Elite vs. Everyday Social Contract in Bosnia and Herzegovina:
From Two Social Contracts to One

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“Everywhere we turn, all doors are closed for us.” 1

1. A closing statement of a participant in the focus group in the town of Jajce.
EXECUTIVE SUMMARY

The Dayton Peace Agreement ended the violence in Bosnia-Herzegovina – but it also solidified antagonistic political identities leading to the creation of two social contracts: an ‘elite social contract’ involving primarily political elites of the main ethnic groups and an ‘everyday social contract’ involving ordinary citizens trying to manage a complex social and economic environment. The first social contract is hegemonic, although alternative, non-nationalist views are slowly emerging. Grassroots groups, the surviving remnants of inter-ethnic coexistence, the integrating pull of market forces and the presence of a large diaspora all constitute resources for the creation of a national resilient social contract.

1. Introduction

The 1992-1995 war in Bosnia and Herzegovina (BiH) was ended with the Dayton Peace Agreement (DPA), which aimed at managing tensions among the three main ethnic groups – Bosniaks, Croats and Serbs, who are identified in the Constitution as the country’s Constituent Peoples – by both preserving the territorial integrity of the state and dividing it internally, mainly along ethnic lines. The implementation of the agreement introduced one of the most wide-ranging peacebuilding interventions the world had seen to that day. A wide array of international organisations, led by the Office of the High Representative (OHR), imposed laws, removed democratically elected officials, transformed the legal system and overhauled the economy of the country. However, 23 years into the implementation of the agreement, BiH has not witnessed the creation of a resilient national social contract.

This case study and overarching 11-country research and policy dialogue project are informed by a conceptual framing and methodology that investigate what drives a resilient national social contract – that is, a dynamic national agreement between state and society, including different groups in society, on how to live together (Box A). In this paper, we reflect on the value of the study’s three postulated ‘drivers’, and their interactions, in forging such a contract in BiH. The research is based on in-country interviews and focus groups and extensive scholarly and desk analysis, including surveys and data from other global indices. In order to examine social-contract-making dynamics, we focused on two core conflict issues, namely, competing conceptions of territorial boundaries and loyalties, and ethnically structured governance.

The key questions addressed are as follows. First, what kind of social contract(s) is present in the country 23 years after the conflict? Second, how well do the three drivers help to explain the status of the social contract, and offer insight into its weakness and possible renewal? Third, which paths should be taken to build a resilient national social contract?

We argue that two competing social contracts have been created in BiH, an ‘elite social contract’ and an ‘everyday social contract’. The elite social contract encompasses political elites from the three main ethnic groups, along with the international community, business elite, judiciary and some segments of civil society. Ethnic tensions are instrumental for this contract to preserve the power of the political and economic elite that, despite the occasional use of inflammatory rhetoric, is able to accommodate each other’s interests across ethnic lines. This contract therefore exploits rather than addresses core conflict issues and works against the drivers of a resilient social contract. The main goal of this contract is to

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2. This research was overseen, and this working paper edited, by Research and Project Director, Erin McCandless. For full project framing, see McCandless, Erin. 2018. “Reconceptualizing the Social Contract in Contexts of Conflict, Fragility and Fraught Transition”. Working Paper, Witwatersrand University. https://www.wits.ac.za/vsg/research/research-publications-/working-papers/

3. Three focus groups were held in Jajce, Doboj and Tuzla between January and February 2017.
freeze the status quo in order maintain the control over each respective community, i.e., to preserve elites’ power and (mis)manage economic resources to the advantage of a relatively small clique of people.

The everyday social contract involves citizens trying to make sense of and manage a social and economic environment heavily disrupted by the 1992-1995 war. The manifest limitations of the elite social contract in delivering jobs, educational and health services, and in general in addressing the demands coming from citizens, have led many Bosnians to assign less weight to group differences and to rely largely on themselves and/or informal networks to meet their needs and to access services and opportunities. This way, they are pressuring institutions for greater socio-economic inclusivity that influences vertical and horizontal social cohesion in the country.

The elite social contract still perseveres in setting the parameters within which the everyday social contract develops and evolves. Citizens cultivate their relationships, views and expectations within a context dominated by the nationalist-driven, status quo-oriented elite social contract. Non-nationalistic forms of agency and citizenship claims exist but are sidelined and their manoeuvring space is very limited. However, over the last decade, a few grassroots initiatives challenged the elite social contract through protests, informal citizens’ councils (plenums) and various initiatives aimed at addressing the socio-economic needs of the population shared across the ethnic spectrum. Together with the surviving remnants of inter-ethnic co-existence, the integrating pull of market forces, and the presence of a large diaspora, they can contribute to the creation of a national resilient social contract.

This paper examines how these elements could help unravel the elite social contract and aid the everyday social contract’s transformation into a national resilient social contract. In the forthcoming sections of this paper, we dissect these dynamics in three steps. After a discussion of the context where national identities have formed and developed, we examine the influence of both the core conflict issues – the existence of alternative conceptions of the political community and that of a political system favouring the development of antagonistic ethnic and political identities – and the presence of resilience for peace capacities. We then proceed in the following three sections to discuss the relevance of the aforementioned proposed drivers of a resilient social contract.
This case study and overarching 11-country research and policy dialogue project are informed by a conceptual framing and methodology\(^4\) that investigates what drives a resilient national social contract – that is, a dynamic national agreement between state and society, including different groups in society, on how to live together. Such a contract includes the distribution and exercise of power, and how different demands, conflict interests and expectations around rights and responsibilities are mediated over time through different spheres and mechanisms. Three postulated drivers of such a contract, constructed through deeply rooted in evidence-based research and dialogue within the project working group, are that:

1. Political settlements and social contract-making mechanisms are increasingly inclusive and responsive to ‘core conflict issues’.\(^5\)
2. Institutions (formal, customary and informal) are increasingly effective and inclusive and have broadly shared outcomes that meet societal expectations and enhance state legitimacy.
3. Social cohesion is broadening and deepening, with formal and informal ties and interactions binding society horizontally (across citizens, between groups) and vertically (between citizens/groups and the state).

The value of these proposed drivers and their interactions is assessed in these studies for their ability to better understand what went wrong and the prospects for attaining and sustaining peace in Bosnia and Herzegovina.

‘Social contract-making’ spheres and related institutional mechanisms – central to the study framing and findings – are conceptualised as follows: Peacemaking (i.e., through a peace agreement or political agreement); Transitional (i.e., sequenced dialogues, commissions, truth and reconciliation processes); Governance-related, including formal mechanisms (i.e., codified structures of government, formal institutions, national development plans, devolution frameworks/policies) and hybrid mechanisms (i.e., where religious/customary/non-state actor and state mechanisms interact); and Everyday (i.e., citizen actions or practices, norms, mores). In this study, the everyday sphere also serves as a litmus test of the extent to which higher-level, formalised agreements or processes represent wider societal views.

\(^4\) McCandless 2018.

\(^5\) As defined in this study, these are overt drivers of conflict and discord, either historical, or contemporary in nature, broadly agreed by the main parties to drive conflict and discord, that are being disputed in the policy arena nationally, over time, and have resonance for most, if not all of the population. Ideally, they are reflected in formal agreements or mechanisms and enable examination of how state and society address conflict (McCandless 2018).
2.0 Context

2.1 Brief description of the political-economic context

The DPA aimed to manage tensions between the three main national groups by preserving the territorial integrity of the state while endorsing the internal separation of the three groups into two semi-independent entities: the Federation of BiH (FBiH),\(^6\) predominantly populated by Bosniaks and Croats, and the Republika Srpska (RS), predominantly populated by Serbs. In addition to dividing the country into the FBiH and RS, the DPA left the status of the town of Brčko to be determined through arbitration. In 1999, Brčko District became a separate administrative entity (OHR 1999), thus contributing to further decentralisation in a country of less than four million people (ATV 2017). Decentralisation and group identity accommodation resulted in one of the most cumbersome administrative apparatuses per capita in the world. The existence of various levels of governance and of much overlapping in competencies across state, entity, cantonal and municipal levels resulted in numerous opportunities for ethnic outbidding, policy paralysis, the creation of informal networks and corruption (Belloni and Strazzari 2014). Post-war economic recovery has been slow, resulting in the highest rate of unemployment in Europe and leaving BiH in the top group of countries in the world in terms of unemployment rate. All of this has served as hindrance to the establishment of a resilient social contract in the country. However, the current state of affairs stem further into the past of BiH, as explained in the following section.

