

LEGAL FRAMEWORK OF TOURISM IN BOSNIA AND HERZEGOVINA: ANALYSIS OF LEGISLATION AND ITS IMPACT ON SECTOR DEVELOPMENT

Ema Rajkić-Jazvin¹

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Abstract: This paper provides an overview of the legal instability caused by inadequate and unregulated legislation, as well as by the failure to implement existing laws, which affects the development of the tourism sector in Bosnia and Herzegovina. Insufficient enforcement of legal regulations further contributes to strengthening public distrust in the institutions responsible for tourism development. The research uses a mixed-methods approach: desk review of relevant legal documents (laws, regulations) and strategic plans (e.g. the new Tourism Development Strategy for Federation of BiH 2022-2027) to map the formal framework; literature review of academic, policy, and evaluation reports; and semi-structured interviews with key informants (government officials, tourism associations, local community leaders). Comparative analysis with EU norms is used to spot divergences. Data are qualitatively analyzed to extract recurring themes of legal/institutional constraint.

Keywords: tourism, legal framework, EU norms, legal harmonization, environmental protection

INTRODUCTION

Tourism represents one of the most dynamic sectors of contemporary economies, contributing significantly to economic growth, employment generation, and regional development (Hall, 2008). In countries with rich natural and cultural resources, such as Bosnia and Herzegovina, tourism has the potential to serve as a key driver of sustainable development. However, the realization of this potential largely depends on the existence of a stable, coherent, and effectively implemented legal framework that regulates tourism activities and ensures legal certainty for all stakeholders. The development of the tourism sector is strongly influenced by the quality and coherence of its legal and institutional framework. A clear, stable, and harmonized legal environment is essential for attracting investment, ensuring service quality, protecting tourists and service providers, and promoting sustainable and competitive tourism development.

¹ Secondary School of Tourism and Hospitality, 71000 Sarajevo, Bosnia and Herzegovina, ema.rajkicjazvin@suts-sa.edu.ba

In complex administrative systems, such as that of Bosnia and Herzegovina, the regulatory framework for tourism is shaped by multiple levels of governance, including state, entity, cantonal, and local authorities. This fragmentation often results in overlapping competencies, regulatory inconsistencies, and challenges in policy coordination.

Bosnia and Herzegovina's constitutional structure, established under the Dayton Peace Agreement, significantly affects the formulation and implementation of tourism-related legislation. The absence of a comprehensive state-level tourism law, combined with entity- and canton-based regulations, creates a decentralized legal landscape that may both enable local flexibility and hinder strategic sector development at the national level. Consequently, tourism stakeholders frequently face administrative barriers, legal uncertainty, and uneven regulatory standards across different regions of the country.

This paper aims to analyze the legal framework governing tourism in Bosnia and Herzegovina, with a focus on key legislative instruments, institutional responsibilities, and regulatory mechanisms. By identifying structural weaknesses and regulatory gaps, the study seeks to assess the extent to which the current legal framework supports sustainable tourism growth and aligns with international and European Union standards.

The findings of this research are expected to contribute to a better understanding of the relationship between legal regulation and tourism development in Bosnia and Herzegovina, as well as to provide a basis for policy recommendations aimed at improving legislative coherence, governance efficiency, and long-term sector development.

BiH LEGAL FRAMEWORK – KEY ELEMENTS

The legal framework governing tourism in Bosnia and Herzegovina is characterized by a high degree of institutional and regulatory complexity, resulting primarily from the country's constitutional structure. Established by the Dayton Peace Agreement, Bosnia and Herzegovina functions as a decentralized state composed of two entities—the Federation of Bosnia and Herzegovina and the Republika Srpska—along with the Brčko District, each possessing significant legislative authority. As a consequence, tourism regulation is largely decentralized and fragmented across multiple administrative levels.

At the state level, Bosnia and Herzegovina does not have a comprehensive tourism law. Instead, limited competencies related to tourism are exercised through institutions responsible for foreign trade, economic relations, and international cooperation. The absence of a unified national tourism strategy and harmonized legislation poses challenges for coordinated sector development, international promotion, and alignment with European Union tourism and services regulations.

