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The (Geo)Politics of Democracy in Bosnia and Herzegovina

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The (Geo)Politics of Democracy in Bosnia and Herzegovina

Damir Kapidžić[1] and Muamer Hirkić[2]

1. Introduction

Bosnia and Herzegovina (BiH) is currently at a critical juncture in its journey towards European Union (EU) integration. Despite applying for EU membership in February 2016, and initiating accession talks in March 2024, the country faces significant challenges in its democratization processes. BiH's political system, established by the 1999 Dayton Peace Agreement that ended the war in the country, is characterized by state capture, ethnic clientelism, and corruption. These factors have contributed to a decline in political participation, accountability, and the rule of law, as evidenced by reports from organizations such as Freedom House and Transparency International. While existing scholarly literature often overlooks the impact of geopolitics on democratic decline, focusing instead on shortcomings in democracy promotion as the primary cause, this report aims to address this gap by connecting the decline of democracy in BiH to the influence of external geopolitical actors.

Various global and regional powers, including the EU, the United States (USA), Russia, China, Turkey, and more recently Hungary, have significantly affected BiH's political landscape. Each of these actors pursues distinct global, regional, and local strategies that directly or indirectly affect BiH's democracy. These strategies range from formal mechanisms, such as bilateral agreements and investment projects, to more informal channels like media influence, cultural diplomacy, and personal networks. For instance, Russia's close relationship with the Republika Srpska (RS) leadership exemplifies how external influences can reinforce local patronage networks, contributing to the erosion of democratic institutions and processes. This patron-client dynamic allows the RS leadership to consolidate power by aligning with Russia's strategic interests.

The report highlights three key points. First, it identifies external geopolitical actors, the current state of their involvement, and their respective strategies at different levels. Second, it analyses the mechanisms and channels through which these actors exert influence, ranging from economic investments to media disinformation. Third, it discusses the outcomes of this influence, including the reinforcement of authoritarian tendencies and the weakening of democratic institutions. The report also sheds light on several less explored aspects of external

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influence, such as the role of Hungary as an enabler of illiberal governance and the growing economic presence of China.

The subsequent sections will delve deeper into these dynamics. They will systematically examine the individuals involved, their methods of influence, and the overall impact on BiH's democratic institutions. The report will conclude by summarizing the main findings and providing insights into how external interference continues to shape BiH's political future.

2. Geopoliticising the State of Democracy

BiH's path to democracy since the 1990s war has been influenced by both internal and external factors. The country's intricate post-conflict political system, as outlined in the Dayton Peace Agreement, established a power-sharing arrangement among its three constituent peoples - Bosniaks, Croats, and Serbs – while also recognizing the category of 'Others,' which includes individuals who do not belong to these three ethnic groups. However, this arrangement has also obstructed political reforms and allowed ethnic and nationalist leaders to control important institutions, resulting in a decline in democracy and political impasses (Arman 2023, p. 28). Academic focus on BiH's democratic decline often emphasizes the emergence of illiberalism, state capture, and the failure of the European integration process as key frameworks for understanding these challenges (Kapidžić 2020, p. 11; Blagovčanin 2024, p. 26). Additionally, external actors, such as the EU (as a whole and individual member states), the USA, Russia, China, and Turkey have played significant roles in shaping BiH's democratic and institutional development since the war's end. For instance, both the EU and the USA have promoted democratic governance by supporting judicial reforms and encouraging anti-corruption measures. In contrast, Russia has faced criticism for undermining democratic governance by promoting nationalist rhetoric and backing the secessionist ambitions of Republika Srpska's leadership.

An important concept in the literature is "stabilitocracy," which refers to a regime that prioritizes stability over democratic principles (Kmezić and Bieber 2017; Kapidžić et al. 2023, p. 3). In BiH, political elites have often used the country's fragile stability as a reason to oppose reforms that could threaten their power, leading to an entrenched form of illiberal governance (Wiseman 2023). The ethnic power-sharing system has resulted in state capture, where political elites control key institutions to maintain their positions. Furthermore, this has led to the prevalence of ethnic clientelism and corruption in BiH's political landscape, thus weakening democratic accountability and the rule of law. Blagovčanin (2024) explains that BiH exemplifies the phenomenon of a "captive state," in which narrow interest groups control key institutions, leading to systemic corruption. Additionally, the dominant feature is clientelism, where public sector jobs and resources are distributed based on political loyalty, excluding large parts of society. This system is sustained through political parties' tight control over institutions, the judiciary, and public procurement (Blagovčanin 2024, pp. 26-27).

