

# THE TIES THAT BIND

## Social Capital in Bosnia and Herzegovina



National Human Development Report 2009



# **THE TIES THAT BIND**

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## Foreword

I have great pleasure in presenting to you UNDP's flagship publication, the National Human Development Report for 2009. This report breaks new ground by examining, for the first time, the relationship between social capital, social inclusion and human development in Bosnia and Herzegovina (BiH).

Despite the progress that has been made since the end of the 1992-1995 conflict in BiH, the country's social fabric is still weakened and frayed. Levels of social trust are very low. In contrast to what one might assume – that levels of trust and social cohesion would be increasing, as the conflict recedes into the past – evidence suggests that over the past few years trust levels have been worsening. This low social trust manifests itself as a considerable development challenge in BiH, in particular in light of the country's aspirations to join the European Union in the near future.

Social trust is something that binds societies together and helps them function. It makes people's interactions with one another, and with institutions and service providers, smoother and more efficient. A lack of trust, in contrast, has the tendency to make those processes more laborious and fractious. Together with civic participation and norms of reciprocity, trust is a crucial component of social capital. They are the features of society that facilitate cooperation between people that results in mutual benefit. The concept of social capital arises, therefore, from the assumption that relationships matter: that understanding the different constellations of social networks and the functioning of everyday social ties is essential to interpreting – and ultimately intervening to change – broader social processes.

The report finds that BiH's social fabric is characterised by fragmentation and segmentation rather than cohesion and solidarity. BiH has a web of localised strong ties, based on strong family relations. Such strong ties do have their advantages. For example, they can provide support in times of need. To that extent, it is clear that in their immediate networks people care and look out for each other to a great extent in BiH.

Those with higher education have more diverse networks, highlighting the importance of strengthening the education system in BiH and improving retention levels. Yet, for the benefit of broader society, a lot more needs to be done to build broader, more integrative and wider-spanning ties, incorporating members of other communities, ethnicities, social classes and both genders.

Quite optimistically – and in contrast to common perceptions of BiH – the report also observed that people perceive the most friction in the country to be between rich and poor and not different ethnic groups. This complements the finding that the war is of much less significance to people's lives now than it was even three years ago and that, now, most people are simply trying to move on with their lives.

Very few people lack support networks – although the problems of those without such networks may be especially great in a society such as BiH, which is largely organised around tightly-knit local communities. In a society so dominated by family and immediate ties, a lack of such ties makes life extremely difficult. The report analyses levels of network poverty and notes with concern that the elderly in BiH are more likely to suffer from social isolation. This kind of isolation is an important component to keep in mind when assessing forms of social exclusion.

Finally, the report delves into the positive and negative effects of social capital for broader processes of democratisation and social cohesion. The research examines membership of clubs, societies, organisations and associations in BiH, or 'associational life'. On the positive side, civil society is observed as providing the basis for more bridging and diverse social ties and, as such, is more inclusive. Strengthening associational life in BiH would help to overcome some of the more significant social cleavages. In contrast, the report also looks at the downside of a society so strongly based on family networks and the potential for those networks to produce and reproduce inequalities through nepotism, clientelism and cronyism.

Social capital research – as this report shows – can improve understanding of the obstacles that work to exclude and marginalise different social groups. State and entity governments in BiH are already pursuing various strategies to address social exclusion in BiH, and the results presented here are intended as a contribution to those efforts. It is hoped that this report will spark debate on the ways and means of strengthening associational life and reducing social exclusion in BiH.

It is clear that building linkages between segmented and homogenous networks is an enormous chal-

lenge for the country, not least given the context of an ongoing political crisis and the impact of the global financial crisis. Improving social cohesion, in part through the building of inclusive social capital, however, is essential for the future stability and prosperity of the country.



Christine McNab  
UNDP Resident Representative

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All errors are our own.

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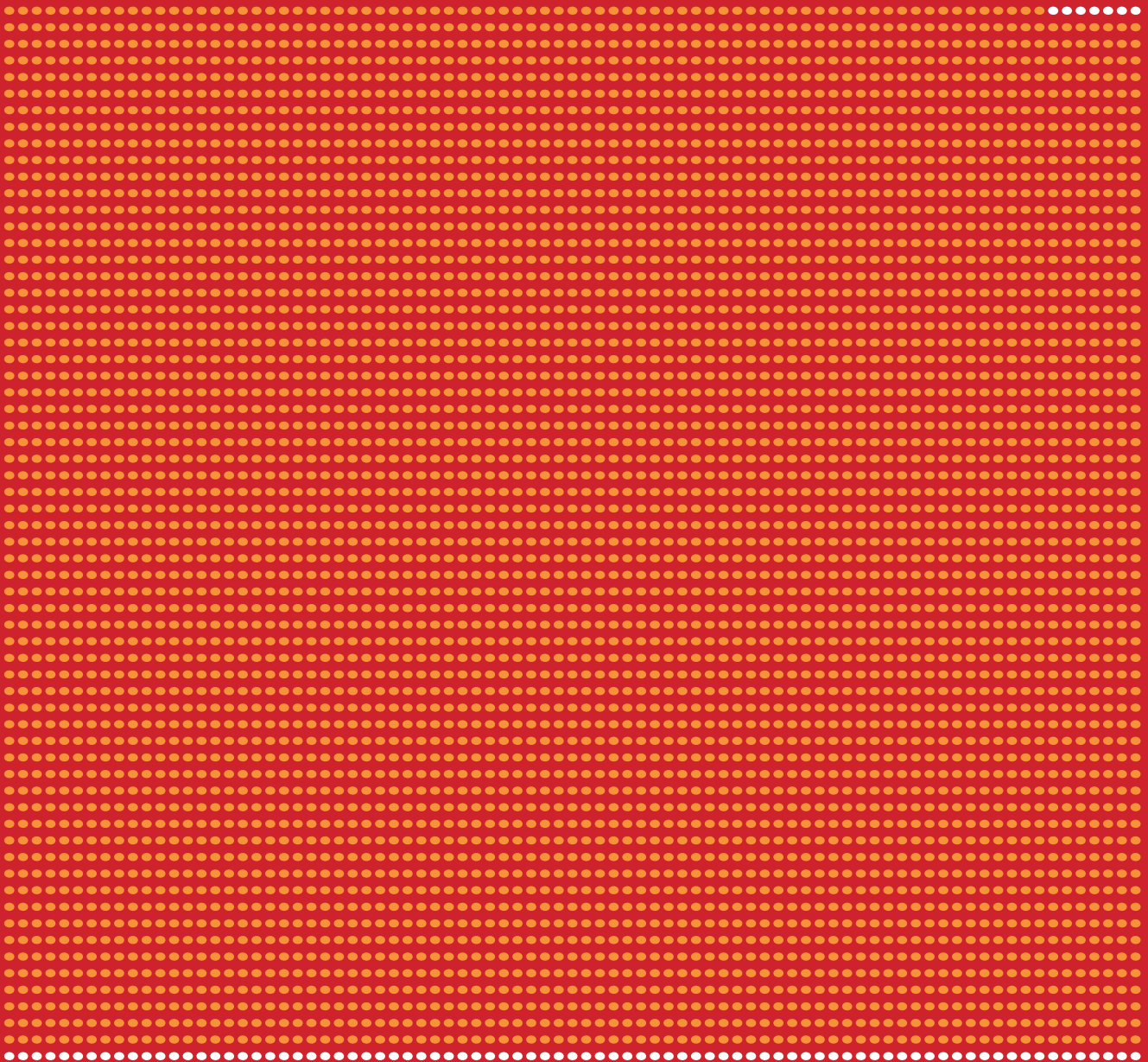
# Acronyms

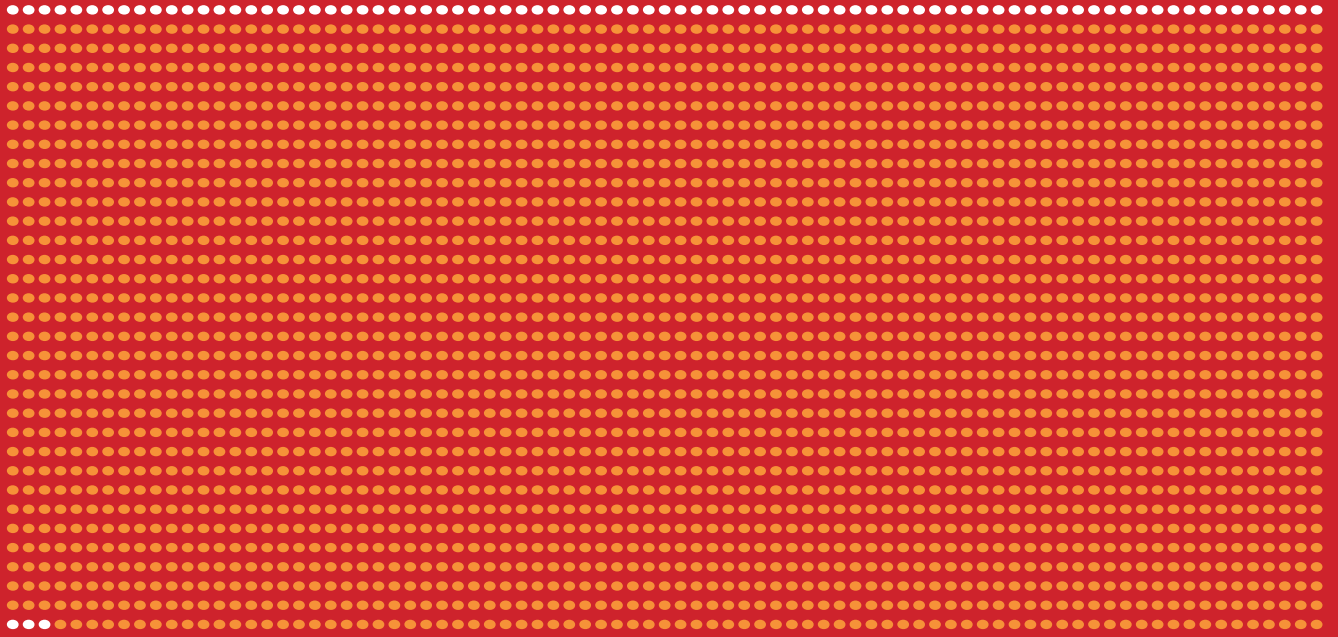
<b>BAM</b>	Bosnia and Herzegovina convertible mark, currency
<b>BD</b>	Brčko District
<b>BiH</b>	Bosnia and Herzegovina
<b>CIS</b>	Commonwealth of Independent States
<b>CSO</b>	Civil Society Organisation
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>FBiH</b>	Federation of Bosnia and Herzegovina
<b>FYROM</b>	The Former Yugoslav Republic of Macedonia
<b>GDP</b>	Gross Domestic Product
<b>GDI</b>	Gender Development Index
<b>GEM</b>	Gender Empowerment Measure
<b>HBS</b>	Household Budget Survey
<b>HDI</b>	Human Development Index
<b>HDR</b>	Human Development Report
<b>HDRO</b>	Human Development Report Office
<b>HPI</b>	Human Poverty Index
<b>IBHI</b>	Independent Bureau of Humanitarian Issues
<b>IDP</b>	Internally Displaced Person
<b>ILO</b>	International Labour Organisation
<b>IMF</b>	International Monetary Fund
<b>LFS</b>	Labour Force Survey
<b>MDG</b>	Millennium Development Goal
<b>MZ</b>	<i>Mjesna Zajednica</i> (local community council)
<b>NHDR</b>	National Human Development Report
<b>NGO</b>	Non-Governmental Organisations
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OHCHR</b>	Office of the High Commissioner for Human Rights
<b>OHR</b>	Office of the High Representative
<b>OSCE</b>	Organisation for Security and Cooperation in Europe
<b>RS</b>	Republika Srpska
<b>SAA</b>	Stabilisation and Association Agreement
<b>SEE</b>	South East Europe
<b>UNDP</b>	United Nations Development Programme
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation
<b>UNHCR</b>	United Nations High Commissioner for Human Rights
<b>UNICEF</b>	United Nations Children's Fund
<b>USAID</b>	United States Agency for International Development
<b>WB</b>	World Bank
<b>WHO</b>	World Health Organisation



# Introduction and background

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# Introduction and background

In 2007, the United Nations Development Programme in Bosnia and Herzegovina, with the support of the Royal Netherlands Government, carried out a wide-ranging assessment of the social and political health of Bosnia and Herzegovina (BiH). Published as *The Silent Majority Speaks*, the report was one of the most comprehensive studies undertaken in the country since the end of the conflict in 1995. A striking result of this research was the 'absolute weakness of social bonds of trust, reciprocity and solidarity'.<sup>1</sup> Social trust, the report found, is 'virtually non-existent' in BiH. This National Human Development Report (NHDR) sets out to explore this lack of trust in more detail. It achieves this end by embedding social trust in the broader concept of social capital and by thereby assessing the different facets and dimensions of social networks and relations in BiH. The research outlined in this report aims to provide a much greater understanding of the ties that bind members of society together in BiH – *informal* familial and local neighbourhood relations as well as *formal* associations, clubs and organisations. In analysing social ties, we look to make a key distinction between those networks that provide the basis for greater social inclusion and those that contribute to forms of discrimination, marginalisation and exclusion. In so doing, the report presents evidence on social capital and a series of resulting policy recommendations that can provide the basis for improving the inclusion of the most vulnerable, heightening social cohesion and working towards the enhancement of human development in BiH.

## THE DEVELOPMENT CONTEXT

The following section outlines some of the key aspects of the political, economic and social context in BiH, based upon the most up-to-date, available data. In addition to providing illustrative background to the rest of the report, this section looks in particular at those elements of BiH's current situation in which we can see fragmentation, cleavage and division, as

these are the characteristics most relevant to a study which takes low social trust as its point of departure.

### The political situation

Fourteen years after the end of the 1992 – 1995 war, BiH has moved beyond the instability of the immediate post-conflict period (current political divisions notwithstanding) and entered a calmer period of development, with a future envisaged in the European Union (EU). The country is officially a 'potential candidate' for membership, and EU accession provides the country with a clear direction for progress and development. A significant majority of the population sees the country's future within the EU.<sup>2</sup> In this period of relative stability, the scope for much needed reforms is both vast and enormously challenging. In recent years, there have been a number of concrete signs of commitment to reform: the Partnership for Peace agreement was signed with NATO in late 2006, and the Stabilisation and Association Agreement (SAA) was signed with the European Commission in June 2008.

Despite these positive signs, however, the pace of reform in the country is agonisingly slow. Constitutional reform, although generally recognised as crucial, remains a sensitive topic, in particular with regard to the direction this reform should take. The current constitutional structure, contained within the Dayton Agreement, is unnecessarily complex, unwieldy and expensive. Additionally, it provides for a decision-making structure which is inefficient and unaccountable. As such, it is unable to provide the basis for efficient decision-making or reform that would enable the country to make more rapid progress towards the EU. The European Commission (EC) delegation to BiH has requested that the country establish 'more functional and sustainable institutional structures',<sup>3</sup> yet there has been no serious attempt to amend or change the Constitution since the Parliamentary Assembly rejected a package of constitutional amendments in 2006.

<sup>1</sup> UNDP & ORI (2007).

<sup>2</sup> UNDP & ORI (2007). 71% of the respondents said they see the country's future within the EU.

<sup>3</sup> Commission of the European Community (2008).

The political arena is structured by the Dayton Agreement. This agreement, which marked the end of the war in BiH, provided the country with a new constitution in 1995 and aimed at accommodating the 'three constituent peoples of BiH' equally. Despite its intended purpose, the Dayton Agreement can now be seen as a source of division, so entrenched in every aspect of the governing structure is this tripartite structure. The rotating presidency and central government are elected under procedures that demand a strict balance between the constituent peoples. The Constitution, for example, states that:

The Presidency of Bosnia and Herzegovina shall consist of three Members: one Bosniac and one Croat, each directly elected from the territory of the Federation, and one Serb directly elected from the territory of Republika Srpska.

The underlying logic of this constitutional structure is to provide the three constituent peoples with a guarantee of representation, while simultaneously encouraging cooperation on common issues of the state. In contrast to its intention, this guarantee has been utilised by the representatives of each ethnic group to assert their special status and turned against the state. Furthermore the constitutional structure actively excludes 'other' minorities who are not considered one of the three constituent peoples and who are thereby ineligible for various political offices.<sup>4</sup> The construction of electorates and political institutions founded so firmly on ethnic identity has brought with it political participation and organisation based along the same ethnic lines. Most of the political parties in BiH are clustered around one of the three constituent groups, as it is simply the only way to achieve political power in a constitutional manner. The Council of Europe's Venice Commission argues that BiH's constitution has entrenched ethnic divisions and damaged the sense of community.<sup>5</sup>

This fragmentation is arguably the biggest roadblock to reform and progress in BiH.<sup>6</sup> Achieving consensus

at the state level is very difficult; even proposals made with good intentions are treated with mistrust, and purely technical issues are infused with 'national interests.' Concerns over future political stability mean that the closure of the Office of the High Representative (OHR) was again postponed in 2009.<sup>7</sup> The driving force behind the few compromises that have been achieved has been the prospect of EU accession. The current situation clearly militates against the production of a diverse and cohesive society or improved levels of political, institutional or social trust in BiH.

### The economic situation

In recent years, the economic situation in BiH has been characterised by stable macroeconomic growth. The key source of stability has been the development of trade integration with the EU. This became more concrete with the signature of the SAA in June 2008, together with an Interim Agreement focusing on trade and trade-related areas, which entered into force on 1 July 2008.<sup>8</sup> Since 2000, GDP growth has been stable, averaging around 6% per year. Although official unemployment rates remain high, the trend in the last few years has been one of improvement. The current rate of 23.4% (21.4% for men and 26.8% for women)<sup>9</sup> is down from 29.0% in 2007 (26.7% for men and 32.9% for women), for example.<sup>10</sup> Particularly disconcerting, however, is the fact that unemployment is approximately twice as high among young people as among the population as a whole.<sup>11</sup> As the impact of the international financial crisis is beginning to be felt in BiH, however, the overall economic situation is taking a negative turn. According to official statistics, economic performance indicators are weakening, levels of imports and exports that grew quite impressively during recent years<sup>12</sup> have decreased dramatically, and commodity prices and demand from EU markets and from the region have dropped. In 2008, registered growth was lower (5.5%)<sup>13</sup> than the previous year, and the estimated GDP for 2009 is expected to reflect the downturn apparent in the balance of payment.

<sup>4</sup> The discrimination permissible in the BiH Constitution is not only ethnically based, but territorially based as well. This means that only Serbs from the RS, and not those from the FBiH, can be candidates for the Presidency, and Bosniacs and Croats from the Federation, but not those that live in the RS. This is a violation of human rights and BiH is in direct violation of international law (of multiple conventions the country has ratified). European Commission for Democracy through Law (2005).

<sup>5</sup> European Commission for Democracy through Law (2005).

<sup>6</sup> International Crisis Group (2009).

<sup>7</sup> Due to the concerns over the future stability (not just political) of BiH, the international community is still very much involved in the direct governing and administration of the BiH state through the active offices of the OHR (with sweeping governing powers), whose closure has been postponed.

<sup>8</sup> Commission of the European Community (2008).

<sup>9</sup> BHAS (2008a).

<sup>10</sup> *The Labour Force Survey 2008* defines unemployment in the following way: 'the unemployed are persons of 15 years of age or older who: (a) in the reference period did not engage in any activities for which they received a salary or fee; (b) spent four weeks (the reference and three preceding weeks) actively looking for employment or found a job and were about to start work in near future; (c) might start work during two weeks following the reference week should they be offered employment.' BHAS (2008a), p.12.

<sup>11</sup> BHAS (2008a). The unemployment rate among young people between 15-24 years old is 47.5%.

<sup>12</sup> In 2006, the value of BiH's exports rose by 36% and in 2007 by 15%. Agencija za Statistiku Bosne i Hercegovine (Agency for Statistics of Bosnia and Herzegovina) website, viewed 10 August 2009, <<http://www.bhas.ba>>.

<sup>13</sup> IMF (2009), p.9.

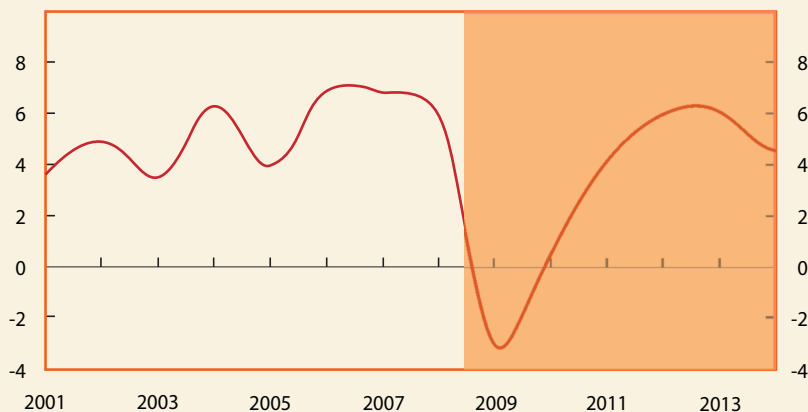
**Table 1.1 Key macroeconomic indicators for Bosnia and Herzegovina**

Nominal GDP (in billion KM)	24,552.0	2008
Real GDP per capita (in KM)	6,388.0	2008
Real GDP growth rate (%/year)	5.5	2008
Current Account Balance (in % of GDP)	-14.7	2008
Average net wage (in KM)	784.0	1st quarter 2009

**Table 1.2 Macroeconomic indicators 2007-2009<sup>14</sup>**

	2007	2008(est.)	2009(proj.)
Real GDP growth rate	6.8	5.5	-3.0
Current Account Balance (in % of GDP)	-12.7	-14.7	-9.6

**Figure 1.1 GDP growth rate in BiH, from 2001 – projection until 2014<sup>15</sup>**



This crisis has also contributed to declining Foreign Direct Investment (FDI) inflows and decreasing external loans.<sup>16</sup> Yet, providentially, monetary stability has been ensured by the functioning of the Currency Board that anchors the Convertible Mark (KM) to the Euro with a fixed exchange rate (1 Euro = 1.95583 KM). The interest rate on credit is rising,<sup>17</sup> however,

increasing the difficulties for investors and small and medium enterprises (SMEs) in accessing credit. A further consequence has been the decrease of remittance income (sent by labour migrants and the Diaspora), which has been a source of critical support to the balance of payments and topping up household incomes.<sup>18</sup> The impact of the financial crisis has

<sup>14</sup> IMF (2009), p.9.  
<sup>15</sup> IMF (2009), p.9.  
<sup>16</sup> UNDP & LSE (2009).  
<sup>17</sup> DEP (2009).  
<sup>18</sup> UNDP & LSE (2009).



highlighted the urgent need to harmonise economic and social protection policies and their administration through more efficient cooperation at all government levels. It has brought into stark relief the hindrance to economic reform that is posed by the complex institutional set-up in BiH.

FDI and entrepreneurship are also constrained by the unwieldy institutional structures in BiH. According to the World Bank's 'Doing Business' assessment, which assesses the ease of doing business in a country according to a number of regulatory and fiscal indicators, BiH is ranked 119th of 181 countries. In Table 1.3 we can see that BiH ranks lowest in the region according to this assessment: BiH's global ranking is 119, significantly lower than the next ranked South East European (SEE) country, Croatia. Figure 1.2 meanwhile, illustrates this weakness even more starkly.

of paperwork are also not necessarily surprising in a country with such low levels of trust.

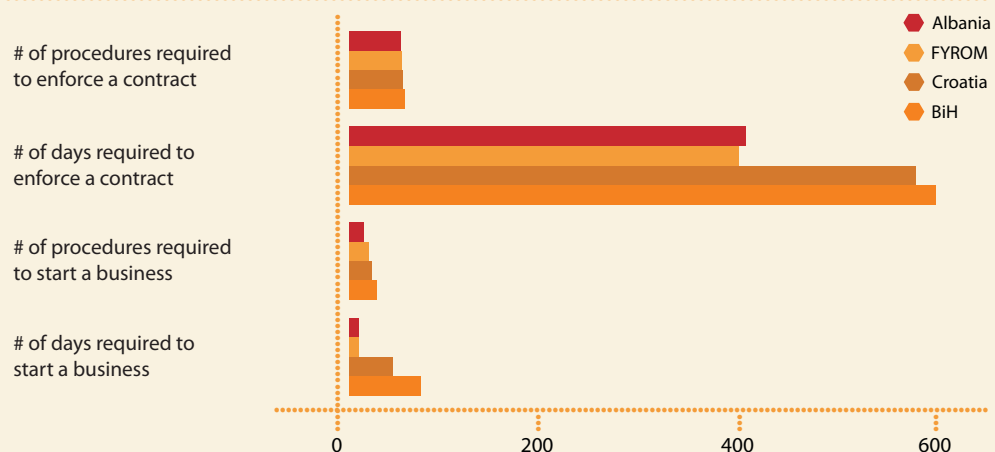
### Poverty and social exclusion

Despite steady economic growth during the past decade, poverty is still widespread, with almost one in five households (18.4%) living below the poverty line, and growth increasingly unequal.<sup>19</sup> The most recent data, from the 2007 Household Budget Survey, shows a higher incidence of poverty for households in which the professional status of the household head is a pensioner (19.5%), unemployed or looking for work (23.4%), a homemaker (termed 'housewife') (25.5%), or a person with a disability (44.4%).<sup>20</sup> A low level of education also elevates the risk of poverty. The gender of the head of the household also impacts upon poverty levels: in contrast to common patterns elsewhere, 'households headed by women are considerably less poor than those headed by

**Table 1.3** Ease of doing business in BiH: regional comparison

	Albania	FYROM	Croatia	BiH
Overall Global Rank	86	71	106	119

**Figure 1.2** Ease of doing business: procedures by country (measured in days)



When one considers that each procedure most likely costs money, we can see that 'transaction costs' in BiH are therefore very high. While obviously detrimental to economic development, such high levels

men, particularly in the FBiH.<sup>21</sup> The methodology of these assessments is based on household surveys and measures living standards through household consumption. Households are described as poor if

<sup>19</sup> The Gini coefficient for BiH in 2007 was calculated at 0.401. UNDP (2007a), p.189, and for 2008 we have calculated it at 0.42. This shows an increase in inequality. Given that the calculation for 2001 was 2.62, we can see a significant rise in inequality over the past seven years. UNDP (2008), p.282, table 15.

<sup>20</sup> BHAS (2007), p.59.

<sup>21</sup> BHAS (2007), p.26.

the expenditure per household member falls below a relative general poverty line,<sup>22</sup> defined as the equivalent household consumption expenditure below a standard threshold set annually to 60% of the median monthly equivalised expenditure of the household (EU standard methodology). Over time, these surveys have resulted in the following measurements of poverty.

## WHAT IS SOCIAL CAPITAL?

The concept of social capital arises from the assumption that **relationships matter**, that the social networks within which people participate and their everyday relations with one another are valuable. These networks, within which each individual is embedded (to greater or lesser extents), have value in two senses:

**Table 1.4** Poverty trends in BiH

Poor households in% <sup>23</sup>	2004	2007	Poor individuals in% <sup>24</sup>	2004	2007
BiH	18.1	18.4	BiH	18.3	18.2
FBiH	18.3	16.3	FBiH	18.8	17.0
RS	18.3	21.7	RS	17.8	20.1

Social exclusion is a broader process than poverty and is characterised by a number of different barriers to full participation in society beyond material deprivation, such as physical barriers or prejudice and discrimination, resulting in the marginalisation of particular groups. The last comprehensive assessment of social exclusion undertaken in BiH was in the NHDR of 2007. In that report, exclusion was shown to be a pressing problem with more than 50% of the population experiencing at least one form of exclusion. Twenty one percent of the population was found to experience extreme exclusion, while 47% was at risk of long-term exclusion. Particularly vulnerable are groups such as minority returnees, the Roma, the elderly, youth, children and people with disabilities. In addition, many levels of vulnerability are exacerbated when gender is taken into account. The report found that these groups not only have a higher risk of income poverty and unemployment, but also far more difficulty accessing public services and participating in political life.<sup>25</sup>

With the above background in mind, this report is concerned with the local and individual levels. We are interested in how the macro-level impacts on the individual in ways that may be exacerbated or mitigated by people's immediate social networks or, in other words, their social capital.

they provide the basis through which people are able to pursue their individual goals and at the same time they have the potential to provide the 'glue' that facilitates greater social cohesion. As such, they provide the foundation for building social cohesion<sup>26</sup> through 'building the trustworthiness within and of the social environment, opening channels for better information flows, and setting norms that endorse particular forms of behaviour that enhance rather than detract from social, economic and political interactions.'<sup>27</sup> Social networks may be envisaged on three levels: the micro-level of family and friends, the meso-level of the neighbourhood, workplace and local community and the macro-level of countries.<sup>28</sup>

Social capital may therefore be understood as:

The socio-economic benefits for both individuals and communities which result from the everyday functioning of social networks.

Social networks operate to produce such effects through:

- Producing and maintaining norms of reciprocity. Norms of reciprocity produce expectations that, in the short or long term, kindness, services or favours will be returned.
- Fostering trustworthiness in the social environment. Initiatives or risks may be taken based on

<sup>22</sup> The relative general poverty line refers to the application of the European standard methodology. According to this methodology, poverty has been defined as equivalent household consumption expenditure below a standard threshold that is annually set to 60% of the median monthly equivalised expenditure of the households. "...poverty is therefore defined in "relative" terms, depending on the distribution of the consumption expenditure of the population. Poverty does not only constitute the lack of goods and services considered as essential, but is the disadvantage situation certain households find themselves in when compared to others: the poor are those who have less'. BHAS (2007), p.54.

<sup>23</sup> BHAS (2007), p.55.

<sup>24</sup> BHAS (2007), Sarajevo p.69.

<sup>25</sup> UNDP (2007a).

<sup>26</sup> Field (2003), p.3.

<sup>27</sup> Field (2003), p.24.

<sup>28</sup> EC-DGESE (2007), p.8.

the assumption that others will respond as expected.

- Facilitating flows of information on available options. Information passed within and between social networks may increase knowledge of available choices, thereby widening individual horizons.

As such, social ties provide the bases for positive individual and collective actions. The potential resulting benefits that *can* flow from increased social capital include:

**Social benefits:**

- Improved democratic structures and practices
- Stronger and more diverse civil society
- Improved economic development through better cooperation and resulting reductions in transaction costs
- Greater levels of innovation through better flows of information
- More human capital and better human resources
- Greater social cohesion
- Reduced levels of prejudice and discrimination

**Individual benefits:**

- More choices and opportunities
- Higher levels of trust and confidence
- Higher levels of social, political, economic and cultural participation and/or empowerment

As will be explored in more detail in the next chapter, the building of social capital can be foundational to improvements in levels of human development, where the latter emphasises the enlarging of people's choices and the optimising of their well-being. We can see social capital, therefore, as one of the 'enabling frameworks' through which human capabilities can be expanded.

## WHY SOCIAL CAPITAL RESEARCH FOR BIH?

Despite the 14 years that have now passed since the signing of the Dayton Agreement, the current state of social relations in BiH may still be interpreted in a post-conflict context. In *Violent Conflict and the Transformation of Social Capital*, Colletta and Cullen make the following observation on the effects of intra-state conflict:

...violent conflict within a state weakens its social fabric. It divides the population by undermining interper-

sonal and communal trust, destroying the norms and values that underlie cooperation and collective action for the common good, and increasing the likelihood of communal strife. This damage to a nation's social capital - the norms, values, and social relations that bond communities together, as well as the bridges between communal groups (civil society) and the state - impedes the ability of either communal groups or the state to recover after hostilities cease. Even if other forms of capital are replenished, economic and social development will be hindered unless social capital stocks are restored.<sup>29</sup>

These effects are clearly apparent, today, in BiH. The conflict produced widespread fragmentation of social networks, in particular into more homogeneous networks.<sup>30</sup> This fragmentation was likely hastened, after the war, by elements of the post-socialist transition in which enterprises closed, unemployment grew and internal and external population movements continued.<sup>31</sup> In the transition phase, then, social relations tended to be characterised by increasing levels of group closure, most commonly based on ethnically-defined (or confessional) identification, which reduce the possibility for cross-ethnic (or cross-confessional) social ties. While relative progress has been made in terms of economic stability and growth, arguably the social sphere remains not only fragmented, but the points of cleavage have become deeper during the 14 years following the conclusion of the war.

A number of previous studies have highlighted social trust and/or the restrictive or homogenous nature of social networks in BiH as an issue of concern.<sup>32</sup>

In 2003, the World Bank assessed social capital in BiH and argued that the 'networks, norms and values that enable people to act collectively to produce social benefits' are an 'essential element of peace-building, reconstruction, poverty reduction and sustainable development.'<sup>33</sup> It was clear from this research that, despite having passed through the immediate post-war phase of physical reconstruction, the rebuilding of social ties constitutes a major challenge, one that is essential for BiH's future. The World Bank research focused on the levels of civic engagement and resulting collective action in relation to local government performance. Importantly, the authors highlighted the significance of community-driven development for improving social and political stability and improving the quality of life in otherwise divided communities.<sup>34</sup>

<sup>29</sup> Colletta & Cullen (2000).

<sup>30</sup> World Bank (2003).

<sup>31</sup> World Bank (2003), p.8.

<sup>32</sup> Among these studies, two of the most significant were undertaken by the World Bank (2003) and Håkansson & Hargreaves (2004).

<sup>33</sup> World Bank (2003), p. 4.

<sup>34</sup> World Bank (2003), p.5.

Picking up on a similar theme, in 2004, the Balkan Analysis Group focused on trust in their report entitled 'Trust in Transition.' This study focused in particular on general trust: 'general trust' is understood as the belief that most people can be trusted rather than the belief that one must be careful or wary of others – it is something that we also explore in the current report. Similarly to the World Bank study, the authors highlighted the importance of improved social capital for 'prosperous and peaceful development' in BiH.<sup>35</sup> In addition to improving the quality of democracy and the strength of social cohesion, Trust in Transition emphasised the economic costs of low levels of social trust. The authors estimated that the low levels of general trust may be costing the country millions of KM per year as a result of higher transaction costs.<sup>36</sup>

Subsequent research, such as that undertaken by UNDP and Oxford Research International in 2007, again drew attention to the diminishing levels of social trust.

In building upon this previous research, the present report reiterates the finding that BiH has an unusually low level of social trust compared to other countries in the region.<sup>37</sup> Although this is analysed and explained in more detail in the chapters to follow, as a baseline, it suggests immediately that policy-making in BiH should turn its attention to fostering the kinds of social capital that would contribute to greater social inclusion and cohesion.

Given the low levels of social trust, the fragmentation of the social sphere and high levels of social exclusion, the analysis of social capital in BiH is, therefore, opportune at the current time for three reasons:

- Firstly, attempts to foster the rebuilding of multi-ethnic and diverse communities would benefit greatly from a more thorough understanding of the degradation of social solidarity.
- Secondly, social capital research involves the analysis of both formal and informal networks. In terms of formal networks or associations, such research can shed valuable light on the functioning and effectiveness of civil society in BiH. At the same time, informal social networks – comprising family, relatives, friends, neighbours and acquaintances – can have negative consequences for society at large, in particular where they encourage nepotistic and clientelist relations.

- Thirdly, while BiH has seen steady levels of economic growth in the past few years, the economic benefits of this growth have been distributed unequally. The concept of social capital provides an innovative way of approaching poverty reduction through shifting the focus away from a deficit (or discriminatory) model of disadvantage in which the poor or excluded are seen as largely responsible for their conditions. Instead, overcoming poverty is understood to be, in part, as the overcoming of a lack of immediate support networks or network poverty.<sup>38</sup>

### SOCIAL CAPITAL RESEARCH FOR EVIDENCE-BASED POLICYMAKING

A greater stock of inclusive social capital leads to better linkages between the micro-level of individual experience and both the meso-level of institutions and associations<sup>39</sup> and the macro-level of policy-making. This potential for creating such linkages has thus made social capital, as a conceptual framework, highly influential in the work of organisations such as the OECD and the World Bank and governments such as the British, Australian and Canadian. The European Commission is also among those who recognise the value of social capital analysis for policy making, and they recently published a report on assessments of social capital in the EU and Candidate Countries.<sup>40</sup>

These agencies and governments have shown that research on social capital can provide the basis for policy-making that responds to:

- The networks and social ties that are an important ingredient in an individual's well-being and that provide a basis for achieving personal goals,
- The ways in which these linkages are crucial to an individual's ability to participate in social, political and economic activities, and
- The ways in which the functioning of networks can directly contribute to the overall cohesiveness and socio-economic development of a society.

The benefits emerging from a more explicit focus on social capital in social policies include *inter alia*:

- **Assisting those at risk of social exclusion** – by definition individuals and groups who experience

<sup>35</sup> Håkansson & Hargreaves (2004).

<sup>36</sup> Håkansson & Hargreaves (2004) and Keefer & Knack (1997).

<sup>37</sup> The result of our survey confirmed those of *The Silent Majority Speaks*, where the level of trust in BiH was shown to be one of the lowest in the region. UNDP & ORI (2007).

<sup>38</sup> Field (2003), p.116.

<sup>39</sup> Field (2003), 2003, p.7.

<sup>40</sup> EC-DGESE (2007).

social exclusion are likely to be cut off from those social ties that would allow them to participate more fully in the social economic and political life of their communities. The availability of certain kinds of social networks (or lack thereof) can have a significant impact on policies aimed at addressing the social and economic integration of individuals at risk of marginalisation, such as minorities, the unemployed, persons with disabilities, the elderly, Roma and other minorities, etc.<sup>41</sup>

- **Promoting social cohesion at the community level** – emphasis is placed on finding the most effective ways in which citizens, service delivery agents, institutions and organisations interact and create linkages for developing sustainable changes in the living conditions and well-being of community members. Social capital research focuses on a more coordinated approach to service delivery, decision-making and problem solving, based on recognition of the role of formal and informal networks.<sup>42</sup>

The instruments available to governments to support the development of positive social capital range from gestures of political support to highly concrete forms of direct financial subsidies of associational life.<sup>43</sup>

Social capital research can also provide an understanding of where government policies already indirectly influence the creation of social ties, as with housing, transport or education policies, or where they more directly have influence in promoting social capital building activities, as in the provision of support networks or the facilitation of public-private partnerships. By being mindful of the types of social capital that result from policy implementation, policy-makers can also avoid strengthening existing exclusive ties and thereby stimulating cronyism or corruption. Finally, governments can also be made aware of where they may inadvertently undermine existing sources of social capital.<sup>44</sup>

Policy-directed research on social capital in other countries and contexts has identified numerous areas for positive intervention, such as the area of the urban planning of public spaces and meeting points, or financial, legal and taxation support to civil society and voluntarism, or in the extension of the internet to disadvantaged areas. The recommendations that flow from this kind of analysis lead directly to emphasising the importance of mobilising local social networks to foster social inclusion and improve human development. Social policies may conse-

quently work to create more opportunities for individuals to participate fully in society.<sup>45</sup>

While there is certainly significant potential for policy interventions to build or rebuild social capital, governments must also be mindful of the limits to which they can intervene in this area. There are many features of social capital – the spontaneity of network creation and the subjectivity involved in network dynamics, for example – which are not open to external intervention by governments, and to a large extent should not be. Nevertheless, as we will see in Chapter 7, the role of government can be to provide the enabling environment for certain networks to flourish, while working to address the negative effects of other kinds of social capital. By highlighting areas where government interventions are not likely to have a significant impact, social capital research can also contribute to the more efficient allocation of scarce government resources.