State and national identity formation

Before the referendum and the Declaration of Independence, which triggered the war in 1992, Bosnia had not been an independent state in any form since the Middle Ages. Yet, Bosnia has had a strong historical identity that pre-dated the creation of Yugoslavia and, for that matter, all European states (good historical overviews are Carmichael 2015; Donia and Fine 1994; Hoare 2007; Malcolm 1996). In 1463, the Medieval Kingdom of Bosnia became an Eyalet (administrative unit) within the Ottoman Empire. The Ottoman period brought mass conversion to Islam and significantly changed Bosnia’s religious composition; it also brought more diversity, which additionally increased as a significant number of Jews from Spain settled in the area. This multi-religious/ethnic image was strengthened during the rule of Austro-Hungarian Empire (1878-1918). In 1918, Bosnia became part of the Kingdom of Serbs, Croats and Slovenes\(^7\) (1918) and, after World War II, it became one of the six constituent republics of the Socialist Federative Republic of Yugoslavia (1945).

In this context, national identity formation evolved primarily from two interrelated processes and legacies. First, the Ottoman Millet system contributed to the development of cultural and national identities based on membership in a religious community (Donia and Fine 1994, 64-70). Religion overlapped with national identity for all three groups, with the Muslims adhering to Sunni Islam, Croats to Roman Catholicism and Serbs to Orthodoxy. Second, in post-World War II Yugoslavia, the Stalinist nationality principles gave the state a fundamental role in defining and conferring (or not) nationality status within its borders. Even though it was not officially prescribed by law or by the constitution of the Socialist Yugoslavia, political institutions were filled according to the principle of nationality (the ključ), a forerunner of consociational democracy. While chosen on the basis of nationality, political leaders acted as leaders of the whole Bosnian political nation, instead of acting as ethnic representatives (Andjelic 2003, 19).

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\(^6\) The Federation of BiH was established by the Washington Peace Agreement, which ended the violence between Croats and Bosniaks. The agreement was signed on 18 March 1994.

\(^7\) The name later changed to The Kingdom of Yugoslavia.
Both the legacy of the Millet system and the peculiarities of the Yugoslav nationality policy contribute to explaining some of the key characteristics of the three main groups’ nation-building identities. First, each group has received various levels of autonomy and self-regulation and was able to develop its own customs, traditions, habits and so on. Second, Christians (both Serbs and Croats) developed their own identity within a context dominated by the Ottoman Empire. Finally, and consequently, the essence of Bosnian identity, of any nationality, involved growing up in a multi-cultural and multi-religious environment. The degree of toleration and respect in this environment has been frequently noticed, and perhaps overstated. However, it is noteworthy to stress that the main national groups lived side-by-side with very little animosity ever occurring between them (Donia and Fine 1994). Only during World War II did BiH experience a civil war involving mass killings, atrocities and displacement, but even this outburst of violence was to a significant extent instigated by the Nazi collaborators from neighbouring Croatia and Serbia. When the process of Yugoslav dissolution began in the early 1990s, painful experiences and traumas from the first half of the 1940s were still vivid in most families. Nationalist leaders and parties won the first multi-party elections in 1990 by capitalising on these traumas and latent fears even though many Bosnians had intermarried and carried a genuine sense of belonging to Bosnia as such, not to a particular ethnonational group (Oberschall 2000). In the post-Dayton period, a significant number of citizens continue to identify as Bosnian rather than through ethnic or religious categories (Markowitz 2010). On balance, as Ivan Lovrenović (2001, 108) explains, Bosnia is “an exceptionally complicated and ambivalent society, characterised on the one hand by cultural and spiritual isolationism, on the other by tolerance for difference as a normal aspect of life.” The peoples of Bosnia have developed their own national identity never as wholly separate nations, nor as a single nation, but in a constant dialectic with the other groups.

Conflict, fragility, resilience

The most important core conflict issue in BiH revolves around the presence of different conceptions of the territorial boundaries of the political community and the rights of citizenship within that community. During the 1992-1995 war, Bosniaks fought to preserve the existence of a multi-ethnic and multi-religious BiH, while both Croats and Serbs, with assistance of Croatia and Serbia, attempted to partition the country and to annex as much territory as possible to Croatia and Serbia. As a result of these elements, BiH continues to rank very high in the Fragile State Index in terms of both factionalized elites and external intervention and meddling.  

The DPA had the merit of stopping the bloodshed and of moving the conflict from the battlefield to the polling stations, but it also incorporated competing conceptions of territoriality. In order to find an acceptable compromise among the three main groups, the DPA recognised the existence of BiH within its historical boundaries (a concession to the Bosniaks) governed by central institutions with very limited competences. The recognition of the legitimate existence of the RS constituted the main concession to the Serbs. Croats demanded, and obtained, the further decentralisation of the FBiH into 10 Cantons – in such a way achieving some degree of self-government at least at the local level. In addition, both Croats and Serbs attained the right to establish a ‘special relationship’ with Croatia and Serbia respectively.

After they ratified this compromise through the endorsement of the DPA, the three groups disagreed over its implementation. Bosniaks, who are the relative majority in the country, favour an understanding of the agreement as a first step towards the creation of an ever-more centralized, ‘Weberian’ state, which supposedly would be under their strong influence. Accordingly, they demand that as many competencies as possible are transferred from the two entities to the central government based in Sarajevo. By contrast, both Croats and, above all, Serbs reject vociferously these demands of further

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8. In Fragile State Index 2016 Bosnia scores 8.7, which denotes high levels of factionalisation among elites. In terms of external intervention, Bosnia scores 8.4, which falls in the group of countries where external intervention is significantly present.
centralisation. Instead, they are in favour of preserving decentralized governance and, if possible, of acquiring greater forms of autonomy and independence (Sebastian – Aparicio 2014).

The Bosnian citizenship regime reflects the complexities of the constitutional structure, as well as the different political conceptualisations of the polity involving both centralising and fragmented visions of the state (Sarajlić 2012; Štiks 2011). While Bosniaks emphasise the primary nature of state citizenship, Serbs stress the primacy of entity citizenship with the goal of achieving ever-greater levels of autonomy. The debate concerning which citizenship has primacy reflects the influence of the first conflict driver and ultimately calls into question which political community is actually sovereign.

Dual citizenship provisions with neighbouring countries (in addition to immigration states such as the United States, Canada and Sweden) add an additional layer of loyalty, and a potential source of new divisions, to the multi-layered Bosnian citizenship regime. In sum, the first conflict driver suggests that Bosnia is plagued by a ‘stateness problem’, where profound discrepancies exist between the boundaries of the political community and the rights of citizenship within that community (Belloni 2008a, 17-18). Not only does a significant portion of its population not accept the boundaries of the territorial state as legitimate, but also neighbouring countries have involved themselves in Bosnian politics, even at times questioning Bosnia's stateness and territoriality.

The second core conflict issue involves the ethnic-based governance system created by the DPA. This system has favoured the persistence and strengthening of a political ‘zero-sum game’ among the three main communities through a combination of two main aspects (Bieber 2006). First, ethnic difference is inscribed in the law and mapped onto territory. The DPA has established a consociational structure that accommodates nationalist demands, reifies ethnic belonging and provides no incentives for politicians to cross ethnic divisions. Consequently, in order to gain votes from their respective communities, political parties have moved to the extremes in a process of ‘ethnic outbidding’ frequently recognised in the literature on ethnic politics. Nationalist leaders masterfully preserve inter-ethnic and inter-religious tensions in order to gain support from their respective communities and be voted into office. Ethnicity and ethnic issues drive the behaviour of the majority of political actors and effectively shape electoral outcomes (Mujkić 2007). As a result, there is a lack of institutions at the central level that can foster cooperation between citizens of different ethnic backgrounds.