The 2024 Freedom House report rates BiH as "partly free" and highlights that nationalist leaders undermine political participation, especially for non-majority groups, while corruption contributes to BiH's democratic decline (Freedom House 2024). According to Transparency International's latest Corruption Perceptions Index (CPI), BiH is ranked 108th with a score of 35, showing that the country has experienced a steady drop, which can be attributed to its highly decentralized, ethnically based political system that prevents coordinated anti-corruption efforts (Transparency International 2023; BIRN 2024). Moreover, BiH's decline stands out as notably negative over time (Transparency International 2023).

Another significant framework for understanding BiH's democratic erosion is the failure of Europeanization. Although BiH applied for EU membership in 2016 and started accession talks in 2024, progress towards EU accession has been slow and filled with challenges. At times, it appeared that BiH was being overlooked due to a combination of its complex internal political dynamics, insufficient progress in implementing EU-mandated reforms, and the EU's focus on more pressing geopolitical priorities, such as the war in Ukraine and the subsequent accession bids of Ukraine and Moldova (Bechev 2024). The Commission's recommendation to begin talks likely would not have occurred without the gain in momentum for these two countries. Furthermore, during this whole period, the EU prioritized maintaining some form of (in)stability over promoting substantial democratic reforms. IDEA's Global State of Democracy Indices point out that while BiH made some progress in aligning with EU ideas, significant obstacles remain, including ethnic tensions, economic stagnation, and entrenched political elites resistant to change (IDEA 2024). The failure to implement meaningful reforms has allowed illiberal governance practices to thrive. In the most recent V-Dem report (2024), BiH is still categorized as being in the "democratic grey zone" because its democracy score is not high enough to be considered an "electoral democracy". The country has a score of 0.35, ranking 92nd globally (V-Dem Institute 2024, p. 60).

The connection between external geopolitical influences and democratic erosion in BiH is often not front and centre in existing literature. This is the case for both democratising and autocratising external influences. In 2022, 57 per cent of BiH's imports originated from the EU, and 74 per cent of its exports were directed to the EU, making the EU BiH's most significant trading partner (Delegation of the EU to BiH 2024). Despite this substantial economic leverage, the EU has struggled to push BiH toward deeper democratic reforms in recent years. The EU's focus on stability over democracy, as well as cooperation with autocratic leaders, has led to a situation where ethnic elites remained in power, which in turn, hindered political reforms (Kapidžić et al. 2023, p. 10). This slow pace of integration has also led to disillusionment among the population, allowing illiberal actors to gain influence by offering alternative paths to development that do not prioritize democratic governance. The USA still plays a critical role in supporting BiH's democratic institutions, particularly through its military presence and aid programs. For instance, the USAID has invested over $2 billion since 1995 to support BiH's EU membership aspirations (USAID 2024). At the same time, its ability to counteract the growing presence of illiberal external actors and its general leverage within the country is limited.

Among autocratising external actors, Russia's role in BiH, particularly in the RS entity, has focused on fostering ethnic division and undermining state institutions. Russia's official and undisguised support for Milorad Dodik, the president of RS, has predominantly encouraged separatist rhetoric. Furthermore, Russia's backing of leaders like Dodik, who lean towards authoritarianism, aligns with its broader aim of destabilizing democratic institutions in the region that are oriented towards the West (Kapidžić 2023, pp. 109-110). Consequently, there has been a decline in democracy in RS, with limitations on media freedom and attacks on key democratic institutions (Wiseman 2023). China's presence in BiH – while primarily economically motivated – also presents a challenge to democratic governance due to the potential for corrupt practices among local elites. China's lending practices for infrastructure projects have been embraced by local elites looking for alternatives to Western and Russian financing, particularly in the wake of the conflict in Ukraine. Chinese projects and contracts are criticized for their lack of transparency and for bypassing regulatory frameworks, which further undermines governance standards in BiH (Pekmez 2022, p. 14).

