Regionalization and Regional Development in Bosnia and Herzegovina in the Post-war Period

Jasmina Osmanković

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ABSTRACT

The paper deals with the theoretical and practical issues of regionalisation in Bosnia and Herzegovina. The first section examines three approaches to regionalisation in Bosnia and Herzegovina: a) scientific approach is based on research work conducted by different domestic authors (Bošnjović, Hadžiomerović, Begić); b) political and military regionalisation was designed upon the concepts proposed by international experts; c) administrative regionalisation conducted by current economic policy. There were identified 4 macroregions (Sarajevo, Banja Luka, Tuzla and Mostar with a possible fifth one - Zenica) as spatial and economic units and areas with clearly differentiated dominant centres with advanced production and central functions. In 2001, the process of setting up regional development agencies started according to their founders (central government, regional or local authorities, independent RDA founded on the basis of private-public partnership).

It remains to be seen whether the proposed models and mechanisms could be strong enough to underpin the regional and overall economic and social development in Bosnia and Herzegovina.

Key words:
Regional development agencies, the function of RDAs, economically sustainable development of territory
Introduction

Regionalization is one of the fundamental concepts of regional development. Its scientific and practical value is not in question. What is often controversial and insufficiently clear are the principles and criteria of regionalization, which are not defined once and for all, unalterable and generally accepted. As a result, the problems of regionalization are simple neither practically nor theoretically. Nor is Bosnia and Herzegovina an exception to this, although some of its specific features (historical, political, geocommunicational, ethnic and so on) do make the problem a particularly challenging one. The principles and criteria of regionalization are sensitive to the socio-economic system as well as space- and time-sensitive.

Determining regions and the principles of regionalization is a matter of strategic importance in economic theory and policy alike. In the case of Bosnia and Herzegovina, regionalization must also be viewed in the context of European Union association and accession.

What is our attitude here in Bosnia and Herzegovina to these issues? Are we familiar with the experience of other states, the European Union, and our own experience, have we taken it on board, and are we putting it into practice? What is our position on the UNESCO proposal that a start to overall sustainable development be made by introducing regional units (SDRU) as distinct regions in which economic activity will be conducted in conformity with the capacity of the eco-system to absorb it?

What have we learned from the experience of Bosnia and Herzegovina in scientifically, professionally and empirically based economic regionalization in, for example, 1963/64, 1969, 1992, 1996, and from political, military and administrative regionalization?

Given the basic aim of this paper, particular attention should be devoted to the “current regionalization” that has arisen as an expression of the objectives, will, interests, preferences and needs of the municipalities that are the country’s fundamental economic units. As well as local communities and local authorities, representatives of the international community have also been proactive at every stage of the current promotion of the region through regional development agencies. The “international community” here includes the Office of the High Representative, the European Union, CARE QIF International, and several embassies.
Another subject of scholarly consideration should be the vision of regionalization of Bosnia and Herzegovina drawn up by the European Commission.

A detailed analysis of “current regionalization” calls for answers to the question whether these regions are capable of ensuring sustainable development and the optimal expansion of economic development, and of minimizing potential internal conflicts in line with functional gravitational principles, competitive advantages, the principles of sustainable development, and European Union regulations and instructions; and to the question of the relationship between regions emerging as the expression of interest on the part of local communities in forming regional links and regions that are the expression of the European Commission’s vision.

Given our objectives, and the time available to us, we shall merely highlight certain features, beginning by drawing attention to certain elements of Bosnia and Herzegovina’s experience in the form of the outcome of scientifically, professionally and empirically based regionalization, military and political regionalization and administrative regionalization. We shall then go on to sketch out current regionalization, or rather regionalizations, in the plural: administrative and political regionalization, regionalization resulting from links formed between local communities (municipalities), and the regionalization proposed by the European Commission. There will be a particular focus on regional development agencies as the central topic of this paper.