Second, and most importantly in a long-term perspective, in a consociational system each nationalist leadership manages its own cultural politics, emphasising the one-sided memorialisation of their own group’s suffering during the war and promoting exclusive (and occasionally inflammatory) national symbols, celebrations and the like. Given these problems with the ethnic-based governance system created at Dayton, it is unsurprising that policy analysts argue that, for the foreseeable future, “[t]he most likely eventuality is continuing institutional paralysis, ever-rising tensions and further crises” (Bennet 2016, 238).

9. Consociational institutions have worked rather successfully in divided societies like Switzerland and Belgium. However, the case of Bosnia suggests that it is unclear whether consociationalism encourages cooperation or whether cooperation is a result of a previous implicit agreement among the elites that they must reach a mutual accommodation.
Resilience for peace capacities

BiH possesses some resilience for peace capacities, the most important of which are found in the existence of grassroots groups, the integrating pull of market forces, and the presence of a large diaspora potentially available to participate constructively to improve the post-war order. All of these capacities play an ambivalent role for peace in BiH and should not be romanticised, but they can exert a positive influence on the building of a resilient social contract.

First, grassroots and informal citizen groups have challenged ruling elites and their legitimacy grounded in ethnic mistrust by mobilising to demand change. The first massive protests occurred in 2008 in Sarajevo over the increase in juvenile delinquency and over the incompetence of the ruling elite in facing the problem. In 2011, citizens of Banja Luka, the capital of the RS, protested over the destruction of a park in the city centre demanded by a local tycoon with close ties to the political elite. In 2013, Sarajevo witnessed a ‘babylution’ protest organised by mothers of newborns whose children health was endangered by central institutions’ failure to pass a law regulating identification documents. This escalation of protests peaked in 2014 and focused on social justice issues (Arsenijević 2014).

Second, economic developments have been slowly providing some opportunities for crossing group lines, and this despite the persisting negative legacy of the initial post-war reforms imposed by international financial institutions. International intervention contributed to the initial dismantling of those industries providing most jobs and left the ruling elites to control the few remaining employment opportunities – particularly in the public sector. This made most of the businesses that emerged after the war rather mono-ethnic and resulted in the adoption of exclusivist employment policies that damaged in particular minority returnees (Pickering 2007). This situation contributed to cementing ethnic control over the BiH economy by creating an economic base for nationalist political actors and their activities. In addition, it favoured the increased reliance on clientelistic networks to access employment opportunities and, more broadly, public services. At the same time, the economic recovery experienced since the early 2000s – albeit very slow – has begun to provide an opportunity to replace ethnic identity with ethnically blind economic self-interest. Some businesses that previously had limited their operations to one of the two entities have started to operate throughout the entire country (European Stability Initiative and Populari 2007). Such businesses provide opportunities for inter-ethnic cooperation and constitute an important bottom-up capacity to mediate differences at the ground level. In addition, diminishing labour rights and growing inequality10 that came as a consequence of marketisation raise the issue of class-based divisions and solidarity and their potential influence in challenging ethnic politics.

Third, and closely related to the potential of economic activities to support integrative policies, is the role of the diaspora. Despite the contradictory impact that diaspora has had on wars of the 1990s in the former Yugoslavia (Hockenos 2003), BiH diaspora constitutes an important resource for peace, as more than 1.3 million of the pre-war population lives abroad (Ministry of Security of Bosnia and Herzegovina 2010, 62). This large BiH diaspora represents a huge potential human capital that, however, is only marginally engaged in Bosnia because of a general lack of responsiveness by government institutions (Valenta and Ramet 2011). Despite this limitation, diaspora has contributed substantially to the post-war transition both in terms of financial flows and in terms of transfer of knowledge, technology and human capital (Efendić, Babić and Rebmann 2014). It is estimated that, from 1998 to 2015, the BiH diaspora has sent around 18 billion Euros in remittances to the country (Al Jazeera Balkans, 2015). 11 At two billion received remittances in 2015, BiH is in the group of the top-10 remittance-recipient countries in Europe and Central Asia (World Bank 2016). Remittances contribute to approximately 10 percent to 15 percent of GDP annually, which far exceeds the amount of FDI that,

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10. Insignificant inequality during the socialist period (when the GINI index included data on BiH) became one of the most pronounced gaps by 2013. See The World Bank, http://data.worldbank.org/indicator/SI.POV.GINI

11. These are minimal estimates, as significant share of remittances comes through informal channels.
in 2016, amounted to KM 460.6 million (about 230 million Euros) (Bosnian Central Bank 2016). The remittances allow much of the population to make ends meet. They are mostly used for consumption in the poorest households and thus they contribute to the alleviation of extreme poverty (Petreski and Jovanovic 2013, 59).

**Disentangling social contract-making**

In order to dissect the dynamics of social contract-making, including the influence of core conflict issues as well as capacities for peace, three focus groups were held in Jajce, Doboj and Tuzla between January and February 2017. The choice of these towns was motivated by several reasons. First, some BiH localities, above all Mostar and Brčko, have been already extensively researched (Bose 2002; Hromadžić 2015; Moore 2013). Second, in order to investigate the dynamics of social contract-making in areas where a degree of inter-ethnic co-existence has been maintained or restored after the war, some towns with a mixed population were considered, but judged as not viable options. Places such as Stolac and Gornji Vakuf/Uskoplje witnessed fierce fighting during the Croat-Bosniak conflict in 1993 and remain severely divided, with little inter-ethnic interaction. The presence of an ethnically mixed population and of a degree of co-existence in Jajce, Doboj and Tuzla, together with various types of social segregation (such as segregated schools), has provided some coherence in exploring the identified capacities for resilient peace, as well as the conflict issues.

To begin with, Jajce is a small town in central Bosnia with a significant mixture of Bosniak and Croat inhabitants. While, during the war, the control of town shifted between armies, Croats conquered it by the time the DPA was signed. Since then, many displaced Bosniaks have returned and the town has achieved a degree of inter-ethnic (re)integration, despite the fact that about half of its pre-war population still lives scattered around the world. Tuzla was one of the few towns in BiH that were rather successful in preserving their multi-ethnic character during and after the war. Before the war, Tuzla benefited from a thriving industrial sector that, however, was undermined through dubitable post-war privatisation deals. This resulted in heavy job losses and contributed to high unemployment rates that, together with poor working conditions, motivated the 2014 protests.

While both Jajce and Tuzla are located in the Federation of BiH, Doboj is a town in Republika Srpska. One of the most important communication centres in the former Yugoslavia, after the war, this town quickly assumed the role it had once had. Doboj is situated on the inter-entity boundary line and its economy has recovered to a great deal thanks to the interaction and cooperation with neighbouring towns in the Federation (European Stability Initiative and Populari 2007). In addition, it also witnessed a significant number of returns, mostly Bosniaks, in what is now a predominantly Serb town.

In organizing the focus groups, care was given to ensure a good representation of the population involved in the dynamics of social contract-making. As a general rule, focus groups are composed of four to 12 participants, as “the group must be small enough to have opportunity to share insights and yet large enough to provide diversity of perceptions” (Krueger and Casey 2015, 6). Participants in the three focus groups included an unemployed person, an employed person up to 30 years old, an employed person above 50 years old, a retired person, a grassroots/NGO activist, a teacher/academic, a municipality/city official, an entrepreneur and a person from the diaspora. Overall, 11 persons participated in the focus groups in Jajce and Tuzla, and 12 in Doboj. Composition of focus groups was ethnically mixed in all three locations. A careful moderation ensured that all participants took part in the discussion, avoiding “the risk that the more outgoing and vociferous members of the group will dominate the interaction so that only a small proportion of those present are actually contributing to

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12. Some studies claim that remittances are not aimed at poorest households but are mostly sent by middle-class diaspora to their relatives and neighbors as a form of payment for watching over their property (Oruč 2011). However, conclusive evidence is not available since only about half of remittances enters the country through official channels, while the other half comes directly through diaspora visits or other informal channels (see Restart.ba 2017).
the discussion” (Bloor, Frankland, Thomas and Robson 2002, 27-28).

