



Islamicity Indices

Benchmarks to Build Effective Institutions for Political, Social, and Economic Reform and Progress

2020

ISLAMICITY INDEX COUNTRY REPORT BOSNIA AND HERZEGOVINA 2020

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Table of Contents

<i>I. EXECUTIVE SUMMARY.....</i>	<i>2</i>
<i>II. SCORES AND RANKING: THE CASE OF BOSNIA AND HERZEGOVINA</i>	<i>3</i>
2.1. Islamicity Index (overall)	3
2.2. Economic Islamicity Index.....	4
2.3. Legal and Governance Islamicity Index.....	5
2.4. Human and Political Rights Islamicity Index	6
2.5. International Relations Islamicity Index	7
<i>III. SUMMARY AND RECOMMENDATIONS</i>	<i>9</i>

I. EXECUTIVE SUMMARY

The Islamicity Index consists of a number of indices that together represent quantitative measures of adherence to Islamic teachings, values and institutions. In essence, it consists of four broad indices — i) economic; ii) legal and governance; iii) human and political rights; and iv) international relations. Finally, these indices are all combined into a fifth, the overall index.

The Islamicity Index is reflection of Islamic teachings that are bringing about the overall progress of countries that are implementing them. This index is also showing how far Muslims are from the real teachings of Islam as the top positions are occupied for the Western, non-majority Muslim countries, year after year.

Bosnia and Herzegovina (BiH) is performing relatively good when compared to other Muslim-majority countries, OIC countries. Still, her overall ranking on the Index has gone down from position 66 in 2019 to position 74 in 2020. Since the last publication of the index in 2019, BiH is failing in her performance on two dimensions. Economic dimension fell down by 15.86% while human and political rights dimension decreased only slightly by 0.35%. During the same period, BiH got better on the other two dimensions. Legal and governance dimension improved by 9.39% and international relations dimension increased by 5.23%.

BiH is currently going through difficult times. This is not only due to the COVID-19 pandemic, but due to the overall political instability that is creating additional hurdles for the overall development of the country. A joint effort of all stakeholders is needed on all fronts and in synchronization for the country to catch up with the regional countries that are all better positioned than BiH on the Islamicity Index. Unfortunately, taking into account the recent development and political crisis that is ongoing, BiH may experience even further deterioration in the following years.

II. SCORES AND RANKING: THE CASE OF BOSNIA AND HERZEGOVINA

Over the years, the performance of BiH has showed mixed results. From 2015 up until 2017, BiH showed improvements on most of Islamicity indices (up until 2018 for legal and governance index and human and political rights index). Since 2017, BiH is underperforming on all these indices. Although her position is better than it was in 2015, the overall situation is not promising any improvements in years to come. Table 1 below provides a brief overview of all the indices in relation to BiH.

Table 1: Islamicity Index - The Case of Bosnia & Herzegovina

Country	Year	Overall Index		Economy		Legal and Governance		Human and Political Rights		International Relations	
		Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
BiH	2015	90	4.38	60	5.27	117	3.46	84	4.69	67	5.33
BiH	2016	74	4.80	75	4.65	79	4.43	74	4.74	27	6.53
BiH	2017	59	5.17	59	5.49	93	3.88	60	5.64	26	6.71
BiH	2018	60	5.15	61	5.43	92	3.89	50	6.00	61	5.56
BiH	2019	66	4.90	74	4.98	96	3.62	53	5.67	74	5.16
BiH	2020	74	4.77	91	4.19	91	3.96	56	5.65	65	5.43

As can be seen from Table 1 above, BiH is ranked 74 out 151 countries in 2020 (down by 8 places from 66 in 2019). When compared to other OIC countries, it is ranked 9 out of 36 countries. The top 10 OIC countries according to the Islamicity Index are: Malaysia, United Arab Emirates, Qatar, Albania, Kazakhstan, Indonesia, Oman, Kuwait, Bosnia and Herzegovina, and Bahrain.

