

## **Institutional Reforms as Requirement for Efficiency and Functionality in the Governance of Bosnia and Herzegovina**

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The aim of this paper is to emphasize the problems of state governance regarding constitutional structure of Bosnia and Herzegovina and economic inefficiencies as a consequence of an overloaded, jaded and complex state structure.

In addition, the paper analyzed how the system can be accommodated to provide more state powers, credibility and accountability in regards to lower state levels to overcome and prevent bad business conditions, legal and political particularism.

The institutional overlapping can be overcome with a strategy of providing the state with more legitimate authority over other levels of governance and by redefining the most basic interests of the current constitutional system based on the Dayton agreement.

Thus, presenting valuable argument and solution for addressing institutional reforms and/or economic development.

**Keywords:** State Governance, Institutional Reform, State Structure, Political System, Economic Development, Legal Particularism.