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UNRAVELING CORRUPTION IN THE WESTERN BALKANS: A COMPARATIVE ANALYSIS OF BOSNIA AND HERZEGOVINA'S INSTITUTIONAL AND ECONOMIC DYNAMICS

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Abstract: This article critically examines the multidimensional phenomenon of corruption in Bosnia and Herzegovina and its broader implications for the Western Balkans. Drawing on historical antecedents and contemporary empirical evidence, the study analyzes corruption's entrenched nature across political, economic, and cultural dimensions. A mixed-methods approach, integrating qualitative literature review with quantitative surveys and statistical analyses, elucidates the interplay between institutional deficiencies, economic variables, and cultural factors in shaping corruption perceptions. Empirical findings reveal significant correlations between corruption indices, governance shortcomings, judicial inefficiencies, and socio-economic disparities, underscoring the persistent challenge of corruption in post-conflict societies. Moreover, the article explores the transformative potential of EU integration as a catalyst for institutional reform and enhanced accountability. The research offers a comprehensive framework for understanding and mitigating corruption, providing valuable insights for policymakers and scholars dedicated to promoting transparency and sustainable development in the region. By situating Bosnia and Herzegovina within a comparative regional and European context, the study contributes to the broader literature on governance reform by demonstrating how structural fragility, limited political will, and public distrust collectively hinder the effectiveness of anti-corruption initiatives in transitional states.

Keywords: corruption, Bosnia and Herzegovina, Western Balkan countries, European Union

JEL classification: D73, N10, N40

INTRODUCTION - HISTORICAL BACKGROUND

Corruption is widely acknowledged as a complex and multidimensional phenomenon with deep-rooted causes and far-reaching consequences. It has persisted as a social reality since the emergence of organized human societies and has been a subject of scholarly inquiry for centuries. Renowned corruption expert Robert Klitgaard asserts that "corruption is as old as organized human life, and indeed perhaps as old as government itself" . Historical records indicate that corruption was prevalent among ancient civilizations, including the Sumerians, Egyptians, Indians, Greeks, and Romans. One of the earliest and most comprehensive discussions on the subject is found in the *Arthashastra*, a seminal Sanskrit treatise from the 4th century BCE, attributed to Kautilya, also known as Chanakya, who served as a minister in the court of the Indian ruler Chandragupta Maurya. The *Arthashastra* stands as a foundational work on governance, devoting significant attention to the nature and implications of corruption. Recognizing its inevitability within administrative structures, Kautilya famously remarked, "Just as it is impossible not to taste honey or poison that one may find at the tip of one's tongue, so it is impossible for a government servant not to eat up at least a bit of the King's revenue" . This acknowledgment underscores the persistent and systemic nature of corruption, a challenge that has transcended time and geography.

In ancient times, corruption was*, inter alia,* perceived as an act of "gifting the sovereign," reflecting its early normalization within governance and societal structures. Like all social phenomena, corruption has undergone significant evolution and transformation over the centuries. However, the practice of "greasing the wheels" was as pervasive in antiquity and the Middle Ages as it remains today. During the medieval period, awareness of corruption expanded globally, progressively infiltrating political and economic spheres. By the 19th century, its recognition had intensified, driven by factors such as the expansion of international trade, the evolution of political structures, weak legal frameworks, market monopolization, cultural heterogeneity, and deficiencies in education . Since the late 1990s, a period often referred to as the "eruption of corruption," the issue has gained increasing prominence in global discourse and scholarly research. This surge in academic attention stems largely from a heightened awareness of corruption's detrimental impact on the democratic functioning of states, societies, and economies. A defining moment in the contemporary study of corruption was World Bank President James Wolfensohn's 1996 speech, linking famously corruption to a cancer that threatens economic growth, development, and poverty alleviation. In this context, Adjor and Kebalo observe, "Before 1996, both the World Bank and the IMF were aware that corruption sanded the wheels of development, but the issue itself was never explicitly brought up" . The *Financial Times,* in its December 1995 issue, even designated that year as "the year of corruption," underscoring the intensifying global concern over the phenomenon.

It is essential to underscore that corruption is not inherently tied to any particular political system, social order, level of governance, or cultural framework. No society - regardless of its degree of development, governance structure, or institutional framework, whether public or private, governmental or non-governmental - is impervious to this pervasive phenomenon . Nevertheless, there are significant differences in the scope, nature, typology, and dynamics of corruption between developed and underdeveloped countries. In less developed nations, corruption permeates nearly all aspects

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of social and political life, including the judiciary, healthcare, education, military, and industry. In contrast, while corruption exists in developed countries, it is generally less pervasive and manifests in different forms. In other words, in failed, transitional, and undemocratic states characterized by weak and dysfunctional political and economic institutions, systemic safeguards against corruption are largely absent, inevitably fostering kleptocracy. Such environments often enable the massive accumulation of wealth by a small elite closely tied to the ruling structures .

