

Bosnia and Herzegovina: an elite in conflict with itself under pressure of the crisis

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On 10 February, almost a year and a half after the parliamentary election, a new central government was formed in Bosnia and Herzegovina (BiH). The Council of Ministers of BiH, consisting of ten members, will be led by a Bosnian Croat, Vjekoslav Bevanda, who is an economist. The Bosnian parties will be represented by four ministers, while the Serb and Croat parties will each be represented by three ministers. Three days after taking the oath, the government accepted the budget for 2011 at an extraordinary session. This will enable the preparation of the interim budget for the current year.

On 3 February, parliament adopted laws on the census and state aid, the latter of which regulates the state's budget policy. The adoption of the two legal acts was among the key conditions the EU set for BiH in the process of European integration. These issues have been at the centre of a sharp dispute within the political elite of BiH, who have been unable to develop any compromise solutions for the past few years. The actions have been taken on the grounds of provisions of the agreement which was signed in December by six parties under pressure due to the deteriorating economic situation in BiH.

Commentary

- The fact that the government has been formed at the central level does not settle fundamental disputes between the three nations of BiH which concern such issues as the institutional structure of the state. It has, however, put an end to the recent political crisis in BiH. The lack of a central government was reinforcing tendencies towards the emancipation and independence first of all of Republika Srpska (RS) and the Croat cantons, which was reinforcing disintegration processes in BiH. This also caused the blocking of the process of European integration for BiH since the European Commission and the EU member states assume that the central government is the only partner for EU institutions in the enlargement process.
- The arrangements made in the agreement between the political parties have been implemented relatively smoothly, which is very unusual in the political life of BiH. In the past, most agreements were not put into effect. The deteriorating economic and budget situation has forced the political elite of BiH to make compromises even in the most disputed issues (for example, the census). Otherwise they would have no chance of obtaining funds from the EU and the International Monetary Fund (IMF).

- The cabinets formed thus far have been stable. However, at the same time, sharp disputes between their members prevented the effective implementation of reforms. It may also be expected that some ministers will now sabotage reforms. Prime Minister Bevanđa lacks the authority and popularity required to be able to push through the necessary legal changes, especially given the fact that he as a Croat is representing the smallest of the three major national groups in BiH. The government's efficiency will depend to a great extent on international pressure on the country's political elite.
- The difficult economic situation may be used by international institutions to force Bosnian politicians to carry out further reforms. The government has announced it will soon resume talks with the IMF on unfreezing the loan which is meant to guarantee the liquidity of public finances. The EU, considering the change in its institutional presence in Bosnia (the functions of the European Union Special Representative and the head of the EU delegation have been merged), now has much greater possibilities to make financial assistance dependent on the implementation of tangible reforms.