1. The experience of Bosnia and Herzegovina in regionalization

The various regionalizations of Bosnia and Herzegovina can be classified into three basic groups: scientifically based regionalization as presented in the works of authors from Bosnia and Herzegovina, military and political regionalization drawn up by international experts, and administrative regionalization, as one expression of economic and regional policy.

This paper provides an outline of scientifically, professionally and empirically based regionalization as presented by authors from Bosnia and Herzegovina from 1945 to 1996.

In 1963/64, H. Hadžiomerović saw economic regionalization as a dynamic process, a process of regional economic development, the base and motivation for population movements.
The division into development zones was effected on the basis of the regional distribution of economic development factors and their significance for efficiency of investment. The main north-south communications, the majority of existing industrial capacity, and population concentration are in the priority zones (the river Neretva valley, the upper and central course of the Bosna river and the Posavina or Sava valley zone with the river Una valley), close to easily accessible raw materials and energy sources. A priority zone has all the elements for cost-effective, economically advantageous development.

Another view of regionalization is by division into economic geographical zones. This is based on natural features as the basis of economic development. Three such zones were identified: the Posavina with the river Una valley, the mountain-forest zone and the karst zone.

The final outcome of the study entitled “Regionalizacija i centri društveno-ekonomskog razvoja u Bosni i Hercegovini” was a proposal that Bosnia and Herzegovina should be divided into four macroregions and sixteen regions, as follows:

1) the macroregion of the Bosnian krajina (the historic frontier region), with five regions: Banjaluka, Prijedor, Bihać, Jajce and Drvar
2) the macroregion of north-eastern Bosnia with four regions: Tuzla, Brčko, Doboj and Zvornik
3) the Sarajevo-Zenica macroregion, with three regions: Sarajevo, Zenica and Goražde
4) the macroregion of Herzegovina with four regions: Mostar, Trebinje, Konjic and Livno.

In 1992, in a very specific economic and political atmosphere, the Economics Institute proposed a model of regionalization in which the regions were geographical, technological, infrastructural, economic and socio-political units but also part of the single economic and socially integrated space of Bosnia and Herzegovina. The emphasis was on the effectiveness and efficiency of regionalization, and on “not disrupting the shared lives of the nations and minorities of Bosnia and Herzegovina nor hindering socio-economic development, but rather on each stimulating and accelerating the other.”

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1 Bošnjović I. (1969): Regionalizacija i centri društveno-ekonomskog razvoja u Bosni i Hercegovini, Sarajevo, Economics Institute
The four-region model was devised as a function of geographic area, population numbers and make-up, and degree of socio-economic development. The actual regionalization was carried out as follows. First, a theoretical model was developed on the basis of research into the gravitational impact of all four centres. On that basis, the boundaries were then demarcated, and corrected according to the findings of surveys of the true gravitational orientation of each area. Both gravitational centres and gravitational areas were polled, with particular emphasis on perimeter zones. In the case of the seventeen municipalities that were in a perimeter region and whose position in this regard was not clear, their orientation for one centre or another was ascertained by a separate procedure. Eleven factors were analyzed, each of which expressed a certain connection between the municipality area and the corresponding centre. A second correction of the model was carried out on the basis of an assessment of the spatial and geographical circumstances of the municipalities’ links.

The proposed regionalization provided for regions that were large enough territorially and demographically and of such a structure as to enable them to function properly. The intention was that there should be equilibrium between them as regards their economic, social and other capacities.

Bosnia and Herzegovina was divided into four regions: the Banja Luka-Bihać region (Bosnian krajina), the Sarajevo-Zenica region (Central Bosnia), the Tuzla-Doboj region (north-eastern Bosnia) and the Mostar-Trebinje region (Herzegovina).

The significance of this model lies in its solid grounding and effectiveness in paving the way for a resolution of fundamental development problems, and in the fact that it respected economic, political, ethnic and administrative factors.

The findings of the study were never put into practice because of rapid changes to the political environment and the outbreak of war. Its value remains undiminished, however. It is still worth applying, particularly when the market is operating fully.