Given its pervasive and destabilizing nature, corruption remains one of the most pressing challenges in contemporary governance, necessitating sustained interdisciplinary research and comprehensive policy interventions to mitigate its effects and uphold democratic institutions, economic stability, state security, and social equity . Keeping that in mind, the research aims to provide answer to the following research question: *How do institutional fragmentation and governance effectiveness jointly shape corruption perception in post-conflict Bosnia and Herzegovina compared to other Western Balkan countries?*

METHODOLOGY AND HYPOTHESES

The methodology adopted in this study follows a mixed-methods approach, integrating both qualitative and quantitative research techniques to ensure a comprehensive and rigorous analysis. A triangulation strategy is employed, incorporating multiple data sources and methodological perspectives to enhance the validity and reliability of the findings. Specifically, the study utilizes qualitative methods (secondary data) alongside quantitative methods (primary data) to provide a multidimensional examination of corruption in Bosnia and Herzegovina (BiH) within the broader context of the Western Balkans.

The qualitative component is grounded in an in-depth analysis of relevant scholarly literature, historical records, and expert assessments on corruption. This analytical framework facilitates a nuanced understanding of the root causes, mechanisms, and consequences of corruption, drawing comparisons with regional trends. By correlating corruption perception with economic, social, and judicial indicators, the study employs statistical comparisons and graphical representations to elucidate key patterns and relationships. Furthermore, the qualitative research synthesizes theoretical insights with secondary data-driven analysis, offering a holistic perspective on the structural, macroeconomic, and cultural determinants of corruption and their broader governance and policy implications.

To complement the secondary data analysis, a survey-based methodology was employed to collect primary data from a representative sample of 440 respondents across BiH. The survey comprised 16 closed-ended questions, including dichotomous (yes/no) (Table 1) and multiple-choice formats, designed to capture public perceptions, personal experiences, and attitudes toward corruption. The collected data underwent statistical analysis, utilizing descriptive statistics to identify prevailing trends and variations in corruption perception. The findings were subsequently visualized through graphical representations to facilitate interpretability and comparative analysis.

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Table 1: Closed-ended questions

	Yes	No
Q3 - Have you ever witnessed acts of corruption within BiH?	63%	37%
Q4 - If the answer to the previous question is YES, did you report it to the competent authorities or to any of the non-governmental organizations?	12.5%	87.5%
Q5 - Would you personally participate in acts of corruption if given the opportunity?	21.5%	78.5%
Q6 - Do you think that corruption is more prevalent in BiH than in other Western Balkan countries?	74.9%	25.1%
Q7 - Do you think that moving towards Euro-Atlantic integration will reduce corruption in BiH?	50.1%	49.9%
Q8 - Do you think that corruption has become a part of culture in BiH?	91.3%	8.7%
Q9 - Do you think that there has been progress in BiH in the last 20 years in combating corruption?	14.5%	85.5%
Q10 - Are you optimistic about the future?	43.4%	65.6%

Source: Authors

The study tests several hypotheses related to corruption perception and its correlations with multiple variables:

H1: Corruption is more prevalent in BiH compared to other Western Balkan countries.

H2: Economic factors, such as income level, unemployment, and GDP, significantly influence corruption perception.

H3: Weak governance and judicial inefficiency contribute to high corruption perception in BiH.

H4: Corruption is perceived as part of the cultural and social fabric in BiH.

H5: The transition toward EU membership is expected to reduce corruption, but the public remains sceptical.

H6: The education system plays a crucial role in combating corruption.

LITERATURE REVIEW

Corruption is a multidimensional and highly complex phenomenon with far-reaching implications across various sectors of society and the state, including politics, economics, and social structures. As an issue deeply embedded within institutional frameworks and cultural norms, corruption has been the subject of extensive interdisciplinary analysis, encompassing fields such as law, economics, and political science. This literature review seeks to synthesize existing research on corruption through a novel, integrative approach. By examining this pervasive social phenomenon through legal, political, economic, and cultural lenses, the review combines theoretical insights with data-driven analysis to offer a comprehensive understanding of corruption's determinants and its broader implications for governance and policy. Additionally, it identifies critical gaps in the literature, highlighting avenues for future research.

Definition of Corruption

The challenge of defining corruption arises from its multidimensional nature and diverse manifestations across various contexts. Its study spans multiple fields, includ-

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ing law, public policy, and economics-each offering distinct analytical perspectives. This complexity aligns with the academic consensus that corruption is a socially constructed phenomenon, subject to contextual variations. In other words, the meaning of corruption is contingent upon the contextual framework in which it is examined . A widely accepted general definition characterizes organizational corruption as the misuse of power or entrusted authority for self-serving purposes. Some scholars conceptualize corruption as a violation of public interest or impartiality norms , while others define it as the moral incapacity of individuals to act in the common good without self-interest.