Needless to say, it is likely that a process of self-selection led to the participation of open-minded people, while those with more extremist views avoided involvement in a multi-ethnic context. To minimize selection bias, and to triangulate findings, 12 semi-structured interviews were conducted with international officials of international organisations, as well representatives of state-level institutions, non-governmental organisations and grassroots actors. Opinion polls and reports were also considered.

3.0 DRIVER 1 – Political Settlements Addressing Core Conflict Issues

This section focuses on the DPA – the most recent and comprehensive attempt at political settlement in BiH – and its role in contributing to the formation of a resilient national social contract. As argued below, the DPA resulted from a compromise among the warring parties, but did not include implementation and adaptation mechanisms to facilitate a process of social contract-making. There are two reasons for this. First, although the agreement preserved the unity of the country, it divided BiH into two administrative units organised along ethnic lines. Additionally, the institutionalisation of ethnicity at all levels of governance guaranteed the post-war prominence of the same political parties and individuals who conducted the war. Accordingly, this settlement played into the hands of domestic elites who coalesced into an unwritten elite social contract to maintain the status quo through the exploitation of communal fears and patronage, particularly the control of employment in the public sector.

We examine the influence of the elite social contract in various social contract-making spheres and mechanisms, including peacemaking, transitional institutions, formal governance and ‘everyday’ aspects (outlined in Box A). Peacemaking negotiations led to the establishment of a political system amenable to nationalist manipulation, with the international community both attempting to guarantee (nationalist) stability and trying to support the building of a functional state by strengthening central institutions. Legal challenges have been levelled to the DPA, but were either not implemented or resulted in changes that did not modify the ethnic nature of governance. In this context, citizens are increasingly cynical about the formal political process. Those who continue to vote are usually embedded in the nationalist clientelistic network guaranteeing them jobs, pensions and services.

Box A: Spheres and mechanisms of social contract-making in BiH

1. **Peacemaking**: Dayton Peace Agreement (DPA)
2. **Transitional**: International community intervention headed by the OHR and Peace Implementation Council; International Criminal Tribunal for the Former Yugoslavia (ICTY)
3. **Formal Governance**: Constitutional Court of BiH; institutions at central level that provide space for contact; regional institutions such as European Court of Human Rights; institutional adjustments as part of the EU membership prospect
4. **Everyday**: Citizens’ response to the elite social contract

**Peacemaking**

The signing of the DPA was achieved after 20 days of proximity talks held at the Wright-Patterson Air Base in Dayton, Ohio. Neither the process that preceded the talks nor the talks themselves were fully inclusive, nor were clear implementation mechanisms and related commitments envisioned. Both
Bosnian Serbs and Bosnian Croats were only marginally represented, with their delegations in Dayton led by the President of Serbia and President of Croatia respectively. Completely excluded were any representatives of other communities (such as Roma and Jewish), as well as civil society groups and, more broadly, Bosnian citizens (Belloni 2008b). Bosnians did not formally approve the agreement, but their overwhelming support for the nationalist parties at the first post-war elections is often considered as an ex post endorsement providing a degree of bottom-up legitimacy to the new political order. The OHR, which was mandated with the task of overseeing the civilian implementation of the agreement, constituted the main transitional mechanism established at Dayton to implement commitments. The Peace Implementation Council, composed of 55 countries and agencies, was tasked with clarifying the goals of peace implementation and the responsibilities of OHR until BiH was deemed politically stable and self-sustainable.

The discussion at Dayton focused on the core conflict issue involving the nature and status of the state, but the agreement reached by the parties was backward-looking rather than forward-looking, that is, it was driven by the imperative of ending the war rather than building a viable state (Zahar 2005). Unsurprisingly, the DPA had two main characteristics. First, it reflected the political priorities of the ethno-nationalists who negotiated it. It was an elite settlement that guaranteed the immediate interests of each group and their leadership. This settlement reached at Dayton soon evolved into an elite social contract involving a set of unspoken rules on how political leaders would maintain their grip on power, exercise control over their constituencies and (mis)manage economic resources often in close collaboration with criminal actors who benefited from the war chaos and emerged as a new group of politically connected entrepreneurs in the post-war period (Pugh 2017). The institutionalisation of ethnicity at all levels of governance guaranteed the post-war prominence of the same political parties and individuals who conducted the war. This was frequently recognised by focus groups participants, who identified the existence of multiple layers of governance as conducive to exploitation by nationalists and observed how entity and state-level governance was ‘all just a show for the masses’, the real power resting in the local control of the few resources available.

Second, no attention whatsoever was given either to the functionality of the soon-to-be-established institutions or, more generally, to the implementation of the accord. To begin with, the complex institutional structure went hand in hand with the creation of an unwieldy administrative apparatus. The DPA favoured the allocation of political and administrative positions according to ethnic quotas, and not according to merit or performance. The quota system created spaces of participation, but only along ethnic and religious lines and, in practice, frequently resulted into the co-optation of party members and affiliates. In addition, not only has this system created an inefficient and corrupt economy, but it has also handed over the control of jobs in the blotted public sector to nationalist political parties and established a large bureaucracy loyal to them. Such a control has supported the development of a degree of acquiescence and apathy among the general population, whose well-being frequently depends upon political parties’ handing out of jobs, perks and benefits (Moore 2013, ch. 7; Jansen 2015, ch. 6). One of focus groups participants in Jajce described well the Byzantine and wasteful nature of Bosnian institutions when he explained that “not even China would be able to cope with this big administration.” Another participant in Tuzla, a male in his late 40s, employed in a telecom operator, used the old Bosnian proverb “gdje je puno baba, kilava su djeca” (with many mid-wives, children will be feeble) to describe the political system that emerged from the war.

Moreover, the DPA not only created a heavily fragmented system, but also recognized two potentially conflicting realities: the territorial integrity of BiH – demanded by the Bosniaks – and the existence of the RS – required by the Serbs. The post-war implementation period has been primarily characterized, on the one hand, by the Bosniaks’ attempt to centralise as many competencies at the state level as possible and, on the other hand, the Serbs’ insistence on preserving the quasi-sovereign prerogatives

13. Perhaps the most suitable English equivalent would be “too many cooks spoil the broth”.
of their entity, even by threatening to hold a referendum to achieve full independence (Sarajevo Times 2017). For their part, Croats have solidified control over the municipalities where they are a majority, while demanding greater autonomy and even the establishment of a third, Croat entity (Haltzel 2017).

Art. 3.5 (a) of the Dayton Constitution includes provisions for the transfer of competencies from the entity to the state level in order to preserve the sovereignty, territorial integrity, political independence and international personality of the country. This article has provided the foundation for the international community’s attempt to build a functional state by transferring competences to central institutions (Sebastian – Aparicio 2014). Despite (primarily) Serb resistance, the competences of the central government have grown significantly, but the implementation process has remained a strict prerogative of nationalist parties and has been subjected to their competing views. The contested nature of political institutions has alimented a widespread feeling among the population that the Dayton order is “temporary”. Needless to say, this perception has contributed little to the citizens’ commitment to the new post-war institutions.

In this context, the main nationalist political parties have interpreted the DPA, and the commitments required to implement it, according to their political interests and priorities. In general, political parties have little or no interest to implement any measure that could address either the first core conflict issue involving the alternative conceptions of political loyalty and the boundaries of the political community or the second core conflict issue concerning the ethnic nature of governance. Political parties’ conflicting constitutional objectives have remained unchanged since wartime, and they are mainly reflected in the integrative/centralising efforts by Bosniaks and in the disintegrative/ decentralising efforts by Serbs and Croats. A compromise, whereby Bosniaks would give up on the idea of a civic political community and Serbs and Croats would forgo veto power and/or the ethno-federal organisation of the state, is theoretically conceivable (Bennet 2016, 253-265), but thus far has proved impossible to achieve. Despite heated debate within each ethno-national camp, no political party has put into doubt the respective groups’ institutional views (Basta 2016, 953).