A particular value of the proposed model of regionalization is that it is capable of application in a decentralized system, under the circumstances of the global integration of the world economy and the reaffirmation of national economic policy. It is of considerable interest to relate it to the problem of attracting foreign capital. It notes that “one may claim

3 The gravitational field of one centre in comparison to another was determined using the Reilly-Converse formula, which is the ratio of the distance between the two centres expressed in km and the sum of the distance and the square root of the population quotient of centre A and centre B.

with a high degree of certitude that ignoring the demands of the contemporary global world economy on the concept of the macroeconomic policy of the state has tragic and far-reaching consequences."  

The 1996 study entitled “Regional development” was designed to ascertain, first, whether functional gravitational regionalization into four regions based on the principles of functional gravitational regionalization was possible, and if so, under what conditions. It was noted that during the period to 1991, regions had taken shape around the centres of Sarajevo, Zenica, Banja Luka, Tuzla and Mostar on the basis of establishing economic and social links and interaction between the centre and the surrounding area. These promoted their economic structure in the light of their specific historical circumstances, natural and geographical characteristics and infrastructural features.

Regionalization of this kind is not the outcome of political decisions, but emerged as a result of the natural geographical links in the area and the specific economic structure that was created. It was the subject of study in numerous projects between 1969 and 1996 – studies which confirmed the functional gravitational regionalization into four regions.

According to these studies, an “optimal region” would be characterized by the following parameters:

Given the size of Bosnia and Herzegovina, its population density, communications, degree of economic development and the distribution of major centres, the optimal size of macroregion is estimated as between 10,000 to 15,000 km². In a macroregion of that size, the maximum distance between its perimeter areas and the centre would be between 56 and 69 km. The aim would be for the maximum distance between the perimeter areas and the basic centre to be up to 100 km, exceeding that distance only where no alternative division was feasible.

The optimal demographic size of the average macroregion in BiH ranges from 700,000 to 1 million inhabitants. An actual macroregion could vary in population numbers above or below those limits, depending on existing circumstances that must be taken into consideration for on justifiable grounds when demarcating the region.

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5 Ibid, p. 76.
In regard to urban gravitational criteria, a region could serve its purpose if it had one centre with very significant functions, two with significant functions, two or three of moderate significance, four to six of minor significance, and twelve to sixteen with insignificant functions.

Another factor to be taken into consideration when defining optimal regions is certain historical and traditional criteria. On this basis, the average region should have one of the four cities, Sarajevo, Banja Luka, Tuzla and Mostar, as its centre, with Zenica as a possible fifth.

A macroregion or region is identified as a spatial and economic unit, a heterogeneously natural and economic area, and an area with a clearly differentiated dominant centre with an advanced production and central function.

A macroregion is defined as a functionally gravitational area within which there is a certain structure of lesser territorial units with corresponding interdependent socio-economic interests and needs. Its territorial integrity is based on the functions that cover the needs of a broad area and on the resources of the region that underpin the development of the centre. Identity of interests is recognizable in the tendency for part of the activities designed to meet the needs of the wider area (the region) to be concentrated in a single centre and the suitability of the centre to develop activities of higher-ranking importance with the aim of meeting certain social needs of particular significance in the profile of the macroregion.\(^7\)

Between 1992 and 1996, Bosnia and Herzegovina was subject to regionalization that gave precedence to military and political criteria.

In March 1993 the Vance-Owen plan proposed the division of the country into ten provinces, three for each nation, and a special status for Sarajevo. Under the terms of this plan the provinces bore a national designation.\(^8\)

In August that year (1993), the Owen-Stoltenberg plan provided for the partition of the country into constituent republics of Bosniacs, Croats and Serbs, with Mostar under European Union administration and special status for Sarajevo.