At its broadest, corruption is defined as the abuse of entrusted power for private gain, encompassing a range of practices such as bribery, nepotism, embezzlement, and fraud . More precisely, it involves the exploitation of official authority by public officials to advance personal interests. According to Aidt, corruption fundamentally constitutes "the unauthorized commodification of one's entrusted power" . Importantly, the benefits derived from corrupt practices are not limited to financial or material gains. Rather, they often extend to non-monetary advantages, including preferential employment opportunities, privileged access to education and healthcare, expedited bureaucratic procedures, and, in some cases, coercive exchanges of a sexual nature.

Corruption Measurements

Measuring corruption is inherently complex, prompting the use of multiple methodological approaches. Corruption can be assessed through **objective** and **subjective** measures. Objective measures rely on verifiable data such as formal complaints, audit reports, corruption convictions and comparative analyses of infrastructure. However, their validity is limited given the fact that corruption often thrives where enforcement is weak and reporting is discouraged . Paradoxically, jurisdictions with strong anti-corruption frameworks may record higher corruption rates due to more intensive enforcement rather than greater underlying corruption, often capturing minor infractions that go unreported elsewhere. Subjective measures, on the other hand, including perception-based indices such as the Corruption Perceptions Index (CPI), draw on surveys of perceptions and experiences and are widely used, yet they face criticism for bias and methodological weaknesses. Key challenges in corruption measurement include perception distortions, measurement error, and utility concerns. .

To address the limitations of purely objective or subjective measures one can utilize aggregate (composite or second-generation) indicators of corruption. Widely used examples include CPI, Business Environment and Enterprise Performance Survey, and the World Governance Indicators. By combining objective and subjective data, these measures reduce biases and measurement errors while improving cross-country comparability and offering a more comprehensive view of corruption dynamics. Nevertheless, a persistent gap remains between the conceptualization and measurement of corruption, reflecting tensions between policymakers' practical needs and academic analytical goals. Closing this gap is crucial, as more accurate measurement underpins robust empirical analysis and the design of effective anti-corruption policies .

Causes of Corruption

Corruption is a complex, multidimensional phenomenon driven by interrelated political, economic, institutional, and cultural factors, including government structure,

institutional quality, economic freedom, wages, press freedom, cultural norms, and natural resource endowments . In sectors such as construction and public administration corruption is induced by a combination of personal motives, such as financial need or greed, and broader systemic factors, including concentrated power, unclear responsibilities, weak ethical standards, inadequate enforcement mechanisms, and ineffective incentive and pay structures . Addressing corruption therefore requires a holistic approach that aligns incentives, accountability, and ethical standards. Reflecting on this complexity, Siregar classifies the root causes of corruption into three interconnected dimensions: macroeconomic, structural, and cultural.

The following sections examine each category's role in sustaining corruption, with particular emphasis on a correlation analysis between the CPI in Western Balkan countries and the EU average across the identified variables. By positioning BiH within regional and European contexts, this analysis seeks to empirically test the proposed hypotheses.

Macroeconomic Variables

Extensive research highlights a cyclical relationship between corruption and unemployment. Corruption increases unemployment - especially among young and educated workers - by encouraging nepotism, favoritism, bribery, and cronyism in hiring . Inversely, sustained unemployment can reinforce corrupt practices, although some high-unemployment countries, such as BiH and North Macedonia, exhibit only moderate corruption perception levels (see Figure 1). While democratic institutions can constrain corruption, their effectiveness is often weakened by widespread joblessness.

**Figure 1:** Correlation between corruption perception index and unemployment rate
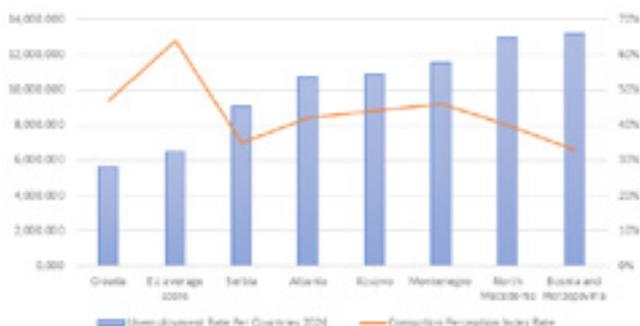
Source: Authors' calculations based on the IMF, World Economic Outlook, and Montenegro Employment Service database (February-2025).