The elite social contract involves the stubborn attachment of each to its own maximalist political view. Indeed, nationalist political parties’ electoral success is tightly connected to the defence of their respective political objectives. Nationalist rhetoric, including the secession of the RS from BiH and the abolition of the entities, ensures the perpetuation of a zero-sum political dynamics, which both benefits ethno-nationalists and hinders the growth of civic alternatives (Mujkić and Hulsey 2010). Elites gain from the existing institutional framework in at least two ways. First, never-ending controversy concerning constitutional reform is functional to maintaining communal fears, allowing elites to present themselves as guarantors of the safety of their respective constituencies, while legitimizing extractive activities. Second, the complex institutional framework is conducive to the development of informal networks, corruption and similar practices (Belloni and Strazzari 2014). In particular, clientelism further contributes to demobilize political and social opposition. Civic relational interactions between citizens and public officials compete with, and often surrender to, diffuse dyadic patron-client relations, wherein access to resources and services depends upon informal and exclusive transactions, instead of upon universal criteria (Vetters 2014).

**Governance and transitional sphere**

In this context, implementation of the DPA has proceeded between advances and setbacks. It has depended primarily on the engagement of the international community. International actors have guaranteed the ethnic (dis)order that emerged from the war, and thus have implicitly allied themselves with local elites benefiting with the peace process; at the same time, though, they have pushed through policy decisions when local actors refused to cooperate in the implementation of the DPA.

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14. Stef Jansen refers to the post-conflict period in BiH as a “meantime” (Jansen 2015).
(although, as discussed below with reference to the second driver, with contradictory results). With regard to constitutional issues, BiH’s Constitutional Court played an important role. This Court is the main hybrid institution in the country, composed of six local judges (two Bosniaks, two Croats and two Serbs) and three international judges selected by the European Court of Human Rights. In late 1997, the Peace Implementation Council gave its High Representative in Bosnia exceptional powers – including the possibility of removing obstructionist officials from office – in order to facilitate the implementation of the peace agreement. These so-called ‘Bonn powers’ were successful in allowing for the adoption of important legislation, but, in the attempt to foster the domestic ownership of the peace process, they have been rarely used after 2006. In parallel to increasing international activism, the BiH Constitutional Court played an important role in contributing to reversing wartime ethnic cleansing. In its 2002 “constituent peoples case”, the Court ruled against institutional segregation and national discrimination within state institutions and thus opened the way for the representation of all three constituent peoples in both entities, as well as for the introduction of the language and script of other constituent peoples (McCrudden and O’Leary 2014, 86-87). This decision was important in providing greater representation of the three constituent peoples throughout the territory of BiH, but further entrenched ethnicity as the foundation of the state and the institutions at all levels.

Another legal challenge was brought to the European Court of Human Rights in 2009 with the Sejdić & Finci v. Bosnia and Herzegovina case. The Court found that national minorities could not enjoy the citizenship right to compete for office and thus urged Bosnia to amend its constitution with regard to the election of the members of the House of Peoples and the presidency. The endless negotiations among Bosnian political parties concerning the question of how to implement the Court’s ruling testifies to the nationalists’ resistance to any changes that could weaken their complete dominance of the political system. In practice, the elite social contract worked effectively to perpetuate the status quo. While, in the constituent peoples case, the High Representative enforced constitutional and legislative changes, in the Sejdić & Finci case, international reliance on the principle of domestic ownership of the peace process ensured a deadlock in the negotiation.

**Everyday**

At the everyday level, the distance between citizens and the formal peace implementation process is reflected in the widely held lack of interest at the popular level for constitutional issues, for the technicalities related to the implementation of the DPA and, more broadly, for the political sphere. This is reflected in a noticeable decline in voter turnout over the years, signalling low vertical social cohesion in the country (see 2.3).15 In addition, there is a growing number of cases in which voting ballots are made invalid by citizens who refuse to vote for candidates on the list and add their own candidates or write messages expressing contempt for political elites.16 A retired woman of Croat background in the focus group in Jajce stated, “It pains me to hear people saying, ‘This is our fault, we choose them in elections’, this can’t be true because around 50 percent of the population doesn’t vote in the elections, people are simply disillusioned with the system.” A significant portion of those still voting are embedded in political parties’ patronage networks and thus exercise their right to vote in order to maintain or gain employment opportunities and other benefits. For example, the former nationalist mayor of Jajce was widely perceived as having a penchant for favouring his kin in distributing resources, jobs and perks (Kurtović 2011, 243). Thus, the backing of governing parties is largely dependent upon the handing out of resources. All other citizens, roughly half of the population, consider the political sphere as an arena to avoid. They struggle daily to make ends meet through their societal network, which may even extend across ethnic lines.

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Overall, more than two decades of experience with the implementation of the DPA suggests the existence of little political interest in adopting any compromise that could undermine the logic of ‘zero-sum’ intergroup dynamics. Accordingly, implementation of core issues has been slow and mostly driven by international actors, while domestic political actors, in particular Serb and Croat nationalist parties, have regularly resisted external interference aimed at supporting the building of viable state institutions. At the everyday level, citizens are largely disinterested about constitutional issues and either vote strategically to access economic and other resources or reject the political sphere and rely on their informal connections and networks.

4.0 DRIVER 2 – Institutions Delivering Effectively and Inclusively

Inclusion viewed through the lens of the three Constituent Peoples being institutionally represented is high. Bosniaks, Croats and Serbs are all represented in government and state bureaucracies, while local institutions tend to be dominated by Bosniaks and Croats (in the FBiH) and Serbs (in the RS). However, this ethnic inclusivity fails to adequately translate into state legitimacy because of the poor performance of institutions at all levels.

In addition, the highly intrusive work of international agencies has further contributed to undermining the legitimacy of local institutions in two apparently contradictory ways. First, through the so-called ‘Bonn powers’, international officials have frequently imposed legislation on local institutions and even removed democratically elected officials, thus emasculating the domestic policymaking process and the development of process legitimacy (Knaus and Martin 2003). Second, while working to manage the dysfunctional aspects of the political system, the international community has nonetheless guaranteed the ethnic (dis)order that emerged from the DPA and thus has become complicit with the mismanagement of domestic resources. In this sense, the international community can be enlisted as a member of the elite social contract whose main political objective is to maintain stability and the status quo. In sum, by ruling by decree, the international community has treated the symptoms of the Bosnian malaise while paradoxically perpetuating the conditions within which poor domestic governance operated (Bennet 2016).

As a result, institutions are widely perceived as inefficient, unfair and unpredictable – in sharp contrast to the perception of the pre-war, Yugoslav institutions (Cohen and Marković 1975). Because of the ideology of ‘socialist humanism’, the Yugoslav state was perceived as a paternalist entity whose main task was to care for society as a whole, above all by providing social security and universal medical assistance. Post-Dayton BiH has drastically reformed the old system: although citizens yearn for ‘normal lives’ entailing a developmentalist state able to ensure stability and predictability in social protection, they face ambiguity and flexibility (Jansen 2015). The perception of the performance of public institutions and services is below the regional average on all indicators, including transparency, treatment of citizens, time required for getting information and obtaining services, and price of public services (Regional Cooperation Council 2016, 105-112). The provision of services is decentralised, making welfare support dependent on where citizens reside. Consequently, in addition to being inefficient, services are provided on the basis of ethnic criteria, thus perpetuating societal divisions (see driver 3) and hindering the development of a national resilient social contract.

Notably, education is one of the many prerogatives decentralised to the sub-state level, the entity government (in the case of the RS) and the cantonal authorities in the case of the Federation. As a result, the educational system is de facto divided into three separate curricula, while pupils are separated on the basis of their declared nationality. In ethnically mixed parts of the Federation, education is organised according to the principle of “two schools under one roof” (Tveit, Cameron and
Most schools are divided into Croat and Bosniak sections, with Croat pupils/students attending the first shift and Bosniaks the second shift, or their classes being held on separate floors. Even in cases where Bosniak and Croat children attend the same school, they are exposed to ‘their own’ national curriculum. In practice, each curriculum, and in particular history textbooks, spreads negative stereotypes about other national groups while celebrating the qualities and virtues of one’s own group. In such a way, both divided teaching and textbooks have strengthened Bosnia’s divisions and, by so doing, they suited “the purposes of political elites and helped them to maintain the status quo” (Torsti 2013, 220). The international community attempted to limit the excesses of the educational system by introducing a moratorium on the teaching of the 1992-1995 war. However, given that the ruling elite controls most appointments in both schools and universities, the nationalist narrative frequently continues to be taught. This narrative perpetuates the influence of the first core conflict issue and works against the establishment of a national resilient social contract.