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\(^7\) Studies on the regionalization of Bosnia and Herzegovina conducted in 1969, 1992 and 1996

The Washington Agreements of May 1994 provided for the partition of Bosnia and Herzegovina into the Federation of BiH, a territorial unit with a majority Serb population, and Sarajevo as a District. The map was the result of observing the ethnic principle.

With minor alterations to the borders, this division was retained in the Contact Group plan of July 1994. Under this plan, Bosnia and Herzegovina was partitioned into the Federation of Bosnia and Herzegovina, Republika Srpska, and Sarajevo District. The degree of unification of the national groups was greater than under the previous plan. The ethnic principle was faithfully observed, albeit with minor departures.

Finally, under the terms of the Dayton Peace Accord, the country was partitioned into two entities, the Federation of Bosnia and Herzegovina and Republika Srpska, with Brčko as territory subject to arbitration. The main criteria for this partition was the “facts on the ground” (the military position of the ceasefire line). This approach decreased the geographical and communicational compactness of the territory.

As this shows, representatives of the international community drafted several proposals for the partition of Bosnia and Herzegovina as a means of stopping the war and resolving the conflict. In so doing, they gave preference to ethnonational, political and military criteria.

Regionalization was a solution that called for and made possible a political resolution of the conflict. Typical of all these regionalizations was the exclusive preference for ethnonational and political criteria. Other factors – economic, geographical, infrastructural, spatial, urban and historical – were not taken into consideration.

Several specific periods can be discerned in regard to the administrative regionalization of Bosnia and Herzegovina between 1945 and 1996.

From 1945 to 1952: regionalization into districts (7), counties (65), towns and cities (14+4) and local national committees (871).

From 1952 to 1965: regionalization into counties (66-6) and municipalities (418-106).

From 1965 to 1991: regionalization into municipalities (106-112) and local wards (1815-2165).
In 1991, in addition to the official administrative division into 112 municipalities, other divisions also appeared (for instance, “autonomous districts” given national epithets).

From 1995 on, the basic administrative division of Bosnia and Herzegovina has been into two entities: the Federation of Bosnia and Herzegovina and Republika Srpska. The Federation of Bosnia and Herzegovina is divided into ten cantons, and they in turn are divided into municipalities; Republika Srpska, on the other hand, is divided only into municipalities. 1999 saw a debate in Republika Srpska over the introduction of districts or some other form of regionalization.

As this shows, constant changes are typical of administrative regionalization in Bosnia and Herzegovina, as the expression of the complexity of the problem and the need to resolve it. This is also reflected in the preoccupation of politics with the problem of regionalization, and is the indirect recognition that regionalization is more than just the physical division of territory but can be a means of resolving problems of development and integration as well as political, economic, ethnic, social and other problems.

2. Current regionalization

Three features can be distinguished in the current regionalization of Bosnia and Herzegovina: administrative regionalization, regionalization into the areas of the newly-introduced regional development agencies, and regionalization as envisioned by the European Commission.

The division of Bosnia and Herzegovina into the Federation of Bosnia and Herzegovina, Republika Srpska and Brčko District is an administrative regionalization. The Federation of Bosnia and Herzegovina is divided into ten cantons (Una-Sana, Posavina or Sava valley, Tuzla, Zenica-Doboj, Bosnian Podrinje or Drina valley, Central Bosnia, Herzegovina-Neretva, Western Herzegovina, Sarajevo, and Herceg-Bosna), and these cantons into municipalities. Republika Srpska is divided only into municipalities.

Available data suggests that the current population of Bosnia and Herzegovina is about 3.8 million (approx. 2.3 million in the Federation of Bosnia and Herzegovina, and 1.5 million in Republika Srpska). The per capita GDP in US$ is 1210 (2090 in the Federation of BiH and about 860 in RS), and employment is running at 16.2% (17.6% in the Federation of
BiH and 14.0% in RS). Unemployment is about 41% (approx. 40% in the Federation of BiH and approx. 43% in RS).

Since 2001, the process of setting up regional development agencies has been under way as a form of partnership between the non-governmental, public and private sectors, both domestic and international.