## AIMS OF THE REPORT

This report sets out to articulate the contours of social ties and networks, both formal and informal, in BiH and their implications for the country's socio-economic development. It begins by outlining the conceptual framework: the origins and scope of the notion of social capital and the way in which social capital relates to economic development, human development and social inclusion, the last being the conceptual underpinning of the EU's social policy agenda. With this background in mind, Chapter 3 turns to analysing the overall trends and dimensions of social networks in BiH today, the levels of social trust and forms of localised reciprocity. While Chapter 3 explores the strength and dynamics of the social networks in which people are embedded, Chapter 4 turns to examine what happens when people are left out of these networks, when people suffer from 'network poverty.' Here, the results of focus group research are used to provide an illustration of the difficulties faced by those whose networks are weak and are consequently more vulnerable to social exclusion. From the perspective of social networks, a number of groups can be seen as particularly at risk, and in Chapter 4 we look at the experiences of internally displaced persons (IDPs) and minority returnees in particular.

Having examined the strengths and weaknesses of social networks and ties, the report then looks at identifying the means through which the broader

<sup>41</sup> Canadian Policy Research Initiative (2005).

<sup>42</sup> Canadian Policy Research Initiative (2005).

<sup>43</sup> EC-DGESE (2007), p.10.

<sup>44</sup> Field (2003), p.135.

<sup>45</sup> Canadian Policy Research Initiative (2005).

benefits of these networks may be better realised and how the detrimental effects of certain networks may be reduced. In the ensuing two chapters we examine the scope for creating social capital that is more 'inclusive' through the production of heterogeneous and diverse networks, while identifying the potential for reducing the impact of social networks and ties that are more 'exclusive' and thereby produce and encourage the production of inequalities. As such, Chapter 5 looks in detail at civil society and political participation, while Chapter 6 looks at the forms of nepotism and clientelism that result from closed networks.

The final chapter of the report, Chapter 7, based on the results of the research and driven by a human development perspective, presents a series of policy recommendations.

This report on social capital thus responds to a number of aims. Firstly, it intends to encourage a greater understanding of both human development and social inclusion agendas and their importance for building a more equitable future in BiH. It thereby intends to complement the government's work on social inclusion by demonstrating an additional dimension from which *social exclusion* can be understood. Secondly, it endeavours to make a contribution to improving the understanding of differing forms of vulnerability and poverty in BiH, not only through quantitative assessment but also through providing a voice to some of those who fall into more marginalised categories. Finally, the report provides the evidence base for future policy-making in BiH, in particular in the areas of civil society, voluntarism and social accountability.

## KEY RESULTS

### Characteristics of social capital in BiH

- BiH is a society dominated by strong familial ties.
- People are more likely to spend time with and trust their immediate social network of family, friends and close friends. In this there are almost no differences across ethnicity, age, gender or entity.
- The group that stands out most in terms of weaker social networks is minorities living in a majority area.
- Only about 10% of people feel that most people can be trusted.
- People believe the most significant level of social tension in the country is between rich and poor (88%), followed by management and workers (86%) and then different ethnicities (79%).

### Social networks matter

- Those who have weaker social networks have fewer people to rely on for help, are more isolated and have lower levels of trust.
- Groups more likely to suffer from social isolation include IDPs, minority returnees, the elderly, women in rural areas and people with lower education.
- The elderly are most likely to be 'network poor'.
- People in the RS are more likely to suffer from network poverty than those in the FBiH.
- Those who are network poor have lower levels of social capital and higher levels of material deprivation.

### Social networks and inclusion

- The level of membership in associations in BiH is very low (17.5%); and even fewer (10.5%) describe themselves as active members.
- Associational membership increases with levels of education.
- Almost twice as many men are members of associations as women.
- Associational members appear to have more inclusive and diverse social networks.
- Only 4.5% of respondents said they have done any volunteer work in the past 12 months, but significant levels of 'hidden voluntarism' were found in high levels of altruistic, reciprocal behaviour.

### Social networks and exclusion

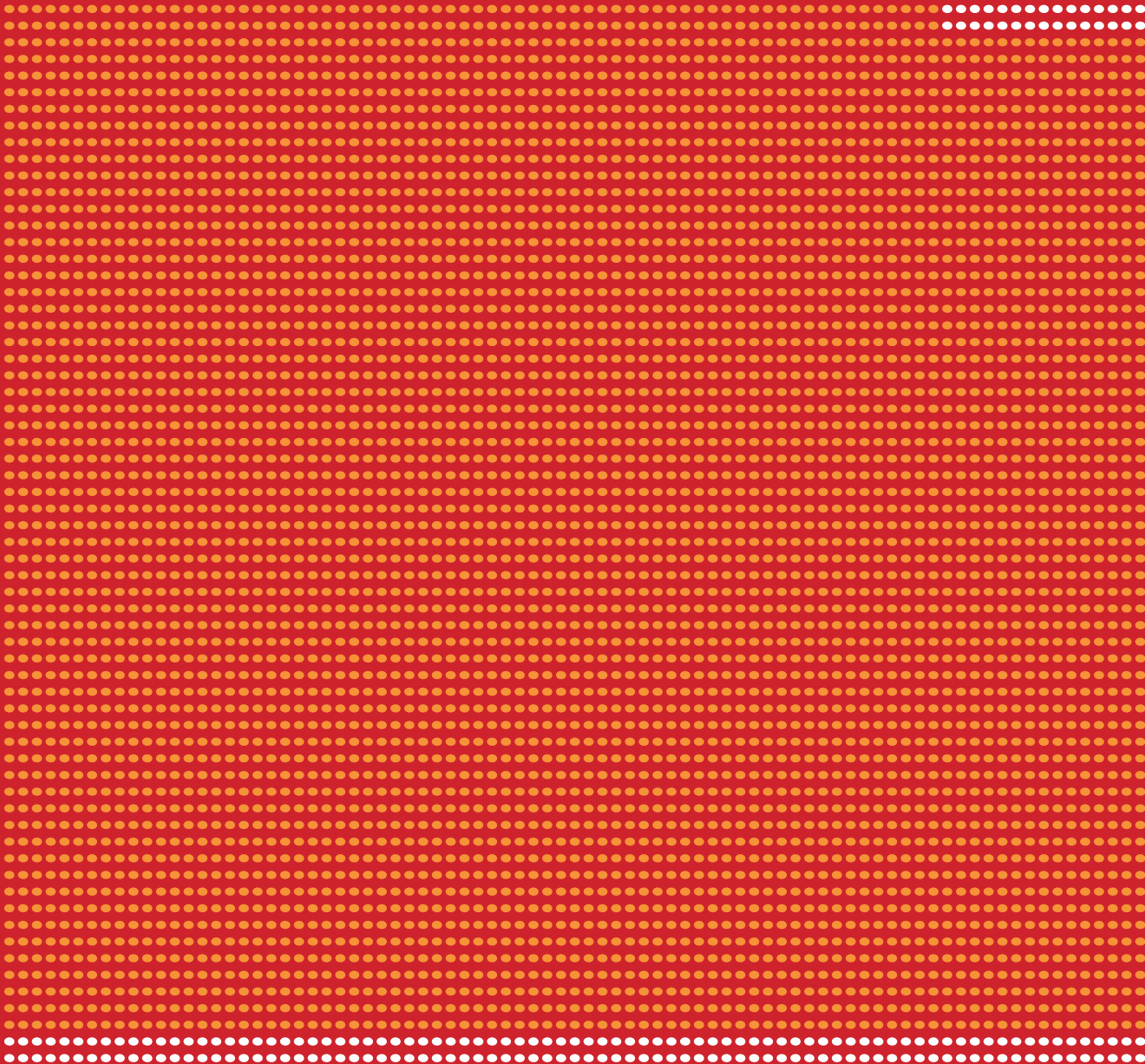
- The use of *štela* – personal and family connections – is widespread throughout all layers of society and is present in most relationships between people and service providers in BiH.
- 95% of survey respondents reported that having a 'štela' is *always or sometimes useful* for access to basic social services.
- 85.7% of people see personal connections as the only way to get a job, and most people use family connections in their search for employment.
- The use of *štela* not only limits access and produces inequalities within society, but also significantly disempowers individuals.

**Social capital, human development  
and social inclusion**

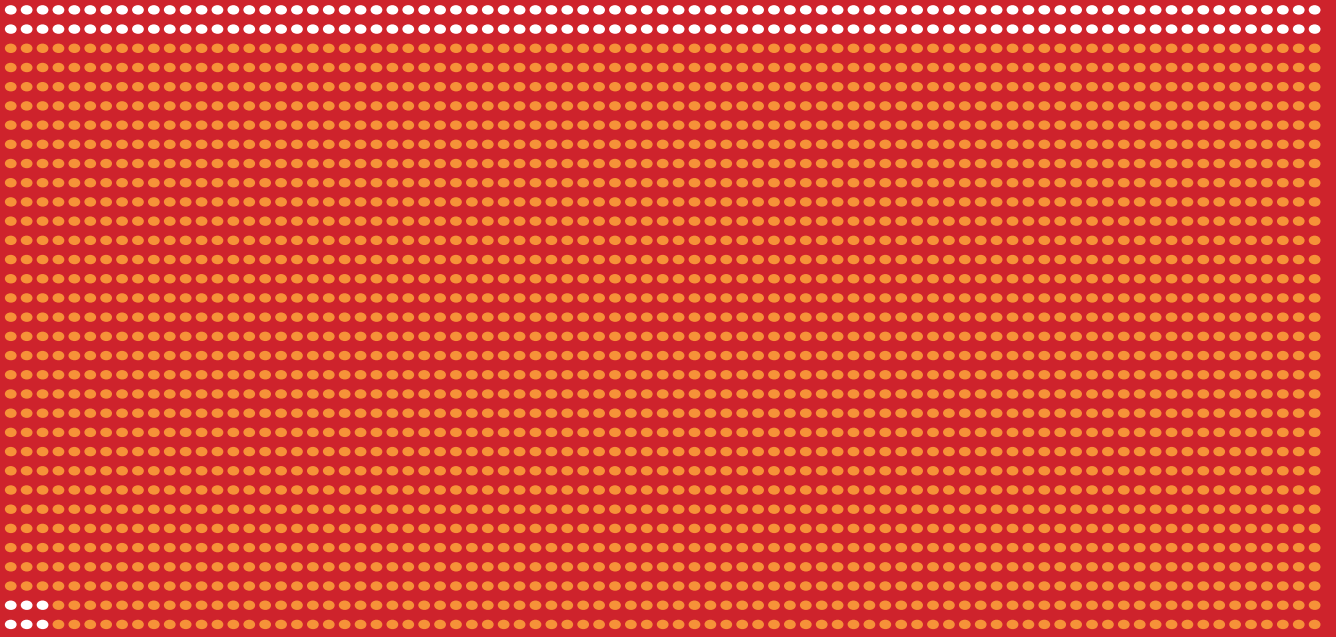
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**2**







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# Social capital, human development and social inclusion

In order to assess the different aspects of social capital in BiH, it is important to understand a little about the origins and scope of the concept and the ways in which it has been utilised in recent literature, in particular that related to development. In this chapter, we do just that, after which we look at the linkages and overlaps between the concepts of social capital, human development and social inclusion. Here, we argue that social capital must be conceptualised in a particular way – according to its effects – in order to align it with these other two conceptual frameworks.

## THE VALUE OF SOCIAL TIES

The notion that social ties have value has its origins in early sociological thought. Writing in the mid-19th century, Alexis de Tocqueville was impressed by the propensity for voluntary civic associations in America, describing it as an ‘art of association.’ To de Tocqueville, voluntary civic associations provided and addressed the excessive individualism characteristic of modern life. In his advocacy of civic association, de Tocqueville highlighted the political function of social ties: the way in which they contribute to the better functioning of democracy.<sup>46</sup> The importance of formal associations and their contribution to the quality of democratic processes is a theme taken up in much more recent literature on social ties, in particular that of the American political scientist, Robert Putnam.

It is with Putnam’s groundbreaking study of traditions of civic association in Italy that the concept of social capital found a wide audience. Echoing de Tocqueville, in *Making Democracy Work*, Putnam identified the ‘vibrancy of associational life’ as a ‘critical component in effective local government.’<sup>47</sup> By measuring levels of associational life and social and institutional trust, Putnam found that areas with low

social capital were governed by the most unsuccessful governments, with higher levels of corruption and inefficiency. He therefore became concerned with the decline of participation in politics, civic associations, religious organisations, professional organisations and trade unions, as well as – importantly – informal socialising.<sup>48</sup>

Throughout his work, Putnam has articulated a number of definitions of social capital. In *Bowling Alone*, he explained that:

Whereas physical capital refers to physical objects and human capital refers to the properties of individuals, social capital refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them. In that sense social capital is closely related to what some have called ‘civic virtue.’ The difference is that ‘social capital’ calls attention to the fact that civic virtue is most powerful when embedded in a dense network of reciprocal social relations. A society of many virtuous but isolated individuals is not necessarily rich in social capital.<sup>49</sup>

Most recently Putnam has favoured what he terms a ‘lean and mean definition’ of social capital: ‘social networks and the associated norms of reciprocity and trustworthiness.’<sup>50</sup> We draw on these definitions in what follows.

## MACRO, MESO AND MICRO SOCIAL TIES

Putnam’s concept of social capital highlights the value of social networks to the functioning of democracy at the macro level. From this perspective, the nature and function of social ties are studied according to the way in which they function (or not) to generate trust and social cohesion within a given society. Where there are greater levels of social capital, there is stronger social cohesion through higher levels of

<sup>46</sup> Fukuyama (1991).

<sup>47</sup> ONS (2001), p.9.

<sup>48</sup> Putnam (1996).

<sup>49</sup> Putnam (2001).

<sup>50</sup> Putnam (2007).

participation and stronger social networks, all of which contributes to more effective democratic practices. Where there is a lack of social capital, on the other hand, there is likely to be a retreat into small, isolated and homogenous networks, such as immediate family networks, and a lack of cohesion.

There are a number of other theorists who have contributed to the thinking on how social capital may be conceptualised and applied. Similarly to Putnam, Francis Fukuyama has also looked at the macro-level benefits of social capital. Fukuyama has explored the relative economic performance of different societies according to the differing levels of trust within those societies. As such, his work emphasises the importance of social capital to economic development<sup>51</sup> and he argues that the 'economic function of social capital is to reduce the transaction costs associated with formal coordination mechanisms like contracts, hierarchies, bureaucratic rules, and the like.'<sup>52</sup> Where there are low levels of trust, achieving coordinated action among groups of people is more difficult and involves 'additional transaction costs of monitoring, negotiating, litigating and enforcing formal agreements.'<sup>53</sup> Fukuyama, like Putnam, also highlights the importance of social capital – manifested in a strong civil society – to the functioning of modern liberal democracies.

The American sociologist, James Coleman, has looked more at the meso-level manifestations of social capital – he is more interested in groups, associations, organisations and institutions and the ways in which their structures facilitate certain actions of individuals within that structure.<sup>54</sup> For Coleman, social capital boils down to the ability of people to work together in groups. Accordingly, he identifies three main elements of social capital – trust, networks of obligations and reciprocity, and information flows.

Another American sociologist, Mark Granovetter, meanwhile, has looked more at the benefits of certain kinds of social networks for individuals, in particular in terms of facilitating flows of information.<sup>55</sup> Focusing on the micro level, he has looked at the way in which individuals benefit from the flow of information through weak social ties, such as when finding employment. For Granovetter, social capital is most effective when there are large numbers of weak ties – acquaintanceships – that link social networks

to one another and provide the basis for transmitting information throughout the whole social structure. Through their ability to transmit information, large numbers of weak ties *can* allow for the better development of human resources and innovation.

As we can see, therefore, there are various different dimensions of social capital. Putnam and Fukuyama tend to stress the macro level of governments and broader collectivities. Coleman is more interested in the meso-level and the functioning of social capital within communities, in particular within the education system. Granovetter, finally, focuses more on the micro level of the individual and their immediate social ties. While Putnam and Coleman's emphases provide us with the basis for interpreting the potentially positive results of differently generated social networks, Granovetter's provide us with the critical distance for understanding where those networks stray into the territory of nepotism, cronyism and clientelism.

Each perspective may be utilised to identify the potential effects of certain kinds of social ties. These effects may be felt within the community – through enhancing democracy and social cohesion and encouraging economic development – or by the individual – through broadening choices and opportunities, generating empowerment and improving human development. Social capital may thereby be seen as an important resource for social, economic, political and human development. It is important to note that in defining social capital as a 'resource', whether for individuals or collectives, the benefits that may be identified include, but go beyond, the financial (e.g. rising GDP or individual financial success). The potential for direct monetary profit is just one dimension of the potential manifestations of social capital. The overall benefit of utilising the concept of social capital is the fact that it 'shifts the focus of analysis from the behaviour of individual agents to the patterns of relations between agents, social units and institutions.'<sup>56</sup>

Who benefits from social capital, however? It is quite common to suggest that the more social ties and networks the better – that social networks 'are win-win relationships and that individual gains, interests, and profits are synonymous with group gains, interests, and profits.'<sup>57</sup> Clearly this is not the case: nepo-

<sup>51</sup> Fukuyama (1996).

<sup>52</sup> Fukuyama (1991).

<sup>53</sup> Fukuyama (1991).

<sup>54</sup> Coleman (1988).

<sup>55</sup> Granovetter (1973), p.1360.

<sup>56</sup> Schuller, Baron and Field (2000), p.35. Of course, as with any conceptual framework, the notion of social capital also has its detractors. The 'elasticity' and fogginess of the term has been highlighted, for example. As the European Commission points out, social capital at times 'remains a notoriously vague, ill-defined, and contested term'. Yet, as the EC also point out, this 'reflects the presence of a vital debate over the theoretical meaning and practical importance of the concept' EC-DGESE (2007), p.4.

<sup>57</sup> DeFilippis (2001), p.800.

tism being the most obvious example. Instead, it is important to consider the way in which power is negotiated *differently* by different individuals embedded in different networks. Rather than simply a possession of an individual or community, we conceptualise social networks as a resource – that may be used in a variety of different ways, the results of which are, overall, either positive or negative. As such, we distinguish clearly between *inclusive* and *exclusive* social capital<sup>58</sup> and thus the differing impact of different kinds of networks and relations.

## TYPES OF SOCIAL NETWORKS

Social networks are not, therefore, in and of themselves a source of social good. Networks, through their particular power dynamics, can exclude and deny as significantly as they include and enable. They can produce division as much as foster cohesion.<sup>59</sup> Thus, it is important to distinguish between different types of social networks.

Three different kinds of social capital are commonly distinguished according to the nature of the relationships they contain. These are;

### 1. Bonding social capital

- Horizontal relationships – connecting people on the basis of similarity;
- Produced from kinship relationships,<sup>60</sup> close friends and neighbours, ethno-religious and ethnic groups;
- Tends to be socially exclusive, reinforcing exclusive identities and maintaining homogeneity among members.<sup>61</sup>

Here, we may distinguish between two different kinds of bonding networks relevant to the BiH context: familial networks based on kinship relations and ethnically-based networks based on perceptions of shared ethnic histories, experiences and identities.

### 2. Bridging social capital

- Horizontal relationships – connecting people from different backgrounds;
- Produced from weaker relationships such as acquaintanceships, loose friendships and working relations;
- Tends to be more inclusive through tending more towards diversity and heterogeneity.

### 3. Linking social capital

- Vertical relationships – connecting people with dissimilar social standing and spanning power differentials;

- Produced from relations with people in positions of power and/or authority, such as representatives of public and private institutions.

Each of these networks provides different outcomes, some negative and some positive.

In terms of positive outcomes, familial bonding networks, for example, are useful to individuals where they provide a source of support in times of need. The results of our research show that people in BiH are very likely to turn to their families for support and assistance. Here, we see that individuals are likely to be able to draw on such networks in times of crisis, such as ill-health or financial difficulties.

Similarly, bridging networks can facilitate better flows of information, provide the basis for civic associations and, through encouraging greater diversity, enable better social cohesion. Acquaintanceships and membership of secondary associations are particularly important sources of social solidarity and provide the basis for a healthy and well-functioning civil society.<sup>62</sup>

Finally, linking networks are also important. They allow for higher levels of political participation, through political empowerment, and reduce the potential for elitism, clientelism and concentrations of power within certain levels of the social strata.

Yet in each case these networks can also produce socially deleterious effects.

For example, while often being advantageous for individuals, familial bonding networks have the potential for negative consequences. A society that is composed of isolated and homogenous familial networks is more likely, for example, to contain high levels of nepotism and corruption, where information flows and norms of reciprocity are restricted within certain networks. Within such networks, where norms of obligation or reciprocity restrict individual rights or freedoms (for example in extended family networks in which familial obligations mitigate against the reporting of domestic violence), the ramifications for the individual can also be extremely damaging.

Similarly, where individuals rely on family networks for care and support, the burden of these tasks may be more often borne by the female members of the network than the male members, thus reproducing unequal power relations within the family. Bonding networks based on notions of ethnic-identity, mean-

<sup>58</sup> With thanks to Paula Pickering for bringing to our attention the distinction between inclusive and exclusive social capital.

<sup>59</sup> Field (2003), p.3.

<sup>60</sup> The term 'kinship' generally refers to relationships built on family ties.

<sup>61</sup> Field (2003), p.32.

<sup>62</sup> Field (2003), p.33.

while, have the potential to foster ethnic divisions, through enforcing norms that legitimise prejudice and discrimination towards other groups.

Linking networks, through which individuals have formal or informal associations with those in positions of power, can also be a double-edged sword. Such networks, while containing the possibility of increasing individual political empowerment, also contain the danger of fostering clientelism and corruption, such as when these relationships are used to call in favours or inappropriately influence political decision-making. It is with linking networks that the distinction between relationships that are useful for an individual yet detrimental to the society is most apparent.

There are also downsides to bridging capital. The importance of bridging networks is in their diversity. However, managing the dynamics of a diverse group can be difficult. Diversity itself can sometimes limit the amount of common ground upon which communication is based or simply making it more time-consuming.

This may particularly be the case for large networks that involve members from different countries who are not able to meet regularly or who communicate electronically, for example.

The type of network, therefore, does not necessarily tell us anything about the degree to which it might be a beneficial or detrimental network. As Coleman argues, social capital needs to be defined by its function.<sup>63</sup> Different types of social capital facilitate different actions within a social structure. Identifying the type of actions being facilitated by a certain network is essential – as we will see below – to interpreting social capital in the light of human development and social inclusion. To that extent, it is additionally helpful to distinguish between *inclusive* and *exclusive* social capital.

- **Inclusive social capital** may therefore be defined as the social capital created in social networks that are open without restriction on the admission of new members and where new membership is encouraged. Levels of diversity that result from such networks should be considered in terms of gender, race and ethnicity, class, age and other relevant elements of difference.
- **Exclusive social capital** on the other hand may be understood as the social capital created in closed networks, where admission requires costly

activities by the non-member, or 'is exclusively based on a non-acquirable social attribute such as race, family membership, caste and so on, which makes the admission of new members difficult or even impossible.'<sup>64</sup>

While bonding networks tend to lend themselves to being more exclusive and bridging, towards being more inclusive, it is important not to collapse these terms, but to focus instead on the wider impact of certain kinds of networks in relation to the social whole. It then becomes possible to harness the full advantages of social capital. From a policy-making perspective, the idea is therefore to look at the ways of ameliorating the negative effects of some forms of social networks, while simultaneously creating mechanisms to stimulate the positive effects of others. This approach will be explored further below.

## SOCIAL CAPITAL FROM A HUMAN DEVELOPMENT PERSPECTIVE

### Human development, social inclusion...

'Human development' is the foundational paradigm that drives the work of UNDP. Work driven by human development aims to create:

...an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. ... Development is thus about expanding the choices people have to lead lives that they value. And it is thus about much more than economic growth, which is only a means – if a very important one – of enlarging people's choices.<sup>65</sup>

A human development approach aims to enlarge choices through building human capabilities, understood as 'the range of thing that people can do or be in life.' The expansion of choices can involve providing 'greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms, and a sense of participation in community activities.'<sup>66</sup>

Social inclusion emerges from a different intellectual lineage than that of human development but shares similar concerns. The notion of social inclusion developed within the context of the European Union's efforts to alleviate poverty and unemployment and has been most clearly elaborated in that context. Social inclusion aims to address social exclusion, defined as:

<sup>63</sup> Coleman (1988), pp.95-120.

<sup>64</sup> Allen (2000). See also Pickering (2007), p.112.

<sup>65</sup> UNDP, HDRO website, viewed 30 July 2009, <<http://hdr.undp.org/en/humandev>>.

<sup>66</sup> UI Haq, M., HDRO website, viewed 30 July 2009, <<http://hdr.undp.org/en/humandev>>.

...a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong-learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day-to-day lives.<sup>67</sup>

As a multidimensional phenomenon social exclusion involves deprivation in the economic, social, cultural and/or political arenas. Processes of social inclusion therefore attempt to address these deprivations. The European Commission defines social inclusion as 'a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live.'<sup>68</sup> Here it is understood in relative terms, but elsewhere the EC has also expressed social inclusion in more absolute terms as an 'individual's right to have a life associated with being a member of a community.'<sup>69</sup>

An advantage of the concept of social exclusion/inclusion over an approach based on poverty and other material deprivation is its focus on processes, i.e. the dynamics of the interaction between an individual and his or her social, legal, and economic environment. Asking whether a person is able to participate equally in mainstream society leads to identifying any barriers to participation. These barriers can be institutional (discrimination, lack of infrastructure or absence of services, or, in the case of people with disabilities, can also be the physical accessibility of buildings or schools), in the community (prejudice, marginalization), or personal (lack of education, withdrawal, rejection, or fears). Different population groups may experience different and overlapping vulnerabilities or face different barriers, which require different strategies to overcome them.<sup>70</sup>

Considered in relation to human development, the affinities between the two concepts are clear. Both aim to improve choices and opportunities through creating enabling environments. These environments are constructed, in part, through the removal of barriers to participation and inclusion in communities and societies. In the context of the European Union, development and poverty reduction are understood to go beyond economic development, and social inclusion is utilised to symbolise this extension – just as human development extends well beyond alleviating material deprivation.

### ... and social capital

Importantly for our purposes here, social capital – the networks and ties in which people participate – can be understood in relation to the frameworks of both social inclusion and human development, because both of those frameworks place human well-being within a social context and preface the interaction of the individual with the community and society as key to understanding their well-being. Here, the distinction we have made between inclusive and exclusive social capital outlined above is key.

Inclusive social capital – open networks that encourage diverse membership – contributes to human development by increasing the choices and opportunities of the members of the community in which this social capital exists. Inclusive social capital provides opportunities for the individual to develop capabilities, and heightens freedom to choose. Increasing levels of social trust can also be seen as one of the elements in the provision of an enabling environment for the expansion of opportunities that lies at the heart of human development. The fostering of inclusive networks militates against social exclusion by enabling greater participation from groups who would otherwise be left out. Heterogeneous networks, particularly when based on weak ties, have been shown to improve the flow of information in society (Granovetter). As such, these networks have the capacity to provide the basis for access to more and better choices.

At the same time, however, social networks can also influence equity of access to services – jobs, for example – by permitting some and excluding others. As such, we take into account the importance of identifying and reducing exclusive social capital – closed networks that restrict access to others – which has the tendency to increase inequalities, restrict opportunities and choices for some, reduce participation and empowerment and reduce trust, both social and institutional. Reducing the effects of these kinds of social network reduces inequalities and ensures that opportunities are spread more equally throughout society, thus contributing to human development and greater inclusion.

### Social capital and economic development

The kinds of social networks that are common within a society may also directly affect the economic development of that society. As with other forms of capital, social capital is productive; it makes possible the achievement of certain ends that without it would not be possible. The trust element of social capital is perhaps the clearest illustration of its im-

<sup>67</sup> Council of the European Union (2004).

<sup>68</sup> Council of the European Union (2004).

<sup>69</sup> Townsend (1979), p.31.

<sup>70</sup> Rosenberg (2008).

portance to economic development. High levels of trust – both within and across different groups – can help to reduce the costs of transactions between those groups. Conversely, low levels of trust between groups can facilitate the construction of unnecessary and cumbersome procedures and bureaucracy, thus increasing transaction costs. By way of illustration, it is perhaps not surprising to find in a society such as BiH with such low levels of social trust that there are such complex and lengthy procedures for, say, starting a business in BiH, which (as noted in Chapter 1) takes on average 12 separate procedures and 60 days to complete.<sup>71</sup>

Broad, diverse social networks, on the other hand, have other direct economic benefits. They can, for example, also foster innovation better than closed, tightly bonded networks, because heterogeneous networks are much better at facilitating flows of information. As such, they can serve as conduits for new ideas and the uptake of new technologies, improving, for example, productivity. In addition to numerous indirect benefits for the economic development of a community, improving the levels of social capital also, as illustrated briefly here, has direct economic benefits.

### PRIOR RESEARCH ON SOCIAL CAPITAL

Before launching into an analysis of the research undertaken for this report, it is useful to briefly reflect on the results of similar research on social capital or social trust that has been undertaken since 2000. As mentioned in Chapter 1, elements of social capital – trust, networks and reciprocity – have been the subject of a number of studies in BiH. In addition to the World Bank's *Local Level Institutions and Social Capital* (2002) and the Balkan Analysis Group's *Trust in Transition* (2004), there have been a few academic studies, as well as the most recent report by the Friedrich Ebert Foundation, in 2009,<sup>72</sup> which focused specifically on social trust. Below are some of the key findings of this prior research.

The World Bank's 2002 study was interested to assess the change in the dynamics of immediate social networks before and after the war. The quantitative research measured the number of invitations into homes of friends, neighbours, colleagues and family in comparison to the number of invitations prior to

the war and assessed the levels of reciprocity within social networks (financial aid, food and commodity donations and neighbourhood cooperation in building and repairing houses and public spaces) compared to before the war.<sup>73</sup> The report found that social capital had been very much affected by the war, via a decline in informal socialising, in particular between different ethnic groups. In addition, they found that levels of socialising had declined much more among colleagues and neighbours, in particular those of another ethnicity, than with relatives and close friends.<sup>74</sup>

In terms of associational life, the qualitative component of the 2002 study found declining levels of membership in associations, of voluntarism, and of trust in associations. We, too, have found very low levels of associational membership in our research and almost non-existent levels of formal and organised voluntarism.

The one significant change between the 2002 report and our research undertaken in 2008 is that at the earlier time the key social cleavage was perceived to be along ethnic lines, in particular between IDPs, returnees and locals, with the tension being over jobs, aid and access to welfare. To some degree, the dust seems to have settled a little more in the ensuing years and, as we will see in Chapter 3, the most significant social tension is now perceived as being between rich and poor, rather than between ethnic groups.

In a detailed assessment of different kinds of trust, in 2004, the Balkans Analysis Group published 'Trust in Transition: Generalised Trust in Bosnia & Herzegovina.' The report assessed different kinds of social and institutional trust and highlighted with concern a 12% drop in trust levels in BiH since 1998.<sup>75</sup> Although the authors found that generalised trust in BiH was very low, by introducing alternative variables of 'difference,' they were also able to show that these low levels were not exclusively related to ethnicity.<sup>76</sup> Thus, the analysis in *Trust in Transition* went some way to 'disproving the idea that individuals in Bosnia and Herzegovina harbour an intransigent distrust of people of other ethnicities.'<sup>77</sup> In our survey we replicated some of these measures of difference and produced similar results.

Finally, in 2008, the Friedrich Ebert Foundation pub-

<sup>71</sup> World Bank (2009). There is prior research linking low levels of social capital and lengthy and complex administrative procedure (see for example Knack & Keefer (1997). More research would be required in BiH to make this link definitively, however, in particular given the legacy of the prior socialist system which was also highly bureaucratic.

<sup>72</sup> Salaj (2009).

<sup>73</sup> World Bank ECSSD (2002), pp.9 – 33.

<sup>74</sup> World Bank ECSSD (2002), p.9. The study did not assess whether levels of mixed marriages had altered overtime.

<sup>75</sup> Håkansson and Hargreaves (2004), p.9.

<sup>76</sup> Håkansson and Hargreaves (2004), p.9.

<sup>77</sup> Håkansson and Hargreaves (2004), p.9.

lished a short report based on a survey of 1966 respondents. The research also looked at generalised trust, trust of different groups and social distance. Again, challenging the common emphasis on the 'three constituent peoples,' the 2009 study also assessed the degree to which people are open to contact with other minorities, such as the Roma minority, and found that by far the highest levels of prejudice were directed towards this group rather than towards other constituent peoples.

## APPROACH

Considered within a conceptual framework of human development and social inclusion and in the light of the significant amount of research on the topic in recent years, social capital research has the potential to provide insight into the divisions in BiH society as well as the effects of marginalisation on excluded populations. It can thereby suggest a way forward towards addressing these divisions.

In what follows we aim to do precisely that. We draw upon the results of a comprehensive survey undertaken with a representative sample of 1623 respondents in November 2008. The survey assessed the nature of social ties, the level and type of reciprocal relations, different forms of social trust, perceptions

of social tension, forms of associational membership, voluntarism and political participation.<sup>78</sup> Throughout the process of analysis, all data was disaggregated by gender and assessed for significant differences and inequalities and for notable or striking similarities. These are presented throughout the report.<sup>79</sup> In addition, most of the data was disaggregated by age, ethnicity, education, urban/rural settlement, income level and entity.

The survey was complemented by a series of focus groups which looked in particular at excluded groups, such as unemployed women, isolated elderly people, internally displaced persons and minority returnees. Focus groups were also held with representatives of civil society organisations in order to understand more fully the difficulties faced within the third sector in BiH, as a crucial focus of this report. Finally, we have also striven to provide an illustration of inclusive social capital through the case studies that appear at the conclusion of the report. These studies, focusing on associations (formal or informal) demonstrate diverse and equitable networks that may provide models for policies and practices in the future. They aim, on a positive note, to provide examples of autonomous, well-functioning, diverse networks throughout the country that, we hope, can provide inspiration for future policies, projects, programmes and activities.

<sup>78</sup> See more detailed methodology report in Annex 1.

<sup>79</sup> Where data is not presented as disaggregated by gender, this is because there was no significant difference between the responses of men and women.



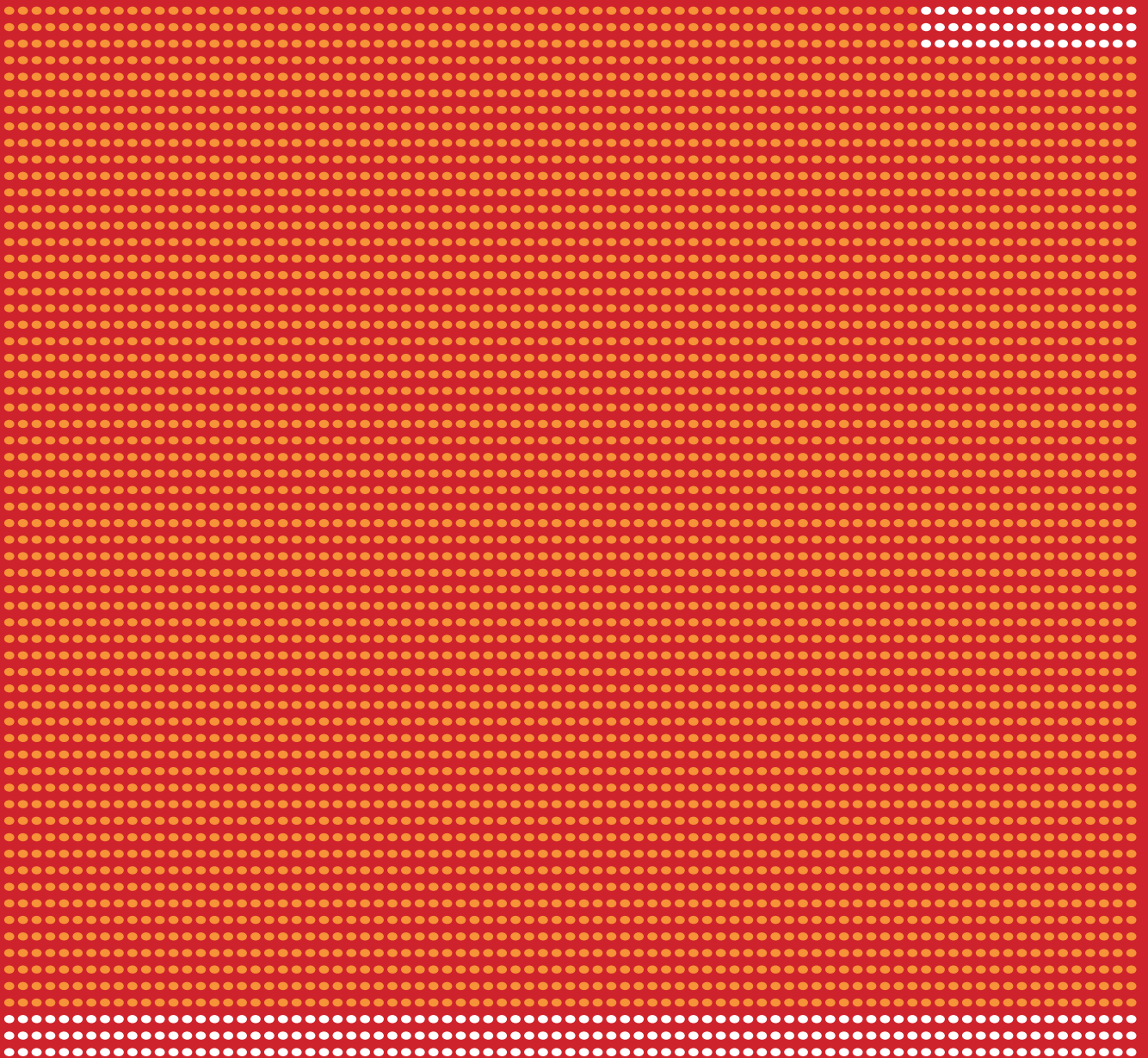


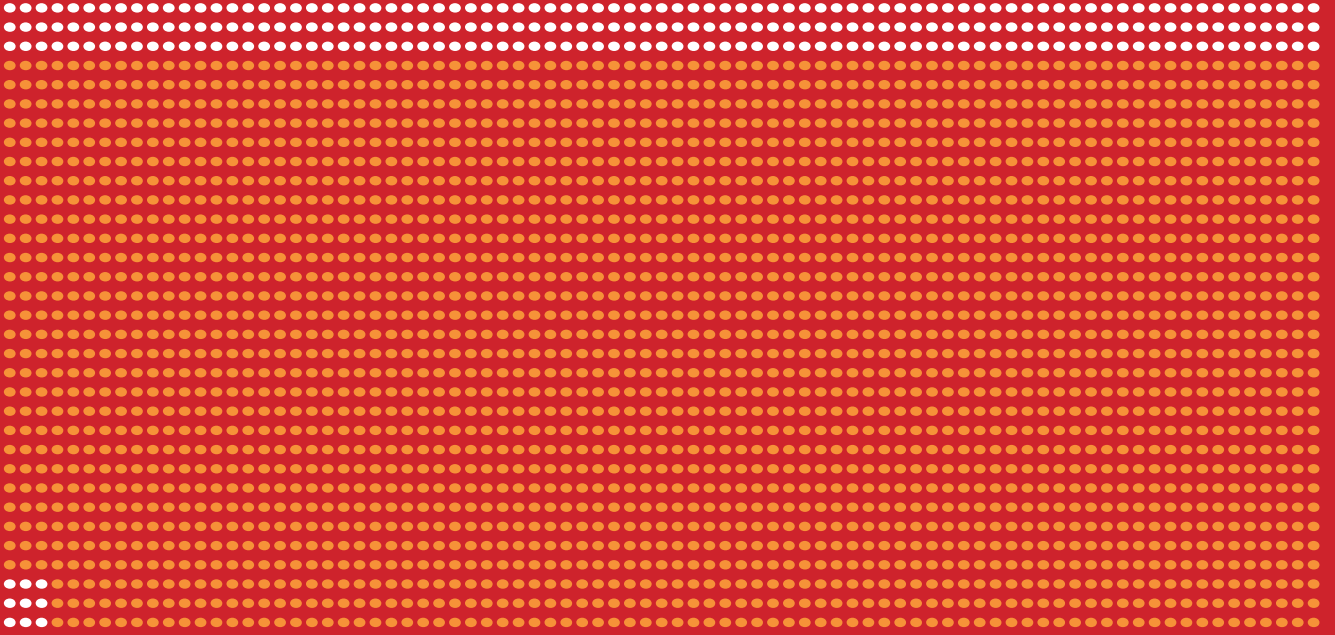
# Social ties in Bosnia and Herzegovina

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# 3





3

## Social ties in Bosnia and Herzegovina

As we described in Chapter 2, social capital arises from the nature of social relationships and can be defined as the norms of reciprocity and trust that emerge when people are embedded in networks of inter-connected social relationships. We also distinguished in Chapter 2 between bonding, bridging and linking social capital and we drew attention to the potentially dual nature of social capital. We noted that social capital can be beneficial to those involved in the social network but it can also provide barriers to non-members, excluding them from the potential benefits of membership. It can be a source of social solidarity and cohesion but also of nepotism and cronyism. Social ties are likely to be most beneficial for a society, if they bring together people from all walks of life in a broadly-based web of affiliations rather than socially fragmented or segmented ones. In the following sections of this chapter we draw on these ideas to sketch out the patterns of social ties in contemporary BiH. We then turn to the patterns of trust, norms of reciprocity and social cohesion that flow from these patterns.