In the Federation, welfare provision is further decentralised and assigned to each canton, with negative consequences in the universality of coverage (Deets 2006). In addition, the increasing role of NGOs in the provision of social services has further fragmented the accessibility and the quality of health care and has contributed to obscure the responsibilities and duties involved in the vertical social contract between citizens and the state. A participant in the focus group in Jajce, who lives in Sweden but often visits his hometown, was particularly annoyed with this. When he learned that two NGO members collected money to buy a new delivery bed for the maternity ward and to build access for the disabled, he confronted them, arguing that they should not engage in this type of activities, which are a responsibility of the state.

Thus, the complex, neoliberal redefinition of social protection after the war has shifted responsibility for welfare from the state to local-level actors, including 14 Bosnian governments and a countless number of NGOs. This shift contributed to a pervasive ambiguity with regard to the responsibilities for welfare and pushed citizens to rely increasingly on štela (Brković 2015), a culturally embedded practice of having strong links in society, a network of connections used in many aspects of public life, and involving a broad spectrum of behaviours from small favours to more blatant forms of corruption. Despite the fact that one can use štela to acquire possessions s/he is not entitled to, Bosnian citizens have relied on these connections mainly to fill the void that was created by the failure of public institutions’ transition to democracy, especially in terms of service provision and employment opportunities. According to a UNDP report, an astounding 95 percent of over 1,600 respondents believed that štela is required to access health care, education, employment and documents (UNDP 2009, 75).

Practicing ‘relations’ and ‘connections’ constitute the citizens’ way of adapting to the changed circumstances by managing social relations flexibly in the field of social protection. Focus group participants confirmed their reliance on štela. For example, a woman in her early 50s, an academic-turned-entrepreneur from the Tuzla focus group, reluctantly confirmed that she often uses štela when she goes to doctor. She was not proud of using her connections to obtain services, but she thought she had no other choice: “Everybody does this, and I would unnecessarily have to wait had I not used štela.” As suggested by this kind of statement, practicing štela constitutes the citizens’ response to the new neoliberal demands placed on them as a result of radical state restructuring. Štela is almost universally practiced, if necessary even across ethnic and religious lines to find employment (Ramović 2017; Regional Cooperation Council 2016, 65). Indeed, the most important factor shaping the likelihood of employment is personal connections (followed by political connections and bribery) (United Nations Resident Coordinator’s Office in Bosnia and Herzegovina 2015, 17). In sum, Stela constitutes the core component of the ‘everyday social contract’ that developed after the war. Because of Bosnia’s demographic situation, štela is mostly practiced within the boundaries of each ethnic group, but, when needed, its influence extends also beyond these boundaries.
The practicing of štela reinforces inequalities and limits the possibility of improving the delivery of public services. Most of the focus group participants had a negative opinion about štela (and, more broadly, about clientelism). They confirmed the pervasiveness of štela in looking for employment and in accessing educational services or health care and blamed it for its influence in limiting social and economic progress in the country. Emsad Dizdarević from Transparency International confirmed the negative impact of the phenomenon, in particular with regard to employment in the civil service, which is largely under the control of nationalist parties and is used as a source of patronage. Unsurprisingly, political and social actors who benefit most from the system (including politicians, administrators and service providers) work to maintain social protection and welfare provision based on personal relationships.

The difficult post-war economic recovery has further undermined citizens’ view of their institutions. Many focus group participants complained about the state of economy, in particular the lack of employment opportunities for the younger generation. In the Jajce focus group, participants lamented the destruction of the tourist industry, which used to be one of the core economic assets of the town. Similar disquieting views were expressed by informants in Doboj and Tuzla, who regretted the state of local industries and the resulting high rates of unemployment. This situation has consequences for the citizens’ perception of the political elite and its role in preserving economic insecurity. In Jajce, a woman in her 50s who is a housewife and an activist in a feminist organisation, speculated, “It is suitable for the ruling elite not to have high employment as it is much easier to manipulate those who are hungry.” Even some trade unions are seen as complicit in this state of affairs. In the Doboj focus group, one participant, a retired woman in her 60s who returned from abroad after the war, argued that the role of trade unions is not what it is supposed to be, as “workers are now treated like slaves, they work 60 hours per week, they have miserable wages and some are not even registered at all.”

Several participants remarked how inequalities are more and more visible and class divisions are being reintroduced. At the same time, they noted how class divisions can also have a reconciliatory dimension since workers and the wider society can find common grounds in the fight for labour rights, thus bridging the divisions based on the ethnic dimension of their identity. An example from the focus group in Doboj is illustrative of this. In this town, the two main supermarkets are run by owners of different ethnic backgrounds. Until recently, citizens shopped in accordance with the ethnic belonging of the owner. However, when poor labour practices in one supermarket came to be known, citizens of all backgrounds changed their shopping habits. Most focus group participants confirmed that the economy can have an integrative function but that its underdevelopment also influences negatively its potential. In this regard, diaspora can play a useful role, further discussed below, by investing resources, producing employment and introducing into BiH new ways of conducting business based on professional standards (Sivac-Bryant 2016, 175-188).

In this context, forms of political and social protest are possible, but difficult. In 2014, major demonstrations were initiated by laid-off workers from Tuzla and quickly spread to other urban centres. Plenums (informal citizens’ councils) were established to collect and send citizens’ requests for socio-economic reforms to political authorities (Belloni, Kappler and Ramović 2016). As a result of these initiatives, five cantonal governments resigned and cantonal authorities were revoked of some of their privileges. The movement’s limited impact, combined with attempts of an opposition party to hijack the protests and plenums, and with pressure from the ruling elite, led to its demise. However, the movement has aliented the possibility of a long-term shift in civic consciousness, which could include the use of violence to achieve political change (Murtagh 2016). Significantly, the Global Peace Index registered an increase in the likelihood of violent demonstrations from 2.0 (rather low) in 2008 to 4.0 (high) in 2016.18

Focus group participants, who were mostly positive towards the 2014 protests and other previous instances of citizens’ dissent, explained how fear constitutes the main obstacle to the mobilisation of citizens. For example, a participant in the focus group in Doboj, an NGO activist in his mid-20s, mentioned the difficulties with collecting signatures for one of the citizens’ initiatives, as people were afraid to give the required details. The participants in the focus group in Jajce revealed how citizens feared they would lose their jobs in case they got actively involved in activities against authorities at different levels. Indeed, this was the case with protests in 2014, when some protesters were exposed to great pressure from the authorities either directly or indirectly through frequent in-depth inspections of their businesses and the related threat to issue financial penalties or even to close their operations.\(^{19}\)

As a result, the anti-government momentum was difficult to maintain. Despite this, most participants were of the opinion that true grassroots activists should be more persistent. One of the participants in the focus group from Jajce, a teacher from a vocational high school, said, “We simply give up halfway through. We became satisfied with small concessions that authorities gave us. We were not persistent.” Svjetlana Nedimović, one of the key individuals behind the Sarajevo plenum, explained the ‘lessons’ of the 2014 protests in this way: “We learned that a change – a radical one because nothing less than that can help us – will not come from the mere presence of masses in the streets. We should organize ourselves, and work in the field, where singular battles are fought, and work on joining forces as much as on winning concrete battles” (Nedimović 2017). Despite the fact that grassroots groups were not successful in maintaining the momentum in 2014, challenges to the current system may arise again. If the economy continues to stagnate and the resources at the disposal of the political leadership diminish, social peace through patronage may be increasingly difficult to secure. While those citizens embedded in the nationalists’ patronage network will likely remain ‘loyal’ to institutions, the other ones will have to choose between “exit” and “voice” (Hirschman 1970). Continuing migration expresses the citizens’ exit from a political and economic system unable to address their needs. At the same time, new voices among those remaining are being heard. For example, as further discussed below, throughout 2016 and 2017, students in Jajce protested repeatedly against school divisions along ethnic lines (BBC 2016).