2.1. Islamicity Index (overall)

For the third year in row, BiH is falling in its overall performance when it comes to the overall results of the Islamicity Index. When compared to 2019, BiH improved her position on two out of four dimensions. Her position improved by 9.39% in legal and governance dimension and by 5.23% in international relations dimension. At the same time, when it comes to economy on one side and human and political rights on the other, these dimensions deteriorated by 15.86% and 0.35%, respectively. In all, the overall Islamicity index of BiH fell by 2.65% when compared to 2019.

Table 2: Islamicity Index - Comparative Analysis

Description	Overall	Economy	Legal and Governance	Human and Political Rights	International Relations
All Countries (151)	4.72	4.95	4.70	4.78	4.97
OIC Countries	3.56	4.12	3.03	3.37	3.56
Bosnia and Herzegovina	4.77	4.19	3.96	5.65	5.43
Non-OIC Countries	5.02	5.06	5.17	5.55	5.40
% Change Relative to 2019					
All Countries (151)	4.89%	1.43%	-1.05%	4.37%	-2.55%
OIC Countries	5.01%	12.88%	-4.11%	8.71%	-8.95%
Bosnia and Herzegovina	-2.65%	-15.86%	9.39%	-0.35%	5.23%
Non-OIC Countries	-0.20%	0.20%	-1.34%	2.02%	-0.55%

Even though the performance of BiH is stagnating, her performance is way above the median performance of the other 35 OIC countries included in the index. The overall index of BiH is better than the overall index of all countries but worse than the overall index of non-OIC countries. In fact, BiH shows better results in two dimensions (Human and Political Rights and International relations) than all countries and non-OIC countries. At the same time, BiH underperformed in the other two dimensions (Economy and Legal and Governance).

Looking at the neighboring countries, in particular the Western Balkan countries, BiH has the worst performance. To be more precise, Slovenia is ranked 19, Croatia 40, Montenegro 49, Albania 53, Serbia 55, and North Macedonia 56. It seems that BiH is lagging behind the regional countries that share many similar threats and prospects. Hence, there is room for improvements on all fronts that should be the focus of all stakeholders.

2.2. Economic Islamicity Index

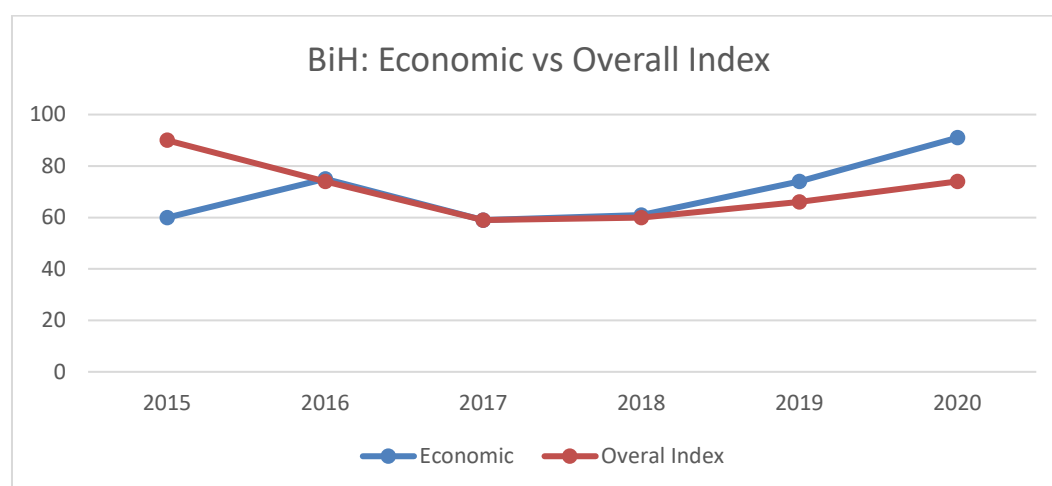
In general, when comparing to the previous year, in 2020 BiH economy faced with the worst economic downturn primarily due to the global COVID-19 pandemic. However, to blame it all on pandemics would be an exaggeration. BiH is a very complex country with several levels of government and decision making system. Years of political quarrelling and rising national tensions combined with the COVID-19 pandemic is winning formula for economic collapse of such a fragile state as BiH.