### SOCIAL NETWORKS: TIES WITH FAMILY, NEIGHBOURS AND THE WIDER COMMUNITY

In our 2008 survey we asked a number of questions on the nature of people's social ties. One particularly

telling question asked how much contact respondents had with family or relatives, neighbours, close friends, people of one's own ethnicity, people of other ethnicities and people of other ways of life. We can think of the first four types as representing different aspects of bonding social capital, while the fifth represents bridging social capital, and the final one can be thought of as linking social capital. Table 3.1 shows the resulting picture.

Table 3.1 and Figure 3.1 show a clear picture, with bonding social capital – ties with family, neighbours, close friends and people of one's own ethnicity – much more prevalent than bridging or linking social capital involving people of other ethnicities or other ways of life.

There is a clear division, with around three-quarters of respondents seeing family, neighbours, close friends or people of their own ethnicity a few times each week or almost every day, while the majority seldom or never spend time with people of other ethnicities or ways of life.

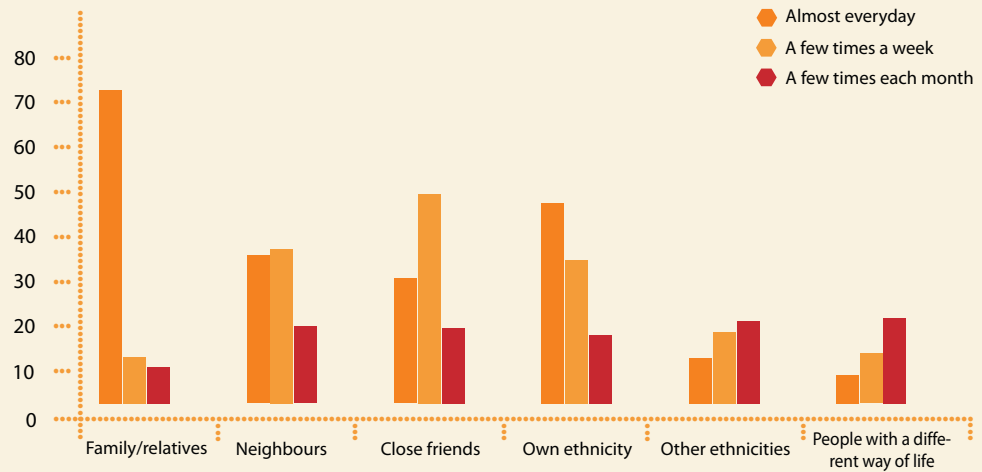
However, much the strongest ties seem to be with family and close friends. We asked some additional questions about who one turns to in a variety of difficult situations. These questions replicated some of

**Table 3.1** Spending time with family, neighbours and the wider community

How often do you spend time with the following groups?

In %	Almost everyday	A few times a week	A few times each month	Seldom	Never	Don't know / Don't wish to answer	Total
Family/Relatives	72.4	13.1	9.6	4.1	0.3	0.4	100%
Neighbours	31.7	33.7	17.5	13.8	2.0	1.1	100%
Close friends	27.8	46.1	17.4	4.9	2.1	1.7	100%
Own ethnicity	44.6	30.5	16.0	6.3	0.7	1.7	100%
Other ethnicities	11.6	15.8	20.8	35.1	12.6	4.1	100%
Different way of life	7.9	13.4	20.3	39.3	12.3	6.8	100%

**Figure 3.1** Often spending time with family, neighbours and the wider community



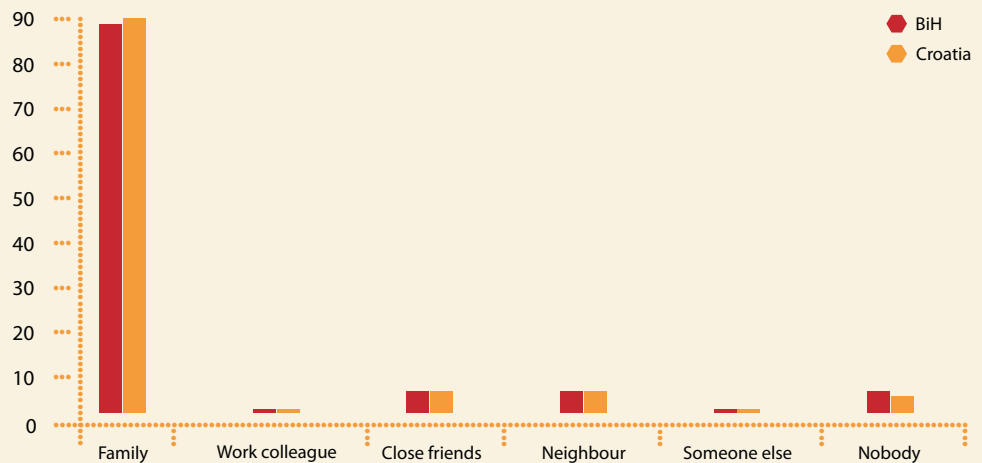
those asked in the Quality of Life<sup>80</sup> surveys that had been asked in other countries in the region. This can give us a picture of the strength of these ties. As we can see from Figures 3.2a to 3.2c, family overwhelmingly dominates the picture.

While the overwhelming predominance of family is perhaps the clearest single message from the figures above, it is also striking how few people responded

that they had no-one to turn to (or who did not know who to turn to). Only three percent said that they had no-one (or didn't know who) to turn to when they were ill and only five percent when one needed someone to talk to. However, this figure rose to nearly twelve percent when we asked about access to finance, which perhaps illustrates some of the limitations of this form of bonding social capital: the kind of help that these close ties can provide will de-

**Figure 3.2** The strength of social ties

**Figure 3.2a** Who do you turn to when you are ill and in need of help?



<sup>80</sup>The Quality of Life Survey was undertaken by Eurofound, the European Foundation for the Improvement of Living and Working Conditions, in all EU member states in 2003 and 2007 and measures living conditions and perceptions of quality of life. In 2007 the survey was expanded to include FYROM (TFYR), Croatia and Turkey. See <http://www.eurofound.europa.eu/>.

Figure 3.2b Who do you turn to when you need someone to talk to?

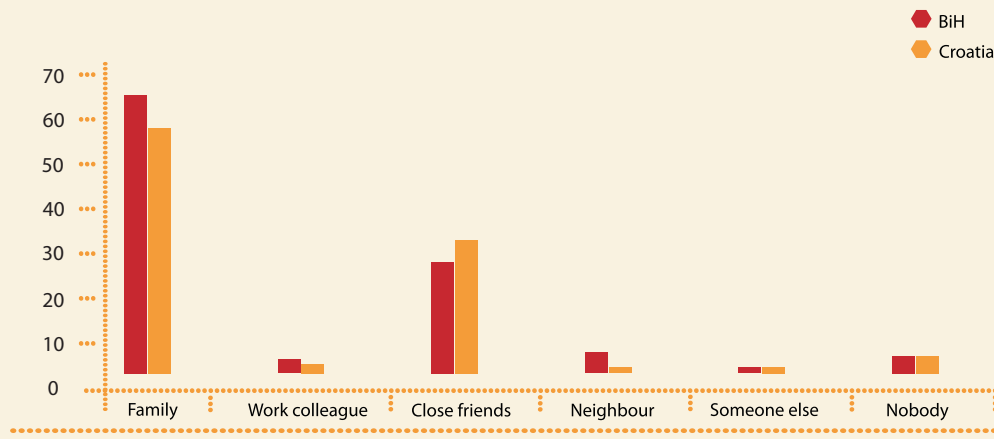
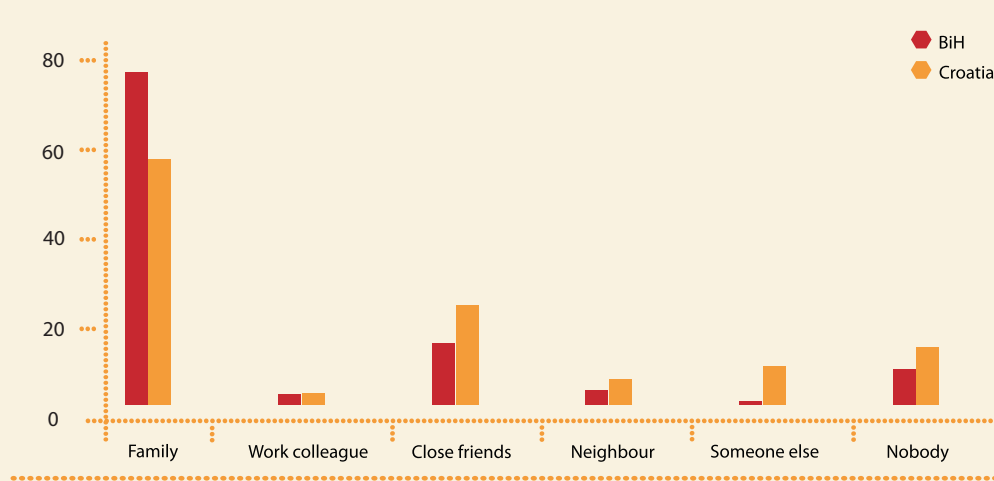


Figure 3.2c Who do you turn to when you need to urgently raise 1000 KM?



pend on the resources available within the network, and in some respects, especially financial, these resources may be quite limited.<sup>81</sup>

It is interesting that the picture in BiH is not all that different from that found in recent research in Croatia, which also shows a predominance of strong ties with family. We also found that these patterns of strong ties with family and a predominance of bonding social capital over bridging or linking social capital were replicated in both the FBiH and the RS. It was more or less equally prevalent among Bosniacs, Croats and Serbs as well as among men and women. Table 3.3 illustrates the lack of difference between the main groups in these respects.

Overall, then, the picture is a remarkably uniform one. There appears to be a common pattern of bon-

ding social capital and a relative lack of bridging or linking social capital that is more or less pervasive throughout all sections of BiH society. However, there are some modest differences which are worth noting. Firstly, bridging and linking social capital both seem to be somewhat more prevalent among urban than rural residents and among younger than older people. This suggests that the picture of BiH as a country dominated by strong familial ties is most applicable to older, rural generations and may perhaps change in the future, as the country urbanises and new generations come of age.

Secondly, we can make a distinction between people who live in areas where their ethnicity is in the majority and those who are a minority in their area of residence. We also have a third category for people who regard their area as 'balanced' between their

<sup>81</sup> We draw on these particular questions in Chapter 4 for our discussion of network poverty.

**Table 3.3** Group similarities and differences: who one spends time with<sup>82</sup>

Spending time with ... almost every day or a few times a week.

In %	Family	Close friends	Neighbours	Own ethnicity	Other ethnicities	People with a different way of life	N
All	75.4	72.2	67.2	76.1	29.1	24.0	1600
Men	74.4	73.2	75.6	75.6	31.3	23.2	784
Women	76.4	71.2	68.0	76.5	26.9	24.8	816
FBiH	77.0	71.7	62.5	71.0	30.0	25.7	933
RS	72.2	72.8	74.2	84.6	27.9	22.7	634
Brčko <sup>83</sup>	86.5	80.5	67.8	67.8	26.2	6.8	118
Bosniac	77.6	70.7	62.7	72.6	28.1	23.8	658
Serb	72.8	73.2	74.4	84.3	26.1	22.7	634
Croat	75.9	76.7	65.0	70.5	32.5	24.6	240
Of local ethnic majority	75.8	73.1	68.4	78.6	25.5	22.7	1334
Of local ethnic minority	65.4	56.4	59.7	51.2	47.0	29.9	131
Of ethnically balanced community	84.0	81.0	66.8	78.2	49.6	31.1	111
Urban	75.3	68.5	53.0	71.5	33.5	30.5	686
Rural	75.5	75.0	77.8	79.5	25.8	19.1	914
Under 30	74.0	81.5	51.2	78.4	30.9	30.6	367
30 to 65	79.7	72.5	69.4	75.5	30.2	24.3	758
Over 60	68.7	64.0	76.4	75.5	26.1	18.3	457

own and another ethnicity. As we can see from Table 3.4, people in a minority are much the most likely to have bridging social capital (no doubt reflecting the greater opportunities for meeting people of other ethnicities locally). But they were also clearly weaker with respect to strong ties. We cannot be sure about

the causal processes involved in this. Possibly the presence of strong ties with family means that you have no need for bridging social ties, or alternatively the availability of bridging ties makes one less reliant on one's family.

**Table 3.4** Over-time comparison of who one spends time with (2003 and 2008)

% who spent time almost every day or at least few times a week	Family	Close friends	Neighbours	Own ethnicity	Other ethnicities	People with a different way of life	N
Trust in Transition 2003	91.4	61.9 <sup>84</sup>	75.4	60.4	30.4	25.7	1858
NHDR data 2008	75.4	72.2	67.2	76.1	29.1	24.0	1600

<sup>82</sup> In Table 3.3 we combine the responses 'almost every day' and 'a few times a week.'

<sup>83</sup> All data was weighted prior to being analysed, however, in the case of the data from Brčko District, the weight was removed, giving us a larger sample of those respondents – in this case n=118. This is the case for all results for Brčko that appear in this report.

<sup>84</sup> This proportion is not strictly comparable with the results of the Trust in Transition survey since the response code was 'other people you know well' rather than 'close friends' (Håkansson and Hargreaves (2004)).

We also have some (limited) data on trends over time in the extent of bridging, bonding and linking social capital. The same question (with some very minor wording differences) was asked in the 2003 study Trust in Transition (discussed earlier in Chapter 1).

One always has to be careful when making comparisons with studies conducted at different points of time because of the potential differences in sampling methodology, fieldwork practices and so on.<sup>85</sup> However, the picture in 2008 looks very similar to that from five years earlier.

If anything, in 2003 the dominance of strong ties with family over all the other sources of social capital was even more marked. Some of the differences may be due to minor wording changes in the two surveys, but the weakness of bridging and linking social capital is very evident in both surveys, with no sign of change over time.

Overall then we see that BiH can be characterised as a society built on strong ties, albeit ones primarily with family, together with other locally-based ties with friends and neighbours. It is not a society with a great deal of bridging or linking social capital. Instead, BiH's social fabric is characterised by fragmentation and segmentation rather than cohesion and solidarity. It begins to look as though BiH has a web of localised strong ties rather than a broader and more integrative pattern of weaker but wider-spanning ties incorporating members of other communities, ethnicities or social classes.

### GENERALISED AND SPECIFIC TRUST IN BIH

Theorists of social capital anticipate that the pattern of social ties will be reflected in patterns of social trust. The absence of broader webs of bridging and linking ties leads us to expect that what has been

**Table 3.5** Generalised trust in BiH and other countries

Which statement do you agree with the most?

	Most people can be trusted	You can't be too careful when dealing with people	Don't know / Don't want to answer	Total	
	%	%	%	%	N
Sweden	65.2	30.7	4.1	100	1003
Finland	58.0	40.5	1.5	100	1014
USA	39.1	60.3	0.6	100	1249
Great Britain	30.0	68.3	1.7	100	1041
Bulgaria	19.6	68.7	11.7	100	1001
Poland	18.1	77.3	4.4	100	1000
Slovenia	17.5	78.9	3.7	100	1037
Serbia	13.6	75.4	11.0	100	1220
<b>BiH</b>	<b>9.9</b>	<b>86.9</b>	<b>3.2</b>	<b>100</b>	<b>1600</b>
Peru	6.2	92.4	1.4	100	1500
Turkey	4.8	94.6	0.5	100	1346
Rwanda	4.8	94.6	0.6	100	1507
Trinidad and Tabago	3.8	95.9	0.2	100	1002

Source: WVS 2005-08.<sup>86</sup>

<sup>85</sup> These are likely to be particularly problematic in BiH given the absence of a regular sampling frame or census for weighting and adjusting results.

<sup>86</sup> This is a rough comparison given the differences in methodology between our survey and that of the World Values Survey.



called 'generalised' trust will be low in BiH, and this is indeed what previous studies have found.

The standard question on 'generalised trust' that has been asked over many years and in many different countries asks people: 'generally speaking, would you say that most people can be trusted, or you can't be too careful when dealing with people?' Table 3.5 shows that only 10% of our respondents agreed that 'most people can be trusted.' For comparative purposes we have added in the table the corresponding figures for a selection of other countries from the World Values Surveys for 2005-08, and from these comparisons we can see that the BiH figure is very low compared with other European and Western societies, although not actually the lowest.

As has been found in earlier research, the Nordic countries such as Sweden and Finland have the highest levels of generalised social trust, with nearly two thirds of the samples replying that most people can be trusted. This figure falls to around one third in other western countries such as the USA and Britain, and it falls further to less than one fifth in former communist countries such as Poland and Bulgaria. BiH is then somewhat behind its neighbours, Slovenia and Serbia, but is not as low as the least trusting countries like Rwanda, Turkey and Trinidad and Tobago.

In their analysis of earlier waves of the World Values Survey, Delhey and Newton (2005) found that trust tended to be highest in the Nordic countries, which they attributed to the legacy of Protestant values. They also found that high trust was associated with wealthier and more egalitarian societies and with ones characterised by better quality of government (as measured for example by the absence of corruption). Conversely they found that ethnic divisions tended to decrease trust. It is important to note, however, that these patterns are not inevitable, and poor and egalitarian societies might produce different results. Nevertheless, Delhey and Newton (2005) concluded:

An absence of ethnic cleavages is also important, presumably because people of the same ethnic background find it easier to trust one another. Wealthy and economically egalitarian societies are trusting soci-

eties, although wealth seems to matter more than equality. Last, good government is an essential structural basis of trust. Corruption-free and democratic government seems to create an institutional structure in which individuals are able to act in a trustworthy manner and can reasonably expect that others will generally do the same.<sup>87</sup>

Looking at the other countries at the bottom of Table 3.5, it also appears that countries with a recent history of violent internal conflict or insurgencies have especially low levels of trust. In this sense the results for BiH are by no means unexpected or exceptional. It could be argued that they are the natural outcome of recent violence, continuing ethnic divisions, and ineffective government. On the other hand, while these factors might well explain the patterns, they clearly indicate that a continuing issue of low trust in BiH urgently needs to be tackled.

The question on generalised trust reported in Table 3.5 does not provide the whole picture, however. When people answer this question on generalised trust, they are probably thinking of people whom they don't know well. When we distinguish who is trusted, we find a much more differentiated picture. In Table 3.6 we show the results when we distinguish what might be called levels of 'specific' or 'particularised' trust in family, friends, neighbours and so on, as opposed to 'generalised' trust.<sup>88</sup>

Here we see that 83% trust all or most members of their family, and 61 % trust close friends – much higher than the 10% for generalised trust. Specific trust figures fall for neighbours and are quite low – only 21% – for one's own ethnicity. They fall further to 11% and 9% for other ethnicities and people with other ways of life respectively, figures very similar to the 10% for generalised trust. So, there is a high level of trust in family and friends in BiH, middling levels for neighbours, while the low trust applies to people from 'outside' – non-family and non-neighbours.

These results closely parallel the ones shown earlier in Table 3.1, which documented patterns of social ties with these same groups. However, there is one notable difference between the two tables – trust in one's own ethnicity. Whereas respondents reported

**Table 3.6** Specific trust in BiH

% Trusting all or most of each group	Family	Close friends	Neighbours	Own ethnicity	Other ethnicities	People with different status
Total BiH 2008	82.7	61.1	33.5	21.3	11.0	8.7

<sup>87</sup> Delhey and Newton, 2005, p. 323.

<sup>88</sup> For this question we asked respondents whether they trust all, most, some or no people in each of the specified groups. We have combined the first two categories – all and most – in Table 3.6.

spending a lot of time with members of their own ethnicity (which could well include members of their family or local community) they did not express a great deal of trust towards other members of their ethnicity. This tends to reinforce our interpretation that trust in BiH is essentially localised and is based on strong ties with family, friends and other members of the local community. It does not extend to strong ties or trust with people outside one's local community, even with those of one's own ethnicity.

In line with this interpretation, we also find a strong sense of belonging to one's local area. 77% feel that they belong either very or fairly strongly to their immediate neighbourhood. This interpretation is confirmed by Table 3.7, which reports some measures of what we can term 'experiential' trust. We asked our respondents whether they agreed or not with each of the following four statements:

- 'Most people tell a lie, when they can benefit by doing so.'
- 'If you drop your wallet or purse around here, someone will see it and return it to you.'

- 'People are ready to use those they work with.'
- 'If you have a problem, there is usually someone who can help you.'

Just under 90% of our respondents agreed (either to a large or to a small extent) that people will tell a lie when they can benefit, indicating the same low level of trust as in the generalised trust question. But there is markedly more confidence that people *around here* (ie. in the local neighbourhood) will return your wallet (33%), and very high levels of confidence that if you have a problem, there is usually someone who can help you. As we saw earlier, that 'someone' is usually family.

Low generalised trust is also reflected in the high perceived levels of tension between social groups.

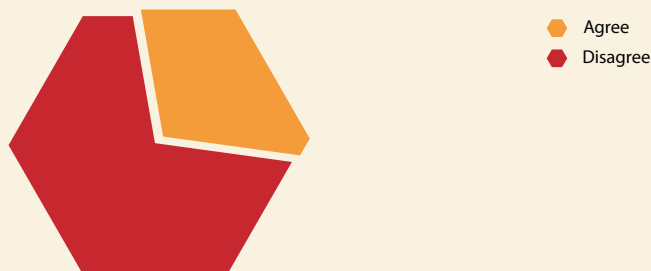
We asked our respondents:

- 'In all countries there sometimes exists tension between social groups. In your opinion, how much tension is there between each of the following groups in BiH?'

**Table 3.7 Experiential trust**

Agreement with the following statements in %	Agree to a large extent	Agree to a small extent	Disagree to a small extent	Disagree to a large extent	Don't know/ Don't want to answer	Total
Most people tell a lie, when they can benefit by doing so	49.4	39.0	4.4	1.3	5.8	100
If you drop your wallet/purse around here, someone will return it to you	6.3	27.0	34.1	23.4	9.2	100
People will take advantage of you, when you work with them	34.1	48.5	7.8	1.4	8.2	100
If you have a problem, there is usually someone that can help you	34.0	49.5	8.9	2.1	5.6	100

**Figure 3.3 Experiential trust: 'If you drop your wallet/purse around here, someone will return it to you.'**



The results are shown below in Table 3.8.

**Table 3.8 Perceive a lot or some tension between social groups**

	Rich and poor	Management and workers	Different nationalities and ethnicities	Old and young	Urban and rural	Men and women
BiH	87.9	85.6	78.6	77.5	76.6	67.7

We can see interesting parallels here with the picture of lack of specific trust in people of other ethnicities and other ways of life. Table 3.6 showed that trust in people with other ways of life was even lower than that in people from another ethnicity. Table 3.8 similarly shows that the tensions perceived between rich and poor (88% perceiving tension) and that between management and workers (86%) are even higher than the tension perceived between different ethnicities (79%). In other words we should not characterise BiH as a society where the only major line of

cleavage is between the different nationalities and ethnicities, in particular between the three constituent peoples. Other major fault lines in society are between rich and poor and between management and the worker. Again, this finding parallels our earlier findings about the weakness of integrating social ties even within ethnic groups.

Furthermore, as with patterns of social ties, these patterns hold to a very large extent 'across the board' and apply to residents in the RS, as much as they do

**Table 3.9 Group similarities and differences in levels of specific trust**

% Trusting all or most of each group	Family	Close friends	Neighbours	Own ethnicity	Other ethnicities	People with different status	Gen trust
Total BiH	82.7	61.1	33.5	21.3	11.0	8.7	9.9
F BiH	83.4	59.3	33.6	21.3	11.0	8.8	8.5
RS	81.0	63.2	33.0	21.0	10.9	9.0	12.2
Brčko (118)	92.4	69.5	45.8	32.2	10.2	1.7	5.1
Bosniac	81.6	58.5	33.1	20.9	10.8	9.1	7.4
Croat	83.5	56.6	34.9	20.7	12.3	7.7	11.2
Serb	83.4	64.6	33.6	22.3	10.2	8.8	12.2
Of local ethnic majority	83.2	63.0	35.3	22.1	10.5	8.8	10.5
Of local ethnic minority	77.0	44.4	25.9	22.2	16.7	12.0	9.2
Of ethnically balanced community	85.0	60.1	24.7	13.7	11.0	6.1	2.7
Men	81.4	61.7	34.1	18.8	9.9	7.9	8.7
Women	84.0	60.4	33.0	23.7	12.0	9.6	11.0
Urban	81.0	57.1	26.1	16.9	10.4	8.3	9.6
Rural	84.0	64.1	39.1	24.7	11.4	9.1	10.1
Under 30	88.1	71.9	25.5	19.0	10.4	9.6	8.9
30 to 65	81.7	58.8	30.3	18.3	9.0	7.3	9.8
Over 60	80.9	56.3	45.7	28.3	15.0	10.6	10.6

to those in the FBiH.<sup>89</sup> They apply more or less equally to Serbs, Croats and Bosniacs, to men and women, to young and old. These problems are shared throughout BiH and are not specific to one particular section of society. Table 3.9 shows the picture.

The one notable deviation from the general pattern comes, just as with the pattern of social ties reported in Table 3.3, in the case of people who are a minority in their local area. These individuals tend to have substantially lower levels of trust in friends and neighbours and, to some extent, in family too. On the other hand they have slightly higher levels of trust than the typical citizen of BiH in members of other ethnicities and of other ways of life. To be sure, these minority individuals are still not especially trusting of other ethnicities – only 17% say that they trust all or most people from other ethnicities – so that is still a pretty low level of trust. But it is still quite a lot higher than among other sections of BiH society.

### TRENDS OVER TIME IN GENERALISED AND SPECIFIC TRUST

The question on generalised trust has been asked on a number of occasions in BiH over the last ten years. What one would hope to find is some evidence of improvement, as the war and its legacy have faded into the past. However, table 3.10 does not offer a

great deal of comfort. If anything the trend has been downward. As mentioned, there are dangers in comparing results from different surveys because of various kinds of sampling problems and variations in sampling methodology, so one should not perhaps read too much into the downward trend. The figure of 1998 does appear to be something of an outlier, although it is possible that it reflects a period of optimism immediately after the cessation of violence. From 2001 onwards, however, the figures have been consistently low. The picture of little real change or, if anything, a decline in trust is confirmed when we look at the responses to the questions on specific trust, which were also asked in the 2003 study. Here, we see that for the five groups where comparisons can be made the level of trust was slightly lower in 2008 than it had been in 2003.

However, there is a much more optimistic picture when we turn to a question on the impact of the war on everyday life. Both in 2005 and 2008 respondents were asked 'How important to you personally is what happened during the war, 1992 to 1995 – What impact does the war have on your everyday life?' The possible answers were 'very important, I'll never forget,' 'important but I have moved on with my life,' 'trying to forget it' and 'not important – has no impact.' Figure 3.4 shows the change over time. Here we do see a major decline in the perceived importance of the war with a major shift of responses from 'very im-

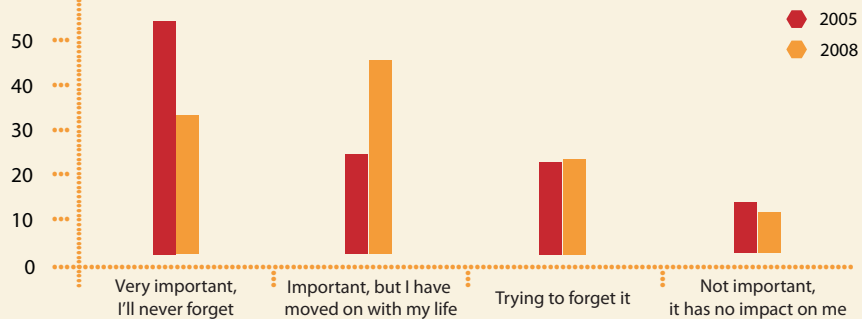
**Table 3.10** Generalised trust over time

Which statement do you agree with the most?	Most people can be trusted	You can't be too careful when dealing with people	Don't know/ don't wish to answer	Total (sample size)		Source
Year of survey	%	%	%	%	N	
1998	26.9	68.2	4.9	100	1200	World Values Survey
2001	15.6	83.2	1.2	100	1200	World Values Survey
2003	14.5	84.2	1.3	100	1857	Balkan Analysis Group
2006	7.2	91.8	1.0	100	3580	UNDP / ORI
2008	9.9	86.9	3.3	100	1600	UNDP

**Table 3.11** Specific trust over time

% of people trusting all or most of the following groups	Family	Close friends	Neighbours	Own ethnicity	Other ethnicities	People with a different way of life
Total BiH 2003	84.9	n/a	48.5	25.7	13.6	14.6
Total BiH 2008	82.7	61.1	33.5	21.3	11.0	8.7

<sup>89</sup> We must treat the figures for Brčko with considerable caution here because of the small sample size.

**Figure 3.4 Importance of the war on everyday life<sup>90</sup> (2005 compared to 2008)**

portant, I'll never forget' to 'important but I have moved on with my life.' Moreover, our checks showed that this change applied to all sections of BiH society - it occurred 'across the board' and was just as evident in the RS as in the FBiH, among men as among women, and so on. This is perhaps the most encouraging evidence that we have yet seen in this chapter and suggests that the time is a good one for new initiatives and developments that might serve to rebuild social capital and trust.

## CONCLUSIONS

The key findings on social capital and trust in BiH are as follows:

- BiH is a society characterised by strong ties and bonding social capital with family and to a lesser extent with friends and neighbours. There is much weaker bridging of linking social capital. BiH is largely a family-based, local society.
- In line with the pattern of social ties, BiH is a society characterised by very low generalised trust. This low trust applies to people of other ethnicities but also to people of other ways of life and even to people of the same ethnicity who are not part of one's immediate social circle.
- These patterns hold generally true across entities, ethnic groups, men and women, educational levels and so on. These are shared patterns. The lack of generalised trust and of bridging and bonding social capital is a shared problem.
- But some groups do stand out a bit more than others - in particular people who are in the minority in their area.
- There has been little change over time in any of these patterns.

While this is in many ways a rather pessimistic picture, it is important to remember that strong ties do

have their advantages - for example provision of social support in times of need. Very few people lack support networks - although the problems of those without such networks may be especially great in a society such as BiH, which is largely organised around tightly-knit local communities. However, there may also be a downside to a strong-tie, locally-based society - the social exclusion of outsiders and risks of nepotism, clientelism, cronyism or worse.

It is also important to recognise that the bonding social capital is largely locally-based - there is considerable distrust of members of one's own ethnicity who are not members of these local communities. In other words, the low generalised trust applies to people from all ethnicities and walks of life one does not know personally. Furthermore, there are other important social tensions in addition to those between ethnicities in BiH. If anything there is even greater distrust of people in other ways of life, and there is even greater perceived tension between rich and poor or management and worker.

So there are huge challenges ahead - but perhaps the time is opportune, as the majority of people now seem ready to move on from the war and to build anew. The key challenge is to strengthen the bridging and linking social capital without losing the strengths that the family and community-based bonding capital provides to its members. As Putnam has emphasised, bridging and bonding capital should not be seen as mutually exclusive alternatives.

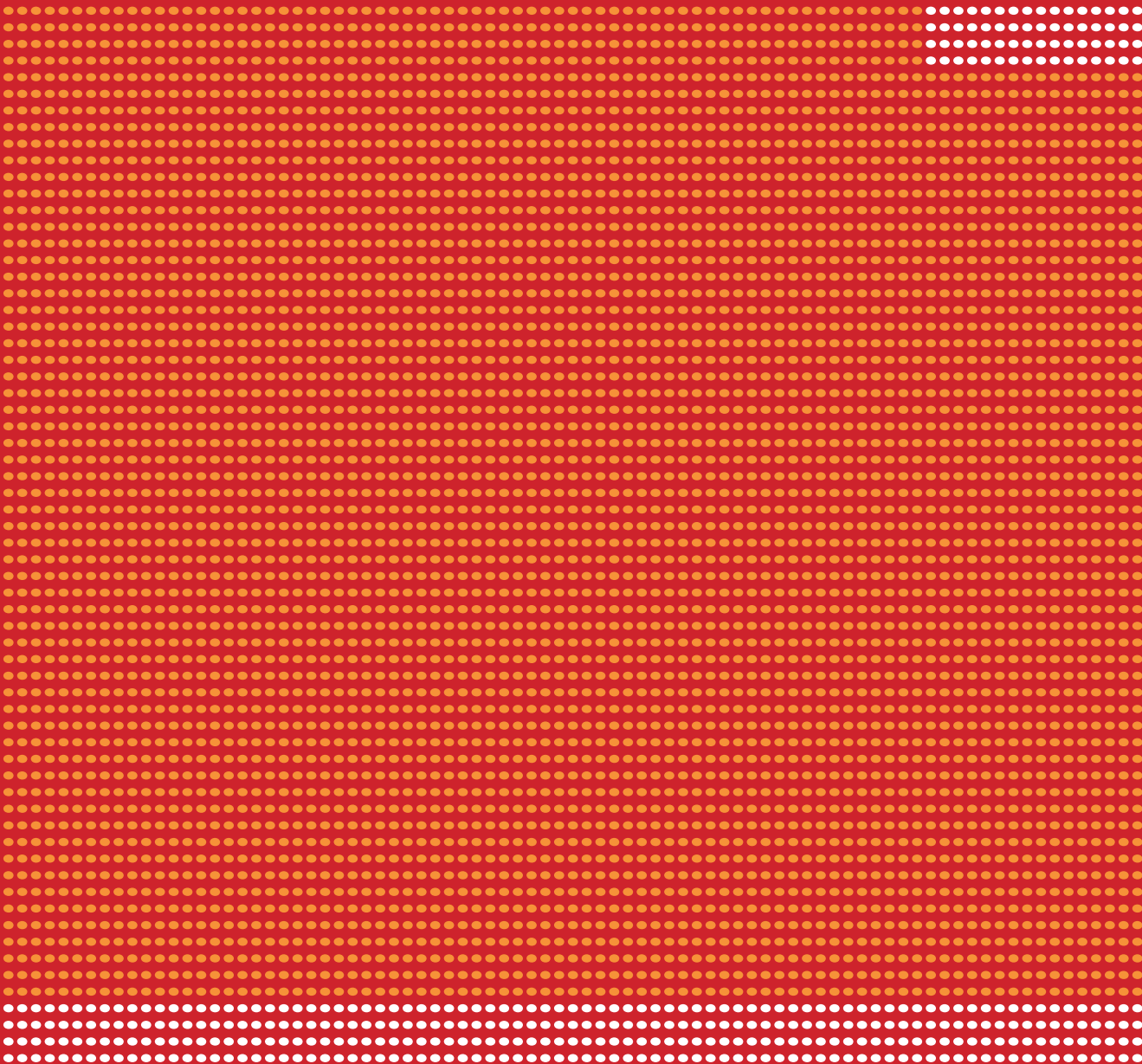
High levels of social support from family and community can coexist with trust in 'generalised' others. Key ingredients in meeting this challenge are likely to be the elimination of corruption, nepotism and cronyism and providing a much more level playing field, so all members of BiH society can have fair access to efficiently-run services and resources.