Turkey's role is complicated because of relationships with Russia, the EU, and the USA, which affects its involvement in BiH's democratic development. While Turkey aims to promote

regional cooperation, its associations with illiberal regimes raise concerns about the potential decline of democratic norms. Lastly, Hungary, under Viktor Orbán, plays an important role as a “Trojan horse” within the EU, thus enabling autocratic tendencies at home and abroad (Kapidžić et al. 2023, p. 11). Orbán shares economic, energy, geopolitical, and ideological interests with Milorad Dodik in RS, while seeking benefits for Hungary. This alliance tightens authoritarian control in BiH and undermines EU efforts toward democratization in the country (Ćerimagić 2024, p. 23).

3. Identifying the Geopolitical Actors

Despite not featuring prominently in global affairs, BiH remains an important country for several global and regional foreign actors. Each of these actors has distinct strategies and wields influence over the country's political, economic, and social landscape.

The EU's relationship with BiH is defined by its role as both the largest trading partner and the primary driver of the country's integration into European institutions. Since 2016, when BiH applied for EU membership, the bilateral relationship has been characterized by a series of reforms aimed at aligning BiH's political, economic, and legal frameworks with EU standards. Key reforms include efforts to enhance the independence and efficiency of the judiciary, the adoption of anti-corruption legislation, and measures to improve public administration (European Commission, 2024). Globally and regionally, the EU regards BiH as an important yet confounding part of its enlargement strategy in the Western Balkans (WB), a region whose stability is often deemed essential for Europe (European Commission, 2024). The EU's involvement aims to support WB6 governance reforms and regional cooperation, economic development, and the rule of law, with financial aid being provided regularly (e.g., through the Instrument for Pre-accession Assistance). In the local context, the influence of the EU is occasionally met with frustration. Many citizens feel disillusioned due to the slow pace of reforms, lacking external resolve, and the perceived lack of tangible progress towards full membership (Ceranic Perisic 2023). Despite these challenges, the EU continues to play a central role in shaping the future of democracy in BiH (Wiseman 2023).

The USA has maintained a strong presence in BiH since the end of the war. Bilateral relations between the USA and BiH involve substantial financial and military aid, along with active involvement in post-war reconstruction and democratic reforms. Regionally, the USA has focused on supporting BiH's Euro-Atlantic integration, particularly through its leadership role in NATO's headquarters in Sarajevo. Locally, the USA has invested heavily in democratic reforms, supporting initiatives aimed at strengthening civil society, judicial independence, anti-corruption efforts, and media freedom (Kapidžić et al. 2023, p. 10). Public opinion in BiH remains largely supportive of the USA, particularly among Bosniaks and Croats, who view the USA as a vital ally in countering Serb nationalist ambitions. According to the International Republican Institute’s 2024 survey, 50 per cent of Serb respondents from Bosnia and Herzegovina see the USA as the biggest threat, while they regard Serbia (47 per cent), Russia (38 per cent), and China (2 per cent) as their closest allies. In contrast, 21 per cent of Bosniaks rank the USA as their second biggest ally, behind Turkey (42 per cent). Similarly, Croats in BiH view the USA as their second biggest ally (9 per cent), following Croatia (55 per cent) (European Parliament 2023, p. 2; International Republican Institute 2024).