In fact, according to the World Bank, in 2020 BiH slipped into the worst recession in 25 years when its economy contracted by 4.3 percent mainly due to drop in consumption, investments, and demand

from abroad. At the same time, while the recovery of the BiH economy is expected to take place in 2021, its timing and pace is highly uncertain.¹

From Figure 1 below, it can be seen that the economic performance of BiH is pretty much mimicking the overall index performance over the years. From 2018, however, the economy is slipping away and the main factor that is pushing the overall Islamicity Index of BiH down. In particular, the economy dimension of BiH decreased by 8.29% in 2019 and further by 15.86% in 2020. Furthermore, when compared to other OIC countries, BiH is ranked 18 and this represents the worst performing indicator for BiH.

Figure 1: BiH: Economic vs Overall Index



2.3. Legal and Governance Islamicity Index

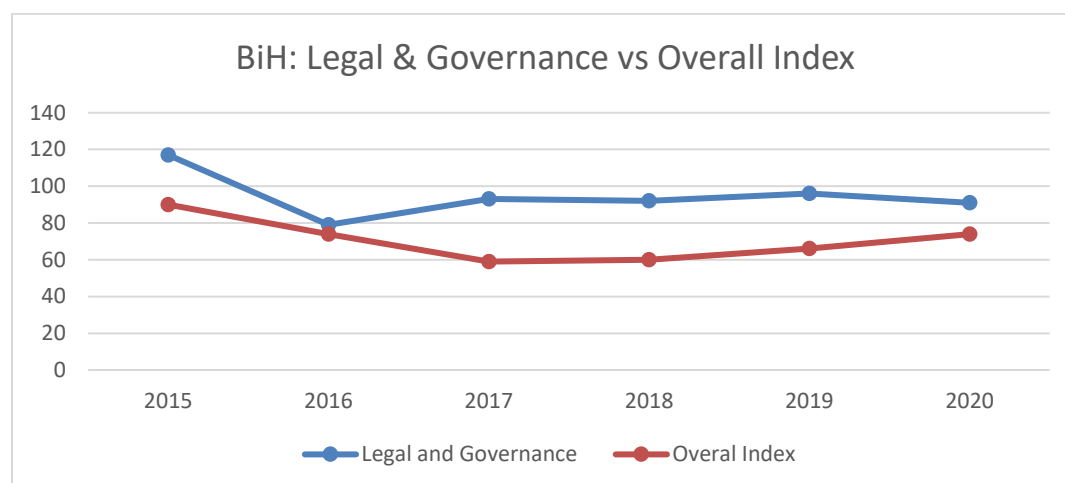
When it comes to legal and governance dimension of the Islamicity Index in the case of BiH, it can be seen that it improved in 2020 by 9.39% compared to the previous year. Although this indicates overall improvement in this dimension, it is still dragging the overall index down. In fact, the legal and governance dimension is something that requires ongoing improvement(s) in BiH. Different parties, including the international community, are calling for all sorts of reforms that would improve the situation. As of now, BiH is ranked 16 out of 36 OIC countries, indicating relatively low legal and governance environment.

BiH is a country with an inefficient bureaucratic apparatus that has obsolete legal regulations combined with weak enforcements. On top of extensive corruption already existing at all levels, the

¹ See <https://www.worldbank.org/en/news/press-release/2021/04/27/subdued-recovery-expected-in-bosnia-and-herzegovina-following-historic-recession-says-new-world-bank-report>.