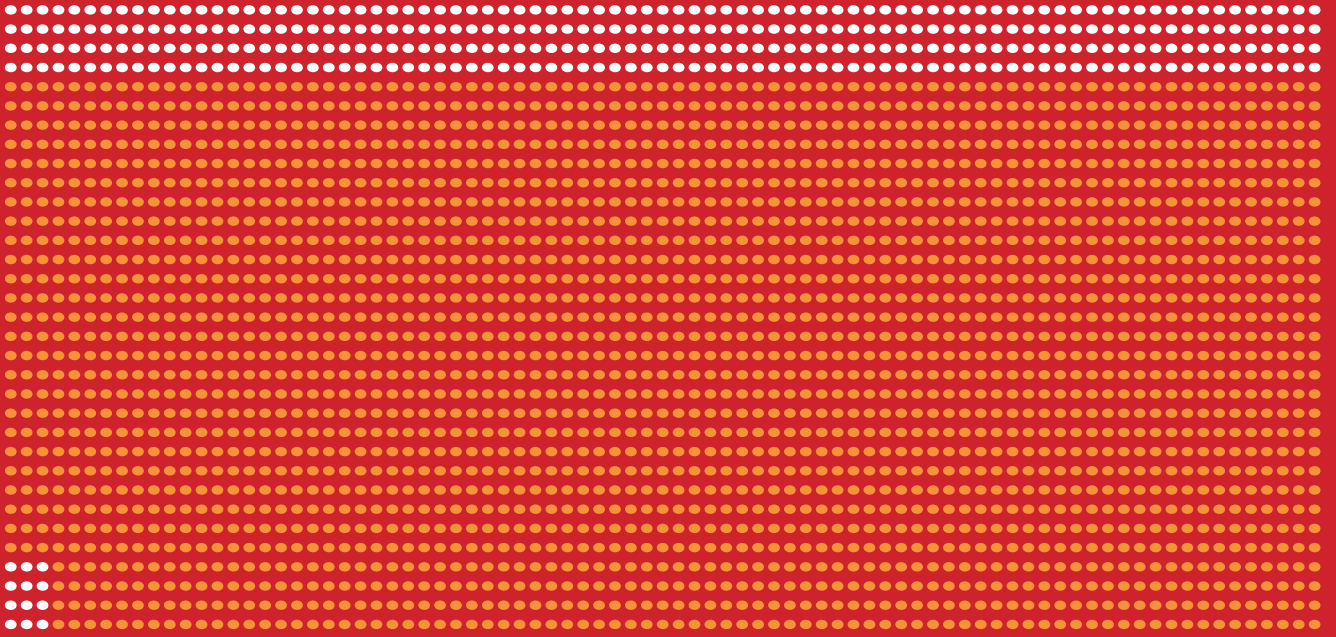
<sup>90</sup> The 2005 data are from UNDP (2005).

Vulnerability and network poverty



4





4

## Vulnerability and network poverty

### INTRODUCTION

Looking at social networks from a social inclusion perspective means also looking at the impact of *not* having such solid networks around one, in a society where most people do. Who, in BiH, feel that they have few people around to rely on when times get tough? What are the consequences, in other words, of being 'network poor'?

In this chapter we assess a number of characteristics of network poverty in BiH, showing that a lack of support networks links types of social capital with a number of dimensions of vulnerability and social exclusion. Quantitative analysis of network poverty also shows its relationship to low levels of social trust. The analysis of the data is followed by an examination of the qualitative focus group research, which illustrates the experience of network poverty.

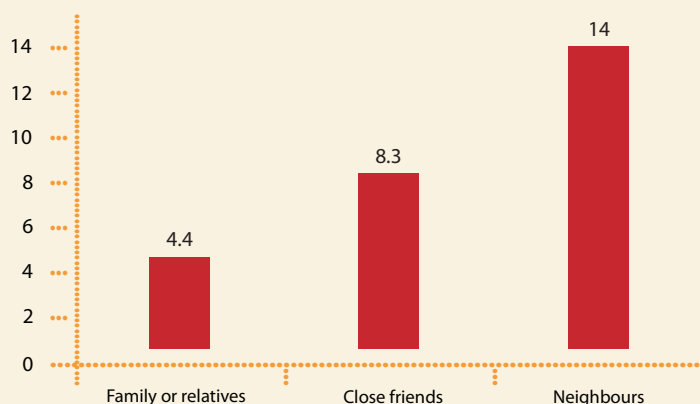
As we saw in Chapter 3, the results of our quantitative research suggest that immediate social networks comprised of family, close friends and (often) neighbours are very strong in BiH. People tend to trust those who are in these immediate networks, in particular family and relatives, considerably more than

people they don't know or people they consider different from themselves. Indeed, only 4.4 % of the sample reported that they rarely or never spend time with family.

The strength of these networks is also evident in the uses to which they are put. People use these networks as a source of support in times of difficulty or hardship, and a lot of give and take tends to take place within them, rather than beyond them. Importantly, these tendencies show very little variation across gender, ethnicity, education, region/entity or income levels, suggesting a general social tendency in BiH as a whole. In addition to the strength of immediate familial networks, only 5.7 % of respondents said that they have no friends, and only 8.3 % that they seldom or never spend time with their friends.

Seeing family, friends and others regularly does not necessarily mean that one feels one can rely on them in times of need. The ability to rely on one's networks is an important facet of their ability to provide one with social capital. In addition to being asked if and how often they spend time with those around them, therefore, respondents of the survey were asked the following question:

**Figure 4.1** Seldom or never spend time with... (% of total sample)





**From whom would you get support in each of the following situations? (For each situation, choose the most important person)**

If you needed help around the house when ill  
If you needed advice about a serious personal or family matter  
If you were feeling a bit depressed and wanting someone to talk to  
If you needed to urgently raise 1000 KM to face an emergency

Family member  
Work colleague  
Close friend  
Neighbour  
Someone else (specify)  
Nobody  
[Don't know / Don't wish to answer]

The question therefore assesses the degree to which social networks are also support networks: providers of social capital. The results are presented in Table 4.1 below.

opportunities available to others with stronger networks.

**The Network Poor**

The network poor are individuals who do not have the kind of social network configuration that is most appropriate for the stage of the life course they have reached to enable them to thrive - where thriving can be a matter of securing good health, securing emotional support and development or maturity, securing work and income and status and a high level of consumption, or simply prolonging a life in reasonable comfort.<sup>92</sup>

At its most serious, network poverty can be or become 'a major risk factor for, and in some cases perhaps even the principal cause of, poverty, unemployment, homelessness, ill-health and other forms of misery.'<sup>93</sup> It is important to note, however, that consideration of network poverty is not intended to obscure other forms of poverty, in particular material deprivation, but instead to present an additional dimension to the understanding of social exclusion and poverty, one that is often less under

**Table 4.1 From whom would you get support in each of the following situations?**

	Family	Work colleague	Close friend	Neighbour	Someone else	Nobody	Don't know/ Don't wish to answer	%
If ill and needing help	87.9	0.6	3.9	3.6	0.8	1.8	1.4	100
If needing advice	74.4	2.0	16.6	2.4	0.8	1.8	2.0	100
If feeling a bit depressed	62.2	1.8	26.3	3.7	1.1	2.2	2.7	100
If urgently needing 1000 KM	72.9	1.7	10.2	2.4	1.1	6.8	4.9	100

In terms of having such a safety net, few of those interviewed stated that they would have nobody to turn to in each of these circumstances. Backing up what we found in Chapter 3, this measure also shows that immediate networks in BiH are rather solid. In other words, the majority of people appear to feel that they have a solid support network around them.

**Network poverty**

To be 'network poor' is to be unable to draw on one's social ties and networks when in need of help and assistance. It can be understood as 'both the absence and weakness of social networks' – when there is nobody to turn to – and 'the difficulty of accessing opportunities or resources through these networks'<sup>91</sup> – when one is excluded from flows of information or

stood or considered than material deprivation. Network poverty should therefore be considered as *one determinant* of poverty and social exclusion. Those who are network poor are much more likely to be socially isolated and excluded, to have difficulty making ends meet and to have worse health outcomes than those who can turn to those around them for support, help and assistance.

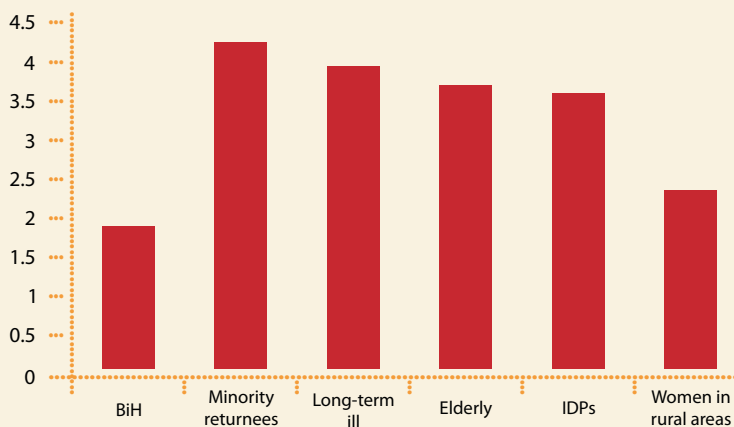
In this chapter, our analysis proceeds from the results of the survey. Here, we look at who is more likely to experience network poverty, what are the implications for the network poor in terms of outcomes such as health and education and employment and what are the drivers of these forms of isolation.

<sup>91</sup> Tonkiss (2003), p. 88.

<sup>92</sup> Perri 6 (1997), p. 25.

<sup>93</sup> Perri 6 (1997), p.26.

**Figure 4.2 Vulnerability & lack of support when ill (in %)**



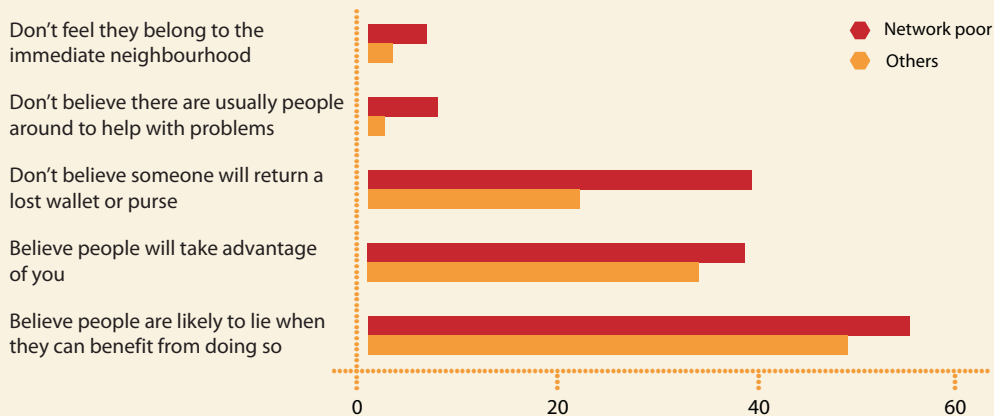
**Network poverty in BiH**

In order to assess network poverty, we created a variable for ‘network poor’ from responses to the question above on immediate support networks. The variable separates those who say they have no-one to turn to (or don’t know who they would turn to) in each of the situations described. These are the people for whom there are gaps in their support network, and our variable identifies them as more network poor than the rest of the sample.<sup>94</sup>

Of our weighted sample of 1600, we found 190 respondents or 11.9% who may be considered network poor: those who not only may not spend time within a social network, but are also unable to derive

support from such a network. Breaking this group down by demographic characteristics, we found that the most significant correlation was with age. Almost half of those who are network poor are over 60 years of age and further analysis identifies age as a causal factor in network poverty.<sup>95</sup> Not surprisingly, given the age of the network poor, those exhibiting weaker support networks are also more likely to have poorer health. They are, for example, roughly twice as likely to report long-standing or chronic illness as the rest of the population. The entity in which the respondent is living also related to network poverty, in our analysis, with almost twice as many network poor in the RS as in the FBiH.<sup>96</sup> Employment status was found to be relevant, with the unemployed being signifi-

**Figure 4.3 Network poverty, experiential trust and belonging<sup>97</sup>**



<sup>94</sup> The validity of this measure was also assessed.

<sup>95</sup> The logistic regression to be found in Annex 3 shows that age is the most important factor influencing growth of network poverty.

<sup>96</sup> The number of respondents in Brčko District for this assessment is too small to be significant.

<sup>97</sup> The difference between the response rates for the code ‘don't believe someone will return a lost wallet or purse’ were found to be highly significant in analysis of adjusted residuals.

cantly more likely to have weak support networks than those who have a job. Women in rural areas were also found to be more likely to be network poor, as were minority returnees and IDPs.

### Network poverty, trust and belonging

Network poverty also relates to low levels of trust and weaker feelings of belonging to the immediate community. Figure 4.3 assesses the level of distrust among the network poor.

Lower levels of trust and belonging are evident, therefore, among those who have weaker social networks, attesting to the linkage between networks, belonging and trust. In Figure 4.3, we have compared the levels of 'experiential trust'<sup>98</sup> between those of our sample who are network poor and those who do not fit into this category. Having a weaker support network relates to the likelihood of believing that people will take advantage rather than act fairly and that people are not generally trustworthy.

Notably, the most significant result in the Table 4.3 shows a stronger belief, among the network poor, that a wallet or purse would not be returned if found. The wording of this question is important as it relates to the sense of belonging to one's immediate neighbourhood. It inquires about 'people around here' returning such property. While those identified as network poor are clearly more distrustful on all counts, it is particularly significant that, when the immediate neighbourhood is invoked, their suspicion is even more manifest (38.9% vs. 21.3%). In the last row of the table we see the general measure for a

sense of belonging, and, here, those who are network poor are more than twice as likely to feel they do not belong to their immediate neighbourhood.

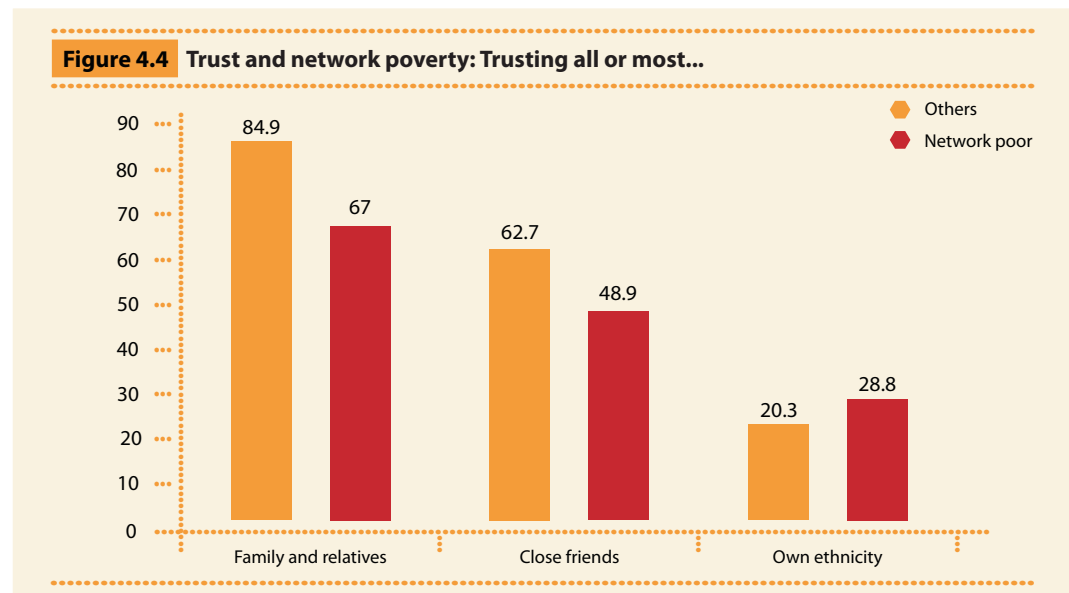
Those with weaker support networks around them also express significantly lower levels of trust in family, relatives and close friends – those networks of highest frequency in BiH. This is shown in Figure 4.4 below. When tested for significance, the results of particular note are the lower trust in family and relatives, the lower trust in close friends, and – interestingly – the slightly higher level of trust in one's neighbours.

Finally, Figure 4.5 shows significant distinctions in the levels of civic and political participation between the network poor and others, demonstrating potentially lower levels of empowerment among the network poor.

### THE IMPACT OF NETWORK POVERTY ON MATERIAL DEPRIVATION

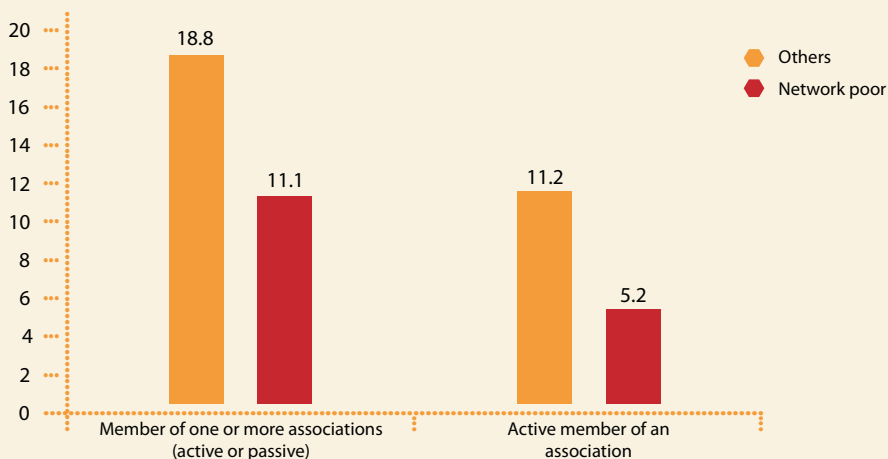
We also assessed the relationship between network poverty and different levels of deprivation via questions on material deprivation and standards of living. For example, the questionnaire contained the following question:

***There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it, if you want it?***



<sup>98</sup> By 'experiential trust' we mean trust that is based upon past experiences (one's own or others) rather than a theoretical notion of trusting 'most people,' which is what we see in the generalised trust measure.

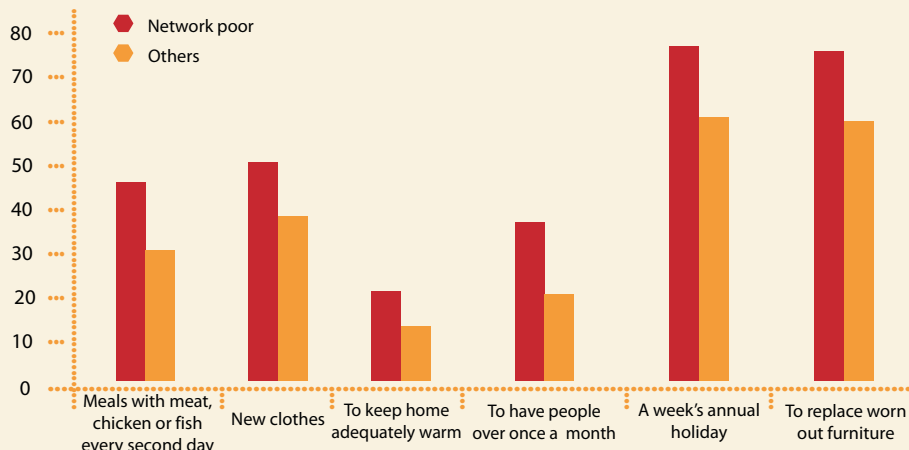
**Figure 4.5 Network poverty and participation**



- To keep your home adequately warm
- To pay for a week's annual holiday away from home (not staying with relatives)
- To replace worn-out furniture
- A meal with meat, chicken or fish every second day, if wanted
- To buy new, rather than second-hand, clothes
- To have friends or family for a drink or meal at least once a month
- Yes, can afford it if wanted
- No, cannot afford it
- [Don't know / Don't wish to answer]

Based on the responses to that question, we found that the network poor are almost twice as likely as others to find it difficult to make ends meet on their present income. In terms of standards of living, they are significantly more likely to be struggling to afford meals with meat, chicken or fish, to regularly afford new clothes rather than reuse second hand garments, to keep their homes adequately warm, to replace worn out furniture and to afford a week's holiday each year. Moreover, network poverty is very much related to not being able to have friends and family over.<sup>99</sup>

**Figure 4.6 Network poverty<sup>100</sup> and material deprivation: Cannot afford...<sup>101</sup>**



<sup>99</sup> Here it is important to note that we have assessed the correlation between different variables, but we are not asserting a causal direction between the two – i.e. whether network poverty causes material deprivation or vice versa. Such an assertion would require further research.

<sup>100</sup> Network poor are those who say they don't have anyone to turn to, or don't know whom to turn to, when ill, when in need of advice, when depressed, or when in need of a loan.

<sup>101</sup> The difference between the network poor and the rest of BiH for all of these response codes was found to be highly statistically significant. The table indicates those people who cannot afford to have friends or family for a drink or meal at least once a month.

Interestingly, we also found that those who live as a minority ethnic group in their community suffer from significantly higher levels of material deprivation on this scale than their majority neighbours. This is illustrated in Table 4.2.

trust, weak social ties, internal group tensions, lack of cohesion and low levels of reciprocity. The results of other focus groups reflecting on aspects of inclusive and exclusive social capital are examined in Chapters 5 and 6.

**Table 4.2 Standard of living: Percentage of those who cannot afford the following**

% cannot afford	To keep their home adequately warm	A week's annual holiday away from home	To replace any worn-out furniture	A meal with meat, chicken or fish every second day	New rather than second-hand clothes	To have friends or family for a drink or meal at least once a month
All BiH	13.6	61.7	60.8	31.3	38.4	21.9
Of local ethnic majority	12.3	59.6	59.5	30.2	35.9	19.5
<b>Of local ethnic minority</b>	<b>19.1</b>	<b>74.8</b>	<b>68.2</b>	<b>43.2</b>	<b>50.0</b>	<b>37.4</b>

The results of the assessment above suggest that the network poor have low levels of social capital and higher levels of material deprivation. Network poverty overlaps with other vulnerable categories and may therefore contribute to the likelihood of vulnerability and social exclusion. The focus group research explored below also points to a strong relationship between material deprivation and weaker social networks. Here, we see direct illustrations of frayed social ties and reduced feelings of belonging, together with higher levels of deprivation, in particular where there is conflict over the distribution of meagre resources.

### THE EXPERIENCE OF NETWORK POVERTY: FOCUS GROUP RESULTS

A number of focus groups were carried out in order to understand in more detail the confluence of social ties among groups particularly prone to network poverty.<sup>102</sup> Below, we look in more detail at the results of the discussions with minority returnees, internally displaced persons (IDPs), and isolated elderly persons. While there are a broader number of groups commonly identified as vulnerable to social exclusion in BiH,<sup>103</sup> here we focus in particular on three groups who are specifically identified as network poor. In the results of these discussions we can see high levels of network poverty in many of the comments of participants. The low levels of social capital among respondents is conspicuous in low levels of

### Residents of a collective centre for IDPs

Internally Displaced Persons (IDPs) represent one of the most vulnerable groups in BiH. There are currently 124,593 IDPs registered in the country (67,536 in the RS, 55,945 in the FBiH, and 1,112 in Brčko District) or roughly 3.6% of the population.<sup>104</sup> Among this group there is a high proportion of persons who are physically disabled, chronically ill or suffering from mental illness. A significant group is also the elderly without a source of income or family support, while roughly one third of the IDP population is female-headed households.<sup>105</sup> Many of those who are elderly do not have access to a pension. A recent report by Office of the United Nations High Commissioner for Refugees (UNHCR) highlighted the additional difficulties suffered by IDPs in maintaining their status:

*According to the relevant laws in place in the country... IDP status in BiH is contingent upon an individual's expressed wish to return and him/her taking specific steps in that direction, including applying for reconstruction of their destroyed property. This means that IDPs who have not expressed a will to return generally do not qualify for IDP status and support under IDP-related legislation, unless they have specific protection or humanitarian concerns. Yet, even if IDPs have such concerns they may be denied status in practice.<sup>106</sup>*

In an interview with a representative of the NGO 'Your Rights' (Vaša Prava)<sup>107</sup> – a legal aid organisation

<sup>102</sup> For more information on the focus group methodology, see Annex 1.

<sup>103</sup> UNDP (2007a).

<sup>104</sup> UNHCR figures are derived from data collected by the BiH Ministry for Human Rights and Refugees. The percentage of the population is based on the estimated population in BHAS (2007): 3,447,156.

<sup>105</sup> UNHCR (2009a).

<sup>106</sup> UNHCR (2009a).

<sup>107</sup> Interview with Ms. Nermina Kodžaga, NGO Vaša Prava, 20th March 2009, BiH, N. Nixon and L. Desigis.

that provides pro bono assistance to IDPs and minority returnees, among others – the difficulties faced by IDPs in demonstrating their ‘will to return’ was highlighted. The documents required to demonstrate that will need to be produced on a regular basis, the timeframe and cost of which varies from municipality to municipality. IDPs may therefore be required to pay regular fees at frequent intervals for this evidence in order to maintain their status, which many find difficult to afford.

Although exact figures do not exist, the Ministry of Human Rights and Refugees estimates that some 8,000 IDPs currently reside in temporary collective accommodation, some for more than 10 years, in what often amounts to the most basic and rudimentary of conditions.<sup>108</sup> Notably, UNHCR emphasises the importance of the social networks that have been established in these centres, ‘developed amongst residents who have cohabitated for years, which often provide the basis for mechanisms for coping with the stress of their situation.

For the purpose of this research, a focus group was held with collective centre residents in eastern Republika Srpska. The centre where the participants live houses 23 displaced families, totalling some 50 people. Most of the residents are displaced families from remote villages that were destroyed during the war. Some were displaced after the war, from 1996 onwards in immediate post-war population movements. Almost all are either elderly or suffering from mental illness.

The information gleaned from this focus group illustrates well the depiction of their plight by UNHCR above. Participants stressed the deplorable state of their living conditions; including superficial construction with leaking roofs, a lack of insulation, plumbing, or heating. When asked if they would like to leave the centre and live elsewhere, participants generally stated that they would like to live as they did before the war, but they feared they were no longer capable of living in a different context. The additional assistance they currently receive – with the payment of bills and additional meals – also makes them concerned that their income would not be enough to cover any new accommodation and living costs.

In addition to questions regarding the quality of their living conditions, we also inquired about the difficulties they face from the perspective of their social networks or lack thereof. For example, respondents were asked how often they spend time with or have contact with friends or relatives from elsewhere, whether there are people around to provide support if

needed, and the degree to which they have contact with the community outside the centre. We also discussed with them their ability to access services in the local community.

The results of this discussion showed that the residents of the centre exist in extreme levels of social isolation. Visits by family and friends who live outside the town in which the centre is located are very uncommon. Participants said that their isolation and lack of contact with others make them feel abandoned and forgotten by the outside world:

*Some people simply do not see me; they do not see my children either. They do not want to see us. (Female, collective centre resident, married, three children)*

*I do not know. I really do not know [if I get sick] who would come to me. I know about people who were in bed for 10 days [before anyone noticed]. (Male, collective centre resident, pensioner, lives alone)*

Their existence in the centre seems itself to be a barrier to maintaining social ties with friends and family, and the majority of those interviewed said they had neither visited friends or relatives nor invited them to visit for years. Others expressed resentment towards family and friends for not visiting them in the centre, exacerbating their sense of abandonment. Participants also stressed the weakness of their ties with members of the immediate community:

*I do not drink coffee and I do not spend time with anyone. I do not visit any of my neighbours and they do not visit me either. (Male, collective centre resident, disabled war veteran, employed, lives alone)*

*I simply do not want to burden anyone with my troubles. (Male, collective centre resident, disabled war veteran, employed, lives alone)*

*People keep to themselves. (Female, collective centre resident, widow, one child)*

Poverty also contributes to the inability of collective centre residents to maintain social ties with friends and family. Participants highlighted the cost of travelling, as well as the need to take gifts when they do so, which makes the trip additionally unaffordable:

*I do not go anywhere much and not many people come to see me. That is the reason. People say ‘Why don’t you come, come’ but I do not go and they do not come to me either. I cannot afford it. People who go ... must pay 10 KM, and, if you are visiting someone, taking candies or something also costs you*

<sup>108</sup> Ministry for Human Rights and Refugees, PowerPoint Presentation, Roundtable: Return of refugees and DPs – reconstruction as a precondition to return, February 2008. Cited in UNHCR (2009b).

*some money. At the end of the month you are short of money; you wonder where it has gone. (Female, collective centre resident, married, three children)*

The physical conditions in the particular centre in which the focus group participants reside are particularly bleak. There are no common areas such as kitchens or living rooms in which residents might socialise. As a result, the participants reported that, beyond meeting and greeting their neighbours each day, they rarely spend any time together. Their explanation for this was that 'people are preoccupied with their own problems' and they no longer have the strength to even talk about their own plight, let alone listen to someone else's. While they feel abandoned by the outside world, they also feel powerless to help one another. Participants reported spending most of their time on their own, within their 'own four walls,' simply trying to 'kill another day':

*It is so embarrassing for us to say how badly we are living. There are so many things, little things, basic things.... (Female, collective centre resident, widow, unemployed, two children)*

*It happened at our place that people died and hardly anyone noticed; they died in their rooms. (Male, collective centre resident, unemployed, lives alone)*

Talking about the treatment they receive from the local authorities, the participants said they feel that municipal authorities (as well as higher levels of government) generally behave as if they did not exist. They reported drawing some interest only ahead of elections, but stressing that promises given before elections are afterwards passed from one institution/level of government to another and never eventuate. Residents therefore exhibited a strong sense of disempowerment when it comes to dealings with those in positions of power:

*They all come ahead of elections, they give us flour, they give us macaroni, cooking oil, to get us to vote for them. They come with assistance, but not now, nobody comes now... I feel threatened. ...We ask them, but every time we ask they say: "We cannot do anything...." (Male, collective centre resident, pensioner, lives alone)*

It is thus that this population feels marginalised, neglected and unrecognised. According to the focus group moderator, the participants also appeared to be very depressed, not believing that their position will change but 'accepting their destiny,' 'waiting for

something to happen' and for 'someone to remember them.' Their stories spoke strongly of feelings of estrangement, alienation, depression and social deprivation. Not only do the residents experience social exclusion emanating from multiple forms of deprivation, including network poverty, but their human development is sorely curtailed by their current conditions.

### Minority returnees

A focus group was also held with representatives of a small, isolated minority returnee community of approximately 50 inhabitants in eastern Republika Srpska.<sup>109</sup> 'Minority returnees' in BiH, as defined by UNHCR, are those who were displaced during the war and have returned to the place from which they were displaced, where they are now in a numerical minority in terms of their ethnic identity. The broader trend in the process of return has been for people to move back to a place in which their ethnicity is a majority. Minority returnees therefore face significant additional hurdles beyond the practical aspects of returning, settling and housing themselves. UNHCR research and field presence in the country has observed discrimination against returnees in employment, pensions, health care and access to utilities, social protection and education. In addition, those who return permanently are more likely to be older persons and pensioners returning to rural areas.<sup>110</sup> Younger IDPs tend to remain where they were displaced, as they are more likely to have settled and found a job. These older returnees often have health needs, but limited financial resources for treatment or medication. They also often face difficulties accessing pensions and social protection, in particular if they live in rural areas. As such, minority returnees tend to face multiple deprivations.<sup>111</sup> Fortunately, on the other hand, the security situation for minority returnees has improved in recent years and, in comparison with the immediate post-war years, physical attacks on minority returnees have 'subsided significantly'.<sup>112</sup>

*When we are talking about return, regarding the security situation there are no problems. Bosniacs and Serbs behave well towards each other. ... I returned a year ago and nobody ever asks me why I returned... I have good relations with everyone. (Male, married, minority returnee)*

In the context of this research, the intention of the focus group with minority returnees was to glean a better understanding of the integration process for minority returnees, in terms of how much they feel

<sup>109</sup> We are indebted to the UNHCR office in Sarajevo for their support in helping with the arrangements for the focus groups with minority returnees and collective centre residents in eastern Republika Srpska.

<sup>110</sup> UNHCR (2009a).

<sup>111</sup> UNHCR (2009a).

<sup>112</sup> UNHCR (2009a).

that they belong to their community, to what extent they have established or re-established social networks for support, the composition of those networks, and the issues they face in accessing services in their local municipality.

Generally speaking, focus groups participants stated that they were not satisfied with their living conditions and have faced numerous problems since their return. Participants mentioned the inadequacy of basic needs such as housing (reconstructed), public utility services, garbage collection and electricity and water supply networks. Their dissatisfaction seems to stem, in part, from their feeling that they have been manipulated by promises of financial and material assistance that have not materialised. This resentment seems to be compounded by the isolated and poor conditions in which they live:

*All I can tell you is that returnees are in a very difficult situation. They are short of everything, from food to everything else. People who live here are without houses, they live in apartments which are not theirs and as soon as the privatisation process begins they will have to move out... (Male, married, unemployed, minority returnee)*

*I have five children, one daughter and four sons. My husband is unemployed; he is registered with the employment service. We live in a devastated apartment. I have one grandchild, another one is on the way... (Female, married, five children, one grand-child, homemaker)*

*We have only one teacher and five different generations share the same classroom. It is a mixed-age classroom, and it is very difficult for children to learn and work there... (Female, minority returnee, married, ten children, unemployed)*

The level of dissatisfaction in the group appears to have a negative impact upon the social ties within the community. As mentioned above, higher levels of deprivation and vulnerability tend to correlate with deterioration in the quality of social networks. As seen below, internal divisions among the group manifested themselves in quite vehement disputes over who has more right to external assistance. Competition over these resources has contributed to the emergence of high levels of mistrust within the community which appear in relation to three key issues of contention. The first relates to the competition over who are the 'true' residents of the village and, therefore, by implication, have more right to assistance than others. The second has emerged between those who are seen to have 'really' returned (who reside in the town, send their children to local schools, etc) and 'fictional' returnees who have registered as returnees, but have not taken up permanent resi-

dence. The third division emerges from the power relations within the community and separates those who 'head' the community (and therefore have the power to distribute aid provided to the community) from the rest of the residents:

*I remember once when 14 packages were delivered. The president of the local council and I unloaded them and I asked who will be getting that aid. He told me: 'We will distribute it when someone dies.' A lot of time has passed and at least three people have died, but nobody has gotten anything. What happened with those packages? They are gone! Where are they? Who got them? (Male, married, pensioner)*

*We do not need anything, we only need a good president of the local community council, because this one was not elected; his appointment was a set-up. (Male, married, four children, four grand-children, employed)*

The strength of these divisions and the vehemence with which they were expressed suggests they are expressions of deteriorated levels of social trust in the village. Distrust among residents means that, although they live next to each other in a small, isolated community, and there is no overt conflict between residents, there is also very little by way of attempts to be closer and to have deeper or more supportive relationships. This lack of trust is compounded by the perception among respondents that they are not fully integrated into and do not entirely belong to the wider municipal community.

What also emerged from the discussion with minority returnees was the significance of family over and above other ties. Those participants who live with or near their family in the community stated that they could rely on others for support for everyday things, as well as in exceptional or urgent situations. Those who felt more isolated and without support, meanwhile, tended to be individual returnees. This distinction was summed up by one participant:

*It is mostly families that returned here, immediate and extended families. We help each other, so we mostly do not need help from our neighbours. (Female, minority returnee, married, five children, one grand-child, home-maker)*

Other participants, however, who live alone or with elderly spouses, without other members of an immediate or extended family nearby, related experiences that suggested that they did not feel they had a safety net of any kind in the immediate vicinity. As such, some participants believe there is a lack of solidarity in the community and high levels of estrangement between people, due to residents being more focused on their individual material interests. This



makes sense from the perspective that competition over material resources contributes to the breakdown or deterioration of social networks:

*I came back, and I settled down, but nobody had asked me if I needed help to carry things or with anything else. (Female, minority returnee, married, pensioner)*

*As far as people are concerned... you could die here today and nobody would help you. That is how things function around here. If you need some help, you have to save from your pension for two months to have something to rely on... I have no reason to hope that anyone would help me. If I can pay for something from my pension, then it is easier, but even in that case I have to beg people to help me for money. (Male, minority returnee, married, pensioner)*

In terms of the broader characteristics of network poverty, lower levels of political participation are evident in the minority returnee focus group:

*We all voted in elections. For whom and for what? Look what are they giving us in return, how are they paying us back. If they believe that that is wise and good, OK. There will be elections again, but this time we will not vote. (Male, minority returnee, married, unemployed)*

Minority returnees interviewed also expressed significant levels of distrust in politicians and leaders in the immediate community and beyond. Their experience also needs to be seen in the context of declining interest in the returns issue, with less and less government intervention to speed-up integration. Low levels of participation are therefore obviously not caused by internal dynamics of a particular community or network, but are reflective of the general exclusion that these communities experience with regard to their elected representatives. In that sense, network poverty is likely both a cause and an effect of lower levels of political participation.

### Isolated elderly

As discussed earlier, age is a key factor in levels of network poverty. Age also has a significant inverse relationship with being an active member of an association. In other words, people over 60 are significantly less likely to be active members of an association than those between 30 and 60 years and those under 30 years.<sup>113</sup> The discussions with a group of marginalised elderly people therefore revealed an additional aspect of network poverty relating to access, or lack thereof, to formal associations and civic life. Participants in this group were chosen according to the following criteria: being over 60 years of age, utilising local soup kitchens for support and being generally isolated without much contact with family and close friends.

In this group, the discussion allowed us to explore some of the obstacles to participation in associational life faced by the poor and elderly. The first and most obvious hurdle for the participants was membership fees. The price, however small, can be prohibitive for the poorest and most vulnerable.