Bilateral relations between BiH and Russia have been shaped by historical, religious, and political factors, with Russia acting as a key ally for Serb nationalists in Republika Srpska (RS) (Kapidžić 2023, pp. 109-110). Russia's influence in BiH is most prominently felt through its support for the RS entity and its leader, Milorad Dodik, who maintains close ties with the

Kremlin. Moscow has backed Dodik's efforts to undermine BiH's NATO and EU aspirations, positioning itself as a counterweight to Western integration efforts in the region (Čančar 2024, p. 6; Voice of America 2023). Russia's global strategy in BiH aligns with its broader geopolitical aim to challenge Western dominance and prevent NATO expansion. Regionally, Russia's support for Dodik serves to destabilize BiH's fragile political system, particularly by encouraging separatist rhetoric and undermining state institutions (Turčalo 2024). Locally, Russian influence is most visible through media channels that propagate pro-Russian narratives, particularly in RS where Kremlin-backed media outlets such as RT and Sputnik have gained significant traction (Voice of America 2023). Overall, Russia is leveraging political and ethnic divides to weaken democratic institutions and slow down BiH's integration into Western political and security frameworks (Ruge 2022).

China's growing involvement in the WB, including BiH, is mainly due to the Belt and Road Initiative (BRI). Even though Sino-Bosnian relations are relatively new, they have grown significantly since 2012. China has expanded its economic presence in BiH through infrastructure loans and trade partnerships (Vangeli 2024, p. 15). BiH's inclusion in China's Central and Eastern European (China-CEEC) cooperation platform highlights its strategic importance within the larger BRI framework. Most Chinese projects in BiH, such as highway construction in RS, are still in the early stages, with numerous Memoranda of Understanding signed, but few completed initiatives (Hasić 2022, p. 16). As seen in BiH, China's global strategy focuses on long-term economic engagement, positioning itself as a neutral, albeit non-democratic actor in political affairs. On a regional level, China's involvement in BiH is part of the broader attempt to enter European markets through Central and Eastern Europe and produce several “flagship” projects such as the hospital in Doboj and Stanari Thermal Power Plant. Locally, Chinese investments are seen as both an opportunity and a threat, with differing opinions among the country's ethnic groups. Public opinion poll from the International Republican Institute shows that Serbs in RS generally have a favourable view of China (considered the 3rd biggest ally), while Bosniaks and Croats are more sceptical (Pekmez 2022, p. 13; International Republican Institute 2024).

Turkey has become an important player in BiH due to its historical, cultural, and religious connections with the local population. Diplomatic relations between the two countries began in 1992, and the sentimental bond remains strong because of their shared Ottoman heritage and the presence of a large Bosniak diaspora in Turkey (Republic of Türkiye, Ministry of Foreign Affairs 2024). The Turkish International Cooperation and Development Agency (TİKA) has played a significant role in restoring Ottoman-era monuments and mosques in BiH (Kayani 2021, p. 199). While Turkey is not one of the top investors in the country, it has positioned itself as an (attempted) mediator in regional conflicts and aimed to forge closer ties between BiH's leadership and other Balkan states such as Serbia (Szpala 2022). Turkey's relationship with Russia, which encompasses energy and military cooperation, complicates its diplomatic position, particularly considering the EU's concerns about Turkey's alignment with Moscow. Furthermore, Turkey's strained relations with the USA add to the challenges it faces in maintaining neutrality in the region.

Lastly, the relationship between BiH and Hungary has been characterized by close cooperation for many years, especially in the context of the European integration process. Hungary has played an active role in supporting BiH's accession, especially in 2024 during its presidency of the European Council, where they advocated for adopting a negotiating framework. The two countries also have strong economic ties, and Hungary contributes to regional security through the EUFOR ALTHEA mission. More recently, however, Milorad Dodik's autocratic political agenda (e.g. consistent undermining of BiH’s constitutional order, challenges to the Western liberal-democratic norms, and nationalist rhetoric) has gained favouritism and personal political support from Hungarian leadership. Political leaders in Hungary have criticized the

international community and the EU for stirring tensions in the country while avoiding criticism of Dodik's secessionist actions. Hungary was also the only EU state that voted against the UN resolution on Srebrenica, stating that it unfairly demonizes Serbs and destabilizes cooperation in BiH (Inotai 2024). On both regional and local levels, Orbán is a vocal advocate for WB enlargement, but at the same time, he openly adopts a pro-Serbian and pro-RS stance, despite - or even because of - the obvious democratic deficits of his rule.