The intersection between corruption and economic development is well established in the scholarly literature. Extensive research shows that higher corruption levels are associated with lower GDP per capita and slower economic growth, while sustained economic development tends to reduce corruption . Wealthier countries typically benefit from stronger institutions, effective rule of law, and greater transparency, which constrain corrupt practices. In contrast, highly corrupt states often suffer from weak governance, reduced foreign investment, and poor economic management, resulting in lower GDP per capita. Although higher income levels generally correlate

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with lower corruption perception, Figure 2 indicates persistently high corruption across the Western Balkans, including in relatively wealthier economies. Countries with lower GDP per capita - such as Kosovo, Albania, BiH, and North Macedonia - also exhibit high corruption perception, suggesting a close link between economic fragility and governance deficits. While correlation does not imply causation, strong institutions, transparent governance, and sound economic policies remain central to both economic prosperity and corruption control.
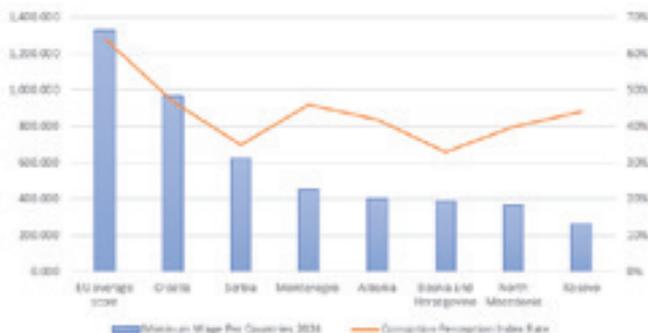
Figure 2: Correlation between corruption perception index and gross domestic product per capita
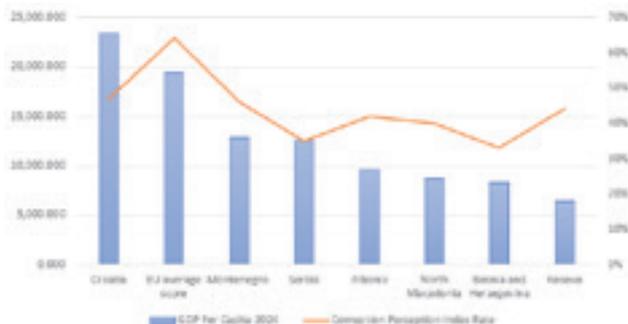
Source: Authors' calculations based on the IMF and the World Economic Outlook database (Feb-2025).

Income level is often viewed as a key economic determinant of corruption, yet its effects remain contested. Some studies find a negative relationship, showing that rising incomes reduce corruption, while others identify a positive association in which higher incomes coincide with increased corruption . A third view argues that no causal link exists between income and corruption . As illustrated in Figure 3, economic well-being and governance quality appear loosely connected: wealthier regions with higher minimum wages tend to show lower corruption perception. In contrast, Balkan countries - particularly Kosovo, North Macedonia, BiH, and Albania - combine low wages with high corruption perception, while Serbia and Montenegro occupy mid-range positions on both dimensions. Although the relationship is not linear, the overall pattern suggests that lower wages are generally associated with higher perceived corruption.

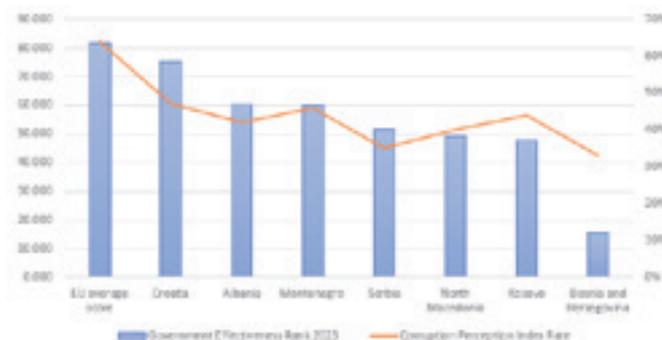**Figure 3:** Correlation between corruption perception index rate and minimum wage

Source: Authors' calculations based on the Wage Indicator database, (2024).

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Structural Variables

The relationship between government size and corruption is theoretically and empirically indeterminate. While some evidence links larger governments to lower corruption in advanced democracies, meta-analytical findings show that, once publication bias is addressed, government size has at most a weak or insignificant effect, with institutional quality, regulatory design, and administrative fragmentation playing a more decisive role . Moreover, the economic gains from corruption-reduction efforts are context-dependent, with larger governments and developing economies deriving comparatively fewer benefits .

As shown in Figure 4, BiH records the lowest level of government effectiveness and among the weakest CPI scores, reflecting severe governance deficiencies and elevated perceived corruption. A strong negative association between government effectiveness and corruption perception is evident, particularly in BiH, Kosovo, and Albania. Countries characterized by weaker public administration, limited policy credibility, politicized civil services, and low institutional autonomy systematically exhibit lower CPI scores, underscoring the central role of institutional capacity in shaping corruption perceptions.