Participants reflected on their failure to join a club or association or their having cancelled membership because they couldn't afford the fee:

*I used to be a member, but not anymore. You have to pay 5 KM each month, and I was ill so I was not going to those meetings, or, even if I went, I went once a month, so there was no point in paying 5 KM. I prefer buying something to eat. (Female, isolated elderly pensioner, lives alone)*

Reflecting on the state of civic life in BiH, the respondents of this focus group expressed their discontent. They expressed their nostalgia for the time before the war, when, they argued, there was more of a community spirit and more space in which to experience civic life:

*Before the war we had local community centres. People would play chess there; it was fun. Those centres no longer exist. Looks like people are preoccupied with their problems. (Male, married, isolated elderly, pensioner).*

## CONCLUSIONS

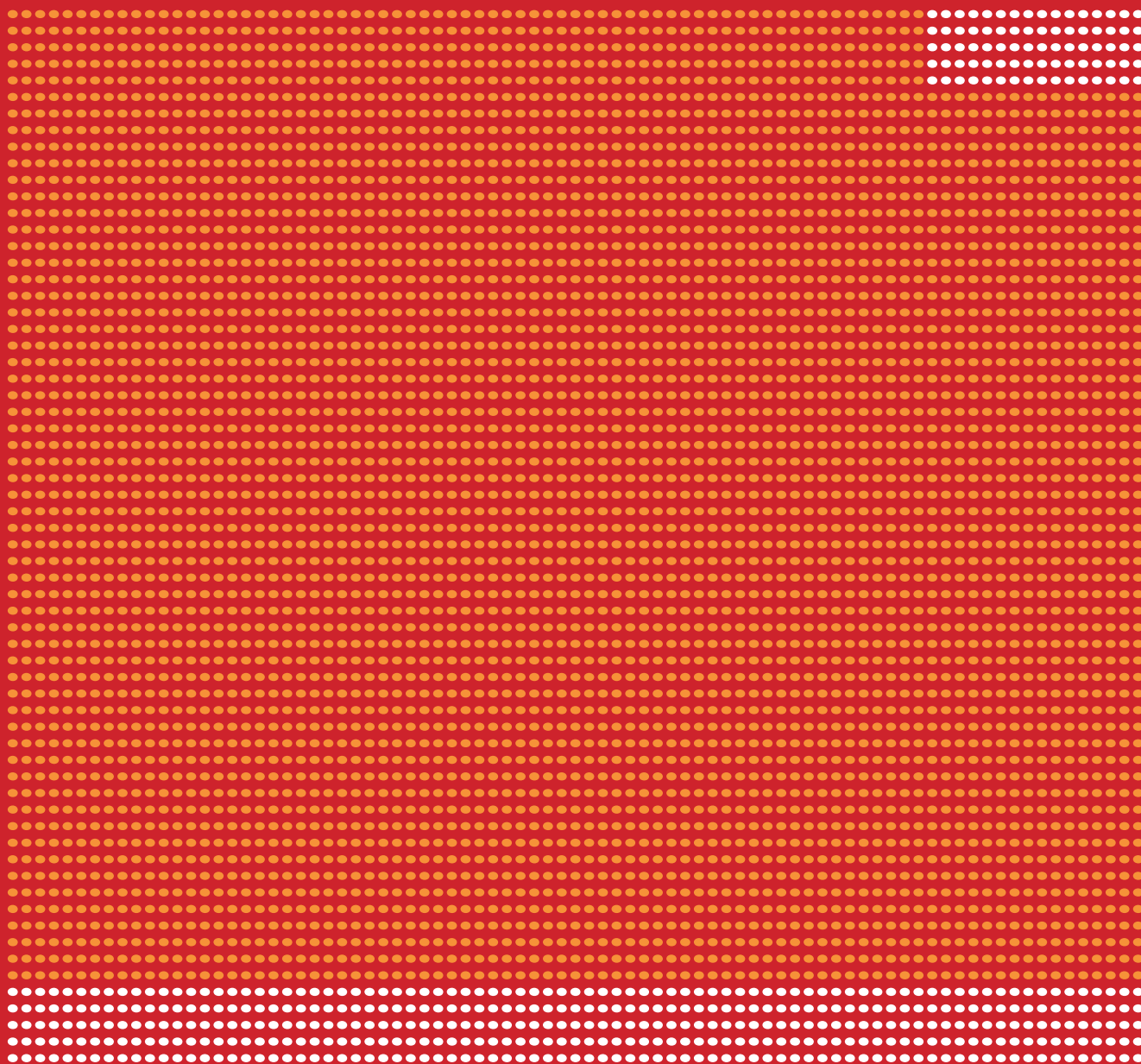
Network poverty is one dimension of poverty and social exclusion. As we have demonstrated, the absence of a configuration of social ties is linked to an inability of individuals to thrive – in the sense of securing emotional or financial support, good health, well-being and a satisfactory income and standard of living. Those who suffer from network poverty are more likely to be elderly, minority returnees, IDPs, the lower educated and women in rural areas. When considering policies assisting these groups – the elderly in particular – this dimension of their social exclusion should therefore be taken into consideration.

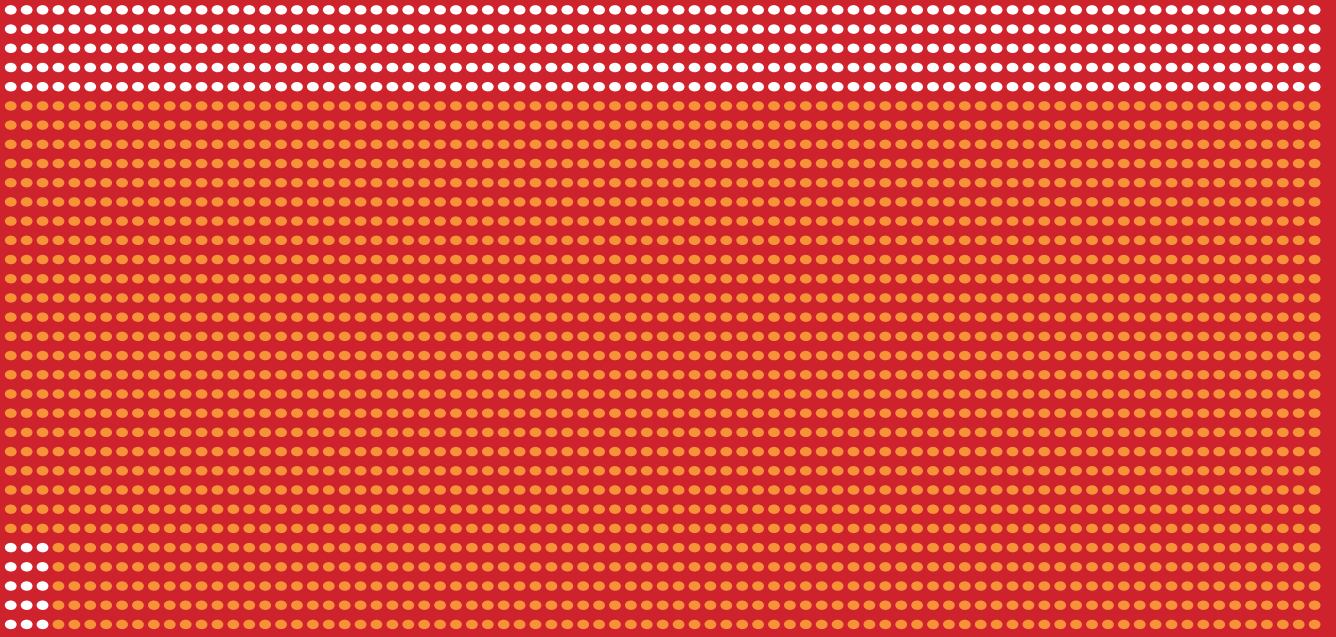
In the next chapter we introduce, in more detail, the notion of inclusive social capital, in particular in relation to formal association membership, civil society and voluntarism: those elements of social capital that are particularly beneficial. The need to build stronger and more inclusive social capital is particularly relevant in light of the findings of this chapter in which, as we have seen, a number of groups in BiH society suffer not only from material deprivation but also from network poverty.

<sup>113</sup> See Chapter 5, in which we discuss the characteristics of association members.

# Inclusive social capital: associational life in BiH

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5

## Inclusive social capital: associational life in BiH

The assessment in preceding chapters suggests that immediate social networks comprised of family, close friends and (sometimes) neighbours are very important in BiH. People report that they rely mostly on these bonding networks for their informal associations, networking, reciprocity and information flows. Our research has also found that people who do not have access to these types of networks are network poor and therefore constitute a particularly vulnerable group in BiH.

In this chapter, we turn to looking at the potential for inclusive social capital in BiH. Inclusive social capital, as explained in Chapter 2, can be defined as those forms of social capital that exist in social networks that are open without restriction to the admission of new members and where new membership is encouraged. Such networks are capable of more diversity than others. Here, we look at the most common areas of potentially inclusive social capital in BiH – civil society and voluntarism – as well as other important indicators of the potential for a more inclusive social sphere such as levels of political empowerment and participation.

At the heart of questions about inclusion is the notion of free and open participation within civic life. This operates at a number of levels, from articulating a political voice and lobbying elected representatives to voting, being a member of a civil society organisation or taking part in direct political action. Within a pluralistic democracy, public space is effectively an arena in which policy is developed, consulted over and determined. It is within this space that different agents – civil society organisations, individuals, social movements and the state – interact. The extent and the quality of participation govern the level of inclusion.<sup>114</sup>

Civil society can be notoriously difficult to define and any definition has a tendency to become very broad. Here, we define civil society as ‘the arena of uncoerced collective action around shared interests, pur-

poses and values<sup>115</sup> distinct from the state, family and market. Within civil society, one finds a ‘diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power’, including but not restricted to societies and organisations such as ‘registered charities, development non-governmental organisations, community groups, women’s organisations, faith-based organisations, professional associations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups.’<sup>116</sup>

Civil society, ideally, therefore can encompass the way in which citizens associate in order to ‘manage their lives, voice opinions, pursue interests, exchange information and mediate differences, creating relationships and social institutions which are as diverse as the people that establish them.’<sup>117</sup> A strong civil society sector can make a significant contribution to the production of social capital, and, indeed, theorists of social capital such as Robert Putnam have placed significant emphasis on these kinds of organised, formal networks for increasing the number, intensity, diversity and availability of social ties.<sup>118</sup> Moreover, the impetus for many civil society organisations – driven by diverse social issues that often aim to address inequalities – makes them particularly well placed to foster the greater inclusion of marginalised groups. As such, civil society is both indicator and example of inclusive social capital.

The potential for fostering civil society in BiH is tempered by the legacy of notions of civic involvement and associational life from the socialist period.<sup>119</sup> As a former republic of the Socialist Federal Republic of Yugoslavia, BiH has a strong history of associational membership, voting and community activity. Prior to the war, there were many associations in BiH and a lot of people participated in them. Yet the impetus for these activities came largely from the government and, as such, they were top-down rather than

<sup>114</sup> UNDP (2007a), p. 134.

<sup>115</sup> LSE (2009).

<sup>116</sup> LSE (2009).

<sup>117</sup> Cole, Epper and Kinzelbach (2008), p.13.

<sup>118</sup> Fukuyama (1991).

<sup>119</sup> Interview with Husnija Kamberović, 18 February 2009, 13:00 – 14:30, Institute of History, Sarajevo, D. Kapetanović, & K. Koutkova.

bottom-up initiatives. In other words, some of these forms of civic action were not necessarily the kind of collective actions in which citizens freely and voluntarily associated in order to express shared interests, ideals and objectives.<sup>120</sup> Although there are differing views on the subject, the important aspect of civil society as *uncoerced* is not clearly the case in BiH's past experience of this phenomenon.

During and after the 1992 to 1995 conflict many international organisations arrived in BiH, introducing the term 'non-governmental organisation.' These organisations often established local satellite organisations in the country. By performing social functions, providing extensive social services and independently financing their operations, these organisations sometimes substituted for, rather than complemented, the government in executing its social responsibilities. In addition, they were mostly donor-driven, rather than grass-root initiatives.

What is now generally understood as 'civil society' in BiH, therefore, is shaped by both the concepts of associational life before the war and that which has manifested itself in the 14 years afterwards. Manifestations and levels of civic association and voluntarism therefore need to be understood in that context.

The results of our research on civil society, voluntarism and political participation or inclusive social capital, outlined in more detail below, show that while there are challenges, there is clearly scope in associational life in BiH for both government and formal organisations to play a significant role in strengthening civil society, voluntarism and political participation. Here, we can see three different kinds of social networks that lend themselves towards inclusive, diverse and bridging social capital. In the analysis, we will look primarily at the levels of associational membership of our sample and the composition of networks and friends as reported by this group. This is complemented by material from the focus groups.

### THE THIRD SECTOR: CIVIL SOCIETY AND NON-GOVERNMENT ORGANISATIONS

The civil society sector in BiH is governed by the Law on Associations and Foundations (2001) which, formally at least, places no restrictions on the rights of organisations. The sector itself is diverse and includes business and employers associations, sports and leisure clubs, social service providers and religious and political organisations.

<sup>120</sup> Sejfija (2008).

<sup>121</sup> IBHI (2009), p.28.

<sup>122</sup> IBHI (2009), p.28.

### Civil society in BiH: Legal framework and definitions

The authority to regulate the status of associations and foundations in BiH is with the entities and Brčko District. In the RS this is regulated by the Law on Associations and Foundations (RS Official Gazette No. 52/01. October 17th, 2001) and in the FBiH by the Law on Associations and Foundations (FBiH Official Gazette No. 45/02, September 2002).

Although the term 'non-governmental organisation' (NGO) is generally recognised and commonly used to describe the non-state/non-profit sector of civil society, it does not exist in BiH for the purpose of registration. Accordingly, an NGO can be registered either as an association or as a foundation. State and entity laws define associations and foundations in the same way (p. 12).

**An Association** is any form of voluntary association of physical and/or legal persons established in order to improve and accomplish common or public interest or goals, in accordance with the Constitution and the law, who do not intend to gain profit.

**A foundation** is a legal person without its own members, intended to manage specific property for the public benefit or for charitable purposes (p. 14).

Registered associations or foundations can acquire the status of a **public benefit or charitable organisation**, entitling them to tax concessions, customs exemptions and other benefits (Article 13 and 21, BiH Law).

*(Legal Overview of the Non-State/Non-Profit Sector in Bosnia and Herzegovina, Working Paper of the UNCT in BiH No. 3, February 2007)*

The number of registered (both international and local) non-government organisations has grown significantly in recent years. In 2004, the estimated total number of active NGOs was 4,629 out of 9,095 officially registered associations and foundations. That number has grown to an estimated 12,189 registered NGOs in 2008.<sup>121</sup> According to assessments done in 2004, these organisations on average spent 57% of their time on service provision, 27% on advocacy and 16% on other activities.<sup>122</sup>

In terms of government allocations, a survey undertaken by the Independent Bureau of Humanitarian

Issues (IBHI) in 2008 suggested that the funds allocated by governments at different levels for the non-government sector amounted to 0.55% of GDP (2007) (FBiH: 70,719,117 BAM and RS: 35,778,359 BAM).<sup>123</sup> Recent assessment of the allocation of funds in 2008 at different levels of government suggested the following breakdown:

- 37.1% for sports organisations;
- 14.7% for disabled veterans organisations;
- 13.6% for organisations focusing on social service provision or social protection;
- 34.6% for other organisations.<sup>124</sup>

Allocations are considered to be low, in particular when sports associations are looked at separately from the other kinds of organisations. The transfer of funds generally takes place through small grants to different organisations, 'without taking into account whether the amount allocated was sufficient for the implementation of the proposed project.'<sup>125</sup> Oversight mechanisms are therefore just one of the weaknesses in government funding to the sector. In addition, the mechanisms through which funding is allocated tend to lack clear and transparent processes, such as guidelines and criteria, and are therefore rather questionable.<sup>126</sup>

An assessment of the viability of the NGO sector in 2008 by USAID suggested, however, that it is becoming increasingly sustainable in terms of a general ability to find and keep full-time employees and to cooperate with one another, in particular in terms of uniting around particular issues. The biggest stumbling block, according to the USAID report, however, is financial viability which remains the biggest hurdle for the sector. This is made all the more difficult at the moment, due to decreasing donor funding which has 'propelled competition among NGOs, with only the most competent remaining in operation.'

#### Local Action Groups (LAGs);

Local Action Groups (LAGs) are a European Union initiative, which aim to help rural communities improve their economic prosperity and quality of life. They are an innovative part of the EU approach to rural development. They represent a very useful networking mechanism to facilitate cooperation between local government, local CSOs and local businesses.

Inspired by the EU model, LAGs have been initiated in 23 municipalities in BiH. Three of these

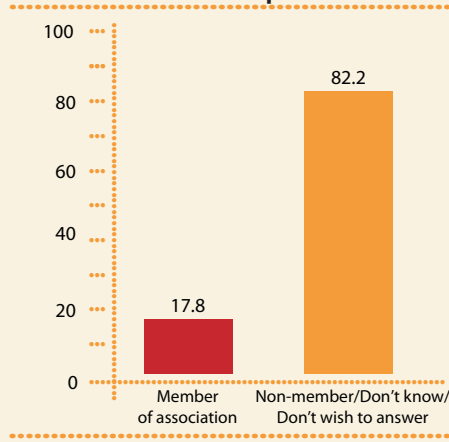
have been formally registered are operating independently; in Dobojo, Una-Sana Canton, and in a group of municipalities in North West Bosnia.

Through partnerships with international organisations, LAGs have been assisted in developing their capacities for identifying the needs of the community, defining development priorities, drafting project proposals, improving partnership between the public and private sectors, and making sure that municipalities take appropriate steps to measure the impact of service delivery partnerships, including obtaining feedback from citizens. More LAGs are envisaged in the future.

We now turn to an analysis of the results of the survey that relate to the quality and quantity of associational life in BiH.

Our survey data on civic engagement shows that less than one in five respondents is a member (active or inactive) of any kind of association. While it is difficult to find strictly comparable measures in other countries, as an indication of how low this is we note that around 80% of Norwegian citizens report that they are members of an association, while in Sweden the number is around 90%.<sup>127</sup>

**Figure 5.1** Levels of associational membership



The low level of membership is a first indicator that levels of civic participation are weak in BiH. Overall, we found that fewer than one in five people in BiH say that they are members of an association, team and/or club of the types specified in the survey and listed in Table 5.1. This is despite casting a wide net

<sup>123</sup> IBHI (2009), p.28.

<sup>124</sup> IBHI (2009), p.31.

<sup>125</sup> IBHI (2009), p.31.

<sup>126</sup> USAID (2009), pp. 73-79.

<sup>127</sup> Statistics Norway (2007), Statistics Sweden (2003).

with the definition of civil society, including a broad range of organisations and associations. Of this group, an even lower number, 10.5%, said they were active members. Our analysis of the data shows that members of a political party or sports and leisure groups together form the majority of those who are associational members. Civic organisations such as interest groups, unions, lobby networks and religious organisations all attract much smaller numbers of members.

As shown in Figure 5.2, there are considerably more members of associations in urban than in rural areas and in what we termed the 'centre' (Sarajevo and Banja Luka, the two largest cities) rather than the 'periphery' (the rest of the country). In other words, residents of urban areas, in particular in the two largest cities in the country, are one third more likely to be members of an association than residents elsewhere in the country. This appears to be the key geographical aspect of associational membership.

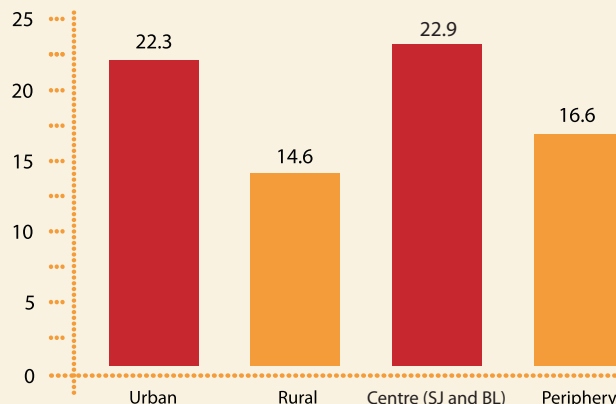
**Table 5.1 Associational membership by type of association**

In %	Member	Not a member / Don't know / Don't wish to answer	Total %
Political party	7.1	92.9	100
Sports, arts, music, folkloric, youth or other leisure group	6.7	93.3	100
Labour union	3.9	96.1	100
Professional, business or entrepreneurial association	3.9	96.1	100
Religious, welfare organisation/association	2.5	97.5	100
Veteran's association	2.0	98.0	100
IDP Association	0.9	99.1	100
Local Community Council <sup>128</sup>	3.7	96.3	100

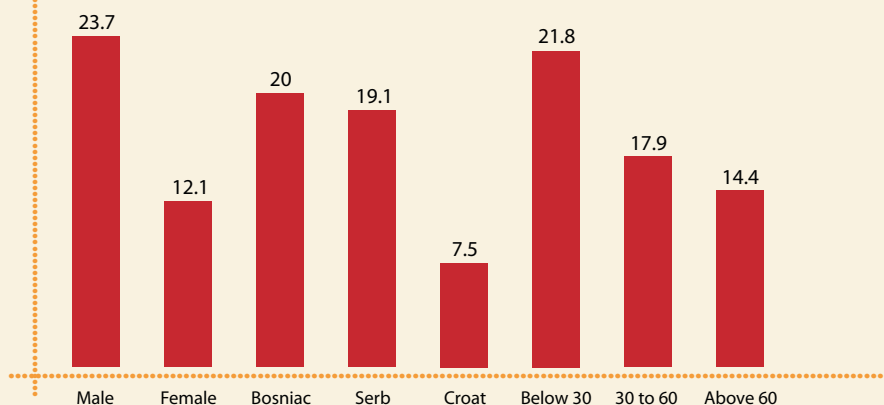
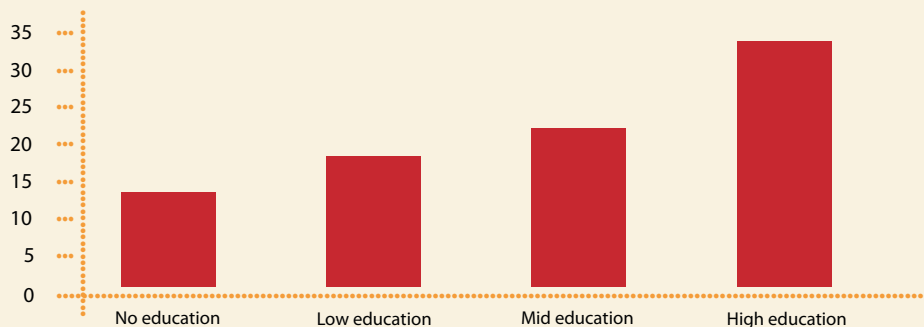
If we look in more detail at those who are members of associations and where they live, the analyses yield some interesting results and give us some further insights into the general characteristics of civil society in BiH.

In terms of geographical differences, in contrast, the likelihood of someone being a member of an association was not affected by the entity in which they live. In terms of other demographic characteristics of association members, as Figures 5.3 and 5.4 show,

**Figure 5.2 Associational membership by location type**



<sup>128</sup> The lowest level in the BiH governmental structure.

**Figure 5.3** Likelihood of associational membership / gender, age and ethnicity**Figure 5.4** Associational membership and education

membership is affected by gender, ethnicity, age and education. Those respondents identifying themselves primarily as Bosniac and Serb report almost equal levels of membership in associations (respectively 20.0% and 19.1%), whereas significantly fewer people identifying themselves as Croats are associational members (7.5%). Associational membership also seems to correlate with age and education levels. Younger respondents (below 30) most frequently reported being a member of an association (21.8%) – as mentioned in Chapter 4 – whereas people above 60 did so significantly less often (14.4%). This larger proportion of younger people who are members of associations bodes well for the future and may signal a positive trend. At the same time, levels of associational membership increase with levels of education, with more than twice as many people with higher education being members of associations or organisations than those with low education. According to our analysis of the quantitative data, there is no

relation between associational membership and income status. This is not to suggest that there are no differences. Clearly those in the very lowest income categories would have trouble paying membership fees no matter how low.

Gender also impacts significantly on associational membership. Almost twice as many men are members of associations than women, a finding suggesting that the opportunities for membership are restricted for women. While more research would be needed in order to identify the exact causes of this imbalance, it may perhaps stem from the large number of associations in which men are more likely to participate, such as certain kinds of sports associations, which probably outnumber those available for women.<sup>129</sup>

In order to assess the potentially beneficial contribution of associational membership to inclusive social

<sup>129</sup> Additional research on gender and leisure time might also suggest reasons for lower associational membership among women.



capital in BiH, we also looked in more detail at the social networks of those who said they were members of associations. In this regard, we created a variable for those respondents who are a 'member of one or more associations' and compared the composition and diversity of their social networks with the group we termed 'non-members of associations.' We were interested to see whether our data would show whether members of associations have more or less diverse social capital than others. Measures that were used to assess this included whether or not respondents are likely to see people they know when they leave the house each day ('acquaintances'). We also looked at the degree to which respondents spend time with people they consider different from themselves and the degree of diversity in their immediate social networks.

When analysed in this way, the data showed that associational members *are* likely to have significantly more inclusive and diverse social capital than others. They are, for example, more likely to know the people they pass in the street each day. Their social networks are also larger and more diverse. Of the active associational members, for example, 30.4% reported having more than ten friends in comparison to 17.9% of the rest of sample (see Figure 5.5 below). Associational members are also more likely to spend time with people they consider different from themselves and to have more diverse networks of friends and acquaintances. In this sense, it appears that members of associations – and by extension, civil society – may well correlate with having more bridging and diverse social ties. As such, our data suggests that formal as-

sociational membership<sup>130</sup> is related to inclusive social capital and, fostered as such, it could overcome some of the more significant social cleavages in BiH society.

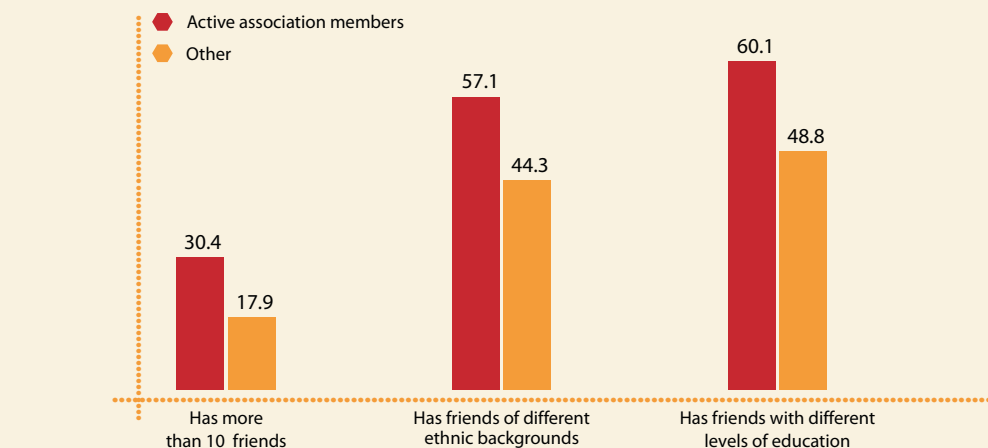
In other words, despite the low levels of membership overall reported in the sample, the results seem to suggest that those who do join organisations are better connected and have more diverse networks.

### Focus groups with CSOs

In order to understand better the dynamics of civil society organisations in BiH, two focus groups were held with civil society representatives, one in Banja Luka and one in Sarajevo. The criteria for the organisations were that they are non-profit, are involved in the delivery of services or inclusion of vulnerable groups and involve volunteers in their activities. The objective of this research was to better understand the obstacles faced by civil society organisations in BiH that contribute to the low levels of membership, as well as the quality of cooperation and networking among organisations themselves and their relations with governments and donors.

According to the participants, a number of factors encourage these low levels of civic participation in the country. Civil society representatives, firstly, pointed to a general lack of knowledge throughout BiH about the non-governmental sector and its activities. Their comments suggest an overall lack of understanding among the general population over the role of civil society in contemporary democracy. Participants suggested that the concept itself is un-

**Figure 5.5** Associational membership and diversity of social network (bridging capital)



<sup>130</sup> Here we deal with general associational membership – we have discussed above the kinds of associations in which people are more and less likely to be involved. Obviously, not all kinds of associations would produce the basis for more inclusive social capital, and some kinds would clearly be more effective and/or exclusionary than others. Nevertheless, the results of the quantitative research do show a tendency, in general, for associational members to be involved in more diverse social networks.

clear to many and that, generally, people are not particularly well informed about the sector. Others pointed to weaknesses within organisations themselves. One respondent in Sarajevo suggested, for example, that BiH:

*... lacks organisations that really engage people... that give people a sense that they are doing something useful, that they are contributing to society-building and social justice. (CSO representative, Sarajevo)*

The lack of civic engagement, according to focus group respondents, may also relate directly to the lack of social trust in BiH. According to respondents, a general mistrust of associations and organisations results in 'many BiH citizens' having a 'very negative opinion about civil society organisations':

*... on top of that [our society] suffers from a general lack of trust in anyone and anything and the whole NGO sector in BiH has quite a bad image. The general perception is that NGOs are just taking foreign money without ever making any substantial change. (CSO representative, Sarajevo).*

Focus group participants also reflected on the pessimism and apathy they encounter in their work:

*I sometimes think about reasons for why people do not know, why they don't care... because they are preoccupied with their own problems and because they can only worry about their own livelihood. (CSO representative, Banja Luka)*

Finally, there are of course other, more prosaic, issues faced by CSOs in BiH. In addition to these issues of 'public awareness,' focus group participants also face financial difficulties for their longer-term sustainability. The issue of civic participation was also raised in other focus groups undertaken as part of the research for this report, and it is interesting to contrast some of the impressions gained here to those from the focus group with CSO representatives. For example, participation was raised in a focus group with young people most of whom had never been part of an active civil society organisation.<sup>131</sup> Participants expressed views that questioned the independence of CSOs, the degree to which they are under political influence and the degree to which they are able to criticise governing structures without repercussions:

*I believe that most non-governmental organisations are not really non-governmental. (Male, seeking work abroad, 24 years old)*

Respondents in the focus group with unemployed women also articulated the concern that civil society organisations are often too political in nature. In addition, the respondents expressed ambivalence about the value of voluntary work and civic membership for the purpose of finding a job:

*I was a member of several non-governmental organisations, but I only worked in the non-governmental sector. When you go to a job interview it looks really good, having all those skills, but still... (Female, unemployed, 21 years old).*

## VOLUNTEERING

Our survey on social capital also assessed levels of voluntarism in the country.<sup>132</sup> We found that less than one in 20 respondents said that they had volunteered in the last year: only 4.5% of the sample stated that they had done formal or organised voluntary work during the previous 12 months.<sup>133</sup> The question asked respondents if they had done any work freely, of their own choice and for which they did not receive a regular wage. We gave the example of providing services to children or elderly people, disseminating information or helping to organise a special event, fair or festival, in order to cover multiple aspects and forms of voluntary work. We found that the level of formal and organised volunteering in BiH is even lower than that of associational membership.

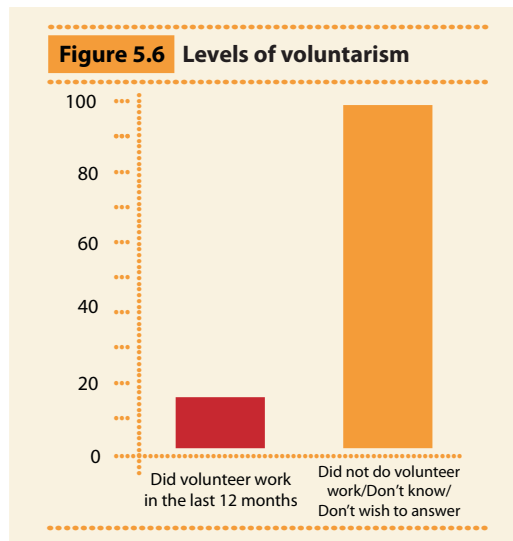
When we look at who formally volunteers in BiH, the survey data suggests that there is no difference in employment status. Of the volunteers, roughly half the group are employed, and half are unemployed. Logistic regression analysis on the likelihood of formal volunteering in the last 12 months suggests that as age increases, the likelihood that one has volunteered in the last year decreases (Table A3.7 in Annex 3). Civil society representatives participating in the qualitative focus group research indicated that although people of all ages participate, the majority of their volunteers are young people, i.e. university students and high school students. The survey data analysis also shows that rural residents are less likely than urban residents to volunteer.<sup>134</sup>

<sup>131</sup> Most participants are not and have never been active in any civil society organization or association. Others were members of some civic associations, but have meanwhile left them and only one participant is still active in this way.

<sup>132</sup> In terms of the legal framework for voluntarism in BiH, a Law on Voluntarism was recently passed in Republika Srpska. Similar laws are being drafted and discussed at the entity level in FBiH and at the state level.

<sup>133</sup> For our research purposes, people are considered volunteers if they regularly, often or rarely volunteered in the last year [Question V1, Response codes 2, 3, 4], i.e. if it appears that they volunteered at all in the last 12 months.

<sup>134</sup> These data are, however, rather tentative since the sample of respondents who volunteered is so small (n=72) and further research is needed to identify these trends more effectively. Regarding the logistic regressions, the model summary in Annex 3 expresses the extent to which the set of chosen variables explain the occurrence of the given effect (i.e. volunteered in the last year), and the level of 11.9 % provides solid grounds of confidence in the suggested model.



Among those who reported having volunteered, the most common reasons cited were 'doing something good for the community' and 'socialising, enjoying the activity and spending free time.' Notably, very few respondents in this group cited 'getting a job' as a reason for volunteering.

In interpreting these low levels, voluntarism, like civil society, also needs to be considered in terms of the way in which it has previously been understood in BiH. Voluntarism can be variously understood in any context. It can be perceived anywhere on a spectrum from formal, registered and recognised volunteer 'work' with a formal organisation to a 'voluntary' spirit that might involve any kind of unpaid 'labour' provided to those outside one's immediate social network (about which we also inquired in the questionnaire). Beyond this conceptual vagueness, the concept of voluntarism is also problematic in BiH in light of its relationship with notions of unpaid work in the country's pre-war past.

According to Professor Husnija Kamberović, Head of the Historical Institute at the University of Sarajevo, the notion of voluntarism suffers from an association with state-driven 'working actions' (*'radne akcije'*), which were first introduced in the late 1940s in Yugoslavia to accomplish large infrastructure projects. During the socialist period, citizens, mostly youth, received a call from the state to participate in these actions. Moreover, schools organised summer camps with *radne akcije* for their pupils, including, for example, actions to clean riverbanks, assist the elderly and undertake other social activities.<sup>135</sup> These large-scale, government organised actions are, for many people,

according to Kamberović, what first jumps to mind when they think of voluntarism, and their opinion of voluntarism is therefore coloured by their perspective on the past system. In contrast, ideas of volunteer work for young people to gain experience and improve their future employment prospects, for example, are largely absent in BiH.

As such, the way in which the term is used now has a tendency to be couched in negative connotations. For example, when the civil society focus group respondents were asked how they understand the term voluntarism, they reported that it is often 'believed to be uncompensated' and 'confused with internships' or university apprenticeships. Moreover, the participants also noted that it is sometimes interpreted as a form of exploitation.

Furthermore, formal and organised voluntarism in BiH is hindered by the fact that there are few legal or institutional mechanisms in place to define, regulate and support those who wish to be involved in the formal voluntary sector. A 'Law on Voluntarism' was adopted in the RS in 2008, however, which shows some improvement in this area. It defines 'clearly what constitutes volunteer work in the non-profit and other sectors, alleviating previous obstacles regarding the legal status of volunteers.'<sup>136</sup> In the FBiH and Brčko District there is no similar legislation, as yet, although a similar law to that in the RS has been drafted in the FBiH.<sup>137</sup> The law in the RS shows significant progress in this area, although lack of awareness of it and its provisions, as well as of the diverse benefits of volunteering, are a considerable hurdle to the creation of an active and thriving civil society sector in BiH.

The NHDR survey aimed to assess the levels of organised or formal volunteering in the country as something that has the potential to stimulate the production of more diverse and open networks and so more inclusive social capital. However, if voluntarism is understood more broadly, as, for example, 'an expression of people's willingness and capacity to freely help other and improve their society',<sup>138</sup> then we can see from other aspects of our data that there are significant levels of altruistic behaviour within social networks in BiH, not only among close friends and family, but also within broader groups.

The survey inquired about levels of reciprocal behaviour *beyond* immediate family and close friends. We were interested to know the frequency with which people help each other out – beyond family – with everyday activities. We asked:

<sup>135</sup> Interview with Husnija Kamberović, 18 February 2009, Institute of History, Sarajevo, D. Kapetanović & K. Koutkova.

<sup>136</sup> Law on Voluntarism of the Republika Srpska, No 01-1219/08, 17 July 2008

<sup>137</sup> USAID (2009), pp. 73-79.

<sup>138</sup> Powell (2009), p.2.

**In the past three months, have you done any of these things, unpaid, for someone who was not a relative or close friend?**

- Cooking, cleaning, laundry, gardening, shopping for groceries or other routine household jobs*
- Baby sitting or caring for children or someone who is sick or frail*
- Writing letters, translating, filling in forms, paying bills or transporting someone*
- Helping out with harvesting or construction*
- Other (specify)*

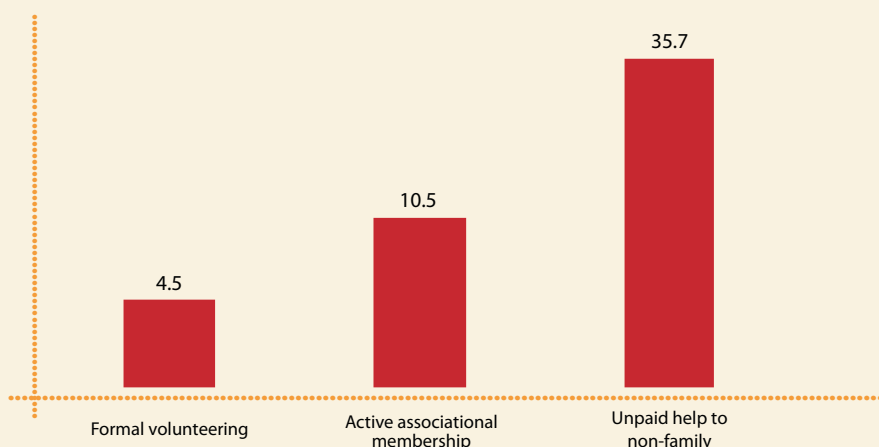
Yes  
No  
[Don't know / Don't wish to answer]

volunteering. By assessing why it is unpopular, we hope to provide the basis for more effective, targeted messages about the benefits of voluntarism. Figure 5.8 shows the most common obstacles cited.

The main reasons – according to general opinion – are that people don't have time, that it is unpaid and that there is a lack of information on volunteering in BiH. Quite a few people also suggested that there is not enough information about its benefits, which suggests a potential entry point for awareness-raising.

Based on the findings of our survey, we also asked the participants in focus groups on civil society about levels of volunteering and the weaknesses in this area. The majority of participants, in both Sara-

**Figure 5.7 Formal voluntarism vs. 'hidden voluntarism'**



According to the definition above, this might be understood as a form of 'hidden voluntarism' – not organised and formal, but still eliciting the kind of altruistic, helping-someone-out-spirit that we tend to associate with voluntarism. It is also a key component of the kind of reciprocal behaviour integral to social capital. Our results suggest that in BiH, in general, roughly one third of people are regularly providing some kind of everyday assistance to someone who is not a relative or a close friend. When broken down by entity, location (urban or rural), gender or age, there were few differences in these levels.

These higher levels of 'hidden voluntarism' show that there may be potential within BiH society for greater levels of formal voluntarism.