In the Federation of Bosnia and Herzegovina, tourism legislation is further divided between the entity and cantonal levels (Law on Tourism Activity of the Federation of Bosnia and Herzegovina, 2009).² While the Federation adopts framework laws governing hospitality and tourism activities, cantons retain substantial authority to regulate tourism operations, licensing procedures, tourism taxes, and inspection mechanisms. This results in varying legal standards and administrative practices across cantons, which can create legal uncertainty for investors and tourism service providers operating in multiple jurisdictions.

In Republika Srpska, tourism is regulated primarily at the entity level through a centralized legislative approach (Law on Tourism of Republika Srpska, 2017).³ The entity has adopted specific laws regulating tourism activities, hospitality services, tourist organizations, and tourism promotion. Compared to the Federation, Republika Srpska offers a more uniform regulatory environment; however, challenges remain regarding implementation capacity, enforcement mechanisms, and alignment with international best practices.

The Brčko District represents a distinct legal unit with its own tourism-related regulations, further contributing to the overall fragmentation of the tourism legal framework in Bosnia and Herzegovina.⁴ Although the District has adopted laws and bylaws regulating hospitality and tourism services, coordination with entity-level legislation remains limited.

² The Law on Tourism Activity is the official legal act regulating the performance of tourism activities in the Federation of Bosnia and Herzegovina, published in the Official Gazette of the Federation of Bosnia and Herzegovina, No 32/9 (2009). This Law also regulates types of tourism services, conditions and manner of providing tourism services and rights and obligations of entities operating in tourism sector.

³ Law on Tourism-Republika Srpska published in the Official Gazette of Republika Srpska, No.45/2017, with later amendments (16/23)

⁴ The Law on Tourism in Brčko District of Bosnia and Herzegovina is the main legal act regulating the organization and conditions for providing tourism-related services and activities within Brčko District. The law was adopted by the Assembly of Brčko District on the basis of Article 23 of the District Statute.

Across all administrative levels, tourism-related legislation typically covers areas such as classification and categorization of accommodation facilities, registration of tourism service providers, tourist fees, consumer protection, and inspection supervision. However, inconsistencies in definitions, standards, and procedures persist, limiting the efficiency and competitiveness of the tourism sector. Additionally, environmental protection, spatial planning, cultural heritage preservation, and labor regulations-although not tourism-specific-play a significant role in shaping tourism development and are governed by separate legal regimes (Law on Environmental Protection of the Federation of Bosnia and Herzegovina, 2003; Law on Environmental Protection of Republika Srpska, 2012). Overall, the tourism legal framework in Bosnia and Herzegovina reflects the broader governance challenges of the country. While decentralization allows for local adaptation to specific tourism potentials, the lack of legislative harmonization and strategic coordination constrains the sector's development. Strengthening intergovernmental cooperation, improving legal coherence, and aligning domestic legislation with European Union standards are essential steps toward creating a more functional and competitive tourism regulatory environment.

In the Federation of Bosnia and Herzegovina (FBiH), tourism regulation has historically been governed by the Law on Tourist Activity, which sets out provisions on tourism service providers and related activities. Because the FBiH Law on Tourist Activity has limitations and does not address broader strategic development or planning, federal authorities have worked on a new draft *Law on Tourism*, which was proposed to more comprehensively regulate planning, development, tourism promotion, operators, and registration systems across the Federation. This proposed law outlines how tourism planning and development, financing, promotional activities, tourist subjects (travel agencies and guides), and tourist boards are to be regulated in the Federation.

Within the Federation of Bosnia and Herzegovina, cantons also have their own tourism laws due to the division of competencies between the Federation and cantons in the FBiH Constitution. For example, the Law on Tourism of Sarajevo Canton⁵ was recently adopted to regulate tourism activities, licensing, tourism offices, rural tourism, and tourist taxes within the canton, filling gaps created by the absence of harmonized federal tourism legislation.