Regional development agencies have been set up in Brčko District (RABDA, 2001), Tuzla canton (2002), Mostar (2002), the lower Drina region (REDRIN, 2002), the Sarajevo economic region (SERDA, 2003), Banja Luka (BLERDA, 2003), north-western Bosnia (2003), Birač (2003) and the Sava valley region (2003).

The Tuzla canton regional development agency, as the name indicates, covers the 13 municipalities of Tuzla canton.

The Brčko District development agency covers the area of the District.

MEDA, the Mostar development agency, covers the area of the six municipalities of Mostar town (South-east, South-west, South, West, North and Old Town) plus the central area, with a tendency to cover the area of the Herzegovina-Neretva canton, in other words the whole of Herzegovina.

REDRIN was set up as an agency for the eight municipalities (Foča, Ustikolina, Goražde, Višegrad, Srpsko goražde, Višegrad, Rudo, Čajniče, Rogatica) of the upper Drina area.

Another agency was set up to cover nineteen municipalities (Prnjavor, Dubica, Kostajnica, Bosanski/Novi grad, Sanski Most, Ključ, B. Petrovac, Bihać, B. Grahovo, Glamoč, Drvar, Kladuša, Cazin, Bužim, B. Krupa, S. Sanski Most, Ribnik, Krupa on the Una) of north-western Bosnia, with two offices, in Bihać and Prijedor.

The regional development agency of the Birač region covers nine municipalities (Zvornik, Bratunac, Srebrenica, Vlasenica, Milići, Šekovići, Osmaci, Kalesija, Sapna).

The Sava valley regional development agency was set up to cover twelve municipalities (Orašje, Odžak, Modrič, Vukosavlje, S. Orašje, Gradačac, Derventa, B/S. Brod, Šamac, Šamac/Domaljevac, Doboj and Pelagićevo).
In the Sarajevo economic region, the regional development agency covers Sarajevo canton, the town of Srpsko Sarajevo, and the municipalities of Visoko, Breza, Kiseljak and Kreševo.

As a result, almost ninety municipalities have launched an initiative to set up or have already set up regional development agencies for certain areas.

Support for the work of the regional development agencies is provided by the European Union, the European Commission, the World Bank, UNDP, OSCE, the Office of the High Representative (OHR), the European Bank for Reconstruction and Development (EBRD), USAID, the embassies of a number of countries, local authorities and so on.

Regional development agencies, the driving force for the effective implementation of regionally based development strategies, are responsible for conducting the entire process. The development strategies of Tuzla canton, Brčko District and Mostar were developed on a participatory basis. Work on drawing up regional development strategies for the areas covered by the other RDAs is in the early stages of lobbying and educating partners or of conducting socio-economic surveys.

It would be interesting to compare this proposal with the “optimal region” that is the result of scientific, professional and empirical studies to date.

3. Regional development agencies

The experience of the European Union suggests that the basic characteristics of regional developments agencies are: interaction with the environment, partnership, relationship with existing structure, know-how and ability to identify goals and operational projects, ability to coordinate existing development structures, and autonomy in decision-making.

The need for regional development agencies comes from the business community; local, provincial, regional and state governmental structures; development and education institutions; public institutions (e.g. for employment or privatization); business and technology centres; development initiatives and advisers; financial institutions; non-governmental organizations and donors; and labour unions.

Regional development agencies can be classed according to their founders:

- founded by central government
• within regional or local authorities
• founded by regional or local authorities
• a combination of the above three
• independent RDAs founded on the basis of public-private partnership

In terms of their activities, regional development agencies can be defined as: strategic, overall operational, sector-based, or agencies in support of foreign investment.

In function or role, they are defined as general or specialized.

General agencies act as coordinators of the planning process in the region; as designers, implementing agencies or monitors of development programmes and projects; as catalysts for development funds and donations; as actors in economic and social reform (employment, support for the development of SMEs, investment promotion), and linking up as local and international regional development agency networks.