4. Systematising the Channels of Influence

The influence of external actors in BiH takes different forms through both formal and informal channels and local agency. Official channels include bilateral treaties, trade agreements, and investment projects, while more subtle and less transparent means of influence involve personal contacts, party affiliations, and religious institutions. This section identifies these channels across previously mentioned key geopolitical actors and examines the scope of their influence within BiH's political landscape.

The EU possesses significant leverage in BiH within various formal and informal channels. Formally, the EU influences BiH through economic programs, trade agreements, and funding (Instrument for Pre-accession Assistance) as part of the EU accession process. Additionally, the EU has contributed to security in BiH through initiatives such as EUFOR ALTHEA and the European Union Police Mission (EUPM), which supported law enforcement and defence capacity-building (European Commission 2024). The EU has promoted BiH’s inclusion into the Central European Free Trade Agreement (CEEFTA) to enhance trade between countries of the region and with the EU. Several European development banks, such as the European Bank for Reconstruction and Development, provide a significant amount of loans for large-scale infrastructure projects. Informally, the EU's influence is evident through its interactions with local political leaders. The EU continues to play a crucial role in shaping BiH's political landscape by promoting governance reforms and anti-corruption measures.

The USA provides military presence, financial aid, and technical support for post-war reconstruction and democratic reforms through agencies like the United States Agency for International Development (USAID). At the formal level, the USA has maintained a military presence in BiH through its leadership of NATO headquarters in Sarajevo. Between 2013 and 2020, Bosnia and Herzegovina exported over $50 million in goods to the U.S. under the Generalized System of Preferences (GSP). Informally, the USA primarily strengthens its influence through relationships with civil society organizations and NGOs, offering grants for transparency, accountability, and media freedom projects (Latal 2023, p. 11). These networks allow it to exert its soft power (Wiseman 2023). The personal relationships between U.S. diplomats and local political leaders also provide avenues for informal influence, particularly in encouraging cooperation on Euro-Atlantic integration.

Presently, experts argue that Russia's influence operates through political, religious, and media channels (Zweers, Drost & Henry 2023, pp. 43-44). Russia wields influence in BiH, particularly in RS, through both formal political support and informal cultural and religious networks and organizations. This includes backing the RS political elite's actions and efforts to undermine BiH's NATO and EU aspirations, as well as leveraging cultural and religious ties with the Serbian Orthodox Church to increase pro-Russian sentiment and support RS President Milorad Dodik. Russian media outlets such as Sputnik and RT also spread pro-Russian and anti-Western narratives, contributing to political polarization (Voice of America 2023). Russia is a key player in the country’s energy sector with ownership of the sole refinery

and the only source of natural gas, both of which are used as to negotiate benefits. Russia's influence in several sectors provides it with significant leverage in the country. It enables Russia to undermine the central government and increase division between ethnic groups, which could potentially lead to unrest in BiH's fragile political environment.

China's presence in BiH is primarily visible through large state and entity-level infrastructure loans, which means that many relationships with the local government are generally formalized. Currently, more projects are present in RS, but the Federation of BiH hosts many of these initiatives as well, such as highways and power plants (see: Balkan Insight's “China in the Balkans” map). However, a significant number of initiatives remain unfinished to date due to the lack of long-term effectiveness. Despite this, China's engagement has the potential to reshape BiH's foreign policy as the country seeks alternatives to Western funding and rapid development. China also uses cultural diplomacy and language learning to strengthen ties with the local population (e.g., Sinology studies at the University of Banja Luka). Despite these challenges, China's practical approach, offering unconditional financial packages, has made it an attractive partner for political elites in both BiH entities.

Turkey's influence in BiH is a mix of formal diplomatic ties and informal cultural and religious connections. Turkish companies, backed by government initiatives, have increased their presence, creating a strong economic link, especially in terms of construction projects. BiH and Turkey signed a Free Trade Agreement (FTA) in 2002, which has been periodically revised yet continues to remain in force. Informally, Turkey's influence is reinforced by shared cultural and religious heritage with BiH's Bosniak population, as well as Recep Tayyip Erdoğan's personal connexions with the Party of Democratic Action/Stranka demokratske akcije (SDA). Turkey's close ties with religious institutions in BiH further deepen its informal influence, particularly among Bosniaks.