⁵ The Law on Canton Sarajevo is a cantonal legal act that regulates tourism activities within the territory of Canton Sarajevo. It establishes the legal framework for the development, organization and supervision of tourism in the canton.

In addition to primary tourism legislation, numerous indirect legal regimes impact tourism development. These include laws on spatial planning, environmental protection, cultural heritage preservation, and consumer protection, which influence tourism investment, infrastructure development, and service quality. Furthermore, regulations governing inspection supervision and taxation of tourism services (local accommodation taxes) play a significant role in the operational environment of tourism businesses.

The fragmented legal framework across different levels of authority creates challenges for stakeholders and potential investors, as regulatory requirements may vary significantly between jurisdictions. The lack of harmonization affects consistency in service standards, inspection practices, and strategic planning. Harmonizing tourism legislation and establishing clearer institutional coordination-particularly through the adoption of unified laws or strategic frameworks-would help align Bosnia and Herzegovina's legal framework with international norms and enhance competitiveness in the global tourism market.

EU LEGAL FRAMEWORK – KEY PROVISIONS RELEVANT TO TOURISM

Tourism represents one of the most significant economic sectors of the European Union, with a direct and indirect impact on employment, regional development, and the internal market. Although tourism remains primarily within the competence of the Member States, the European Union has developed a complex legal framework that significantly affects its functioning. This paper analyses the key EU legal provisions relevant to the tourism sector, with particular emphasis on treaty foundations, consumer protection, internal market freedoms, transport law, sustainable development, and digital regulation.

The legal basis for European Union action in the field of tourism is established in Article 195 of the Treaty on the Functioning of the European Union (Treaty on the Functioning of the European Union, 2012). This provision grants the EU competence to support, coordinate, and complement the actions of the Member States in tourism, without the power to harmonise national legislation. EU action aims to enhance the competitiveness of the tourism sector, promote sustainable tourism, and encourage cooperation among Member States. This approach reflects the subsidiary nature of EU tourism policy.

Tourism is closely linked to the functioning of the EU internal market. The freedom to provide services (Articles 56–62 TFEU) allows tourism-related entities-such as hotels, travel agencies, and tour operators-to operate legally across the Union. The freedom of establishment (Article 49 TFEU) further enables tourism businesses to set up operations in other Member States under equal conditions. In addition, the free movement of persons has a direct impact on tourism by enabling EU citizens to travel freely within the Union.

Consumer protection is one of the most developed areas of the EU legal framework affecting tourism. Of particular importance is Directive (EU) 2015/2302 on package travel and linked travel arrangements, which strengthens travellers' rights regarding information, contract termination, refunds, and protection in the event of the insolvency of tour operators. Furthermore, the Consumer Rights Directive (2011/83/EU) and the Unfair Commercial Practices Directive (2005/29/EC) contribute to transparency and fair business practices in the tourism sector.

The efficiency of tourism depends on a well-regulated transport system. The EU has adopted a range of legal instruments guaranteeing passenger rights, most notably Regulation (EC) No 261/2004 on air passenger rights. Similar legal protections exist for rail, bus, and maritime transport. These rules ensure a high level of passenger protection and enhance trust in cross-border travel within the EU.

Sustainable tourism constitutes a strategic objective of the European Union. Legal instruments such as the Environmental Impact Assessment Directive (2011/92/EU) and the Habitats and Birds Directives (Natura 2000) significantly influence the planning and development of tourism infrastructure. Through the European Green Deal, the EU promotes environmentally responsible forms of tourism, balancing economic growth with the protection of natural resources.

The growth of digital platforms and online booking systems has led to the application of the General Data Protection Regulation (GDPR) in the tourism sector. This regulation obliges tourism-related entities to manage travellers' personal data lawfully and transparently. In addition, emerging EU digital legislation affects the operation of online tourism intermediaries and accommodation booking platforms.