To conclude, the modest efficiency in the delivery of services and the dire state of the economy have contributed to the disillusionment among Bosnians in relation to the seemingly endless post-war transition, which is experienced as a “desert” (Horvat and Igor Štiks 2015), an “empty” political space (Hromadžić 2015) or even a “swamp” full with crocodiles where the threat of sinking is ever-present (Jansen, Brković, and Čelebičić 2017). Unsurprisingly, opinion polls find that 50 percent of Bosnians would consider living and working abroad – the highest percentage in the region (Regional Cooperation Council 2016, 75). Citizens are so hapless that they either rely on clientelistic relations or have given up on asking even basic services from their government. In one reading of the situation, the vertical social contract is described as “non-existent” (Hemon 2014, 64). Citizens are so disillusioned that the majority (57 percent of them – once again the highest percentage in the region) no longer even discuss government decisions (Regional Cooperation Council 2016, 116). In addition, citizens include the so-called “international community”, together with local authorities and politicians, as most accountable for this state of affairs (United Nations Resident Coordinator’s Office in Bosnia and Herzegovina 2015, 20).

5.0 DRIVER 3 – Social Cohesion Broadening and Deepening

Both vertical and horizontal cohesion are low in BiH. Vertical cohesion suffers from the inefficiency of institutions at all levels, which are prey to political parties’ manipulation. Horizontal cohesion

\(^{19}\). Anonymized interview with a Sarajevan who was involved in protests and plenums in 2014.
is undermined by the working of the elite social contract, which, for the most part, preserves the separation of citizens into ethnic reservoirs of votes. Yet, despite the predominance of ethnic principles, reflected in the enduring influence of the first and the second core conflict issues, the everyday social contract still provides opportunities for the development of a resilient national social contract. The tradition of inter-ethnic co-existence, the integrating pull of market forces, and the generally positive role played by the diaspora, support the growth of new forms of sociability.

5.1 Vertical Social Cohesion

In this context dominated by patronage, clientelism and the need for personal connections to access services, trust towards institutions is at a record low. According to the Global States of Mind, published by Gallup in 2014, Bosnian citizens have very low confidence in their institutions. With 91 percent, Bosnia ranks second in the world (in the category of ‘partly free countries’) in the perception of government corruption. Bosnia’s government is the least popular worldwide, with the lowest approval among the general population: just 8 percent. In addition, almost nine out of 10 citizens, with no significant variation between different ethnic groups, believe that political elites represent the major problem in the country (United Nations Resident Coordinator’s Office in Bosnia and Herzegovina 2015, 15). The realm of politics and politicians is commonly opposed to the realm of ‘ordinary people’, thus confirming the existence of two parallel, at times intersecting, social contracts, one involving the political and economic elites and the other involving citizens struggling to make ends meet. In this divided context, Bosnians maintain a deep scepticism towards the political process, as revealed by the common catchphrase “politics is a whore” (Helms 2013, ch. 5). The realm of official politics is thought to involve morally corrupted subjects who abandon personal ethics either out of opportunism or nationalist conviction.

Given this assessment, combined with the widespread perception of unfairness and inefficiency in the delivery of services discussed above, it is puzzling that Bosnian citizens have continued to choose at the polls the same ethno-national political parties that are responsible for the country’s mismanagement and failures. In addition to the half of the population who do not participate in elections, it is possible to identify three broad categories of voters. First, die-hard nationalists are consistent in their support for their respective political parties. Second, there are those citizens who may recognize the limits of the existing political and economic order, but vote for their nationalist leadership in the expectation that voters of other groups will choose the most extremist option available to them, thus being trapped in what could be described as the “Dilemma of the Ethnopolitical Prisoner” (Mujkić and John Hulsey 2010). Finally, members of political parties’ patronage network choose pragmatically to support those leaders who guarantee them access to state jobs and other perks (such as pensions). Patronage makes many Bosnians invested in the existing system and discourages them from participating in challenges to it (Murtagh 2016, 160). In addition, the dispersion of institutional representation further complicates attempts to coordinate mass discontent (Jansen 2015, 189-219).

5.2 Horizontal Social Cohesion

Opinion polls have found how the level of social trust is low in BiH, particularly in heterogeneous municipalities (UNDP 2007). Moreover, Bosnians display a low attachment level to their homeland and their (state) citizenship, albeit with some significant differences. Eighty-two percent of Bosniaks privilege the fact of being a BiH citizen, followed by 60 percent of Croats. By contrast, Serbs find their ethnic identity as most important (United Nations Resident Coordinator’s Office in Bosnia and Herzegovina 2015, 45; Ringdal, Listhaug and Simkus 2013). In such a condition, Bosnian nationality...
does not constitute an identity for all citizens. This attitude reflects the influence of both core conflict issues discussed above, that is, the strong connection that a significant part of the population feels for neighbouring Croatia and Serbia, as well as the governance system that privileges ethnic identities while marginalising civic ones.

This emotional and political attachment for one’s own national group is reinforced by a number of policy spheres. In addition to education policy, discussed above, each national group’s ‘politics of memory’ is instrumental in the pursuit of the nationalist parties’ political priorities. For example, in the RS, politicians actively engage in the instrumental use of memorial sites, state symbols, monuments and so on in order to support the Serb nationalist cause, in particular by highlighting Serb victimisation, the legitimacy of the RS as a separate political community, and the desire to disintegrate Bosnia as a common political space for all of its national groups (Correia 2013). In the implementation of their political agenda, they are supported by Russia, who acts as a geopolitical competitor vis-à-vis the EU’s attempt to move BiH closer to Europe (Bechev 2017). More generally, three official memory narratives exist and compete with each other. Potential alternative non-nationalist narratives, such as the anti-fascist narrative or the one based on a Bosnian identity, are either too weak or formulated as one part of dominant ethno-national approaches (Moll 2013).

In this context, forms of horizontal social cohesion are present primarily in three ways. First, BiH has a rich history of coexistence and tolerance that is in part still visible. Common Slavic ancestry of all three groups is reflected in the language spoken, as well as in some customs still shared across all three groups (Duranović 2011, 44; Norris 1993, 264; Velikonja 2003, 22). Post-World War II industrialisation led population movements from the countryside to the cities and to the creation of melting pots in urban areas, also favoured by the policy of brotherhood and unity of the socialist Yugoslavia (Županov 1995, 39). The sharing of workplaces and new neighbourhoods led to an increase in the number of inter-ethnic marriages (Velikonja 2003, 224). Inter-ethnic ties were never completely cut off even during the 1992-1995 war, when many risked their lives to protect their friends and neighbours of different ethnic background (Broz, Hart, Elias-Bursac 2005). Even in Dayton Bosnia, with its pervasive focus on ethnic divisions, there are many examples of people crossing ethnic boundaries and demonstrating their willingness to continue the tradition of tolerance. Surveys indicate that ethnic distance does not play an important role in people’s lives, while it continues to be important in political relations and decisions (Regional Cooperation Council 2016, 75).

A student protest in Jajce in September 2016 demonstrated students’ rejection of ethnic divisions (BBC 2016). Their protests, which continued into 2017, resulted in the decision of the Ministry of Education of Central Bosnia Canton to suspend the establishment of a new Bosniak school. International organisations in Jajce also intervened to support students’ demands and, unsurprisingly, they were blamed by local political leaders for their presumed ‘instrumentalisation’ of students. However, demands for inter-ethnic contact and exchange in Jajce are genuinely local. As confirmed by an unemployed Bosniak woman in her 40s who participated in the Jajce focus group, while teachers favour separation, pupils give little weight to ethnic differences. According to her, the religious education teacher tried to separate her son from his Croat friends: “She told him he should play with ‘our’ children, and he replied that he wanted to play with children who are his friends and who come to his house for breakfasts, lunches and dinners.” The child response embodies and reflects the long tradition of tolerance in Bosnia, and even in the wider region.