As of recently, Hungary also plays an important role in the country and possesses its channels of formalized political influence. The Hungarian President Viktor Orbán has forged close ties with Dodik and RS leadership, for which he was awarded the Order of RS as a sign of gratitude for continuous support. Additionally, the Minister of Foreign Affairs of Hungary, Péter Szijjártó, also nurtures close ties with Dodik, and describes him as a “regional leader of stability” (Al Jazeera Balkans 2024). To complete the picture, the 2019–2024 European Commissioner for Neighbourhood and Enlargement, Olivér Várhelyi, openly supported subnational RS leadership in its disagreement with the BiH state. As a result, Hungary signed direct cooperation and investment agreements with RS on different infrastructure and aid projects. Generally, Orbán's increasing alliances across Europe and the Balkans, particularly with leaders in Serbia and RS, have raised questions about the country's commitment to regional stability (Ćerimagić 2024, p. 22).

5. The Outcomes of Externalities on Transitional Contexts

The global and regional strategies pursued by external actors can have negative effects on local contexts. This includes fostering political polarization, reinforcing patronage networks, and undermining democratic institutions. The EU’s broader strategy of enlargement has faced complications due to internal challenges, such as the rise of populism and democratic backsliding within its member states (Ceranic Perisic 2023). These challenges have limited the EU's ability to enforce democratic norms in countries such as BiH. “EU fatigue” has allowed illiberal actors in BiH to gain ground by promoting alternative visions of development that do not prioritize democratic governance. Going forward, the EU's influence in BiH will depend on its ability to reinvigorate the accession process and prioritize democratic reforms over stability.

If the EU fails to address the root causes of BiH's democratic backsliding, its role in promoting democracy in the region may be further weakened. Additionally, recent global shifts and the USA's pivot toward other geopolitical areas have reduced Washington's focus on BiH. On a local level, the USA continues to exert influence primarily through diplomatic pressure, but it also encounters challenges due to the growing illiberal influence. Looking ahead, the USA will need to adjust its strategy for involvement in BiH.

Russia's support for autocratic leaders in the Balkans solidifies oligarchic structures and reinforces patronage networks. In BiH, this is evident in the RS leadership's reliance on Russian support to resist democratic reforms and undermine the central government's authority. Milorad Dodik's close ties with Russia allow him to defy EU and USA pressure, particularly in matters related to EU integration and NATO membership (McBride 2023). Since the war in Ukraine started, the Russian Embassy in BiH has provided him significant support and used strong rhetoric to assert Russia's geopolitical interests in the region (N1 2022). Moreover, Dodik has used his relationship with Moscow to weaken state institutions and promote authoritarian practices. Russia's influence is most visible through consistent media manipulation and disinformation campaigns. Kremlin-backed media outlets in RS promote pro-Russian and anti-Western narratives, contributing to the polarization of political discourse, as well as to positive perceptions of Russia among the people in RS (International Republican Institute 2024). For instance, the Kremlin has been accused of stirring unrest through disinformation campaigns and promoting historical revisionism, particularly concerning the Srebrenica genocide (Turčalo 2024). This media presence also fuels ethnic tensions, as pro-Russian propaganda often aligns with nationalist rhetoric that portrays the West as a threat to Serb identity and sovereignty. In the future, Russia's detrimental influence is likely to continue if the current dynamics persist.