On this basis, the following conclusion can be drawn- the EU legal framework relevant to tourism is a fragmented yet functionally coherent system of rules that indirectly but significantly shape the tourism sector. Although the EU does not possess exclusive competence in tourism, it establishes a stable and predictable legal environment through internal market freedoms, consumer protection, transport law, environmental standards, and digital regulation. This approach enables the sustainable development of tourism while respecting the national specificities of the Member States.

This legal framework should serve as a positive model and provide guidance for Bosnia and Herzegovina in the development of tourism-related legislation.

COMPARATIVE ANALYSIS: BiH vs EU LEGAL NORMS

The European Union exercises a supporting and coordinating competence in tourism under Article 195 TFEU, while Member States retain primary legislative authority. In contrast, Bosnia and Herzegovina has a highly fragmented constitutional structure, where tourism-related competences are divided among the Entities (Federation of BiH and Republika Srpska), cantons, and the Brčko District. The absence of a state-level tourism law in BiH leads to legal inconsistency and uneven standards, whereas the EU framework promotes coordination and coherence across Member States.

EU tourism law provides a high level of consumer protection, particularly through Directive (EU) 2015/2302 on package travel and linked travel arrangements. This directive ensures clear contractual rights, refund mechanisms, and insolvency protection for travellers.

In BiH, consumer protection in tourism exists but is less comprehensive and unevenly implemented. Entity-level regulations partially address package travel, yet insolvency protection and cross-border enforcement remain underdeveloped. Consequently, tourists in BiH enjoy a lower and less predictable level of legal protection compared to EU standards.

Within the EU, tourism service providers benefit from freedom of establishment and freedom to provide services, enabling cross-border operation under harmonised internal market rules. In BiH, market access is subject to administrative barriers, multiple licensing regimes, and divergent entity-level rules, which complicate the operation of tourism businesses and discourage foreign investment. Unlike the EU, BiH lacks a unified legal framework ensuring equal conditions for service providers across the entire territory.

EU law provides uniform passenger rights across all Member States through directly applicable regulations, particularly in air, rail, and maritime transport. BiH has adopted certain international and European transport standards, but passenger rights are not regulated at a comparable level of detail or enforcement. The absence of comprehensive national mechanisms for compensation and assistance limits traveller confidence and legal certainty. The EU integrates sustainability into tourism regulation through binding environmental directives and strategic policies such as the European Green Deal (European Commission, 2019).

Tourism development must comply with environmental impact assessments and nature protection regimes. In BiH, environmental legislation exists but its implementation is inconsistent, and tourism-related projects are not always subject to rigorous environmental assessment. Compared to EU norms, sustainability considerations in BiH tourism law remain fragmented and insufficiently enforced.

The EU applies a uniform and robust data protection regime under the GDPR, which significantly affects tourism operators and digital booking platforms. BiH has adopted data protection legislation inspired by EU standards, but institutional capacity and enforcement mechanisms remain limited, resulting in partial alignment with EU digital and data protection norms.

The table below presents a concise comparative overview of the European Union's legal framework and practice and the actual state of affairs in Bosnia and Herzegovina.

Tab. 1. Comparative overview of the tourism legal framework: EU norms vs. Bosnia and Herzegovina

Dimension	EU Norms/ Best Practices	Situation in BiH	Gap / Issues
Consumer protection (package travel, linked arrangements)	Strong protection under EU directives; legally binding across member states.	BiH has laws on travel services/package contracts, but implementation and clarity may vary.	Gaps in enforcement; possibly lack of clarity in definitions;
Institutional coordination & unified tourism body	EU member states often have national tourism boards / single ministries that coordinate promotion, regulation.	BiH lacks a single state-level tourism law or unified tourism authority. Entities have their own laws.	Fragmentation; overlap; no coherent national strategy.
Sustainability / green certification	EU is pushing green transition; sustainability as part of tourism regulation.	BiH has some EU-funded projects for certification;	Needs stronger legal obligation and more legal involvement
Standardization of services, classifications, inspections	EU norms require minimum standards; regular oversight; consumer expectations.	BiH has classification systems, regulations, but sometimes uneven across entities; inspections might be inconsistent.	Variation; possibly weaker enforcement; resource constraints.