Figure 4: Correlation between corruption perception index rate and government effectiveness rank

Source: Authors' calculations based on the Worldwide Governance Indicators (WGI), World Bank, Development Economics & Natural Governance Institute (NRGI) database (2025).

In addition, academic writings consistently show that corruption undermines both economic performance and government efficiency, while effective corruption control enhances citizen engagement in anti-corruption efforts . Control of corruption therefore constitutes a core indicator of institutional capacity, capturing the extent to which public authorities restrain rent-seeking and private capture.

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Figure 5: Correlation between corruption perception index rate and control of corruption rank
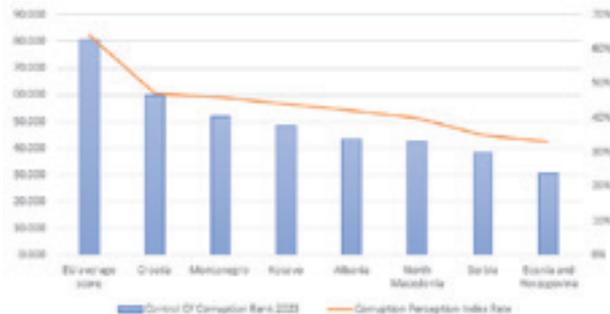
Source: Authors' calculations based on the Worldwide Governance Indicators (WGI), World Bank, and Development Economics & Natural Governance Institute (NRGI) database (2024).

As illustrated in Figure 5, countries with weaker corruption control - most notably BiH and Serbia - exhibit higher levels of perceived corruption, whereas the EU average reflects strong institutional safeguards and correspondingly lower corruption perception. This pattern underscores a robust inverse relationship between the effectiveness of anti-corruption mechanisms and corruption perception, highlighting persistent governance deficits in countries with weak institutional frameworks. Therefore, reforms to reduce corruption should focus on minimizing material benefits from payoffs and may require changes in constitutional structure and state-market relationships.

Moreover, corruption fundamentally undermines the rule of law, democratic governance, and economic development, with weak legal institutions closely associated with higher inequality and elevated corruption perception . As illustrated in Figure 6, countries with stronger rule-of-law frameworks, such as the EU average and Croatia, exhibit lower perceived corruption, whereas BiH, Albania, and Kosovo display persistently weak performance. In settings where domestic legal constraints are insufficient and elites impede reform, external enforcement and conditionality, particularly through EU accession processes and supranational judicial mechanisms, become critical drivers of anti-corruption and institutional accountability .

Figure 6: Correlation between corruption perception index rate and rule of law rank
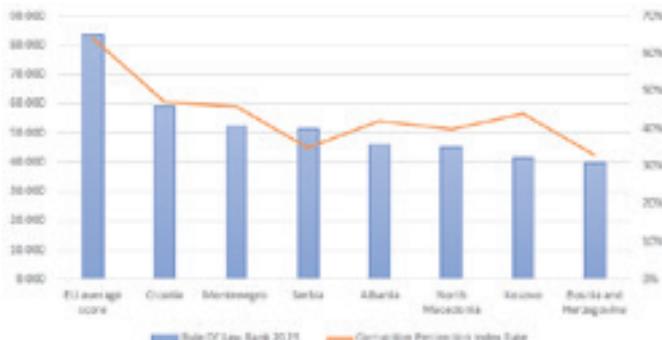
Source: Authors' calculations based on the Worldwide Governance Indicators (WGI), World Bank, and Development Economics & Natural Governance Institute (NRGI) database (2024).

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The general trend across government effectiveness, control of corruption, rule-of-law indicators, and higher institutional quality is consistently associated with lower corruption perception. The persistent underperformance of BiH, Kosovo, and Albania underscores the need for comprehensive anti-corruption strategies that integrate institutional and legal reform, economic restructuring, and trust-building measures.

Cultural Variables

The relationship between education and corruption is complex and context dependent. While a substantial body of research associates higher levels of tertiary education and literacy with lower corruption - through enhanced civic engagement, social cohesion, and institutional accountability - other studies caution that education may, under certain political and institutional conditions, facilitate corrupt behavior . Moreover, the relationship is bidirectional: corruption itself undermines access to education, particularly at the secondary level, thereby reinforcing inequality and institutional weakness.

Tertiary education and social progress are generally linked to lower corruption through enhanced civic awareness and accountability, yet their effectiveness is mediated by cultural norms and institutional contexts . Consequently, education alone is insufficient to reduce corruption, as political stability, economic structure, and institutional strength remain decisive in shaping corruption levels and public trust in governance.