COVID-19 pandemic brought even more corruption cases that involved the top government officials and for which the trial is ongoing.

Figure 2: Legal & Governance vs Overall Index



2.4. Human and Political Rights Islamicity Index

After improving on human and political rights for the period 2015-2018, this dimension is slightly decreasing ever since and in 2020 it declined by 0.35%. Still, it is the second best country (ranked 56) among the OIC countries, right after Albania (50). Nevertheless, the situation is far from satisfactory.

Since the general election of 2018, the government of the Federation of BiH² is in its technical mandate as political parties cannot reach to an agreement. The Croatian side is calling for constitutional reforms that would make election of the Croatian member of the BiH Presidency³ dependent on Croatian voters only. However, this is not acceptable by the Bosnian side and even goes against the European Union standards.

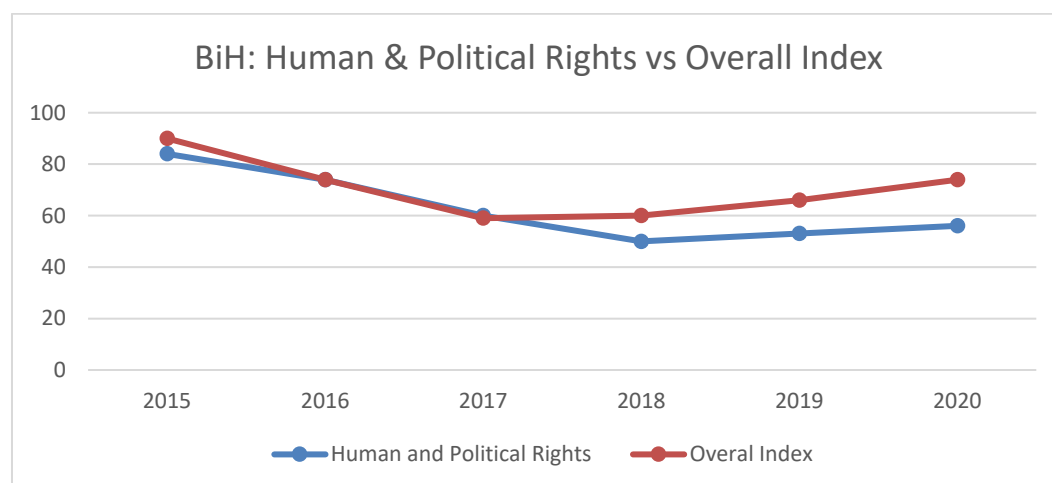
The connotational reforms are indeed needed as the current constitution is discriminatory against Jews, Roma, and other minorities who cannot run for the BiH Presidency unless they declare

² Bosnia and Herzegovina consists of two entities, the Federation of BiH and Republica Srpska that were created by the Constitution that was made in 1995 when the Dayton Peace agreement was signed.

³ The BiH Presidency consists of three members: A Bosnian Muslim, a Bosnian Croat, and a Bosnian Serb. They each rotate every eight (8) months presiding over the Presidency.

themselves as Bosnian, Croat or Serb. This discrimination has been proved by the European Court of Human Rights decision that awaits its proper implementation.