Since the start of the war in Ukraine, China has worked to position itself as a reliable partner, especially in RS. However, China's focus has been on major state projects, making it more of a creditor than a significant investor in BiH. Additionally, BiH faces a substantial trade deficit with China, as its products struggle to penetrate the Chinese market. This approach has remained largely unchanged in recent years, with the only difference being that China has now completed several projects in the country, which enhances its "portfolio." A notable recent example is the construction of a hospital in Prijedor, the first project of its kind by a Chinese company in Europe, serving as a "flagship" initiative to showcase China's capabilities in building medical facilities. Overall, in RS, Chinese money has been welcomed by local elites seeking alternatives to EU funding, particularly in highway construction and energy projects (Hasić 2022, pp. 17-18). However, because of many delays and concerns over corruption, BiH's regulatory frameworks and governance structures have been weakened (Pekmez 2022, p. 12). The biggest issue at present is that citizens remain unaware of the specific contracts and agreements that political leaders make with Chinese companies, despite the fact that public funds are being used to repay these loans. Looking ahead, China's influence in BiH is expected to grow as its economic footprint expands. The long-term consequences of "secretive" Chinese lending could include a further erosion of institutional integrity.

Meanwhile, Turkey's government, under Recep Tayyip Erdoğan, prioritizes stability over democratic freedoms. Turkey's influence in BiH is also expected to increase – especially as it continues to promote cultural and religious ties with the Bosniak population. Turkey's regional ambitions, driven by Erdoğan's foreign policy, aim to position the country as an important actor in the Western Balkans – particularly through the promotion of political and religious solidarity with Muslim communities in the region (Kayani 2021, p. 200).

Lastly, the outcomes of Hungary's more active involvement in BiH are also worth mentioning. Hungary has been able to block the EU's more forceful interventions in BiH and especially

individual EU sanctions against Dodik, arguing that such actions worsen tensions in the region. Hungary's influence in the Western Balkans, and more particularly in RS, is strengthened by its close ties with Serbia and its leadership, including President Aleksandar Vučić. The alliance between Viktor Orbán, Vučić, and Dodik is characterised by shared worldviews, geopolitical interests, and authoritarian tendencies (Ćerimagić 2024, p. 23). Orbán has developed strong political and economic ties with Dodik, leading to direct agreements between Hungary and RS on various initiatives. In the future, Hungary under Orbán is likely to continue its role as a protector and promoter of autocratic leaders, with the aim of securing financial and reputational gain.

6. Key Highlights

The key findings in this report underscore a significant impact of external geopolitical actors on shaping democracy in BiH. The strategies they employ are diverse and focus on actors at global, regional, and local levels. Especially the role of malign external actors on BiH's political landscape poses challenges to the country's democratic institutions.

The main external geopolitical actors in BiH include the European Union, the United States of America, Russia, China, Turkey, and Hungary. Each actor employs different strategies, but all exert a relevant level of influence. While Russia and China favour more authoritarian approaches, the EU and USA invest in promoting democracy even while encountering numerous challenges. Hungary, which is within the EU, has emerged as an important player supporting illiberal governance and has a more nuanced record of influence.

The strategies employed by these actors differ depending on the geopolitical context. At the global level, both Russia and China have positioned themselves as a counterweight to the West. At the regional level, some of these actors exploit ethnic and political divisions to solidify their influence, while Turkey and Hungary foster closer ties with specific autocratic political leaders and, to some degree, with specific ethnic groups. Locally, these external actors use patronage networks and informal agreements to exert control over democratic processes or bypass democratic institutions.

External actors exert influence in BiH through both formal and informal channels. Formal channels include bilateral agreements, infrastructure projects, and military presence, such as Hungary's leadership of EUFOR ALTHEA. Informal channels are used to further amplify these actors' influence, such as media manipulation, cultural diplomacy, and religious affiliations. Russia's disinformation campaigns have effectively polarized the political landscape in RS, while China's opaque infrastructure projects contribute to institutional erosion. For instance, Russia is using religious, cultural, and economic channels, as well as media manipulation to challenge Euro-Atlantic aspirations.

The influence of autocratic external actors has had detrimental effects on the democratic institutions of BiH. Russia's support for separatist rhetoric in RS undermines state institutions and fuels ethnic tensions. China's non-transparent lending practices could weaken governance standards and foster corruption among local political elites. Against such influence, the impact of EU and US actions to promote democracy and the rule of law becomes more challenging. This weakness is also self-inflicted as the EU's prioritization of stability over democracy has inadvertently allowed illiberal actors to gain ground while hindering substantial democratic reforms.

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