The comparative analysis demonstrates that while the EU has developed a coherent and integrated legal framework for tourism, Bosnia and Herzegovina continues to face structural, legal, and institutional challenges. The EU model offers valuable guidance for BiH, particularly in strengthening consumer protection, ensuring market coherence, enhancing sustainability, and improving legal certainty.

Alignment with EU tourism-related legal norms would contribute to increased competitiveness, higher tourist confidence, and long-term sustainable development of the tourism sector in Bosnia and Herzegovina.

CONCLUSION

Bosnia and Herzegovina's complex political system frequently impedes efficient decision-making. The intricate administrative structure, comprising two entities (the Federation of Bosnia and Herzegovina and Republika Srpska) and the Brčko District, results in institutional fragmentation and delays, including in matters concerning tourism and environmental protection.

The analysis indicates that there are significant differences between the legal framework of the European Union and the existing regulations in Bosnia and Herzegovina, particularly in the areas of consumer protection, passenger rights, sustainable development, environmental protection, and institutional coordination (Stabilisation and Association Agreement between Bosnia and Herzegovina and the European Union, 2008; Council of Ministers of Bosnia and Herzegovina, 2023). Although certain laws and policies in Bosnia and Herzegovina are partially aligned with the EU *acquis*, their implementation is often limited due to institutional weaknesses and the lack of a unified strategic approach.

In the context of the European integration process, the alignment of Bosnia and Herzegovina's legislation with European Union legal norms represents a necessary step toward the modernization of the tourism sector. Harmonisation with EU standards can contribute to strengthening legal certainty, improving the protection of tourists, encouraging investment, and fostering the development of sustainable tourism. Therefore, it is necessary to intensify legislative reforms, enhance inter-institutional cooperation, and ensure the consistent implementation of adopted regulations in order for tourism in Bosnia and Herzegovina to become more competitive and sustainably developed in line with the European legal and development framework.

Based on the conducted analysis, it can be concluded that it is necessary to undertake a series of legislative and institutional measures in order to improve the legal framework for tourism in Bosnia and Herzegovina.

First and foremost, the adoption of a unified and comprehensive Tourism Law at the state level is recommended, or alternatively, the establishment of legal mechanisms ensuring effective coordination between the entities, the Brčko District, and the competent state-level institutions. Such an approach would contribute to greater legal

certainty and the harmonisation of standards throughout the entire territory of Bosnia and Herzegovina.

Furthermore, it is necessary to conduct a comprehensive review of the alignment of domestic legislation with the European Union acquis, in order to determine whether all relevant EU directives in the fields of tourism, consumer protection, transport, and environmental protection have been fully transposed into the legal system of Bosnia and Herzegovina. In cases where transposition has not been carried out or remains partial, appropriate legislative solutions should be drafted and adopted.

Particular attention should be devoted to strengthening institutional capacities, including the establishment or empowerment of a national tourism body with a coordinating role in promotion, regulation, standardisation, and the strategic development of tourism across all levels of governance. At the same time, it is essential to improve mechanisms of supervision and enforcement by reinforcing inspection authorities, increasing their resources, and ensuring the consistent application of regulations related to classification, hospitality standards, and consumer protection.

In the context of contemporary development trends, it is important that the legislative framework more strongly integrates the principles of sustainable tourism, including mandatory environmental protection measures, green certification schemes, and responsible management of natural resources as integral components of tourism legislation. Moreover, the process of adopting and implementing laws should be based on the active involvement of relevant stakeholders, such as the private sector, local communities, and non-governmental organisations, while simultaneously raising awareness of the rights and obligations of all participants in the tourism sector.

Finally, the establishment of a systematic mechanism for monitoring, evaluation, and data collection in the field of tourism is recommended through clearly defined legal obligations. Reliable and comparable data would enable an objective assessment of the effects of existing regulations and serve as a foundation for further adaptation and improvement of public policies in line with the European Union's development objectives and standards

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