Specialized (local) agencies are involved in local projects, the provision of advisory and training services, and networking into a regional agency.

The partners in regional development agencies are: government bodies, chambers of commerce, associations, universities, research and development institutions, technology centres, institutions and organizations, existing service structures, labour unions, donors, NGOs, and RDAs within the country.

The relationship with the existing structure is characterized by agreements on joint projects and issues (specialization, networking, complementarity, joint representation, tendering, promotion, marketing, clear divisions of work and responsibility, issues of joint funding), reorganization (integration of functions, know-how and experience) and intermittent cooperation.

Typical of RDAs is their evolution from the provision of SME services (financial services, technology parts, investor services) and the implementation of specialist projects (active job creation, organization of education and training) into being catalysts of economic and social reform.

The conditions for setting up an RDA are commitment on the part of the authorities and the business community, population, the economic potential of the region, an appropriate
regional development strategy, an appropriate sectoral structure, competent and committed personnel, and sustainability (secure funding sources and on-going need on the part of those using the services of the RDA).

The role of an RDA is: to enhance the region’s competitive capacity, achieve a balance between development measures and regional potential, create the conditions for development and economic growth, create instruments for economic development, mobilize the actors and capacities of the region, raise awareness and alter mind-sets, manage the process of strategic planning and programming, and fill market niches in the servicing of small businesses.

Central aims: links with local actors, complementarity and synergy between what the actors can offer and the needs of the region, partnership.

The mission of an RDA: on-going analysis and observation of the state of the region, assistance in creating development policy, intervention in development conditions, training, forming links between the economy and the outside world (inter-regional, cross-border, export, tourism), promotion of the region, and the development of the region’s competitive capacity.

Activities of an RDA: drafting and implementing regional strategic programmes, analysing and managing databases, providing information and advice for companies and company start-ups, training courses and seminars, managing business incubators and industrial zones, financial engineering, innovation and technology transfer, identifying business partners for SMEs and investors, and corporate internationalization.

Based on their legal nature, RDAs may be non-profit associations (USA, Australia, France, the Netherlands etc.), non-profit funds or companies (Germany, Rumania, Poland etc.), private limited companies, public limited companies (Greece, Italy, Ireland), joint stock companies or plcs (Portugal), public-private partnerships, associations of municipalities (Wallonia in Belgium, Greece).

Legal basis for the organization of RDAs: separate law (Belgium, Flemish region, France), act of decentralized government authority, or other framework laws.
Funding models: diversity in level of funds and nature of source; funding dependent on type of formation; dependency on size of area covered by the RDA; dependent on quantity and type of services.

RDAs and development strategy implementation in the EU – have three roles: role in the formulation of programmes (professional advice, acting as partner in the coordination of the process), role in programme management (very limited – member of monitoring group, advisory role, rarely delegated management – secretariat, collecting project bids, assistance in drafting projects), role at the project level (identification of projects, formulation of project tasks).

The position of local agencies in the economic region depends on: quality of relationship with the municipalities covered, quality of relationship with other development actors in the environment, internal capacity (know-how, experience, creativity, innovativeness, technical capacity to carry out allotted tasks), recognition by partners and the environment through results achieved.

Budget and sources:

- Antwerp 1.9 mio € 55% region, 26% state and 19% services
- Trento 1 mio €100% state
- Shannon (Ireland) 27 mio € 5% state, 95% services
- Stuttgart 0.6 mio € 40% region, 10% services

RDAs should have a particularly significant function in the economic approach to job creation, prosperity and quality of life.

**Conclusion**

Defining a region and the principles of regionalization in economic theory and economic policy is a matter of strategic importance. This is corroborated by the experience of Bosnia and Herzegovina and the involvement of the international community in regional development and the formation of regions in Bosnia and Herzegovina.