**Obstacles to volunteering**

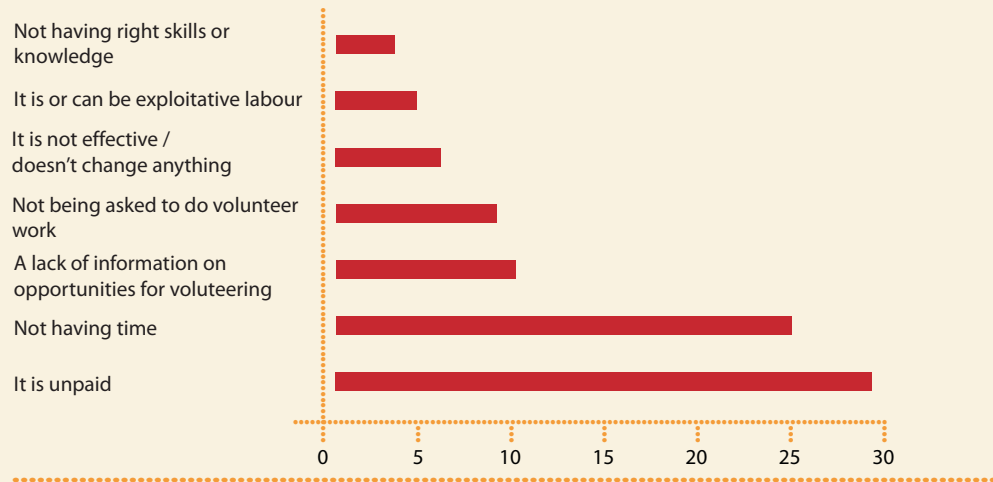
In addition to measuring the levels of formal and hidden voluntarism, our survey aimed to assess people's perceptions of the obstacles to getting involved in

jevo and Banja Luka stated that they utilise volunteers in their activities, making them very well placed to comment on this issue. The responses of participants highlighted the benefits of volunteering to the individual, the organisation and the wider society. In terms of hurdles to increasing levels of voluntarism, focus group representatives mentioned, among other things, a lack of appropriate structures, a lack of incentives and insufficient funding as constituting the main ones:

*Volunteering requires a very high level of altruism. Volunteers must be willing to accept that the community will benefit more than they will from their work... (CSO representative, Sarajevo)*

Participants highlighted the importance of an enabling environment including legal recognition and institutionalisation of voluntarism in order both to encourage it and to provide rights to those who do volunteer:

**Figure 5.8** In your opinion, what is the main reason why many people do not do voluntary work in BiH?



*Also, through volunteer work people acquire some knowledge and experience which they cannot get through formal education... they would otherwise be without any practical experience. That is why the law [on voluntarism in the RS] requires all those who engage volunteers to issue them with a proof of their activity, specifically listing the activities in which they were engaged, what kind of training they received, etc. (CSO representative, Banja Luka)*

The difficulty of finding volunteers to get involved in their activities was, of course, also noted:

*We published a call for volunteers three or four times, the position includes the right to a paid meal and transportation, or about 250 KM per month... only a small number of people apply. (CSO representative, Sarajevo)*

Nevertheless, the significance of volunteering and its utility elsewhere (for example, in terms of professional development) was clearly evident to CSO representatives, some of whom have received expressions of interest in such activities from young people outside the country but not from within:

*... It is a bit specific because about 90% of people who call us to offer to volunteer are foreigners... yes, from abroad. Usually, they are aged between 20 and 25 years, about to complete their studies, and they see volunteering as an opportunity for professional advancement in the field in which they are being educated. (CSO representative, Sarajevo)*

CSO participants therefore clearly see the benefits of increasing formal voluntarism in BiH, while being

mindful of the obstacles that are present at the current time.

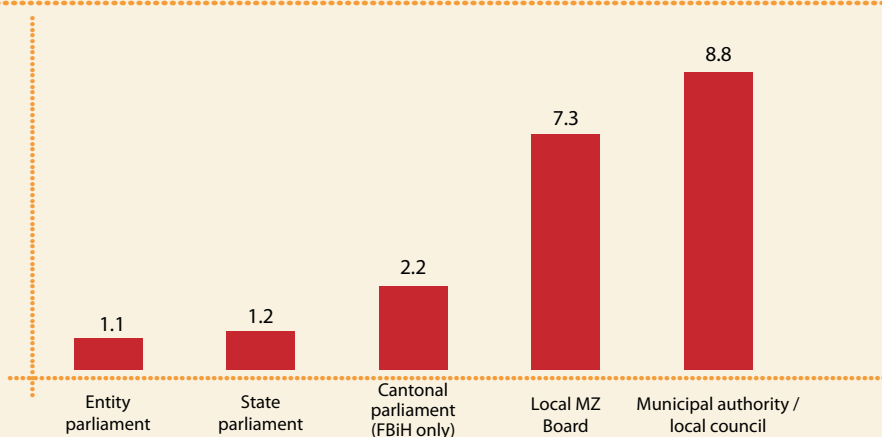
## POLITICAL PARTICIPATION

Levels of participation in the political sphere are also an important indication of inclusive social capital. Political participation is related to empowerment which is an important ingredient in the kinds of collective actions that can be beneficial for society. Empowerment is also a key element of human development.

As an indication of interest in politics, of our sample of 1,554 respondents aged 18 and over, 88.9% stated that they are registered to vote, and 77.1% said they voted in the October 2008 local elections. This is certainly a significant proportion and indicative of a high degree of interest in democratic processes. Of this group, we can say that voter registration occurs almost equally across the entities, in both urban and rural areas and at all levels of income. As with many other characteristics of social capital, there are few differences along the cleavages usually associated with BiH's social sphere. However, our analysis shows that education levels do influence voter registration behaviour. For example, respondents with lower levels of education said they are registered significantly less frequently than those with completed higher education. In addition, there is a slight gender difference in voter registration, as more men than women of our sample said they were registered to vote.

Voter registration only goes so far in indicating levels of participation and is, indeed, a rather passive indication. Another measure of participation and em-

**Figure 5.9** Number of people contacting government officials in the last 12 months (in % of entire sample)



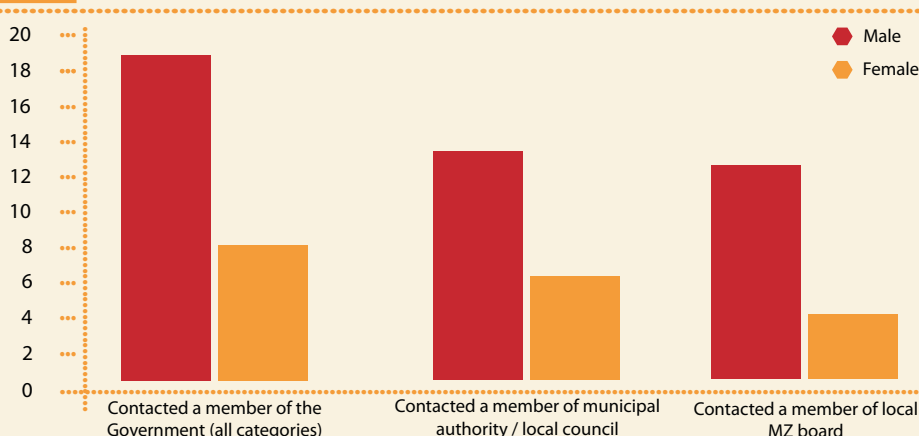
powerment is the degree to which people contact their government representatives for various issues. Such a measure is common in assessments of social capital elsewhere and gives us an indication of the degree to which people turn to their elected representatives to address issues or concerns. At the same time it illustrates the level of confidence people have in their elected officials at different levels. It may also, conversely, provide a measure of how accessible elected representatives are to their constituents.

Respondents of the survey were asked if they had contacted anyone in government, at any level and for any issue during the last 12 months. Here, the results were very low with roughly only one in eight respondents saying that they had contacted a government official during the previous year. Those who had contacted a government official – for any reason

– had done so almost exclusively at the local level. Considerably more people had contacted representatives in municipal authorities or community organisations (*‘Mjesna Zajednica’* or MZs) than at Cantonal, Entity or State levels. Most contact at the local level was related to people’s jobs, for ‘personal reasons’ and for getting information.

Such contacts are difficult to assess in terms of their capacity to encourage inclusive social capital, however. The use of personal connections for personal gain, particularly by those in positions of authority, pervades BiH society, as we explore in the next chapter. As such, while on the one hand, the contacting of a political representative may represent a level of empowerment, given the range of reasons for which people use their political connections; it may not necessarily be conducive to greater levels of equality.

**Figure 5.10** Proportion of men and women who contacted government representatives in the previous 12 months



As Figure 5.10 shows, there is a significant disparity between men and women with regard to the contacting of local authorities. Of those who contacted any level of government, two and a half times more were men than women. This trend is evident also in the levels at which most people contacted government representatives, municipal authorities and local MZ boards.

The inequalities in political participation and empowerment between men and women have been an issue of note in BiH for quite some time. It is present at all levels, from citizens contacting elected officials to women's representation in parliaments and political parties. In terms of party politics, there are very few women who are political leaders in BiH, and women constitute a minority in party bodies and organs. Few political parties have addressed issues of gender inequalities in their official documents or principles. In the BiH Parliamentary Assembly, only 4 of 42 representatives are female in the House of Representatives and only 2 of 15 delegates in the House of Peoples.<sup>139</sup> For the current report, we have also calculated the Gender Empowerment Measure (GEM). The GEM is a measure of agency in terms of the ability of an individual to exert power and influence over his/her situation and environment. The GEM is calculated as a proportion of 1.0, where 1.0 represents ideal empowerment. For BiH we calculated the GEM for 2008 as 0.54, suggesting significant progress remains to be made in terms of improving levels of empowerment of women in the country.

In terms of executive power, no women are represented in ministerial positions on the Council of Ministers in BiH, with only two as deputies and one as a ministerial secretary.<sup>140</sup> While there have been improvements in the representation of women in certain institutions in recent years (for example, currently 63% of judges are women and almost half of the number of prosecutors are women), institutional 'glass ceilings' are still in evidence, in which the highest positions of power and authority tend to be held by men. This is the case with positions such as presidents of the court and chief prosecutors, of whom there are almost twice as many men as women.<sup>141</sup>

Political participation levels in BiH were also a topic of discussion in focus groups. There, political participation was associated with the joining of a political party in order to gain connections that can be utilised in exclusive ways. As such, the notion of political participation in BiH has a tendency to have negative connotations, rather than positive ones relating to empowerment. In this sense, it is associated

with the kinds of social networks that we will deal with in the next chapter and that constitute exclusive social capital, the dynamics of which are illustrated here by a focus group participant:

*A few months ago a relative of mine completed faculty in regular time. He could not find a job, and people advised him to join a political party. He did that, and soon after he was appointed the head of a municipal department. (Female, unemployed woman, student, 21 years old)*

As such, focus group respondents suggested that unless one belongs to the governing political party, it is not useful to participate politically. Furthermore, some respondents reported that political behaviour or contact with politicians was more useful for personal purposes than to benefit the community.

## CONCLUSIONS

The results of our research show that initiatives aimed at stimulating the creation of diverse, heterogeneous networks, or inclusive social capital need to take into account the historical legacies of associational membership and voluntarism in order to be effective. Civil society and voluntarism retain remnants of the past that affect the way in which they are perceived and understood in the present. The socialist period involved a somewhat manufactured and top-down approach to associational membership, which contributes to the current distrust of such efforts. This needs to be taken into account in designing measures to provide an enabling environment for civil society. Greater civic and political participation would be most effectively supported, this suggests, through assisting bottom-up initiatives.

At the same time, despite the low levels of official membership or voluntarism, our research identified much higher levels of 'hidden voluntarism.' The presence of such a widespread altruistic spirit illustrates the enduring strength and future potential of BiH society.

As indicated above, however, in particular in relation to access to positions of authority and power (linking social capital) and the importance of reciprocal relations, the fostering of social networks needs to take into account where and how certain social networks can work in a detrimental way, excluding some, unfairly privileging others and increasing inequalities. Such forms of social networks we have termed 'exclusive social capital,' and it is to the analysis of this that we turn in the next chapter.

<sup>139</sup> Džumhur (2008). The presentation covers a range of facts and figures related to women's political participation in government at all levels in BiH. Some of data was updated by Klelija Balta, UNDP Gender Analyst with UNDP BiH.

<sup>140</sup> Džumhur (2008).

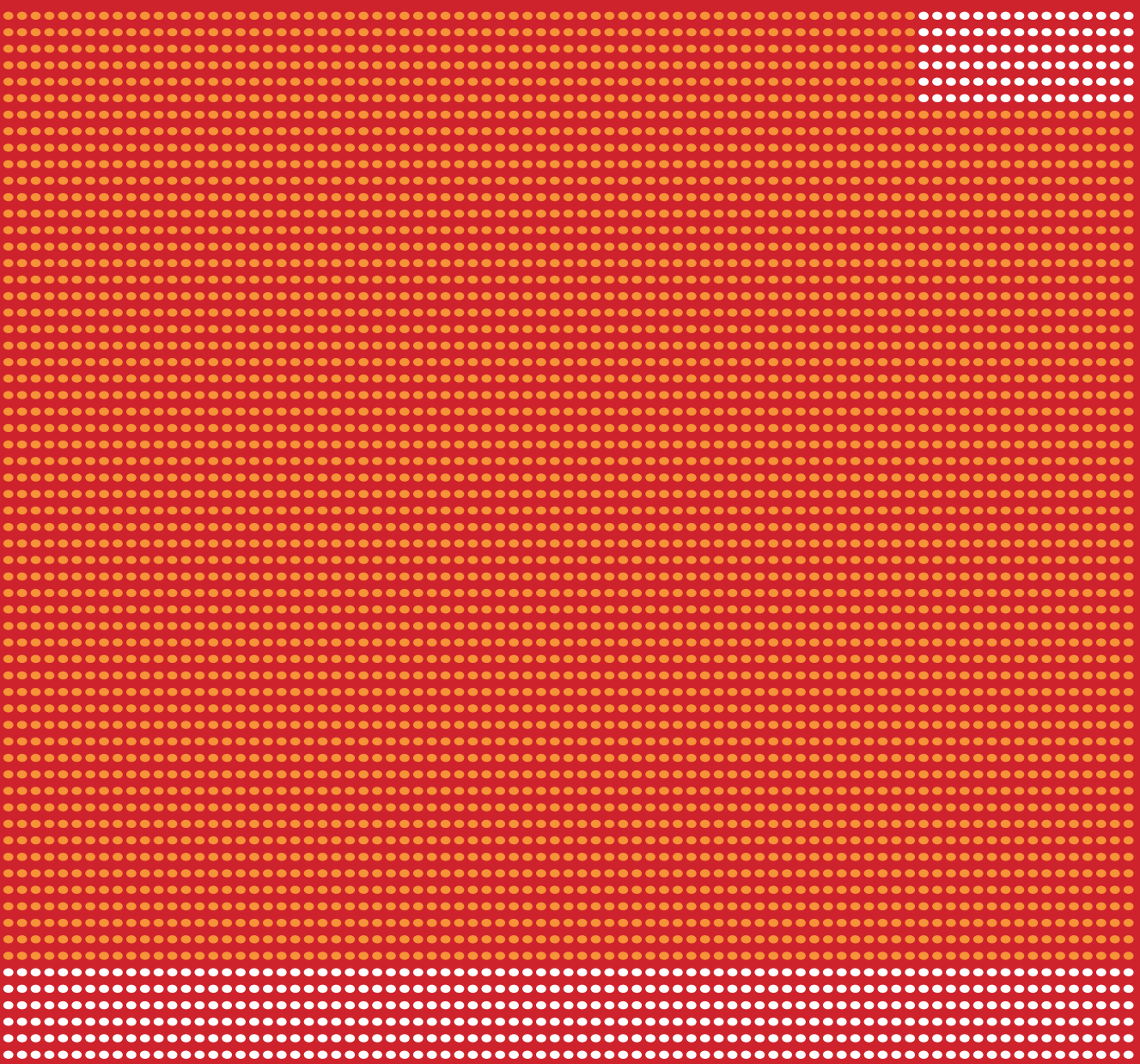
<sup>141</sup> A notable improvement, however, is the fact that the State Human Rights Ombudsperson is a woman.

**Exclusive social capital:  
*štela* and personal connections**

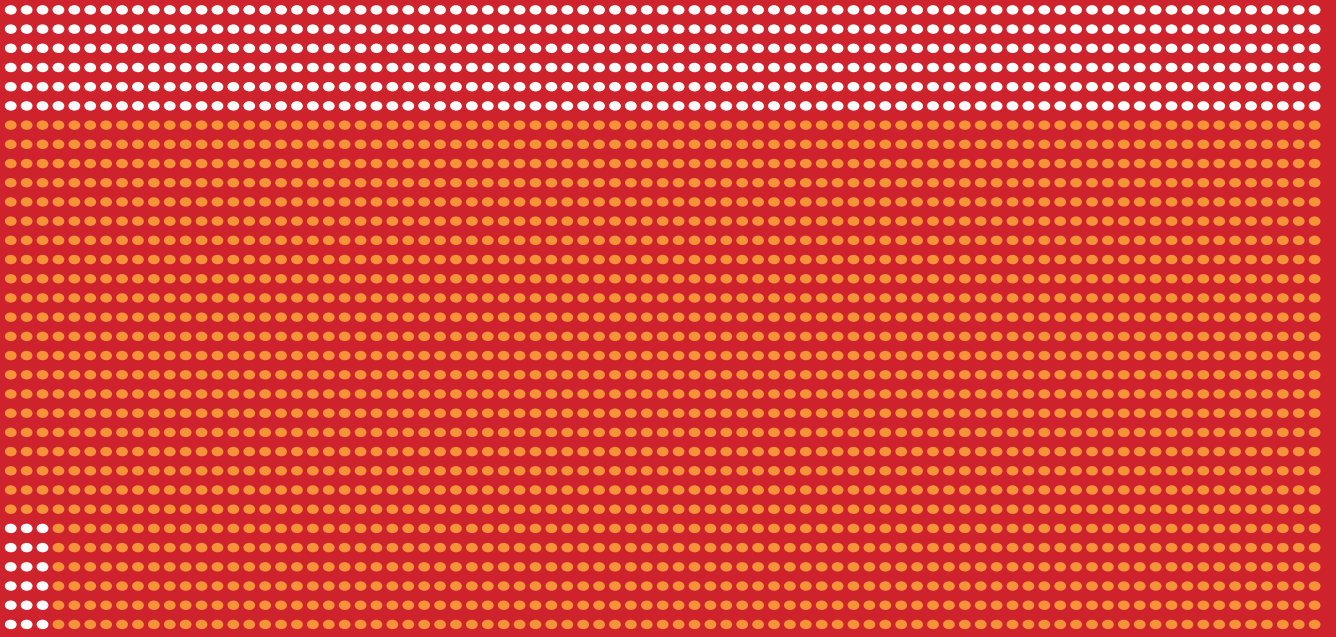
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## Exclusive social capital: *štela* and personal connections

Informal social networks and ties form an important resource for people to turn to in times of trouble or need. Yet, when they amount to closed, elitist and exclusive networks, they may also be utilised in such a way as to produce and reproduce inequalities. In contrast to the previous chapter, this chapter examines the negative side of social networks. Through the prism of *štela*, the local colloquial term that conveys a form of nepotism, often based on family relations, it analyses the ways in which having certain connections permits greater access to services in BiH in a way that contributes to social exclusion.

### **ŠTELA, (NA)ŠTELITI, IMATI ŠTELU (ŠTELA, TO PROVIDE A ŠTELA, TO HAVE A ŠTELA)**

The noun *štela* and verbs *šteliti* and *našteliti*, as well as *imati štelu*, are colloquial expressions. These words trace their origin from the German verb *stellen*, which means 'to set up,' and in colloquial Bosnian (and, as far as I know in Croatian and Serbian), mean 'a set-up' or 'connection,' so that the primary meaning of the German verb is used metaphorically. The word has been present in colloquial speech since the time of socialism. To say someone has a *štela* to get into university or get a job means that s/he has a connection and that the potential competition is 'a set up'. It can also denote the person who acts as a *štela* (for someone), i.e. a 'connection' ('He was my *štela* for a job/hospital/a bank loan'). Even though the word *štela* and other words of the same origin have negative connotations, in colloquial terminology they can also have a playful meaning, e.g. 'get me a *štela*' (=set me up) – in the context of 'get me an introduction to that guy.' The word *štela* and its derivatives have a less negative connotation than the word 'corruption': they are 'softer' and more connected to private than to public discourses, although increasingly common in public discourse.

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*Štela* relates, then, to the intentional 'setting up' of a situation in which a personal connection can produce a benefit that might not otherwise have been received. The relationship of *štela* between two people acts as an unwritten contract of significant force

and involves an obligation that may, or may not, be financial. Often deriving from immediate social ties, the prevalence of this phenomenon is an important component in our assessment of the use of social networks in BiH.

The results of both our quantitative and qualitative research show that the use of *štela* is widely spread throughout all layers of society and is present in most relationships between people and service providers in BiH. In the questionnaire the significance of *štela* in everyday life in BiH was assessed in terms of the degree to which people believe that access to services is always or only possible on the basis of *štela*. Nearly all survey respondents believed the use of *štela* is needed to obtain a large variety of basic services, including access to education, employment and better quality health care. According to most of those surveyed, *štela* can also be useful in obtaining official documents and fulfilling formal procedures.

Two focus groups were held in order to delve more deeply into the interactions that are involved in the use of *štela*. Focus group research demonstrated the ways in which this belief creates and enforces exclusive and closed networks, reducing opportunities for human development and acting as a disincentive to the seeking of broader opportunities. The use of *štela*, therefore, not only limits access and produces inequalities within society, but also significantly disempowers individuals. As such, we look at the results of both the survey and focus groups on *štela* as a highly prevalent form of exclusive social capital in BiH, something that detracts from human development in the country.

### **Clientelism, nepotism and *štela***

As noted earlier, social capital manifests itself in both positive and negative ways. In terms of negative dynamics within social networks, these can involve, for instance, a tendency to exclude outsiders, to lay excessive claims on group members or to restrict their freedom of movement, speech or behaviour.<sup>142</sup> For

<sup>142</sup> Portes (1998), pp.1-24.

example, strong, patriarchal networks may involve significant restrictions on the opportunities and choices available to female members of a given group. Similarly, prejudice based on the perceived superiority of one's own ethnic, national or religious group can prevent one from interacting with others from a different background. While some social groups can be harmed by rivalry or violence with others, otherwise seemingly innocuous groups may also have negative effects on their members, where those dynamics isolate the group from flows of information, critical reflection and innovation.<sup>143</sup>

*Štela*, as described above, is a manifestation of negative dynamics within social networks. It is by no means a phenomenon unique to BiH, and our retention of the terminology of *štela* is only because there is no term accurate enough in English to depict the nature of this relationship. There is however a number of other terms and concepts that can be related to *štela* and that can assist us in understanding how this term operates. Of these, clientelism and nepotism are particularly useful. *Clientelism* refers to a form of social organisation characterised by 'patron-client' relationships. Relatively powerful and rich 'patrons' promise to provide relatively powerless and poor 'clients' with jobs, protection, infrastructure and other benefits in exchange for various forms of loyalty. These relationships are typically exploitative, often resulting in the perpetual indebtedness of the client.<sup>144</sup> Thus, clientelist relationships are often corrupt and contribute to unequal power relations in a given society. *Nepotism* – a much more common term – denotes those forms of favouritism that are bestowed upon family.

The concept of *familism* is also useful here. Familistic networks are characterised, according to Fukuyama, by strong relationships of trust towards family and close friends.<sup>145</sup> Familistic networks tend to exhibit low levels of trust toward strangers and 'others.' As demonstrated in Chapter 3, these are the kinds of general characteristics common in social networks in BiH: very high levels of trust for family and low levels of trust towards 'strangers.' A vast majority of respondents to our survey stated that they trust their family first and foremost, then their close friends and then neighbours. Trust levels drop significantly after those three categories when it comes to others 'not known,' be they of the same ethnicity, different ethnicity or of a different way of life. Familistic relations are particularly problematic due to the fact that the personal interests of the individual are subordinate to those of the family. Familism is closely linked to nepotism in the sense that it provides the basis for

the kind of patronage or favoritism that is shown to those closest to oneself: first and foremost family and expanding in concentric circles from there.

The local notion of *štela* articulates a form of nepotism that is related to clientelism; it involves patronage relations based upon indebtedness which are built, primarily but not exclusively, upon social connections made through family ties. As such we might interpret *štela* as a specific form of nepotism, with the dynamics of clientelism and its roots in familism.

The use of *štela* in BiH relates directly to the assessment of micro-level social capital outlined in Chapter 2. As suggested there, when diverse networks are composed of large numbers of weak ties, the relationships between individuals can provide the basis for improved flows of information contributing to the development of human resources and innovation. As such, they can provide a positive contribution to human development. When social networks are closed and 'hunkered down,' on the other hand, based on ties of perceived similarity, the individual benefits – such as those based on *štela* – may not contribute to the greater good, and, instead, the functioning of such networks is detrimental to human development.

The social dynamics emanating from the use of *štela* create and enforce closed and exclusive social networks that benefit only the members of those networks to the disadvantage of others. Where *štela* interactions also involve financial payments that are required immediately, those who cannot afford to pay are automatically excluded. *Štela* is therefore a non-merit-based means of negotiating institutions and structures in BiH. The different usages of *štela* in everyday language, as articulated in particular in the results of the focus groups, suggest that it encompasses a spectrum of behaviour from small favours and forms of assistance to more blatant forms of bribery and corruption. Indeed, at one end, *štela* bears a distinct resemblance to what elsewhere is described – quite positively – as 'networking,' while at the other the same term is used for the practice of paying bribes. In descriptions of *štela* in BiH, it involves the use of personal connections when enrolling in higher education, seeking better quality health care, getting a job or obtaining official documents, contributing to making these services inequitable. The absence of the use of transparent and merit-based procedures in many of these areas makes it very difficult for people not to seek and use *štela* and increases the pressure on people to do so.

<sup>143</sup> Fukuyama (2002), pp. 23-37.

<sup>144</sup> Lemarchand (1972), pp. 149-178.

<sup>145</sup> Fukuyama (2002), pp. 23-37.

**PERCEPTIONS OF ŠTELA**

In the questionnaire we asked both direct and indirect questions about the use of *štela*. The key question posed as an assessment of the general significance of *štela* was:

***In your opinion, how useful is it to have 'štela' for getting a job, getting better healthcare, getting access to education, getting access to authorities (such as police and the judiciary) and for getting a visa?***

In addition, we also indirectly assessed the role of *štela* in finding a job by inquiring of respondents to what degree their own job-seeking methods included asking 'family members and relatives,' 'close friends' and 'acquaintances,' for example. Given the stubbornly high levels of unemployment in BiH and the weaknesses in the Public Employment Services

this is an area in which the impact of *štela* is particularly detrimental. Respondents were also asked about the degree to which they believe that it is necessary to pay bribes to gain access to health services.

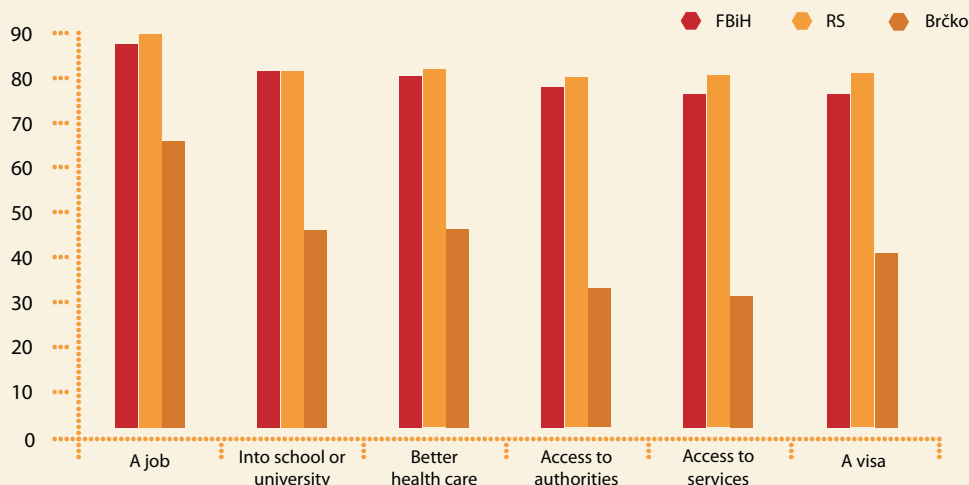
The results for the importance of *štela* were quite astounding. Almost 95% of survey respondents reported that having a *štela* is *always or sometimes useful* for getting jobs, visas, health services etc. Table 6.1, outlines these results. The highest result was for getting a job - 85.7% said it is always useful for that purpose. Very few people reported that *štela* is never useful.

Although almost everyone interviewed said that access to services was highly dependent on one's social connections, the research did show some slight differences in the levels of responses among respondents of different age groups and across BiH administrative regions.

**Table 6.1 Usefulness of *štela* for getting ...**

<i>Štela</i> is useful for getting...	A job	Into school or university	Better health care	Access to authorities	Access to services	A visa
Always useful	85.7	80.1	79.4	76.9	75.1	74.6
Sometimes useful	8.0	10.7	12.8	14.1	14.4	13.4
Occasionally useful	1.2	2.2	2.8	3.1	4.6	4.0
Never useful	1.5	2.0	1.3	1.4	1.5	2.1
Don't know / Don't want to answer	3.5	4.9	3.7	4.5	4.4	5.8

**Figure 6.1 Belief that *štela* is always useful by entity/District Brčko**



Generally speaking, younger people believe personal connections to be more important for accessing services than older people, suggesting a disturbing trend for the future, in particular given the large number of young people currently unemployed and the widespread perception that connections are needed to get a job. When broken down by entity, the level of importance of *štela* appears to be roughly the same in the two entities; what was interesting, however, was the difference in Brčko district - an administrative region with a different institutional structure from the two entities. As Figure 6.1 indicates, respondents in Brčko district appear to believe considerably less in the utility of *štela* than is the case in the two entities. The distinction between Brčko and the entities is something that might usefully be pursued in further research.<sup>146</sup> When broken down to cantons in the FBiH and administrative regions in RS, there were also a few differences that were statistically significant.

Figure 6.2 below shows the perception that *štela* is always useful, broken down by some of the regions in the country and highlights the fact that in some places 100% of respondents hold this perception. In this regard, the 88.8% response in Canton Sarajevo was significantly lower than in many other parts of the country.

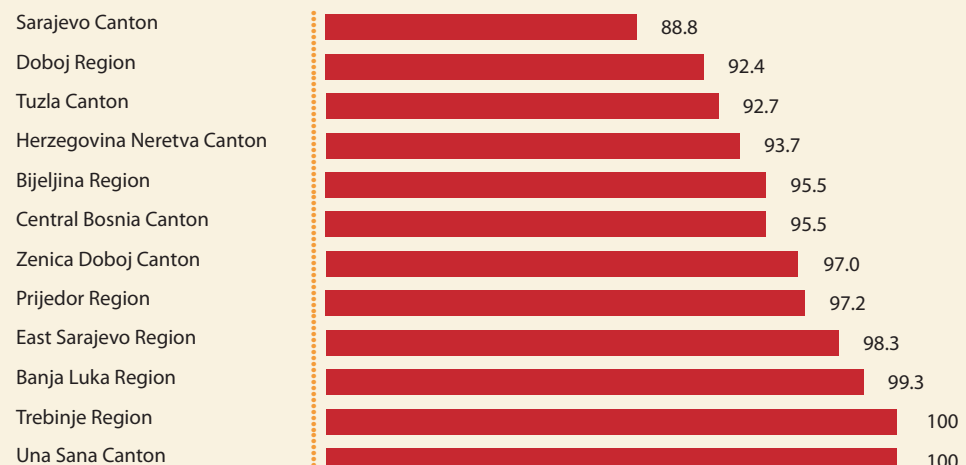
The only other significant demographic characteristic of respondents that affected perceptions of *štela* in our analysis was employment status. Those who

identified themselves as unemployed were more convinced of the need to have a *štela* than those with a job. We look at the relationship between *štela* and job-seeking methods in more detail below.

### Focus group results

In addition to assessing the degree to which people believe that one's social networks determine access to services, we also held two focus groups to explore more specifically what people think about the composition of these networks and how they feel about using *štela*. The focus groups were held in Banja Luka and Sarajevo. Participants were recruited from a range of age, education and income groups and both groups were gender balanced. A recruitment questionnaire was used in which different views of *štela* were presented so that participants would have a range of perspectives. In both group discussions, participants were encouraged to share personal experiences of how they had used *štela* to gain something useful. The benefits and risks of *štela* were discussed, and the question of the ethics of this practice was raised. In addition to these two groups on the topic of *štela*, nepotism came up as a topic spontaneously in focus groups on other topics, such as in the discussions with isolated elderly people, unemployed women and young people who wish to work abroad. We also refer to those discussions below. The results of the focus groups allowed us to delve in more detail into the dynamics of nepotism and clientelism in BiH.

**Figure 6.2** *Štela* is always or sometimes useful, by region<sup>147</sup>



<sup>146</sup> The figures for Brčko District should be treated with considerable caution because of the small sample size.

<sup>147</sup> Note that some Cantons and administrative regions have been removed from the table because the number of respondents was too small to derive any statistically significant results. We have also added 'always useful' together with 'sometimes useful', whence the significantly higher result from Brčko District than that mentioned in the preceding paragraph.

**Table 6.2 Perceptions of the usefulness of *štela* by employment status**

<i>Štela</i> always useful for getting - (in %)	A job	Into school or university	Better health care	Access to authorities	Access to services	A visa
Employed	85.4	80.8	79.9	77.1	76.1	73.9
Unemployed	94.5	89.0	88.3	88.2	86.0	84.2

Overall, participants were adamant about the need for *štela* in everyday life. They stressed the necessity of using or having *štela* in order to get almost anything done in public life. Moreover, participants in various groups expressed concern at the lack of transparency in many public sectors in BiH and the frequent use of personal social connections to manoeuvre through the system. In fact, this qualitative study suggests that the perception that everybody uses *štela* actually reinforces the practice. The following quotes illustrate the range of explanations people give for the necessity of *štela*:

*It is considered normal ... It is as widespread as if it were given by God, as if it has to be that way... You have to have connections; you have to pay for everything. For everything. Even to get your child started in primary school, even for that you need to have connections. (Male, student, Banja Luka)*

*You can find about a million examples, a million: access to jobs, high-school acceptance, faculty enrolment, it is omnipresent. (Male, single, employed, Sarajevo)*

*[Personal connections] are needed in most cases and most people in Bosnia claim that based on their experience. I think that you cannot do anything, like securing a job, a place in the faculty, or, as you mentioned, a visa, if you do not have some connections (Female, employed, nurse, lives alone, Banja Luka)*

*Connections are used everywhere and for everything. Whatever you need these days, starting from the cleaning people in hospitals and on, you need connections for everything. (Male, employed, married, two children, Banja Luka)*

Asked to explain the benefits derived from having *štela*, respondents said that it allows one better or faster access to services or to achieve benefits one would otherwise not be entitled to. Participants did not mention financial gain as a direct benefit of *štela* (apart from cases in which *štela* is used to reduce fees for traffic violations). Nevertheless, beyond everyday individual benefit, participants also indicated the larger, pervasive nature of the phenomenon, suggesting that larger-scale transactions, such as tenders, privatisation contracts and large financial loans,

are also the result of the successful application of *štela*.

In the group of 'young people seeking work abroad,' participants expressed bitterness about the degree to which personal connections are important in BiH. Participants reported situations in which they or their friends had found a job only through the application of bribes, connections or other reasons not related to merit and qualifications:

*I think that young people who complete school get greatly disappointed when they start looking for work... because all the better jobs are usually kept for others who have strong connections and also, it is publicly known that jobs can be bought... I personally know people who took loans after they completed school so that they could buy jobs although they deserved to get them anyway having completed their studies. (Male, student, young person seeking work abroad)*

In the group with unemployed women, some participants reported that their lack of *štela* is the single most important obstacle in finding a job:

*I have submitted hundreds of job applications, but I have never got a job. I have two diplomas, but I never had a chance at a job because I do not have necessary connections. (Female, unemployed, Sarajevo)*

When considering how a *štela* is identified, participants pointed to the importance of family relations as the basis for creating a *štela* connection. Family relations can also be the basis of finding an intermediary or family associate who acts as a *štela*. Once connections are one or more steps removed from direct family relations, the role of money seems to become more significant and replaces non-financial 'favours':

*Money replaces connections because if you go somewhere, to some institution, if you do not know anyone there, you give money. (Male, student, Banja Luka)*

*Even if you have connections, it does not mean anything, unless you have money, a substantial amount of money. I have experienced it personally. (Male, employed, married, Banja Luka)*

In that sense, having a connection may not preclude the need to also pay a bribe – it depends on how intimate the personal connection is. Depending on the institution, an intermediary may also be used:

*It is usually done through someone else, never directly. (Female, employed, pensioner, three children, one grand-child, Sarajevo)*

Participants also highlighted the role of political parties, which, as we mentioned in Chapter 5, is seen to be important in terms of building the basis for the kinds of personal connections needed for ‘getting ahead’:

*I believe that politics leads to štela. BH institutions, everything begins with parties. Parties lead to štela. (Female, employed, Sarajevo)*

We also asked the members of our focus group discussions explicitly how they feel about the use of *štela* – their own use and of those around them. The responses were generally quite resigned. *Štela*, they argued, is a fact of life in BiH and there is no way to avoid it. They expressed resignation at how common it is:

*One simply becomes accustomed to it. (Male, pensioner, Sarajevo)*

*I would like to meet someone who resented winning a job or something else through the use of connections. (Female, employed, two children, Banja Luka)*

*Štela is ... we cannot do anything about it. You know how people say ‘you are judged by your accuser?’ We know that we cannot win regardless of our arguments, regardless of which court we turn to, regardless of the evidence. (Female, employed, two children, Sarajevo)*

*I think that it is part of our life, people are so accustomed to it...to do whatever it takes...and it will never change. (Female, employed, , Banja Luka)*

The research undertaken for this report suggests, therefore, that *štela* is commonly understood as an unavoidable and entrenched fact of daily reality in BiH, one that is intertwined with the weaknesses evident in the functioning of the country’s institutions.

Furthermore, our survey and focus group assessments clarify how *štela* significantly determines the ways in which our respondents seek and get access to jobs, health care and other services. In the absence of the use of transparent practices, most respondents reported having sought employment, enrolment in education and access to authorities through friends, relatives and other connections.

## ŠTELA AND ACCESS TO SERVICES

### Access to employment

When asked what benefits *štela* is most useful for, getting a job received the highest number of positive responses. This perception, as mentioned, was even higher among those who identified themselves as unemployed. Combined with the assessment of different methods people use for finding a job, the belief in the importance of *štela* appears to act as a disincentive to those seeking a job. This is a significant finding that needs to be considered further. It is alarming in the context of a country in which unemployment constitutes one of the most pressing social problems and where the official levels of unemployment have been consistently high.