Figure 7: Correlation between corruption perception index and tertiary education attainment rate
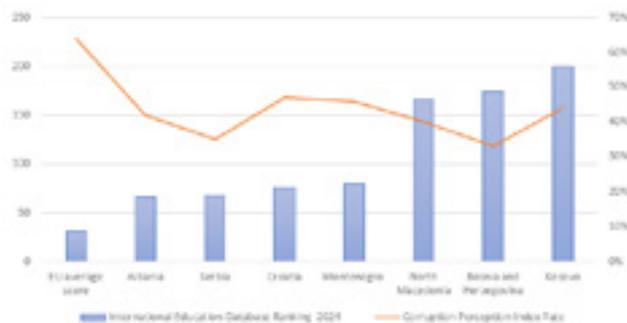
Source: Authors' calculations based on the International Education Database (2024).

Figure 7 indicates a positive association between tertiary educational attainment and lower perceived corruption, with countries exhibiting higher education levels generally recording higher CPI scores. States with comparatively low tertiary education rates, such as BiH, Kosovo, and North Macedonia, also display lower CPI values, reflecting elevated corruption perception. Albania represents a partial deviation from this pattern, suggesting that governance reforms or economic dynamics may mediate the education/corruption relationship, thereby underscoring the importance of holistic anti-corruption strategies that integrate educational, institutional, and cultural dimensions.

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RESULTS AND DISCUSSION

Bosnia and Herzegovina operates under a highly complex political and administrative system established by the Washington Agreement (1994) and the Dayton Peace Agreement (1995). The state consists of two entities - the Federation of BiH and Republika Srpska - along with the Brčko District, with the Federation further divided into ten cantons, resulting in an exceptionally fragmented governance structure comprising 14 governments, nearly 200 ministers, and over 700 parliamentarians. In the post-Dayton period, BiH has undergone continuous reform and democratization efforts aimed at consolidating democratic institutions and advancing integration into the European political system. Despite the formal requirement to adopt EU standards, BiH's political elites have persistently resisted substantive structural reforms, rendering international intervention a prerequisite for meaningful change. This reliance on external enforcement has eroded public trust in domestic institutions, reinforcing perceptions of ineffective law enforcement and entrenched systemic corruption.

Corruption constitutes one of the most serious structural challenges in post-conflict BiH, severely constraining economic development and impeding progress toward European Union integration. Pervasive across key sectors, including healthcare, education, the judiciary, and public administration, it reflects the combined effects of post-communist transition, unresolved war legacies, and persistent institutional fragility. The overwhelming public sentiment, as illustrated in Figure 8, suggests a strong lack of trust in BiH authorities to effectively tackle corruption. The small proportion of respondents who believe in the authorities' capability indicates a potential crisis in public confidence and governance. Despite the formal adoption of anti-corruption legislation, enforcement in BiH remains ineffective due to entrenched linkages between political and criminal actors, fragmented legal frameworks, and persistent political interference . While prosecutorial bodies have pursued several high-profile cases, chronically low conviction rates underscore systemic enforcement failures and the limited capacity of existing institutions to curb corruption.

Figure 8: Perceived capability of BiH authorities, including law enforcement, in preventing corruption
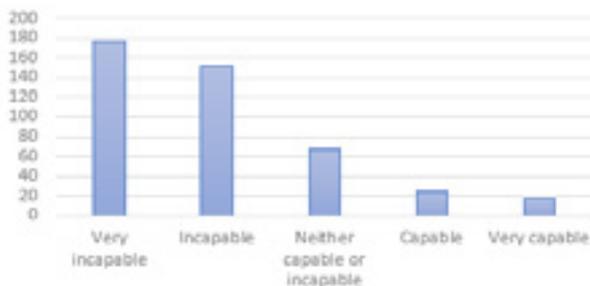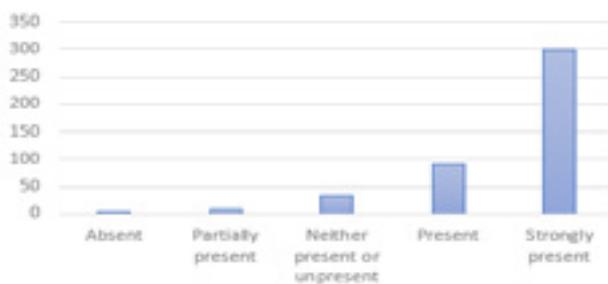

Source: Authors

While Sarajevo Canton remains the sole jurisdiction in BiH with effectively enforced whistleblower protection, conflict-of-interest rules, and asset disclosure, the limited success of international anti-corruption efforts underscores that durable reform

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depends on dismantling entrenched political-criminal networks alongside legal and institutional strengthening.

Perception of Corruption in Judiciary and Law Enforcement

Entrenched patron-client networks have penetrated core state institutions, including judiciary, law enforcement, and anti-corruption bodies, severely undermining their independence and professional capacity. According to the European Commission, *"the poor functioning of the judicial system continued to undermine citizens' rights and the fight against corruption"* . Effective anti-corruption strategies, therefore, require targeted, sector-specific risk assessments alongside comprehensive institutional reform and sustained political commitment, particularly within judicial and law enforcement structures . Corruption, compounded by insufficient political will to confront it, has become a central barrier to EU accession, as several member states condition further enlargement progress on credible and sustained anti-corruption commitments.