What is our attitude in Bosnia and Herzegovina to these issues? Are we acknowledging, taking on board and putting into practice the experience of other states and of the European Union, and our own experience? What is our position on the UNESCO proposal that a start
to overall sustainable development be made by introducing regional units (SDRU) as distinct regions in which economic activity will be conducted in conformity with the capacity of the eco-system to absorb it?

It seems that we have yet fully to recognize all the potential of appropriate regionalization and regional development. The start of the process of setting up local economic development communities with the backing of local and international organizations is evidence that we have taken our first steps towards taking on board and attempting to put into practice the experience of other states and, in particular, of the European Union in this post-war period. It remains an open question whether, and if so to what extent, the areas of regional development agencies are the most appropriate framework for sustainable development, is it the SDRU, or what is the relationship to the “optimal region” arrived at in scientific, professional and empirical studies to date in Bosnia and Herzegovina.

What we have inherited from our own experience in Bosnia and Herzegovina, and in particular the scientifically, professionally and empirically based economic regionalization of 1963/4, 1969, 1992 and 1996, is the vision of the “optimal region.”

Bosnia and Herzegovina’s authors have recognized four or five basic macroregions in Bosnia and Herzegovina, with centres in Sarajevo, Mostar, Zenica, Tuzla and Banja Luka. These regions are scientifically, professionally, empirically, historically based.

The military political regionalization proposed between 1992 and 1995 was based solely on ethnic, military and political criteria and had nothing to do with the “optimal regions.”

Typical of administrative regionalization in Bosnia and Herzegovina is constant changes as the expression of the complexity of the problem and the need to resolve it. This is also reflected in the preoccupation of politics with the problem of regionalization, and is the indirect recognition that regionalization is more than just the physical division of territory but can be a means of resolving problems of development and integration as well as political, economic, ethnic, social and other problems.

Given the basic aim of this paper, particular attention should be devoted to the “current regionalization” that has arisen as an expression of the objectives, will, interests, preferences and needs of the municipalities that are the country’s fundamental economic units, and of international organizations. By way of illustration, during 2001-2003 regional development agencies were set up, or are in the process of formation, in the regions of
SERDA, REDRIN, NW, TK, RABD, BLERDA, MEDA, Semberija, Posavina and so on. At every stage of developing the profile of these regions, not only local communities or regional development agencies but also representatives of the international community (OHR, EU, CARE, several embassies, etc.) played an active part.

In addition to this regionalization, the official administrative and political division of Bosnia and Herzegovina into two entities, the Federation of Bosnia and Herzegovina, and Republika Srpska, remains current. The Federation of Bosnia and Herzegovina is divided into ten cantons (Una-Sana, Posavina or Sava valley, Tuzla, Zenica-Doboj, Bosnian Podrinje or Drina valley, Central Bosnia, Herzegovina-Neretva, Western Herzegovina, Sarajevo, and Herceg-Bosna), and these cantons into municipalities. Republika Srpska is divided only into municipalities. It is questionable how far current administrative political regionalization is based on economic principles and how far it facilitates the economic reintegration of Bosnia and Herzegovina into a single economic space. Another subject of study could be the relationship between this and findings to date on “ideal regionalization.”

A third possibility in the future of current regionalization is the European Commission’s vision of the division of Bosnia and Herzegovina into five regions: the Sarajevo economic region, North-eastern Bosnia (Tuzla), South-eastern Bosnia (Mostar), Central Bosnia (Zenica) and North-western Bosnia (Banja Luka). It remains to be seen what the advantages or possible shortcomings of this are compared with the optimal regionalization based on scientific, professional and empirical studies to date in Bosnia and Herzegovina.

A detailed analysis of “current regionalization” calls for answers to the question whether these regions are capable of ensuring sustainable development and the optimal expansion of economic development, and of minimizing potential internal conflicts in line with functional gravitational principles and competitive advantages.

It also remains to be seen whether the proposed European Commission model is a mechanism that could be strong enough to underpin regional and overall development of BiH.
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