Beyond asking directly about *štela*, our survey data also provides some insights into the lack of transparency in the employment sector by assessing the different job-seeking methods people use. The assessment of *štela* above related to the perception of the use of personal connections for various benefits, while the assessments here look more at the in-practice use of these connections for benefits such as looking for jobs. We asked respondents whether they had used a range of different methods, both formal and informal. In the results, almost half of those surveyed said they had asked family, relatives, close friends and acquaintances for employment opportunities. Of this group, significantly fewer women than men said they applied these informal job-seeking methods. These findings suggest that fewer women than men are using personal connections to get a job. As a form of exclusive social capital, the practice of *štela* in this sphere may therefore be excluding more women than men.

Our analysis also shows a correlation between education levels and informal job-seeking methods, where those with the lowest education reported less likelihood of using personal connections when seeking employment (Table 6.4). While further research would be needed to understand this in more detail, it may perhaps be that those with lower education have less access to *štela* – in particular in the sense of personal connections to people in positions of power. Here, *štela*, education, employment and exclusion should be more deeply explored.

In terms of formal job-seeking methods, respondents were asked if they had used any of the following methods: contacting public employment services, employers or private employment agencies, looking at public advertisements, taking tests or exams or working as a volunteer. In terms of these more formal methods, almost all of the respondents in Brčko reported having contacted the public employment services at some point, as did three quar-

**Table 6.3** Informal job search methods by gender

Which methods have you used when looking for a job? (in %)		
	Men	Women
Asked family, relatives, close friends, acquaintances	51.1	40.4

**Table 6.4** Job search methods by education level

Which methods have you used when looking for a job? (in %)			
	Low education	Middle education	High education
Asked family, relatives, close friends, acquaintances	39.2	53.8	54.7

ters of those surveyed in RS and just over half of those in the FBiH. These differences are statistically significant. Moreover, in rural areas, our respondents were more likely than their urban counterparts to have made use of the public employment services. We also asked those with a job how they had found

them. While only less than 25% of this group reported that the public employment service had helped them find their job.

In terms of age, participants under 30 more frequently said they had found a job through personal

**Table 6.5** Job search methods by entity

Which methods have you ever used when looking for a job? (in %)			
	FBiH	RS	Brčko
Contacted the public employment service	59.3	75.7	90.1

it, in order to assess the usefulness of various job-seeking methods. The results were that more than one third said they had found their job through family, relatives, close friends and acquaintances. Here, we can see that the most common way of getting a job is indeed, the use of informal personal connec-

tions than other groups. While in terms of education, although those with higher levels of education were most likely to say that they use informal methods when looking for employment, our assessment shows that they are less likely to have found their jobs through family, friends and acquaintances.

**Table 6.6** Methods used for finding current job

How did you find your current job? (in %) n = 443		
Common informal methods	Common formal methods	
Asked family, relatives, close friends and acquaintances	Contacted the Public Employment Office	Other formal methods (looking in newspapers, volunteering etc.)
34.3	23.9	16.3



This contributes to our finding that the belief in personal connections is very strong, but that it does not always translate into concrete results.

### Focus groups on job-seeking and *štela*

In line with these findings, focus group respondents also tended to focus on the use of *štela* in the employment sector, describing personal examples of their own and of those around them. The importance of personal connections in securing employment was raised and discussed in all focus groups, reflecting an experience shared among people from a range of different backgrounds. The examples they provided extend from favours to the payment of bribes and to what might even be described as informal 'fees' for securing employment.

Focus group discussants did, of course, express their discontent with what they perceive as an inadequately regulated and poorly controlled labour sector.<sup>148</sup> In particular, participants argued that governments should concentrate on reducing corruption in inspection services, which monitor and regulate the work of businesses, so as to better prevent illegal and unregistered work. They also stated that hiring procedures should be made more transparent to encourage fair and transparent application processes. Others argued for strengthening the legal framework around employment practices:

*Because there is no law - an exact legal provision prohibiting a company manager from hiring someone without a public job announcement - that helps them. They are free to do what they want. (Female, unemployed, Sarajevo)*

This comment from a focus group participant sums up the inequality produced by these practices, as well as the negative effects they inevitably have on the quality of the services that are provided. In the following quote, the respondent is reflecting on the experience of two family members, their ability to access employment in the health service, as well as the concomitant effect on the quality of service provided:

*I have two cousins, they both studied medicine. One graduated some three years ago... Three or four years later he got a job, he is a real professional... the other cousin was also a good student but two years into his studies the war broke out... he went [away] and he came back after the war. ... He paid for a diploma. Money practically got him through the faculty. He used to call the [director] and ask 'What is the price for such and such exam?' 'That much.' He goes there, gives the money... I always tell people 'I would*

*not let him treat me no matter what.' The one who [knows ] nothing is working, and the other one waited for three or four years to get a job in a rural community health centre. That tells you everything about bribes and corruption. (Male, single, employed, Sarajevo)*

In the following, another participant reflected on her experiences of being openly asked to pay a bribe at an employment service.

*I lost my job and when I asked people at the employment service, 'Now what? Can I apply for a pension based on my age and years of work?' 'You can try,' [they said]. But the man openly told me: 'You will need a few thousand marks, and it will not be paid back'... He openly told me I could try, but that I would not get anything. Personal connections are generally useful... but unless you can pay money, you have to have a strong family connection. It is not a secret. We have some companies in town... people already call them family companies. As soon as they graduate they get jobs, while other people can apply a million times and will never get the job. They can be good, regular students, but connections are still more important. (Female, unemployed, Sarajevo)*

Both components of our research, therefore, indicate the overall lack of practices of transparency in employment in BiH. This lack of transparency comes both from the every-day practice of *štela* and, more importantly, from the lack of regulations to prevent its usage. According to our findings, informal political connections and covert financial transactions are common means of securing employment. The common belief and perception that *štela* is essential for getting a job may also cause people to avoid formal job-seeking methods, such as registering at the official employment service or looking for job advertisements in the media. This clearly identifies an area of policy-making that needs significant reform.

The practices that surround *štela* enforce the boundaries of exclusive social networks, leaving out those without the 'right' connections or without the means to pay the correct bribe or, in some cases, both. Indeed, these 'fees' are often several times higher than the average BiH salary.

### Weaknesses in the public employment services

Concerns about access to employment are additionally supported by other aspects of our quantitative research. In the survey we asked respondents about their perceptions of the quality of public services in their local community. Respondents were asked to

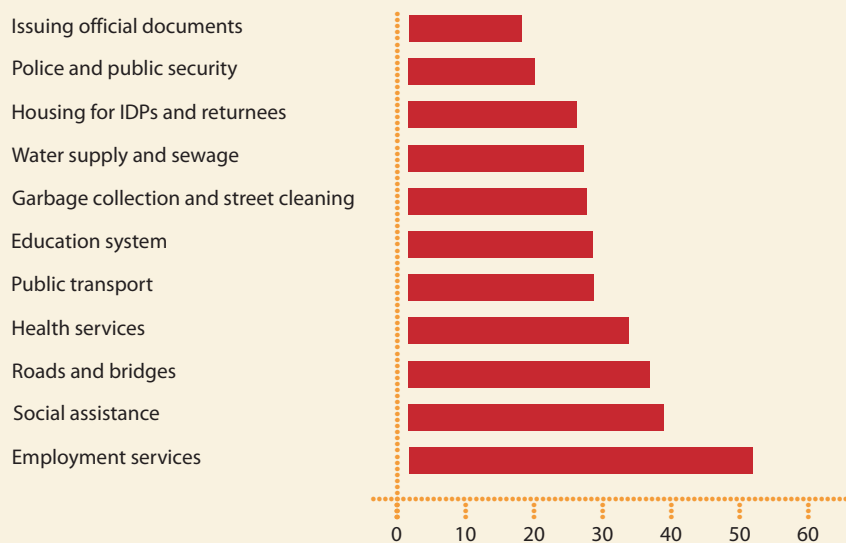
<sup>148</sup> Participants concluded that the government would have to give particular attention to this problem, if it wanted to improve access to jobs for people like them. They concluded that most of the responsibility for this lies with the (BiH) government.

identify whether they face a series of problems when accessing health, education, employment and social assistance services, as well as whether they have or perceive problems with waste removal, housing, water supply, the issuing of official documents etc. In the results of the survey, the service perceived as most problematic, by far, is the employment service. In Figure 6.3, we asked respondents about the quality of basic services in their local community.

In addition, when we asked focus group participants for their opinion about the efforts of the Public Employment Services to assist the unemployed, their answers were almost unanimously negative:

*They do not offer anything. All they can help you with is registering as unemployed and getting health insurance, and you must report with them regularly for health insurance. ... It is simply... 'We are an institu-*

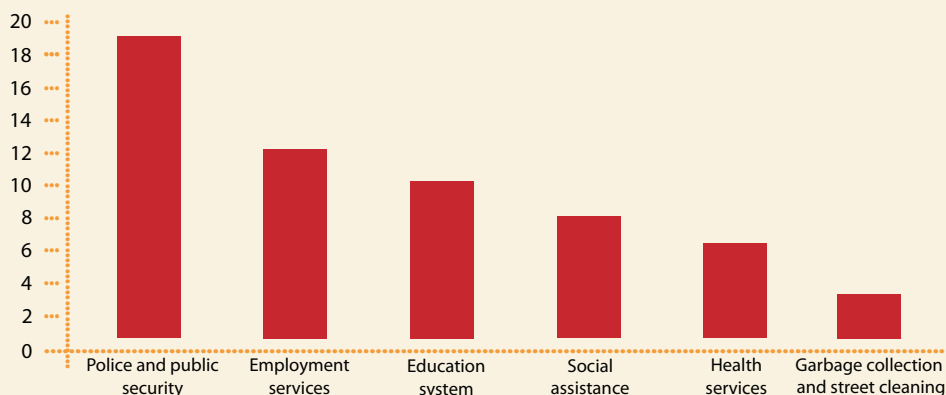
**Figure 6.3 Perception of low quality in basic services in the local community**<sup>149</sup>



We also inquired about levels of corruption in the delivery of services, and significant levels were identified, in particular regarding the police and public security and employment, as Figure 6.4 illustrates below.

*tion...that registers you.' But they will not find you a job. They pretend to offer you some options ... But are they looking for jobs? They do not even call you to tell you about new job openings. (Unemployed woman, 45 years old)*

**Figure 6.4 Corruption in services (in %)**



<sup>149</sup> A full table outlining the answers to these questions can be found in Annex 3 (Table A3.12).

This is obviously an issue of concern in a country where the unemployment rate remains high. The disparity between men and women in terms of their rate of activity in the labour market has remained roughly the same, with men having an activity rate almost double that of women.<sup>150</sup>

Generally, when asked about their experiences with finding a job, focus group participants said BiH suffers from a lack of accessible employment opportunities, especially in rural areas and former industrial regions. The situation is particularly stark for vulnerable groups as we see in the observation below.

*Concerning employment and basic things people need for living, our life is so tough that we are in urgent need of some assistance... It would be good if all these people here, all of them without discrimination, were given a chance for normal employment so that they could live from their earnings.... (Male, minority returnee, married, three children, engaged in agriculture)*

At the other end of the spectrum, young university graduates also face difficulties finding jobs in their chosen field. A participant in the focus group of young people who wish to work abroad described her experience:

*A friend of mine is also an economics graduate. She has been looking for a job for two and a half years but without success. She cannot find a job in her pro-*

*fession. She is babysitting for her brother. (Female, unemployed women, 31 years old)*

### Štela and access to healthcare

The other key area in which focus group respondents spontaneously raised concerns over access due to the necessity for personal connections (or, in their absence, bribes) is access to health services. As with other parts of BiH's social protection system, the health care system is highly decentralised, characterised by ineffective service delivery and significantly different outcomes for users depending upon where they live in the country. There is no Ministry of Health at the state level and the organisation, delivery and financing of health care are the responsibility of the entity Ministries of Health. In 2007, 6.1% of GDP was allocated to the public health sector which is mainly characterised by the provision of health care on the basis of public insurance.<sup>151</sup> There are thirteen social health insurance funds in BiH (one fund for each entity, one fund for each canton of FBiH and one fund in Brčko District)<sup>152</sup> but citizens cannot choose a health insurance fund or opt out of an insurance fund.<sup>153</sup>

We also probed further into healthcare in the questionnaire and asked a number of questions related to the quality of services provided. Some of these questions on access to health care are comparable with other countries in as they derive from the European Quality of Life Survey (QoL). The table below shows some of those comparisons from QoL data for

**Table 6.7 Percentage of respondents experiencing great difficulty in accessing healthcare services**

% of people finding the following difficult	BiH	Turkey	Bulgaria	Romania	Accession 2004 Wave Member States of the EU <sup>154</sup>	Eu15 <sup>155</sup>
Cost of seeing a doctor	62.3	33	34	29	15	8
Delay in getting an appointment	65.5	30	41	15	14	11
Waiting time at doctor's surgery	61.3	30	34	25	15	11
Distance to treatment centre	49.0	28	41	15	6	4

<sup>150</sup> BHAS (2008b), p. 25.

<sup>151</sup> World Bank (2008).

<sup>152</sup> The Health Insurance Office (Zavod za zdravstveno osiguranje) website, viewed on 21 August 2009 <<http://www.zozzh.com/adresar.htm>>, the Health Insurance Offices in the Federation of BiH (Zavodi za zdravstveno osiguranje u Bosni i Hercegovini) website, <<http://www.for.com.ba>>, The Fund for Health Insurance (Fond za zdravstveno osiguranje) website, <[http://www.bdcentral.net/Members/zdravstvo/FondZdravstvenogOsiguranja/fond-zdravstvenogosiguranja?set\\_language=bs](http://www.bdcentral.net/Members/zdravstvo/FondZdravstvenogOsiguranja/fond-zdravstvenogosiguranja?set_language=bs)> and The Fund for Health Insurance of the Republika Srpska (Fond za zdravstveno osiguranje Republike srpske) website, <http://www.zdravstvo-srpske.org>, viewed on 21 August 2009

<sup>153</sup> In addition to the Health Insurance Fund, in FBiH, there is a Federal Reinsurance Fund and a Public Health Institute, with branches in each of the 10 cantons. These offices finance together some services through so called 'federal solidarity programmes' (this is also called 'tertiary health care'). For this fund, each canton sets aside 9% of its revenues. Republika Srpska has a Ministry of Health and Social Welfare, which supervises the Health Insurance Fund plus the health care network and the public health institutes.

<sup>154</sup> Accession wave of 2004 (Czech Republic, Cyprus, Hungary, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia).

<sup>155</sup> Data on Turkey, Bulgaria, Romania, the New Member States and the EU15 provided by the European Quality of Life Survey 2003, Eurofound, European Foundation for the Improvement of Living and Working Conditions, <<http://www.eurofound.europa.eu/>>.

2004 and illustrates the difficulties experienced by residents of BiH in comparison with Turkey and EU member states. The data was gathered quite a few years before our survey and prior to the two most recent waves of EU accession, hence the separation of Bulgaria and Romania and the 2004 accession wave members. Nevertheless, some of the differences in quality of services, in particular between BiH and the original 15 EU member states, are stark. The results in Table 6.7 suggest that the cost of seeing a doctor in BiH is an obstacle almost eight times more often than in the EU (15), and delays and waiting times cause problems for citizens around six times more often in BiH.

We also asked respondents whether they felt their access to health services is impeded by either the 'official' or 'unofficial' costs of seeing a doctor. The question was phrased in this way in the hope of eliciting more accurate information than if we had directly asked respondents if they were concerned about paying bribes to doctors. While other issues rated higher, such as delays in getting appointments and waiting times, almost half of the survey respondents (47.2%) answered that, indeed, 'unofficial' additional costs make it difficult for them to access health services. In the RS more than one third of the respondents said they felt that those illicit charges made it difficult to see a doctor, while in the FBiH the proportion was more than half: a relative difference of almost 20% between the two entities.

The issue of access to health services and corruption was also raised in focus groups where participants discussed their personal experiences:

*The health system is a special case... I have a similar example... I had to give money to find my husband a place in hospital and his life depended on that. (Female, employed, Sarajevo)*

*I can tell you about experience with hospitals, surgeons. First you have to bribe a nurse and then you have to bribe a doctor. First you give a little something to the nurse. OK, she can be bribed with a bag of things, but doctors accept nothing less than an envelope [with money] and in the end they treat you the same as if you have given them nothing. They always treat you the same, regardless of whether you give them something or not. (Male, employed, skilled worker, married, two children, Banja Luka)*

Other respondents spoke about the level of 'additional' costs or tariffs required for certain medical procedures.

*...they ask for 200 KM for gall bladder surgery. Actually it was 200 KM before, now it is about five or six hundred. (Female, unemployed, Sarajevo)*

Finally, several people shared personal stories about the use of personal connections in the education system. Mostly, these practices were from tertiary education, but some also gave examples of having paid for good grades in secondary school:

*I have a friend. His father took care that he was accepted to the faculty, so that the cost of his education would be covered from the budget. Without connections he could not have been financed from the budget. (Male, student, Banja Luka)*

### ŠTELA, BRIBERY, CORRUPTION AND EXCLUSION

In focus group discussions, while disquiet was certainly expressed at the widespread practice of *štela* by some participants, in particular in relation to getting a job or better health care, generally speaking, the discussions did not spontaneously link the practice with or call it corruption. When probed however, interesting debates ensued and a variety of opinions were expressed. Discussants spoke about various forms of 'exchanges,' and debated whether they actually constituted bribes or were mere gifts of gratitude. Some participants believed that money and gifts should both and always be understood as corruption, whereas others argued that this judgment is contextual and depends on the reason and purpose of giving money or gifts, on the value of the article involved and on the moment at which this exchange occurs. For example, some participants separated those articles given to entice a person to act as *štela* and items intended to skirt official requirements and/or entitlements one does not (yet) meet. Examples of these different interpretations are given below:

*A bribe is when they quote a price and tell you that you can get such and such a service at such and such a price. Štela is a personal matter. If someone asks me to find a job for their child and if they get me a present of their own will for having helped with that, without me asking for it, that does not count. (Male, employed, university ree, Sarajevo)*

*I do not know how can you separate connections from corruption? How to separate the two? How can someone use connections and not be corrupt? It does not matter if they will give money or a present; that is irrelevant. (Female, employed, Banja Luka)*

*If someone incompetent gets it then it is corruption... it is pure corruption. If we both satisfy the criteria and I am accepted because I have connections, it is just good fortune. (Male, employed, Banja Luka)  
It is a little... inconvenient to beg people for some-*

*thing ... (but) once you reach your goal you feel successful regardless of how you reached it (Female, employed, Banja Luka)*

A further distinction was made between 'freely offering' money or a gift and 'being asked to give money/gifts.' Some participants suggested a distinction should be drawn over the price and small gestures of thanks should be distinguished from bribes. Generally speaking, however, most respondents agreed that, as long as it is not too expensive, they feel quite comfortable using and applying *štela* in its many forms when presented with the opportunity to do so. In relation to the timing of giving money or gifts, a number of respondents suggested that timing matters and that a gift (promised and/or given) beforehand should be understood as corruption, whereas a gift after the service had been provided was just politeness. Overall, however, there was considerable discussion over where the distinction should lie.

This is perhaps not surprising in light of previous research undertaken by Transparency International. In their 2004 report, they looked into the willingness of people to pay bribes if asked to do so by employees of various institutions. In their research from 2002 and 2004, the services for which people are most willing to pay additional 'fees' are to get a job and to get better medical services, which, via a slightly different means is exactly what we have found. In discussions with focus group members, *štela* is clearly

something that is frustrating to many. Comments and observations emphasised the fact that for those who do not wish to participate in the system of *štela* there are few, if any, alternatives. They expressed dependency at attempts to access services without the use of *štela*. This was particularly the case in the focus group with young people who would like to leave BiH, and, for some, it seems, *štela* itself constitutes a reason to leave.

*After that I was looking for work and people openly asked me for money when I was submitting job applications. I am disappointed, and I want to leave here again. (Female, young person seeking work abroad, unemployed, 26 years old)*

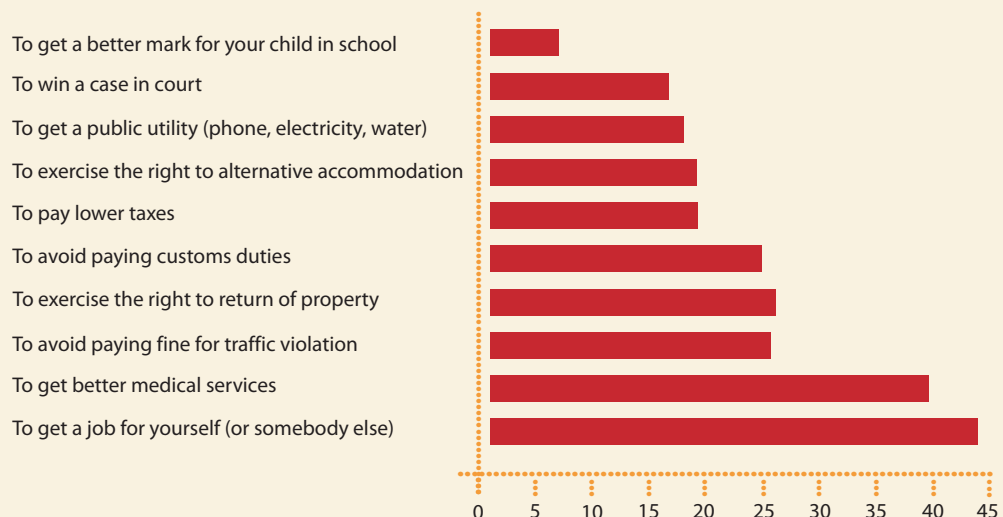
As such, *štela* should be understood as a push factor for youth migration and something that is likely to be directly contributing to the 'brain drain' in BiH. These findings highlight the urgency with which this issue needs to be tackled.

Finally, participants were also asked how they believe the practice of *štela* in BiH might be reduced. Generally speaking, they felt that the practices will remain common as long as BiH does not have a fair economy and the government fails to implement and enforce relevant existing laws and regulations:

*We would like it [to change], it should be possible, but it is not. It is impossible for one reason. You cannot reduce it, you cannot, when your economy is not*

**Figure 6.5** Willingness to pay a bribe to institutions<sup>156</sup> (Transparency International, 2004)

Would you pay a bribe if you are asked to do so by the person employed in the above institution?



<sup>156</sup> Table reproduced from Transparency International (2004).

*functioning, and everyone needs a job. (Male, skilled worker, Banja Luka)*

*We must make sure that the law is respected. That is the only way. But to have laws which are the same for everyone, not laws that serve particular interests and exclude some people. (Male, employed, Banja Luka)*

Discussants alluded to weaknesses in institutional transparency, the absence of the rule of law, constitutional problems and slow economic development. Others also suggested that the extent of these practices is a result of negative transitions and can be explained to some extent by the war, the post-war and transitional period and the effects that it has had on the country's overall development. The clear message, however, was that one has to participate in the system of *štela*, or one will simply be excluded.

## CONCLUSIONS

The research outlined above paints a rather troubling picture of the extent and use of personal connections in accessing services in BiH. It is important to point out that the grey areas existing between 'networking' and nepotism/clientelism are also apparent in many countries and the line where favours stop and corruption starts is not one that can be necessarily identified easily in any context. BiH is not unique by any means in this sense. What is significant, however, is the scope of the phenomenon. In

BiH it appears to pervade so entirely so many institutions. As such, it is the *degree* to which *štela* acts as a disincentive, to which it reduces the quality of services, to which it blocks access to services and to which it encourages corruption in a kind of snow-ball effect that is of such concern.

The policy recommendations that emanate from such findings, outlined in more detail in Chapter 7, emphasise the need for greater transparency and accountability in all services, as well as better implementation of the laws that regulate access to services and perhaps in some areas also legal reforms. As one of the focus group respondents suggests, regarding employment:

*First of all, employers must be controlled in some way; through inspections. They should not be allowed to hire their relatives or friends or friends' friends. There has to be some control. Such behaviour and such people should be sanctioned. That is not appropriate behaviour. Jobs should be given to the people who deserve them. I think that it has to be eradicated. (Female, unemployed women, student)*

Importantly, however, such an approach also requires, perhaps as a prerequisite, a broader debate on and awareness-raising of what constitutes corruption and what constitutes conflict of interest. These are the areas we will explore in greater detail in the final chapter, Chapter 7, in which we conclude and provide a series of recommendations that emanate directly from the findings of our research.

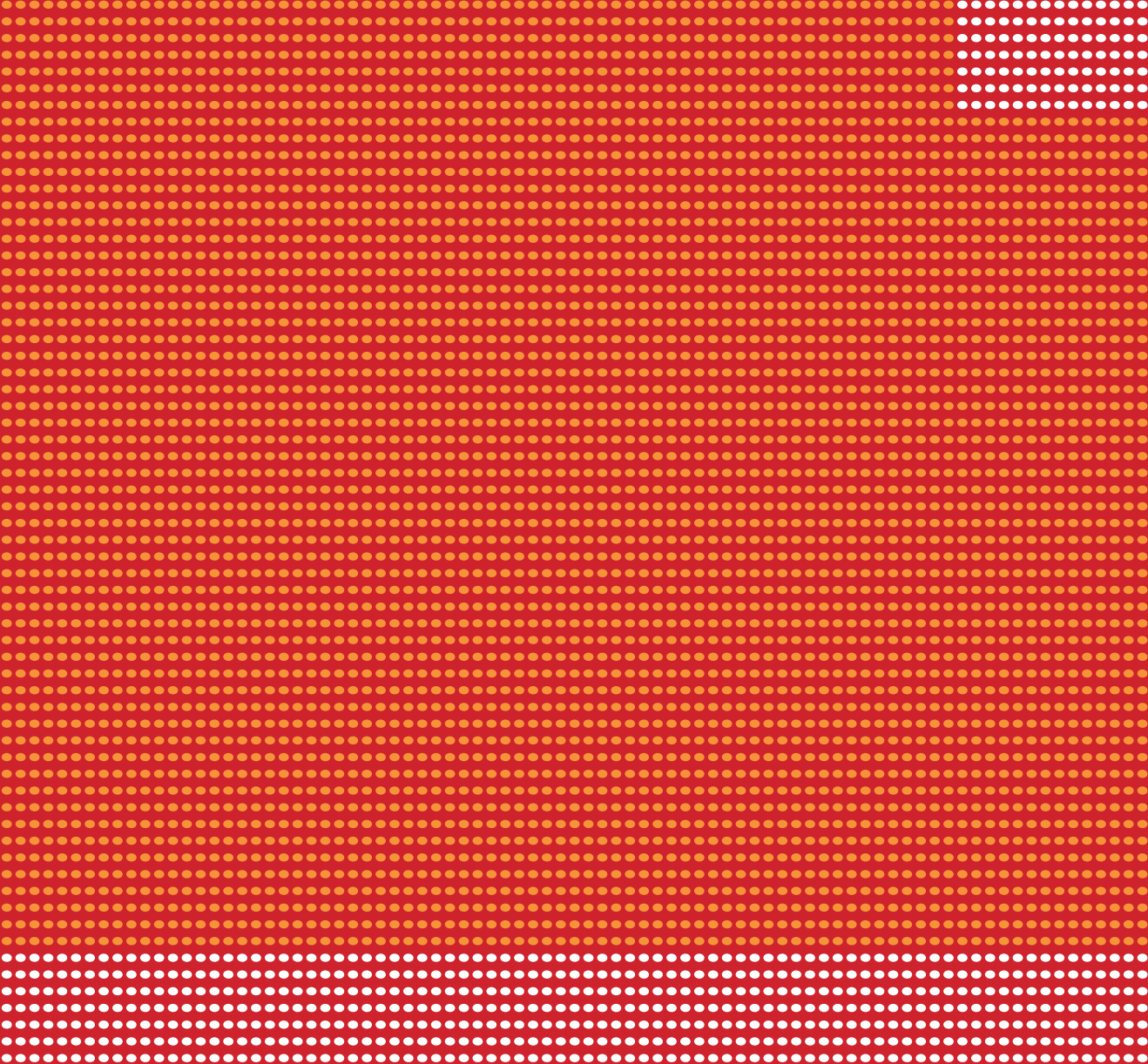


**Conclusions and policy  
recommendations**

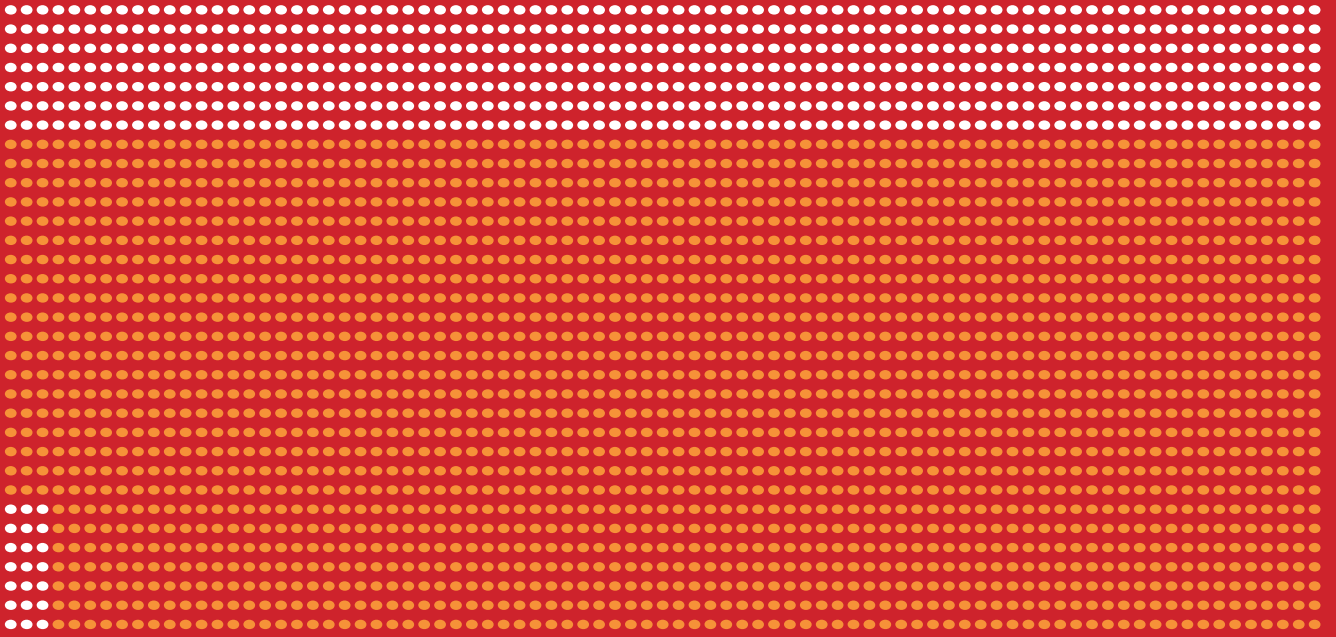
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# 7







7

## Conclusions and policy recommendations

This report set out to examine in more depth the very low levels of social trust in BiH that have been identified in previous research. Generally speaking, very few people in BiH, in comparison to other countries feel that most people can be trusted. Who is trusted and why? What do people imagine when they are asked the general trust question?

These considerations led us to look in more detail not only at who people feel they can trust in their everyday lives – whether family members, relations, neighbours, close friends, people of their own ethnicity etc – but also the kinds of social networks in which they are embedded. We inquired into people's sense of belonging in their immediate neighbourhood, the number and kinds of friends they have and the composition of their acquaintance networks, with the aim of better understanding trust – as an element of social capital – in the broader context of the manifold different forms of social ties in BiH.

As a result of this analysis we have been able to produce a detailed depiction of mainstream social networks, through the quantitative survey and the social networks of those who are more vulnerable to social exclusion, through focus groups. This emphasis arises from our approach: the analysis of social capital through a lens of human development, with an emphasis on the understanding of the multiple levels of disadvantage that contribute to social exclusion.

As we saw in Chapter 3, BiH can be characterised as a society built on strong ties, albeit ones primarily with family, together with other locally-based ties with friends and neighbours. It is therefore a society of very strong immediate networks, albeit not one with a great deal of bridging or linking social capital. Social networks in BiH are therefore characterised by webs of localised strong ties rather than a broader and more integrative pattern of weaker but wider-spanning ties incorporating members of other communities, ethnicities or social classes. In contrast to the overall low level of general trust, levels of specific trust are actually quite high in BiH when it comes to family and immediate close friends.

Having examined in some detail these networks, in Chapter 4, we turned to look at what experiences characterise the lives of those who do not have such networks. Utilising both quantitative and qualitative data, we mapped the experience of 'network poverty' as a key element of social exclusion, in particular in a society with such intense family ties. These two chapters established our assessment of the general characteristics of social capital in BiH and the key ingredients of trust, networks and reciprocity.

The ensuing two chapters – 5 and 6 – prepare the ground for the policy recommendations that are contained in this concluding chapter. Chapter 5 posed the question of what forms of social capital contribute to social inclusion and by extension – through producing the basis for greater opportunities and choices for individuals – to greater levels of human development. Our assessment of inclusive social capital highlighted the importance of fostering the kind of open and diverse networks that are made possible through a flourishing civil society, that involves voluntarism and through greater civic and political participation in general. These observations form the basis of some of the recommendations below.

While certain kinds of social networks can be very beneficial, clearly other kinds of social networks – in particular when they are closed, inward looking and restrictive of flows of information – have highly detrimental effects, whether political, social or economic. In Chapter 6, therefore, we looked at a particular manifestation of nepotism and clientelism in BiH society, one that tends to occur in societies with strong family-based social networks, namely *štela*. By using *štela*, their personal connections, people circumvent processes and procedures in employment, health-care and education. Not only does the use of *štela* reduce trust but it erodes the potential for accountable and transparent practices that would stimulate more confidence not only in BiH society but in its institutions as well. The research in this chapter provides the basis for propositions for alleviating some of the more harmful effects of *štela* in the relationship between citizens and institutions in BiH.

The following section outlines a series of recommendations for governments, civil society organisations and the media, as the three key actors who can facilitate developments in this area in BiH. In so doing, we hope to have provided compelling evidence for why certain policies should be changed, adapted or created and then implemented, for the long-term benefit of BiH.

## RECOMMENDATIONS

Drawing upon the results of our research, the following recommendations are divided into the following two broad themes for further action: Strengthening Associational Life and Addressing Social Exclusion. The recommendations are built around the dual aim of building inclusive social capital while reducing the effects of exclusive social capital. They are addressed to:

- state, entity and cantonal governments,
- municipal authorities,
- civil society organisations and participants and
- media.

### 1. Strengthening associational life

Through our research we have made a number of observations about the nature of associational life in BiH. First and foremost we saw the low level of associational membership with fewer than one in five people being a member of any kind of club, association, organisation, trade union, political party etc. Previous research on social capital has demonstrated the correlation between a high degree of associational involvement and stronger and more transparent democratic practices.<sup>157</sup> In a country in which the social fabric is so segmented, associations and clubs can provide neutral fora in which different groups can come together and have contact, potentially building more diverse and varied networks. They are also very important for providing the space for weak ties through which information and innovation may be channelled. Associations and clubs, in and of themselves, are therefore very important. This is also evident in our research. We found that membership correlates with having more bridging and diverse social ties and that, fostered as such; it could contribute to social cohesion in BiH. In addition, we found a significant gender imbalance in terms of associational membership in BiH. Men, we found, are much more likely to be members of associations than women. We suggest that more research is needed to understand the causes of this inequality.

BiH would greatly benefit from a more vibrant, active and diverse associational life than is currently pres-

ent. Encouraging greater involvement of citizens in associational life in BiH is an important ingredient in stimulating more inclusive social capital and to addressing the high degree of social segmentation and division. It would also go a long way to improving human development in the country. A greater number of people involved in organisations – whether they be sports, hobbies or philanthropic – will help to build intermediate connections between otherwise isolated groups. Importantly, our research highlighted the negative legacy of the previous socialist system when it comes to top-down interventions in associational life. Governments in BiH must therefore be mindful of the legacy of the past in which associational life was structured in a top-down manner. The role of governments in fostering social capital should be through the creation of enabling environments that encourage and sustain bottom-up initiatives and that remove obstacles to the forming of bridging and linking relationships and networks. Our research also showed that this historical legacy has a negative impact on the way in which voluntarism is understood and on the willingness of citizens to be involved in formal volunteering activities.

Establishing good communication channels between civil society and different levels of government is a common theme in many best practice models of sustainable civil society. As a potential candidate country, BiH should be mindful of the fact that most EU countries and the official candidate countries have specific legislation or programmes that ensure dialogue and interaction between civil society and government.<sup>158</sup> These mechanisms are a very important factor in assisting the development of civil society and facilitating more fruitful cooperation with government. A more integrated approach to building a well-functioning and sustainable civil society is therefore also highly recommended in BiH. Good examples of frameworks for cooperation include the Croatian program for cooperation and the Estonian Civil Society development concept.

Finally, our research dealt in detail with a key component of a healthy civil society – voluntarism – and demonstrated the very low number of people regularly involved in such work. To facilitate more voluntarism in BiH, more work needs to be done on creating a framework that would provide due recognition to volunteers for their work and raise awareness of the benefits – both individual and social – of voluntarism. Our research has also shown, for example, that although there is some understanding of the benefits of voluntarism for the community, there is little awareness of the benefits that voluntarism can provide in terms of employment experience, job-

<sup>157</sup> Putnam (1994).

<sup>158</sup> Bullain and Tofstisova (2004), pp. 3-15.

seeking skills and contributing to individual career paths (see Chapter 5). Moreover, in the context of this report, voluntarism contributes directly to the creation of diverse social networks or bridging social capital by bringing together people from different backgrounds who would perhaps not otherwise meet in a forum in which something constructive is being done. As such, voluntarism can make a direct contribution to the creation of inclusive social capital and to improving social trust.

ventions. At the very least, this should involve assessing activities of the social protection and employment systems to make sure that they do the minimal amount of harm to existing social networks. Other policies, such as public transport, should take into account the particular networks being sustained by particular services so as not to damage those networks in any adjustment to service delivery. The same goes for policies relating to the provision of public spaces and community fora.