Figure 9: Perception of corruption present in BiH judiciary system
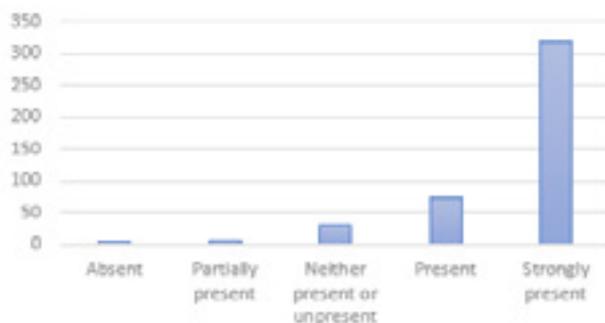

Source: Authors

The data presented in Figure 9 indicates an overwhelmingly negative public perception of the judiciary in BiH, with the vast majority of respondents perceiving corruption as either present or pervasive. The marginal share of respondents who view corruption as absent or limited points to a profound deficit of public trust in the judicial system.

Law enforcement agencies in BiH perform slightly better, as the security sector remains highly fragmented, politicized, and characterized by overlapping mandates and weak inter-agency coordination. This institutional fragmentation has substantially undermined anti-corruption enforcement, rendering the Agency for Prevention of Corruption and Coordination of the Fight against Corruption largely ineffective. As the European Commission observes, *"the law enforcement sector in the country continues to be politicized, poorly coordinated, and dysfunctional"* . Despite a comparatively comprehensive legislative framework, BiH suffers from fragmented criminal laws across entities and divergent cantonal anti-corruption strategies, which generate systemic inefficiencies. Weak operational cooperation and limited intelligence sharing among law enforcement agencies further undermine investigative effectiveness, reinforcing the European Commission's assessment that *"the professionalism, integrity, and accountability of law enforcement agencies need to be significantly improved"*.

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The persistent lack of political will in BiH has resulted in rare prosecutions and lenient sentencing for corruption offenses, allowing endemic corruption within law enforcement to continue undermining democratic institutions and the rule of law, thereby necessitating systemic reform, strengthened accountability, and decisive action against entrenched corruption networks .

Figure 10: Perception of corruption present in BiH law enforcement agencies
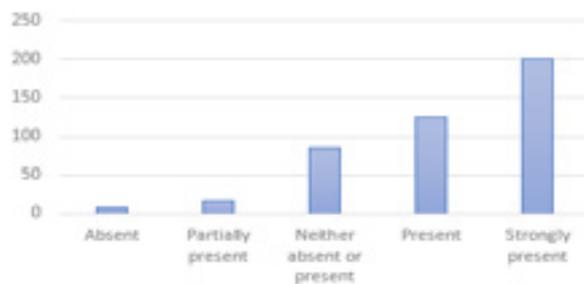

Source: Authors

Figure 10 reveals a markedly negative public perception of corruption within BiH's law enforcement agencies, with most respondents indicating that corruption is either present or pervasive. This pattern closely mirrors perceptions of the judiciary, pointing to a broader deficit of public trust in core state institutions and reinforcing concerns about systemic corruption.

A comparative reading of Figures 9 and 10 shows that judiciary and law enforcement are widely perceived as deeply corrupt, reflecting acute public dissatisfaction and a profound crisis of institutional legitimacy. Sustained political interference, weak accountability, selective enforcement, and recurrent high-profile scandals reinforce perceptions of impunity, entrench corruption institutionally, and obstruct meaningful reform, with serious consequences for the rule of law, democratic governance, investment, and public safety.

Challenges in Education System

Corruption in the education sector - manifesting through nepotism, bribery, and plagiarism - undermines access, quality, and institutional integrity in BiH, mirroring broader global patterns . Empirical evidence shows that such practices depress enrolment and educational quality, disproportionately harming socioeconomically vulnerable groups and reinforcing inequality and poverty traps. Furthermore, corruption in higher education poses a particularly serious threat to social values and institutional credibility, having evolved into normalized networks of transactional exchange rather than isolated misconduct. This systemic corruption undermines social mobility by entrenching a dual system in which academic advancement is increasingly shaped by patronage and financial influence, disproportionately disadvantaging economically marginalized students while privileging the well-connected ones.

