

What has changed since Dayton Agreement - politics in Bosnia and Herzegovina continues to hamper economic development

Even today, 25 years after the signing of the Dayton Peace Agreement, it can be heard that the conflicts that led to the war have not been overcome, while the new consequences of such conflicts are the economic problem in Bosnia and Herzegovina.

We talked to Denis Čarkadžić, a political scientist, Adis Muhović, the Executive Director of the Center for Policy and Management (CPU) and Admir Čavalić, an economic analyst and director of the association "Multi", about the economic consequences of Dayton and what it has done for the BiH economy in the past 25 years.

Politicians are looking for revision instead of working on development

It is even more often called for the revision of Dayton, the formation of a different state, a new bureaucracy, as if that would solve old problems. These problems stem from ethnic divisions, most often while emphasizing that there is still no peace and equality among Bosniaks, Serbs and Croats who share the Federation's passport. But the problem is that all political participation comes down to ethnicity. That politicians and public speakers always return to the topics of these divisions, instead of understanding the complexity of the lives of their residents, voters, even if they only look at them that way, in the modern economic and business environment. In the shadow of political overvotes around "us" and "them" and "those third parties", the real life of the citizens stuck at the moment when the Agreement was signed remains. The Dayton Agreement itself and the way in which it shaped the state is not an obstacle to economic development, the interlocutors of Talas point out. In fact, the constitutional provisions and Dayton are often an excuse for politicians for the lack of measurable economic results, which are a consequence, not of the form of regulation, but of bad decisions of the political elite.

Abuses of the Constitution are the reason for the lower standard

The Dayton Agreement, and the Constitution of BiH itself as its integral part, explained for Talas the political scientist from Sarajevo Denis Čarkadžić, as such they are not an obstacle to the development of the economy in BiH. He reminds that the Constitution prescribes that new institutions that are not foreseen by it can be established, which would enable the strengthening of the economy. Čarkadžić pointed out that despite that and the negative economic picture, there are possibilities for development and withdrawal of funds from the EU. The brakes are here - politicians and political interests.

Dayton is a ballast because the economy is inseparable from politics

The Dayton Agreement only defines the competencies of the state, it has no leverage for

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economic development, Adis Muhovic, Executive Director of the Center for Policy and Management, told Talas. The main problem, according to his assessment, is that this document was written in a moment and the problems of that time, with the idea that it should be finalized, while some of the competencies as defined then, were overcome in the challenges of modern times. That is why the obsolescence or insufficiency of the Dayton arrangement is cemented by the political consequences of the agreement, he believes, adding that we cannot blame Dayton for politicians not fulfilling the goals they set for themselves and the promises they gave to the citizens.

He points out that the decentralization of the Federation has not resulted in healthy competition, as would be expected, but that the centralization present in Republika Srpska has made this entity poorer because all the money is controlled by one political party.

The government is concerned with itself and not with reforms

The economic picture 25 years after Dayton was described for Talas by Admir Cavalic, economic analyst and founder of the association "Multi", who points out - BiH is a small market, which has been relying on and converging towards the European Union for 25 years, which in his opinion is good, but at the same time, this means that all disturbances in large markets will have a great impact on life in BiH. He emphasized that in the context of the current crisis caused by the coronavirus pandemic. He adds that the most positive thing regarding the economy in BiH is monetary policy, because the convertible mark is tied to the euro, so local authorities "cannot spoil anything". The fact is that the Dayton Agreement created a multiethnic state with a complex organization and cumbersome administration, and not all problems, especially economic ones, can be attributed to this. This would neglect the responsibility of political elites who, by striving for particular and short-term political interests, limit the economic freedoms and divisions of the individual. Isn't, for example, Switzerland, and even Canada, an example of a multiethnic order, which many other countries strive for in a global multicultural society, and yet that is not an obstacle to their economic development in the way it is related to Bosnia and Herzegovina. Source: talas.rs