Figure 3: Human & Political Rights vs Overall Index

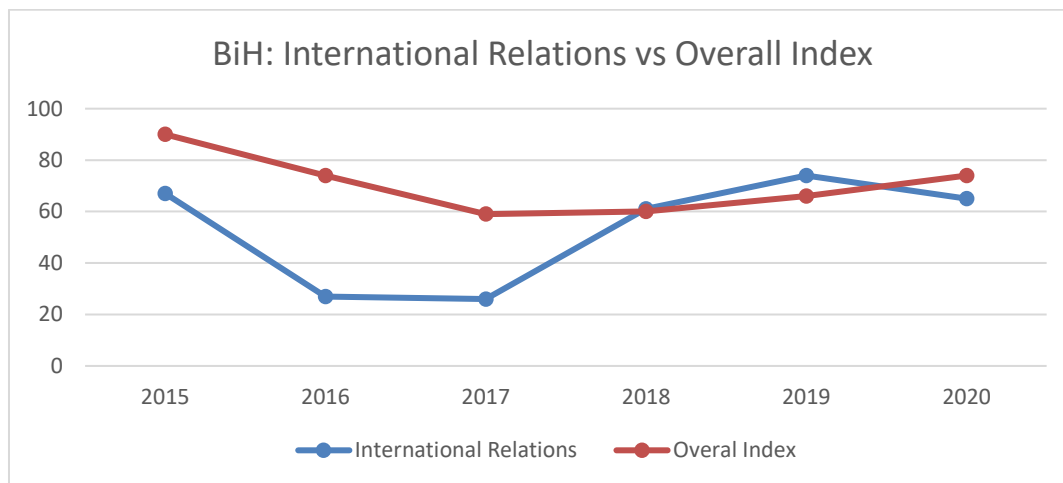


2.5. International Relations Islamicity Index

International relations dimension is another dimension on which BiH showed a progress over last year. In 2020, BiH improved in this dimension by 5.23% and moved to position 65 down from 74 in the previous year. In this dimension, BiH is taking position 8, a relatively high position, among OIC countries. Sierra Leone, Indonesia, Malaysia, Albania, and Tajikistan are the top 5 countries in this regard.

Consisting of two entities that are not working for the same goals at the international arena, BiH is doomed to underperform in this dimension. Unfortunately, political activities (especially from the smaller BiH entity, Republica Srpska) are not promising. This is especially the case after the outgoing Bosnia's High Representative, Valentin Inzko, used his power to impose amendments to the country's criminal code to ban the denial of genocide and the glorification of war criminals. This decision angered the Bosnian Serbs who made a counter law at the entity's level and started boycotting the state institutions ever since. This development is making BiH's situation even worse and is waking some evil nationalist spirits that were active during the 1992-1995 aggression on BiH.

Figure 4: International Relations vs Overall Index



III. SUMMARY AND RECOMMENDATIONS

The Islamicity Index is a multidimensional benchmark aimed at assessing a society's adherence to the teachings of the Qur'an and the practice of the Prophet Muhammad. It provides a compass and a benchmark for countries to build effective institutions to improve their social, economic and human rights performance.

Bosnia and Herzegovina, although relatively well-positioned compared to the majority of the OIC countries, is witnessing negative(positive) trends on two out of four dimensions of the Islamicity Index. Its economy as well as human and political rights are worsening with the former falling by a large 15.86%. The COVID-19 has significant impact on BiH economy as is the case with other countries, especially those regional ones. Apart from the pandemic, however, the BiH economy was already performing badly on all fronts.

According to the latest Islamicity Index, BiH has improved significantly on two other dimensions, namely legal and governance and international relations. Given the ongoing cases (corruption, unsolved murders, etc.) and current legal and governmental environment that are being questioned by all parties, this improvement needs to be taken with pinch of salt.

Recent studies indicate that institutional development is not contributing to economic growth of the country and hence a lot has to be done before we can see a significant progress. In other words, while there are certain laws, rules and regulations that should make the country prosperous, it seems that what is lacking is a proper implementation of them. Improving on all those dimensions covered by the Islamicity Index will definitely lead to a better overall environment that promotes freedom, justice, economic development, while at the same time respecting human and political rights and promoting international cooperation that are in harmony with the best practices in the world.

Unfortunately, given the current socio-economic and political situation in BiH that is on verge of collapse, it is hard that the current year and years to come are to bring positive changes that are far overdue for this country. In short, the current trends, especially political developments that are taking place these days, are worrisome. All relevant parties need to assume their responsibilities and play active roles in improving all dimensions of the Islamicity Index as they will, for sure, lead to necessary changes and much needed socio-economic and political progress.

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