmented. In addition to state-level and entity-level commissions, each canton maintains its own concession commission, many of which operate with limited capacity and insufficient transparency. In 2023, no concession contracts were concluded at the state level, in the Federation of Bosnia and Herzegovina or in the Brčko District, while 28 contracts were awarded in Republika Srpska, most of them through procedures involving only a single bid. Harmonisation of legislation, strengthening the capacities of concession commissions and line ministries and the introduction of mandatory transparent procedures and publicly accessible concession registers are necessary to reduce corruption risks and to create conditions for more competitive and sustainable investment.

Conclusion: The concession system is extremely fragmented, non-transparent and vulnerable to political influence, which significantly constrains its effectiveness and investment potential. Legal fragmentation and regulatory inconsistency across

all levels of government generate legal uncertainty, while the complex institutional set-up and limited capacities of concession commissions further weaken effective oversight and enforcement of contractual obligations. In practice, negotiated procedures with restricted competition prevail, creating ample space for corruption and clientelistic arrangements. In the absence of urgent legislative harmonisation, the establishment of centralised and publicly accessible registers and the strengthening of institutional capacities, the concession system remains one of the weakest components of public resource management, characterised by limited developmental impact and low levels of public trust.

Sources:

TI BiH (2024) Sistem koncesija u BiH – pravni i institucionalni okvir

TI BiH Concession Database

Key indicators:

Total revenue of concessionaires employing zero or one employee in 2021	BAM 22,211,000
Number of concessionaires employing zero or one employee in 2021	104
Total debt accrued by 95 concessionaires in respect of annual concession fee obligations	BAM 14,189,000

### **4.3. Recruitment and Appointments – Public Administration (in the narrow sense), Education, Public Enterprises**

Assessment: Employment in public administration in Bosnia and Herzegovina is formally founded on the principles of merit-based recruitment and equal access; however, their application in practice remains inconsistent and highly susceptible to political influence. Recruitment procedures are frequently insufficiently transparent, while subjective criteria and clientelistic networks significantly shape employment outcomes. The absence of strategic human resource planning, together with the excessive use of temporary engagements, further undermines professionalisation. Of particular concern is the situation in education, health care and public enterprises, where politicisation and nepotism are more pronounced, and senior management positions are often used as instruments of party-based staffing.

The legal framework governing employment in public administration is founded on the principles of a merit-based system, equal access and transparent procedures; however, its application is inconsistent and fragmented across different levels of government, including the state, entities, cantons and the Brčko District. Although the merit system and transparency formally exist within administrative bodies in the narrow sense, they are frequently undermined by political influence, clientelistic practices and insufficiently precise selection criteria. Recruitment procedures are not always fully transparent, and subjective considerations often influence employment outcomes.

Personnel planning remains underdeveloped. The majority of institutions lack long-term staffing plans grounded in systematic needs assessments, resulting in an excessive administrative workload alongside a shortage of qualified staff for specialised functions, such as digitalisation, public procurement and financial management. Temporary and contractual employment is widely used, often outside standard competitive procedures, which reduces transparency and increases the risk of politicisation.



Performance appraisal and career advancement systems are insufficiently linked to actual work results. Existing appraisal mechanisms overwhelmingly result in uniformly positive evaluations, which weakens employee motivation and prevents promotion and selection based on demonstrated performance.

Professional development and training programmes are not strategically aligned with institutional needs. There is no coherent system for the continuous development of competences, nor for the evaluation of training effectiveness.

The situation outside the narrower system of public administration, particularly in education, health care and public enterprises, is even more adverse:

- Employment in schools and health care institutions is frequently subject to strong political influence, with entrenched practices of nepotism and clientelism.
- Recruitment procedures are characterised by limited transparency, as vacancies are often announced through local media with very short deadlines or framed in a manner that favours pre-selected candidates.
- Public enterprises are especially exposed to political interference, with managerial posts and a substantial number of positions used as instruments of party-based recruitment, further undermining the principles of merit and professionalisation.

Conclusion: Overall, public sector employment is marked by pervasive politicisation, low levels of transparency and the limited application of merit-based principles, all of which weaken the professionalisation and efficiency of public administration. These deficiencies are particularly pronounced outside the narrower administrative system – in education, health care and public enterprises – where clientelism and party-based employment are deeply embedded, directly affecting service quality and eroding citizens' trust in public institutions.

### Sources:

World Bank (2024): Improving Governance for Better Public Services in Bosnia and Herzegovina  
OECD (2025), Public Administration in Bosnia and Herzegovina 2024: Assessment against the Principles of Public Administration, SIGMA Monitoring Reports, OECD Publishing, Paris  
Blagovčanin S. The Rule of the Cartel, 2020

### Key indicators:

Total number of employees in the public sector (World Bank, 2024)	340,000, representing 40% of total employment (850,000)
Employment mediated through clientelistic networks (TI BiH)	90%
Citizens' trust in civil servants (SIGMA)	29%
Assessment of merit-based recruitment and equal opportunities in public administration (SIGMA)	38/100

## **5. Synthesis: Mapping the Pattern of Capture**

The analysis confirms that state capture in Bosnia and Herzegovina is a systemic process, with political parties acting as its primary drivers. Rather than functioning as vehicles of political representation, political parties have evolved into mechanisms for controlling institutions, public resources and social relations, thereby generating a profound democratic deficit and persistently undermining the principles of accountable governance. Political parties operate as closed,

clientelistic structures that mobilise citizens through loyalty, ethno-national narratives and access to public resources, rather than through programme-based or ideological competition. This dynamic suppresses genuine political contestation and consolidates a system that sustains itself through the reproduction of power, rather than through accountability and performance.

Within the decision-making sphere, political parties have effectively displaced substantive decision-making from formal institutions. Parliamentary and governmental procedures largely function as mechanisms for the formal endorsement of political agreements reached in advance, while the public interest is subordinated to the imperatives of political survival and inter-party bargaining. Decision-making increasingly takes place in informal, non-transparent settings, without meaningful involvement of experts or the broader public, thereby reducing formal institutions to administrative bodies tasked with implementing the will of political elites.

Such a model produces a systemically embedded dysfunction within the accountability ecosystem. Control and oversight institutions – ranging from audit and anti-corruption bodies to the judiciary – exist in formal terms, yet their effective functioning is paralysed by political interference and the selective application of the law. Rather than safeguarding integrity and sanctioning wrongdoing, these institutions often serve to legitimise the *status quo* and contribute to the persistence of impunity.

Ultimately, the distribution of public resources represents the most direct manifestation of state capture. Employment, public procurement, concessions and subsidies operate as instruments of political control and mechanisms for rewarding loyalty, while the public interest is systematically appropriated in favour of political parties and affiliated interest networks. This dynamic creates a vicious circle in which political power, institutional dysfunction and economic resources mutually reinforce and sustain one another.

Broadly speaking, political parties constitute the epicentre of state capture, as they channel and coordinate processes that undermine the democratic order, hollow out institutions and prevent the emergence of genuine accountability. Addressing this condition requires a fundamental redefinition of the relationship between political parties and the state, the establishment of genuine institutional autonomy and the strengthening of mechanisms that preclude political control over decision-making, oversight and the distribution of public resources. In the absence of such a shift, BiH will remain trapped in a state of permanent institutional paralysis and ongoing democratic erosion.