The second form of horizontal social cohesion is manifested in the economic and social cooperation from the ground up, which involves all former Yugoslav states and which Tim Judah calls “Yugosphere” (Judah 2009). Processes of economic development facilitate forms of constructive interaction and even sharing, despite the difficult economic condition. Most participants in the focus groups claimed that the economy can have an integrative function in the country despite the current state of underdevelopment. This was confirmed by an official who explained how “there is a parallel
world in Bosnia, one that doesn’t follow politics on TV. [It focuses] on doing business, on building something despite the difficult political situation." As mentioned above, the return of forms of class politics can also have a reconciliatory dimension, as workers across national groups can develop forms of solidarity in the fight for their rights. High unemployment rates and lack of welfare support have led to the rise in inequality, which, in turn, introduced embryonic forms of class politics and mobilisation. The case of the BiH Commerce and Services Trade Union is a good example, as it draws members from both administrative entities.

Third, diaspora can play a useful role in contributing to ameliorate the economic condition and in supporting the development of inter-group relations. Needless to say, diaspora frequently has a political agenda that can clash with the interests and views of local actors. Thus, diaspora can, at times, spread tensions. For example, Bosniak diaspora called for the removal of the nationalist monument to “Croat liberators” erected in Jajce in the early years after the war – a request interpreted by local Croats and Bosniaks as socially undesirable (Kurtović 2011, 247). Yet, diaspora influence extends well beyond this type of initiatives. In general, diaspora’s ability to play a constructive role depends on a favourable local political opportunity structure, on the existence of formal and/or informal channels of communication with diaspora groups and on diaspora “positionality”, which involves diaspora perceptions about the relative strengths of their social positions derived from linkages to the host-land and home-land (Hasic 2016).

Many Bosnians have become successful entrepreneurs abroad and have come back to invest in their hometowns. Several focus group participants have noted that the full potential of diaspora is limited by the attitude of governing political parties “who demand their share in diaspora’s investments”. Yet, diaspora frequently manages on its own to get involved in the matters that can contribute to economic development and reconciliation in the country.

Some of the notable examples are the companies Bekto Precisa and Prevent, which their owners relocated from Austria and Germany to the Bosniak-majority town of Goražde in Eastern Bosnia. They hire Serbs from neighbouring towns, thereby creating opportunities for workers of different ethnic backgrounds – particularly younger workers who grew up in mono-ethnic communities – to share multi-ethnic workplaces (Padalović 2016). Other notable cases are found in Trnopolje, where a returnee from Norway started a farm and hired Serbs, Bosniaks, Croats as well as members of the Ukrainian minority (Slobodna Bosna 2015). Also, in Kozarac, a small town near Prijedor, employment opportunities offered by returnees are not based on ethnic considerations (Marković 2016). These hiring policies may be driven by the desire to (re)establish inter-group relations after the war or, more pragmatically, by the economic need to find an adequate workforce. Be that as it may, this type of initiatives plays an increasingly significant, albeit still marginal, role in favouring forms of social reintegration.

In addition, diaspora’s involvement is not only economic. Diaspora financed construction of hospitals in Nevesinje (Nezavisne novine 2014) and supported local handball clubs in Jajce. In addition, Aiša Telalović, a senior expert associate in the Ministry of Refugees and Displaced Persons, highlighted the work of organisations such as the Bosnian-Herzegovinian American Academy of Arts and Sciences (BHAAAS), set up by diaspora, and the American-Bosnian Foundation in fostering inter-communal contacts and cooperation. Similar views were expressed by an official from an international organisation that carry out programmes to broaden diaspora’s involvement in the economy of BiH.

22. A talk by union’s president Ms Mersiha Beširović, 4 April 2017. Participants in the Jajce focus group.
23. Participants in the Jajce focus group.
26. Interview with Ms Aiša Telalović, Senior expert associate in the Ministry of Refugees and Displaced Persons, 28 November 2016.
In sum, while forms of social cohesion in BiH remain predominantly intra-ethnic, there are still marginal social dynamics and actors favouring the development of cross-ethnic linkages and cooperation. In particular, focus group participants identified diaspora as a potentially positive player whose influence, however, is hindered by the limited interest of local politicians and by the lack of clear legal avenues to participate fully in Bosnian political, economic and social life.

6.0 Conclusion and Analysis

This paper addressed the state of the social contract in BiH, a country that experienced one of the widest ranging peacebuilding interventions in the last 30 years. Despite the depth of intervention, BiH is still far from reaching a national resilient social contract, and peace in the country is stable but frequently challenged by political leaders. This paper has examined the situation in the country against the three drivers central to forging a resilient social contract that can advance prospects for achieving and sustaining peace: 1) inclusive political settlements that are responsive to CCIs; 2) effective and inclusive institutions (formal, customary and informal) that meet societal expectations and enhance state legitimacy; and 3) social cohesion – vertical and horizontal – that binds society.

The two CCIs remain and show no sign of loosening their grip on the country. The settlement in Dayton perpetuated the influence of these issues. It resulted from a compromise among the warring parties, but was not a suitable framework to address these issues effectively. Rather, it played into the hands of domestic elites who coalesced into an unwritten elite social contract to maintain the status quo through the exploitation of communal fears while enriching themselves in the process. In addition, elites have maintained control of the electorate mainly through patronage and particularly through control of employment in the public sector. As a result, institutions and national and local bureaucracies perform poorly in terms of service delivery.

At the same time, the everyday social contract that arose due to pressing economic needs and self-interest makes the population increasingly less likely to assign importance to group differences and more open to cross divisions in order to make ends meet. Additionally, by staging protests and by organising informal citizens’ councils, some grassroots initiatives have challenged the elite social contract and pressured institutions to improve service delivery. By doing so, these initiatives are also contributing to the development of forms of vertical and social cohesion in society.

Building on these findings, this research has identified a few avenues that might facilitate the unravelling of the elite social contract and the evolution of the everyday social contract into one resilient national social contract.

Grassroots initiatives show a lot of potential to challenge the elite social contract. Therefore, initiatives that focus on issues shared by the three major ethnic groups and can expose the vicious relationship among political power, business and the judiciary should be encouraged. Particular attention should be paid to initiatives that demand that the voice of ordinary people be given a channel for communication with authorities. By doing so, the effectiveness and socio-economic inclusion of institutions could be reinforced; this would encourage the role of driver 1 (effective and inclusive institutions that meet societal expectations and enhance state legitimacy) in shaping a resilient social contract.

The role of the economy – principally initiatives that aim at breaking up the vicious circle of corruption – is also important. First and foremost, the diaspora groups, and foreign investors more generally, should subscribe to anti-corruption principles and introduce higher standards for working conditions. Furthermore, as the symbiosis of political elites, business and the judiciary has seriously violated workers’ rights throughout the country, trade unions should grow and attract workers from different
By focusing on their needs, offering them opportunities for legal assistance and financial support in what are the usually prolonged court trials in cases where workers demand their rights. Unions’ presence in the public sphere should also be strengthened through campaigns to raise workers’ awareness of their agency and of legal avenues for improving their position.

Finally, local and international actors can help sustain the development of a resilient national social contract. Most of all, the international community should open itself to the demands of groups and organisations defending the needs of the unprivileged and marginalized (in particular the unemployed, the elderly and youth). Only if the international community focuses its assistance on the needs of these actors, which represent the majority of local voices but are silenced by the dynamics of the elite social contract, will the international community avoid being entangled in the country for another 23 years.

Forging a resilient national social contract will be demanding in a country that witnessed more than two decades marked by ethno-nationalist entrenchment of the elite social contract and the related dispossession of the population. Perhaps, citizens’ attempts to change the system through protests and other initiatives demonstrate that the time has finally come to forge a social contract inclusive of everyone in the country, regardless of ethnic or other identity, a contract that would lead the country from a weak social contract and fragile peace to a resilient national social contract with the potential to attain and sustain a deeper and transformative version of peace.

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