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Figure 11: Perception of corruption present in BiH education system
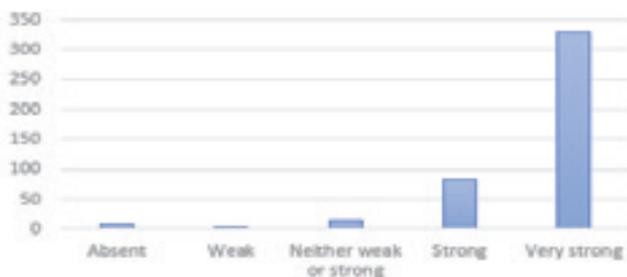

Source: Authors

Public perceptions of corruption in the education sector broadly mirror those of the judiciary and law enforcement, though with greater uncertainty, as reflected in the higher share of respondents selecting neutral responses (Figure 11). While corruption is still widely perceived as present - most notably in the "strongly present" category - it appears less institutionalized than in core enforcement institutions. Nonetheless, entrenched corruption in education undermines meritocracy, perpetuates inequality, and erodes public trust, underscoring the need for systemic reform, strengthened accountability, and a renewed commitment to academic integrity.

Yes/No Questions Analysis

Analysis of the survey's binary (Yes/No) responses reveals the depth of corruption's entrenchment in BiH: nearly two-thirds of respondents (63%) reported having personally witnessed corrupt practices, underscoring their systemic visibility. Despite this prevalence, only 12.5% reported such incidents, reflecting deep institutional distrust, fear of retaliation, or perceptions of futility. Although most respondents normatively reject corruption, the finding that over one-fifth (21.5%) would engage in corrupt behavior if given the opportunity points to its growing cultural normalization and perceived instrumental necessity within society. In this context, 74.9% of respondents perceive corruption in BiH as more pervasive than in other Western Balkan countries, reflecting profound institutional distrust and reinforcing perceptions of ineffective governance (Figure 12). These findings underscore the urgency of systemic reforms aimed at strengthening institutional integrity, restoring public confidence, and dismantling entrenched corruption networks.

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Figure 12: Tenacity of Corruption in BiH

Source: Authors

Moreover, survey responses reveal deep ambivalence toward Euro-Atlantic integration as an effective anti-corruption mechanism: while 50.1% of respondents expect European oversight to improve governance, an almost equal share doubts the capacity of external influence to generate substantive change. Pessimism is pervasive, with over 90% viewing corruption as culturally and structurally embedded and only 14.5% perceiving meaningful progress over the past two decades. Although a minority (43.4%) remains cautiously hopeful, the prevailing sentiment points to corruption as both systemic and institutionalized, a conclusion reinforced by the empirical indicators presented in Figure 13.

Figure 13: BiH Governance Indicators (2013-2023)

Source: World Bank database (2024).

Rather than achieving progress, BiH has experienced a marked regression in anti-corruption performance over the past decade (2013–2023), increasingly lagging behind other Western Balkan countries. As regional disparities widen, these trends underscore the deeply entrenched nature of corruption, widespread public cynicism, and diminishing confidence in reform efforts. The persistence of this decline highlights the urgent need for comprehensive structural and institutional reform, accompanied by renewed political commitment to restoring public trust and advancing credible anti-corruption measures.

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CONCLUSION

The empirical findings of this study provide robust statistical support for the research hypotheses, demonstrating that corruption is not merely episodic but structurally embedded within the systems of governance, the economy, and broader social relations in Bosnia and Herzegovina. As Hulsey observes, "powerful patronage networks have infiltrated and consolidated their control of state institutions" , suggesting not only extensive influence but, in some instances, the effective capture of key state apparatuses, including the judiciary, law enforcement agencies, and even formally designated anti-corruption bodies. Compounding this problem is the persistent absence of an independent, effective, and credible framework for oversight, supervision, and prosecution, which systematically enables elected officials to evade accountability for corrupt conduct. This institutional fragility perpetuates a culture of impunity and reinforces the self-reproducing nature of corruption within the political system.

As Harvard Law Professor Lessig persuasively argues, corruption is not only the result of bad individuals, but of institutions and incentive structures that make corrupt outcomes normal and lawful . In this vein, the present research highlights the urgent necessity of comprehensive institutional reform, strengthened legal enforcement, and sustained public awareness initiatives to address corruption in a meaningful and durable manner. Consistent with these conclusions, the European Commission emphasizes that "Bosnia and Herzegovina should make serious efforts to strengthen cooperation between law enforcement agencies, take a more strategic and proactive approach to the fight against corruption, and improve the institutional and legislative framework throughout the country" . Accordingly, policymakers should accord priority to anti-corruption strategies that reinforce enforcement capacities, ensure effective protection for whistleblowers, streamline reporting mechanisms, and uphold a coherent and robust legal framework. Moreover, the implementation of targeted unemployment benefits and policies aimed at reducing income inequality may help disrupt the mutually reinforcing relationship between corruption and unemployment, thereby fostering a more equitable, transparent, and resilient economic system.

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