#### **Recommendations to governments for fostering an enabling environment for associational life**

- Strengthen coordination with civil society organisations
- Improve and develop the legislative framework for voluntarism

#### **Recommendations to municipal authorities for contributing to improve the quality of civil society at the local level**

- Improve mechanisms for the distribution of funds to organisations at the local level including through the use of clear, relevant and equitable (including gender sensitive) criteria for applications
- Make public facilities (such as sports facilities, youth centres, meeting places etc.) available for use by CSOs at free or favourable rates

#### **Recommendations to civil society organisations for improving the quality of associational life**

- Lead by example to dispel the negative image of Civil Society Organisations in BiH
- Create umbrella organisations that can represent Civil Society in different fora
- Actively target women for membership in associations and/or make the activities of associations more amenable to women

#### **Recommendations to the media for the promotion of the concept of civil society in BiH**

- Report on successful civil society initiatives throughout the country
- Raise awareness of the benefits of formal voluntarism

## **2. Addressing social exclusion**

Our research tackled the issue of social exclusion from two angles: network poverty and *štela*. As we saw in Chapter 4, some groups are more likely than others to be vulnerable to network poverty. These groups include the elderly, minority returnees, IDPs, the lower educated and women in rural areas. Given the strength of familial ties in BiH and the degree to which people turn to family in times of trouble, as demonstrated in Chapter 3, anyone who has no family to rely upon in BiH is more likely to suffer from social isolation in a way that may also translate into material deprivation. We showed that the absence of a configuration of social ties is linked to an inability of individuals to thrive – in the sense of securing emotional or financial support, good health, well-being and a satisfactory income and standard of living.

Access to high quality, equitable services is of particular priority for all those who are socially excluded, whether through lack of access to support networks or for other reasons. At the same time, policies addressing social inclusion should consider the dimension of network poverty: where fragile networks exist, they should not be damaged by policy inter-

ventions. In addressing network poverty, development should also look at ways of enabling people to build wider ranges and kinds of social capital, by providing them with legitimate and affordable alternatives to family support systems in particular.

The other component of social exclusion we addressed in this report was the exclusion that results from the use of *štela*, or what we described as exclusive social capital. Our research has also demonstrated, quite dramatically, the degree to which equitable access to services is hampered by the use of personal connections to manoeuvre around legitimate means of access. Personal connections or *štela*, we found, are used for access to basic services such as education, health and employment, as an alternative to what otherwise should be transparent, merit-based processes. These practices heighten suspicion and resentment and thereby contribute to the low levels of social trust in BiH. As our research showed, the use of *štela* is of particular concern in the area of employment, suggesting a need for more attention to transparent employment practices that encourage merit-based selection. As a result, the use of *štela* by others tends to put people off applying for jobs.

Discussions with the State Human Rights Ombudsman<sup>159</sup> highlighted the fact that the institutional structures in BiH (in particular in the FBiH with the additional Cantonal layer of government) in themselves encourage corruption and *štela*, providing further weight for the need for institutional restructuring and, eventually, constitutional reform.

Finally, in terms of bottom-up measures, 'social accountability' mechanisms would be very useful in BiH for working towards mitigating the effects of *štela*. Social accountability mechanisms rely on civic engagement, in which citizens and/ or civil society

organisations participate directly or indirectly to exact accountability. These can make a contribution to building broader and more diverse networks as well as contributing to improved levels of political participation and empowerment. Initiatives such as participatory budgeting, administrative reform acts, social audits, citizen report cards and community score cards all involve citizens in the oversight of government and can therefore be considered social accountability initiatives. These not only have the benefit of making processes more participatory, but are also clearly means of building more inclusive social capital.

#### **Recommendations to governments for addressing the exclusion of the most vulnerable**

- Ensure the production of high-quality state and entity social inclusion strategies and policies and involve civil society in their production and implementation
- Take into account network poverty when devising policies on social inclusion
- Address the situation of the most vulnerable, in particular IDPs remaining in collective centres
- Implement more inclusive and gender-sensitive education policies
- Improve level of transition from primary school to secondary school among students and strengthen retention levels in high school

#### **Recommendations to municipal authorities for addressing social exclusion at the local level**

- Improve mechanisms for identifying vulnerable groups and groups at risk of exclusion in local communities
- Strengthen equitable service delivery, in particular social services

#### **Recommendations to civil society organisations for improving equitable access to services**

- Work with governments and local authorities to improve the quality of services that specifically target vulnerable groups
- Coordinate with other organisations working in similar fields to improve collaboration and thereby the quality of services provided
- Undertake and encourage the use of social accountability mechanisms in particular with regard to the provision of health and education services

#### **Recommendations to the media for improving the general public's understanding of social exclusion and inequality**

- Improve knowledge and understanding of the processes of social exclusion and the obstacles faced by excluded groups in BiH
- Raise awareness of the plight of the most vulnerable in BiH
- Improve skills in and undertake more in-depth investigative reporting
- Improve knowledge and understanding and raise public awareness, of the notion of 'conflict of interest'

<sup>159</sup> Jasminka Džumhur, State Human Rights Ombudsman, interview of 10 July 2009, N. Nixon and K. Koutkova.

## CONCLUSIONS

This report has sketched some of the key characteristics of social capital in BiH. Immediate social ties and networks comprised of family, close friends and neighbours are very strong in BiH. Our research found that people not only spend a good deal of time within these networks but that they derive considerable support from them. To that extent, people clearly take care of one another in BiH.

These immediate networks, however, are quite isolated, we found, and the social fabric in BiH is fragmented and lacking in a spirit of wider solidarity. The broader social fabric is characterised by low social trust, low trust of 'strangers,' and a high reliance on homogenous networks that lack diversity and stifle the flow of information. It is a context in which it is difficult for civil society to thrive. Moreover, nepotism and clientelism clearly pervade institutions in a way

that excludes many from access to services and impedes the realisation of basic human rights and that is detrimental to human development.

This report and the recommendations outlined above aim to provide the basis for addressing some of those weaknesses in the hope that the country will move towards improved human development.

Movement in the directions suggested would also see the country head in the direction of fulfilling one of the key EU accession criteria, that of ensuring the 'stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.' Building linkages between segmented, homogenous social networks in BiH will take time, but is essential for the future of the country and its stability as it progresses towards the European Union.



## Case studies of inclusive social capital

During the preparation of the NHDR we came across a number of organisations, associations and projects that, we felt, provided excellent examples of inclusive social capital in BiH. The organisations presented below have created networks that are diverse in terms of ethnicity, gender, age, employment status and many other things, as well as, often, also crossing the urban-rural divide. In each case, the activities they undertake contribute in one way or another to the

local community in which they are situated through contributing to economic development, local knowledge, the protection of local environments, overcoming divisions, greater levels of voluntarism, protection of the local environment or improved social cohesion. These examples can serve as role models and demonstrate the potential for a vibrant civil society that has the capacity to overcome boundaries and build stronger more diverse social ties.

### The Association of Mushroom Gatherers and Nature Lovers<sup>160</sup>

In the last couple of years, the town of Mrkonjić Grad, just south of Banja Luka has gained a reputation for mushrooms. Since 2003, through the work of the Association of Mushroom Gatherers and Nature Lovers, the town has come to symbolise not only mushrooms but the enthusiasm and passion of the pastime of mushroom gathering.

The main goal of the organisation is to collect and share knowledge on various kinds of mushrooms, yet the list of the organisation's activities goes far beyond that. In 2008, the association took charge of the establishment of a mycological reservation on Mount Lisina, close to the town. In the 60 hectares of the reservation approximately five hundred kinds of mushroom can be found. As the Association President, Borislav Marić explains, protecting mushrooms is an important part of preserving the local ecology, and their most recent campaign, 'SOS for Lisina,' involves a set of activities aimed at environmental protection. The association's activities also involve two projects that directly increase tourism in the Lisina area: a system of GPS-tracking which marks water sources, settlements and mushroom-rich areas in the forest, including separate kinds of mushrooms; and the development of a detailed tourist map with a guidebook on how to enjoy and preserve the natural surroundings. The pinnacle of the association's yearly activities is the 'Mushroom Days,' held annually since 2004 in the last weekend of September. Some three hundred visitors together with more than a thousand pupils from all over the country converge on Mrkonjić Grad for a festival of mushroom-gathering, education and exhibitions.

Through a shared interest, these activities connect enthusiasts from all parts of BiH and beyond. The 335 members come from all parts of the country – from both Entities, from rural and urban areas and from many ethnic backgrounds. A significant number are from outside BiH: from the immediate region, other parts of Europe or as far away as the USA. Members' ages range from 16 to 75, and both men and women participate.

In terms of sustainability, the association attains some of its funding from the local municipality, which covers about 30% of their costs. The rest comes from their income generation activities. When asked about plans for future, the priorities for Marić are clear – the first is to finish the informative signage on the paths on Mount Lisina, which will be integrated into the regional network of Greenways. Beyond that, his dream is to set up a House of Mushrooms that will provide information on mushroom species and nature protection.

The Mushroom Association demonstrates both the relevance and the potential of associational membership to serve as an actor of positive change in society, which brings people together on an issue of common interest in a way that benefits both the individuals involved and the broader community.

### The Youth Communication Center (OKC)<sup>161</sup>

The Youth Communication Center (OKC) is one of the foremost proponents of volunteerism in BiH and their involvement in recent legislative reform, that saw a

<sup>160</sup> Based on an interview with Borislav Marić, President of the Association of Mushroom Pickers and Nature Lovers, 24 June 2009, Mrkonjić Grad, RS, BiH. K. Koutkova and H. Fridberg.

<sup>161</sup> Based on an interview with Jugoslav Jevđić, President of the Youth Communication Center, 26 May 2009, Sarajevo, BiH. K. Koutkova and H. Fridberg.



law on voluntarism passed in the RS, is just the tip of the iceberg of their activities. The OKC was founded in 1997 in Banja Luka by a small group of university students who were tired of the pessimism, apathy and nationalist rhetoric that dominated public life. They saw a need for a forum where young people could discuss the issues that actually concerned them: education, employment, mobility, gender etc., things that are common concerns of young people everywhere regardless of their background.

The enormous interest that young people have shown in the centre and its activities since then really shows that the OKC hit a nerve and stimulated the creation of a number of activities. A non-profit radio station, Radio Balkan, was established, which currently has an audience of up to 20,000 young listeners. Today, the list of the OKC's activities includes a psycho-social assistance programme for vulnerable youth, language classes, promotion of student councils in schools all over the country, assistance to student groups and young NGO entrepreneurs and advocacy of a variety of youth issues, to mention just a few. In addition, the OKC Banja Luka is cooperating with similar organisations in the FBiH and contributing to efforts in the FBiH for a similar volunteerism law to that which now exists in the RS.

The most impressive activity of the organisation is the extensive and diverse network of volunteers that contribute to society in and around Banja Luka. Yugoslav says they have registered more than 871 volunteers (197 men and 674 women, 530 secondary school students, 150 secondary school graduates, 291 university students and 16 university graduates), many placed in public institutions, ranging from retirement homes to kindergartens, and in 16 cooperating NGO's. Others are involved in international exchange programmes organised in cooperation with the OKC's partners. Potential volunteers are matched with their beneficiaries according to both interest and skills for maximised impact, and volunteers are (thanks to the new law on volunteerism) properly recognised for their efforts.

Not only is the scale of the OKCs activities impressive, but also their enthusiasm, care and dedication. The OKC, acting as an informal National Volunteer Centre, continues to build local volunteer structures in BiH and thus exemplifies the potential that volunteerism has in BiH, in particular among young people, brought together in a common philanthropic pursuit, gaining experience and a sense of social awareness.

### Education Builds BiH<sup>162</sup>

Established in 1994, Education Builds BiH provides stipends to students of secondary schools and universities to help them complete their education. They provide a monthly allowance to scholarship holders aged between 14 and 27 throughout the country. The main target group for these fellowships is underprivileged children whose parents were killed in the 1992-95 conflict. In addition, Education Builds BiH supports particularly talented children, children with disabilities

and children of national minorities, such as members of the Roma community. Scholarship holders are also encouraged to undertake civic activities and to give back to their community. The organisation also runs extra-curricular activities, such as seminars on human rights.

The organisation is sustained through individual and institutional donations, volunteer staff (often former scholarship holders) and the selling of publications and calendars.

When asked about problems the organisation faces, the organisation's director, Jovan Divjak, points to the lack of legislation that would allow for tax exemptions for philanthropic organisations which means that Education Builds BiH must pay VAT. If that law was changed, he argues, many more children could be supported by the programme.

Education Builds BiH, through its emphasis on bringing together children of different backgrounds and assisting the most vulnerable to have broader and more optimistic horizons, is an example of a sustainable and philanthropic entrepreneurship that can help in addressing social exclusion and in building socially inclusive networks, providing a more positive future for BiH.

### The Oaza Café and the APMD Print Shop:<sup>163</sup> Greater inclusion for persons with disabilities

The Oaza Association in Sarajevo and the Association of Persons with Muscular Dystrophy in Doboj are examples of social enterprises that work to improve the lives of persons with disabilities. Oaza, the Sarajevo-based Centre for Persons with Special Needs, was formed in 1960 as an organisation of parents of children with disabilities. Today, it provides a daily art activity centre for forty clients of all ages. This year, inspired by its partner organisation in Sweden, Oaza is opening a café, the *Sretni kutak* or Happy Corner, which will directly engage some of its clients as staff, as a means of furthering not only their social but also their economic inclusion.

The Association of Persons with Muscular Dystrophy in Doboj, meanwhile, is also involved in economic activities to benefit their membership. They run a print shop, set up in 1997, that employs some of its members, providing them with not only an income but also more independence and dignity. The shop is a successful and financially viable operation, success which comes largely from the persistence and motivation of its employees.

The biggest hurdle in their work, according to the two directors, Adisa Pamuk of Oaza and Nada Jovanović of APMD, is tackling the prejudice towards persons with disabilities that is still persistent in BiH society. They look forward to the adoption of the Law on the Employment of Persons with Disabilities, which would

<sup>162</sup> Based on an interview with Jovan Divjak, President of Education Builds BiH, 25 May 2009, Sarajevo, BiH, K. Koutkova.

<sup>163</sup> Based on interviews with Adisa Pamuk, President of Oaza, 25 May 2009, Sarajevo, BiH, and with Nada Jovanović, President of APMD Print Shop, 23 June 2009, K. Koutkova and H. Fridberg.

significantly contribute to their ability to run a social enterprise. Both social enterprises aim at benefitting not only the marginalised groups, but society at large. Such enterprises represent the first sparks of hope for persons with disabilities, who have long been excluded from BiH society.

### LAGs: Social capital for local economic development in the Doboj-Maglaj region<sup>164</sup>

Not far from the centre of the town of Doboj, in northern BiH, is a recently restored 15th century fortress, containing an open air stage, a playground, a café, a souvenir shop and a small zoo. The fortress is the centre piece of the Tourism Development Strategy of Doboj's Local Action Group (LAG). LAGs are informal networks set up between local authorities, civil society organisations and the business sector that were initiated through the UNDPs SUTRA Programme (Sustainable Transfer to Return Related Authorities). The purpose of LAGs is to organise members of a particular community to decide together what projects would benefit the development of their community. They set priorities, select projects and monitor their implementation, as well as mobilise the necessary funding. One of the major benefits is the fact that LAGs are thereby able to mobilise a wide and diverse network of actors to focus their discussion on what matters to their community and its future. In this way, LAGs are an excellent example of inclusive social capital at work.

LAGs have been started in a number of different regions in the country. The most successful one so far has been the one around Doboj, founded in 2007, which spans the old frontline, including the municipality of Doboj in the Republika Srpska and the neighbouring municipality of Maglaj in the FBiH. So far it has 13 members including the Mayor of Maglaj, the president of the Doboj assembly and representatives of local NGOs and business. Today, cooperation among LAG members works very well and in addition to tourism development, strategies for rural development and environmental protection have also been developed for the two municipalities.

The LAG has successfully expanded the local communities' own capacity to plan and implement economic development projects, which is something that will be extremely valuable for the region as BiH edges closer to the EU. Experience from other candidate countries has shown that many rural areas lack the capacity to 'absorb' the extensive EU funds that become available for rural development. With a well-functioning LAG and with many more visitors enjoying the views from fortress, Doboj and Maglaj municipalities will be well prepared when that eventuates.

### Mostimun: New friendships in a divided city<sup>165</sup>

In April 2009, A Model United Nations (MUN) conference was held successfully for the first time in BiH, in the divided city of Mostar. According to Marija Prskalo, who was involved in organising the event, it has had a significant impact on bridging the divide between young university students from the Bosniac and Croat majority parts of the city.

The event was organised by a self-motivated team of energetic and enthusiastic students from the city's two universities: the Croat-majority University of Mostar and the Bosniac-majority "Džemal Bijedić" University. The event was hosted by Mostar City Council. The three-day conference brought together not only students from all over Mostar, but also from 17 other countries (including Australia, Israel, Singapore and Swaziland), and provided a forum to debate and better understand current global as well as regional problems. Participants imitated the workings of the Security Council, the Human Rights Council and the ECOSOC. Venues were deliberately chosen all over Mostar, so locals as well as international participants could get the sense of the town in its entirety.

Although the conference only lasted three days, it is clear that some of the friendships and networks that it produced will last a lot longer. Already it has spawned the creation of a joint debating club between the two universities, something previously unthinkable. In addition, a local organisation has been initiated with the aim of networking with similar MUN clubs all over the world, sending participants to MUN's abroad, and, with the experience they now have, start organising the MOSTIMUN conference in Mostar on annual basis.

### The Srebrenica Milk Road Project<sup>166</sup>

Launched in 2005, the Srebrenica Milk Road Project is a dairy development programme financed by the Dutch government through UNDP. Its aim is to increase commercial dairy production and improve the economic situation of more than 150 families resident in the Srebrenica region who have been involved in the project.<sup>167</sup>

This region of BiH, composed of the municipalities of Srebrenica, Milići and Bratunac, is particularly challenging in terms of local economic development. Weak governing organisations, devastated infrastructure, a lack of economic opportunities and an extremely high unemployment rate<sup>168</sup> are just the most visible consequences of the war. These factors contribute to the low rate of return in the region. The 'Milk Road Project' therefore aimed to build upon the existing strengths of the area and to stimulate private sec-

<sup>164</sup> Based on an interview with Miodrag Bosić, LAG Doboj-Maglaj, 23 June 2009, Doboj, BiH. K. Koutkova and H. Fridberg.

<sup>165</sup> Based on an interview with Marija Prskalo, Project Manager of Mostimun, 18 May 2009, Mostar, BiH. K. Koutkova and H. Fridberg.

<sup>166</sup> Based on an interview with Hidajat Hasanović, Enez Suljić, Katarina and Zoran Petrović, Milk Road Project, June 2009, Srebrenica, BiH, L. Desigis.

<sup>167</sup> As a consistent amount of farmers the beneficiaries join the program, the calculation of the improved families income represents and estimation. At the beginning 119 families were selected to participate to this project. In 2008 this number had grown to 314. In 2009, 176 families are involved. Based on an interview with UNDP project officers, 4 May 2009, Srebrenica and Bratunac municipalities, L. Desigis.

<sup>168</sup> The estimated unemployment rate in 2007 was between 60 and 70 %. See: Rij van, C 2008, 'The milk road to development and reconciliation: A case study of the dairy supply chain in Srebrenica,' UNDP Srebrenica.

tor development so as to provide a solid economic reason for return, by increasing production, introducing schematised feeding practices and improving breed and stall management.

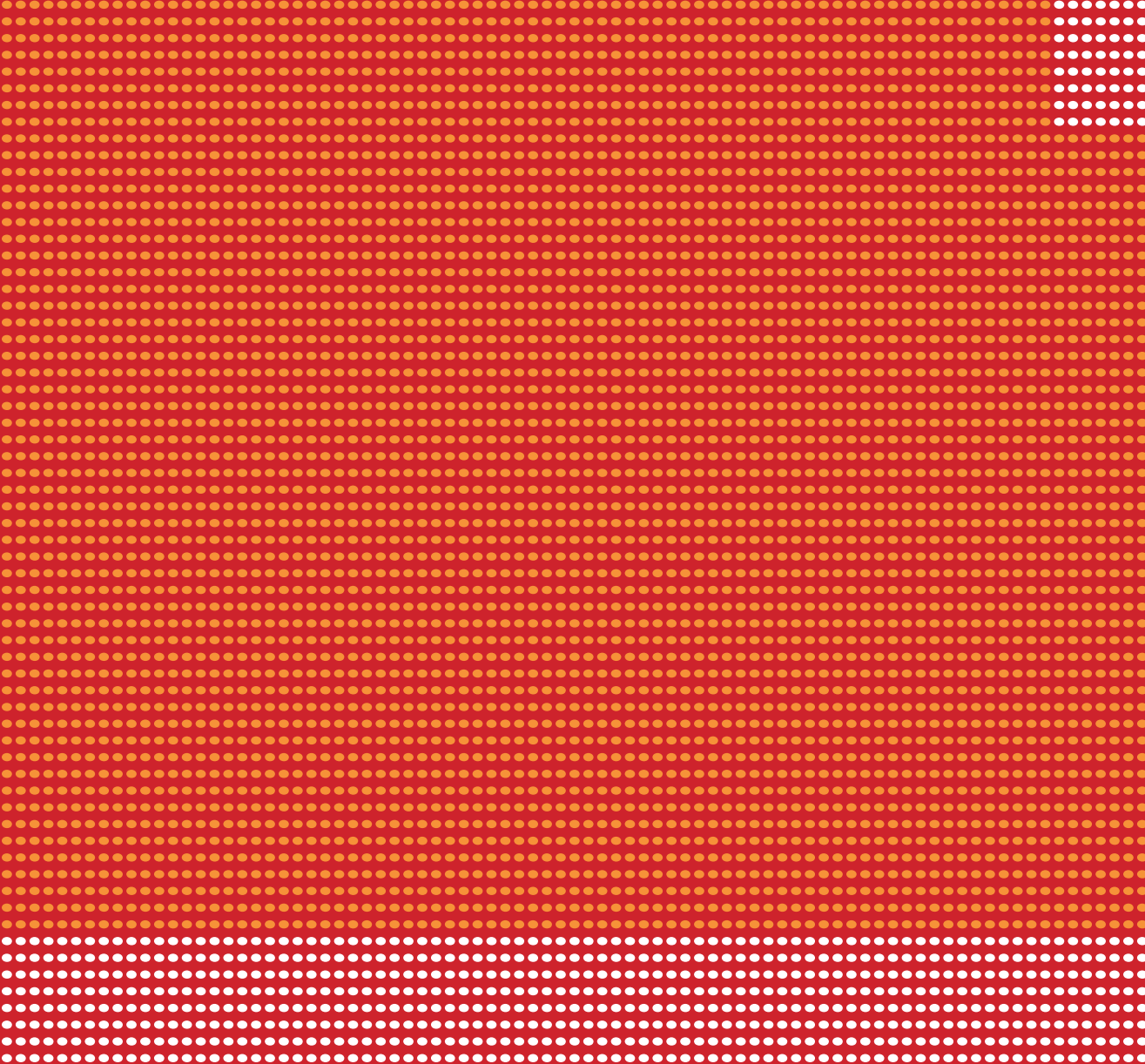
The key role in the project has been played by farmers who organised themselves into producer groups composed of 70% Bosniac returnees and 30% Serb residents. Technical assistance for dairy production management was provided to the farmers, as were management trainings for the administration of capital assets such as cows and milking equipment. Each producer group was linked to a local milk collection centre (MCC) established at the beginning of the project, together with a milk collection route.<sup>169</sup> In addition to the practical role of allowing farmers to deposit milk products, the MCCs also simply brought farmers together in a forum in which they would meet, so-

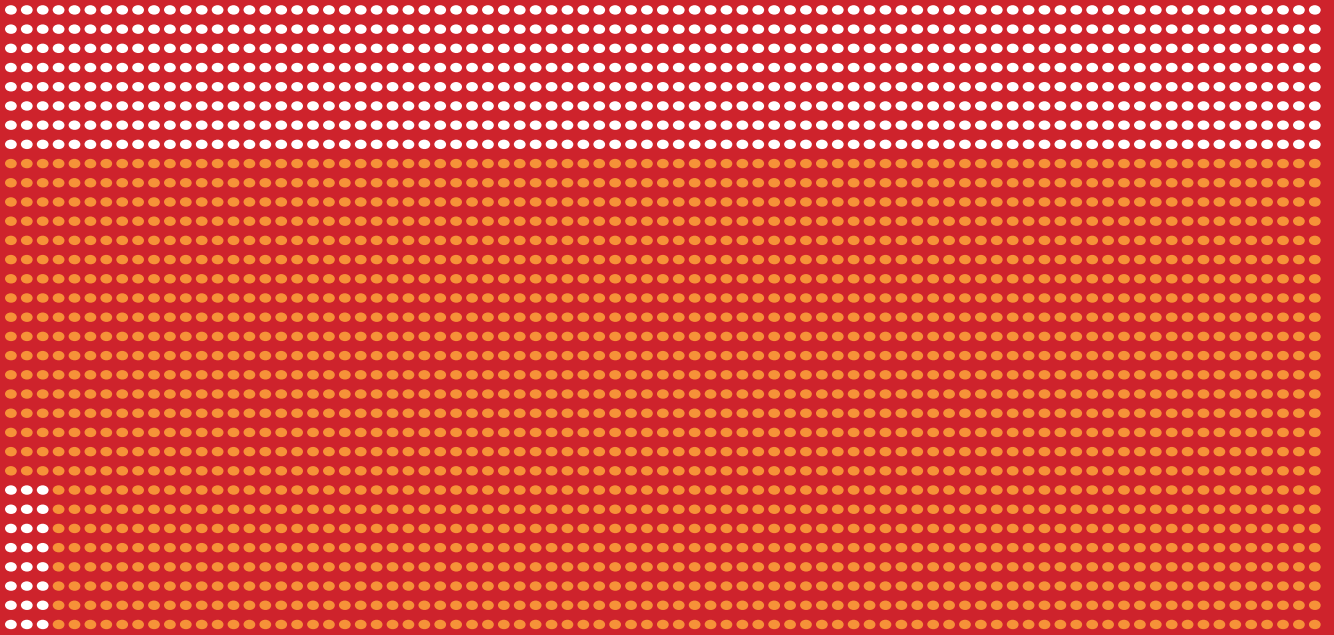
cialise and exchange useful information. The main achievement of the project was therefore the significantly increased efficiency and profitability of local milk production.<sup>170</sup> That, however, had also been the aim. What was unexpected was the degree to which the farmers began to draw upon and benefit from new informal networks. Through their involvement in the project, many of the beneficiaries also began to share equipment, help each other out, share information and some became friends. Beyond the positive consequences for individuals and for the local economy, the additional result has been the improved reintegration of returnees to the area through the building of networks of reciprocity and trust. In this sense the spill-over of social development effects is evident, as better social ties and even friendship based on trust among the participants become a solid basis for the future economic development of the area.

<sup>169</sup> MCCs were established in key locations that are easily accessible by a sufficient number of farmers thereby creating catchment areas for the dairy processor. MCCs are usually owned by a large farmer or one of the dairy processors. A MCC dairy association was also established following a participatory process in order to provide technical assistance and association development. See also: United Nations Development Programme 2004, 'Dairy Cattle Sub-sector Development project in the Srebrenica Region Project Document,' September 2004, UNDP, Srebrenica.

<sup>170</sup> In October 2008, milk production rose to 1.6 million litres and calculated income was 2.3 times GDP per capita and 22% above the average salary in the Republika Srpska).

# Annexes





# Annexes

## ANNEX 1: RESEARCH METHODOLOGY

The results presented in this report are based on a methodology that combines quantitative and qualitative research techniques. The quantitative component is based on a survey conducted by Prism Research in November 2008. The questionnaire was prepared in the preceding months by the NHDR Draft Team, in consultation with the external committee, and was administered by Prism by face-to-face interviews. A total of 1623 interviews were conducted with a representative sample of citizens of BiH. The dataset collected was then complemented by a series of focus group discussions. In what follows, we describe the survey methodology and quantitative research procedures used, as well as the additional qualitative research.

### Development of the Questionnaire

The questionnaire was designed by the NHDR team, overseen by Professor Anthony Heath. Questions were taken verbatim or adapted from previous research on social capital in BiH, such as the World Bank's Local Level Institutions and Social Capital Study survey (2002) and Trust in Transition (2004), to allow over-time comparisons. We were also very kindly provided with questions by Robert Putnam and Tom Sander of Harvard University, which they have used in their work as key measures of social capital. In order to make some regional comparisons, questions were used from the Eurofound Quality of Life survey, carried out previously throughout the EU and in candidate countries, including Croatia and Macedonia (FYROM). Finally, some questions were adapted from the UK Office for National Statistics' 'Social Capital Question Bank' (<http://www.ons.gov.uk>). The aim was to utilise as many questions as possible that would allow for regional or over-time analysis.

### Survey Implementation Methodology

In implementing the survey, the face-to-face interview method was utilized and the interviewers were instructed according to specific guidelines to utilise the Random Walk Technique. The Last Birthday Technique was used in the selection of the individual household members above 15 years of age with

whom interviews were conducted. Interviewers read out the questions and the range of possible (coded) responses, presented the 'show cards,' or, in the case of open-ended questions, read only the question. The interviewer held the questionnaire throughout the interview and marked in respondent answers. The following table presents an overview of the research methodology used in the current study:

METHODOLOGICAL ASPECTS	
Respondent Profile	Citizens of BiH over 15 years of age
Sampling Universe	Households in the FBiH, RS, and Brčko District
Sample Size	1623 interviews with citizens of BiH
Interviewing Methodology	Face-to-face interviews (in-home survey)
Recruiting Methodology for Households	Random Walk Technique
Recruiting Methodology for Respondents	Last Birthday Technique
Questionnaire	Elaborated by UNDP and adapted by Prism Research

### Sampling methodology and procedures

On the basis of probability sampling, a random stratified sample representative of the current population in BiH was selected. The sample frame was the list of all settlements, organized by size (number of inhabitants) and/or type (urban, rural) and smallest administrative units - municipalities. In BiH, there is a longstanding problem with accurate and reliable data on population parameters, as the last census was conducted in 1991. A particular problem is posed by estimates relating to ethnic majority and ethnic minority populations within each of the three ethnic-majority areas. For this, Prism Research used its own estimates based on a number of different sources, a description of which follows:

- For the estimate of the numbers of citizens of BiH resident in urban areas (municipal centres) or rural areas (villages), we used estimates from the database of resident voters that is maintained, by the

Permanent Election Commission. According to the number of registered voters in BiH (aged 18+ years), over 85% of citizens are registered to vote. We consider this the most reliable source of information on the number of inhabitants in urban and rural areas in the country.

- For estimates of population structure by age and gender, we used the results of our own surveys, together with projections and extrapolations resulting from the World Bank Living Standards Measurement Survey and Household Budget Survey studies (where over 80 000 respondent households in census areas all over the BiH are listed). These estimates are in line with projections based on the BiH Agency of Statistics data.

### Primary sampling units (PSU), Secondary units (SSU) and Sampling points

A total sample of 1600 respondents was determined. The master sample was constructed for the territory of BiH. This master sample is based on a selection of municipalities as primary sampling units (PSU) and settlements as secondary sampling units (SSU). It is considered that the population estimates of municipalities are reasonably accurate for BiH. To avoid the error involved in sampling smaller areas (units smaller than municipalities, like settlements), with very uncertain population estimates, municipalities were used as the base unit for the master sample. The first step in creating the master sample for BiH was therefore to group all municipalities into a first stratum – major geographic regions. The initial sample was proportionally divided into three units:

- Federation of BiH – 60% of all interviews
- Republika Srpska – 38% of all interviews
- Brčko District – 2% of all interviews

The sample for the FBiH was further divided proportionally into regions where either Croats or Bosniacs are a numerical majority. The Republika Srpska was treated as a region with Serbs in the numerical majority. In this way representativeness was achieved for BiH, the entities and the ethnic-majority areas. For each of the three ethnic majority areas, a number of regional units were allocated.

- For Croat majority areas in the FBiH: The sample was divided into five regional units where Croats are the majority: Posavina Canton, Central Bosnia Canton, Herzegovina-Neretva Canton; Western Herzegovina Canton; and Canton 10.
- For Bosniac majority areas in the FBiH: The sample was divided into five regional units where Bosniacs are the majority: Una-Sana Canton, Tuzla Canton; Zenica-Doboj and Central Bosnia Cantons, Herzegovina-Neretva Canton; and Sarajevo-Goražde Canton.

- For the RS as a Serb majority area: The sample is divided into five regional units, namely North-West (Banja Luka); North (Doboj); North-East (Bijeljina); East (Pale); and South-East (Trebinje).
- Brčko District was treated as a separate region.

Each regional unit received a number of blocks proportional to its population size. The municipalities within each region were categorized by size into three groups: large municipalities or regional centres, medium municipalities and small municipalities. Within each region, at least three municipalities were randomly selected for each of these groups. The minimum number of municipalities in the sample was 51 + Brčko District (max. 70 or over 50% of all municipalities in BiH). This provided adequate coverage of BiH and its parts. Approximately 57% of the interviews for each municipality were assigned to villages and 43% to municipal centres and urban areas. Within each municipality the allocated number of sampling blocks was proportionally assigned in the following way:

- By the relative size of population in the given municipality living in settlements of different sizes.
- By the relative size of the population of various ethnicities living in the given municipality.

### Data analysis

Analysis of the data was carried out during the first half of 2009. The analysis was undertaken using a weight that improved its representativeness, thus reducing the sample size to 1600 respondents. It is for this reason that the number of respondents appears in the analysis as 1600 and not 1623. All results of the quantitative analysis were checked for their statistical significance and rated accordingly. In analyzing and discussing the results, therefore, what we focus on in the narrative are those results found to be particularly statistically significant. The method used to this end was a chi-square test, where we paid particular attention to adjusted residuals (adjusted residuals refer to the standard z distribution).

Additionally, logistic regressions (see Annex 3) were run on the results in order to assess the relationship between several of the phenomena being examined.

The results of the analysis were disaggregated by gender, age, ethnicity, place and type of settlement, types of education and income level. Education and income level were subdivided into three sub-categories: low, middle and high. For education this division was as follows: Low education level includes those who have completed at least 1-7/8 grades of Elementary School or completed Elementary School; mid-level education refers to people who have completed Secondary School (2-3 or 4 years) or have completed High School; and higher level education

includes respondents who have completed University education or postgraduate degrees (M.A., PhD). Reported household income levels were also divided into three categories to facilitate analysis. Low income refers to reported monthly income of no more than 300 KM, middle income includes respondents with between 300 and 900 KM per month and high income means more than 900 KM per month. This division has been used as a working definition and should not be interpreted as a poverty line. Since 1 January, 2002, the BiH currency, the Convertible Mark (KM), has been tied to the Euro; at an exchange rate of 1 EUR = 1.955830 KM or 1KM = 0.511292 EUR.<sup>171</sup>

### Focus Groups

The quantitative research component was complemented by focus groups discussions. Selection of target groups and locations was done in collaboration with Prism Research and, in the case of Collective Centres and Minority Returnees, with UNHCR. Selection of groups and topics was guided by the principle of identifying a set of problems raised but not fully answered by the NHDR Survey and by the principle of social inclusion, meaning that we were particularly interested to speak to representatives of vulnerable and potentially network poor groups. On the basis of consultations with the external steering committee, we considered three categories: (1) Marginalized groups among which we expected higher levels of network poverty (minority returnees, residents in collective centres, isolated elderly people),

(2) Groups at risk of social exclusion and network poverty (unemployed women, young people wishing to work abroad), and (3) Groups that can report on examples of both inclusive and exclusive social capital in BiH (Civil Society representatives, citizens who have experience of *štela*). A total of nine (9) focus group discussions were organized with the above mentioned seven target groups (see Table A1.1).

Participants with specific socio-demographic characteristics were recruited for all group discussions with the exception of the discussion with representatives of Civil Society (see Table A1.2).

Participants in the first two groups (minority returnees and residents of collective centres) were recruited with the assistance of the UNHCR. Participants in group discussions with unemployed women, older isolated persons, young people wishing to work abroad and citizens who have had experience of *štela* were recruited by Prism Research recruiters/interviewers relying on recruitment methods traditional for this kind of projects. A special eliminatory questionnaire (recruitment questionnaire) with filter questions was used for recruiting participants. Additional participants were recruited as needed using the 'snowball method.' Use of the questionnaire was mandatory in these cases, as well.

The nature of the focus group discussion was explained to participants in order to prepare them for

**Table A1.1** Specification of focus group discussions

Target groups	Locations, dates and times of interviews					
	Višegrad	Srebrenica	Sarajevo	Banja Luka	Mostar	Total
1. Minority returnees	20/02/2009 11:00-12:30					1
2. Residents of collective centres		20/02/2009 14:30-16:00				1
3. Unemployed women					30/02/2009 11:00-12:30	1
4. Isolated older population					30/02/2009 13:30-15:00	1
5. Young people wishing to work abroad				25/02/2009 13:00-14:30		1
6. Citizens who have experience of <i>štela</i>			23/02/2009 15:00-16:30	25/02/2009 13:00-14:30		2
7. CSO representatives			23/02/2009 11:00-12:30	26/02/2009 11:00-12:30		2
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>9</b>

<sup>171</sup> Annual Report of the Central Bank of Bosnia and Herzegovina, 2008 (Godisnji izvjestaj Centralne Banke BiH, 2008), p. 50, viewed 1 September 2009, viewed on 12 August 2009, <[http://www.cbbh.ba/files/godisnji\\_izvjestaji/2008/cbbh\\_annual\\_report\\_2008\\_bs.pdf](http://www.cbbh.ba/files/godisnji_izvjestaji/2008/cbbh_annual_report_2008_bs.pdf)>.



**Table A1.2** Overview of criteria for Focus Group formation

Minority returnees			
Basic criteria	Age	Education	Gender
Returnees	Mixed	Mixed	Mixed
Resident of collective centers			
Basic criteria	Age	Education	Gender
Resident of collective centers	Mixed	Mixed	Mixed
Unemployed woman			
Basic criteria	Age	Education	Family situated
Unemployed woman looking for work	18-64 years	Mixed	Mixed; in relation to number of young children
Isolated older persons			
Basic criteria	Age	Gender	
Persons who are using soup kitchen and who are isolated from/without family and close friends	Over 60 years of age	Mixed	
Young people wishing to work abroad			
Basic criteria	Age	Education	Employment status
Young people considering looking for work abroad or who have sometimes tried to find work abroad	18-35 years	Mixed	Mixed
Citizens who have had experience with use of personal connections/ <i>štela</i>			
Basic criteria	Age	Education	Income range
Persons who have sometimes used personal connections/ <i>štela</i> and persons who report not having had such experience	18-64 years	Mixed	Mixed

the discussion. They were also assured of confidentiality and that their names would not be mentioned anywhere in the report. Research results should be considered only as an indicator of the views of the participants and not necessarily of BiH citizens more

broadly. The groups were facilitated by a well-trained and experienced Prism Research moderator using Discussion Guides, developed by UNDP and finalized in close cooperation between UNDP and Prism Research.

## ANNEX 2: HUMAN DEVELOPMENT INDICES FOR BIH FOR 2008/9

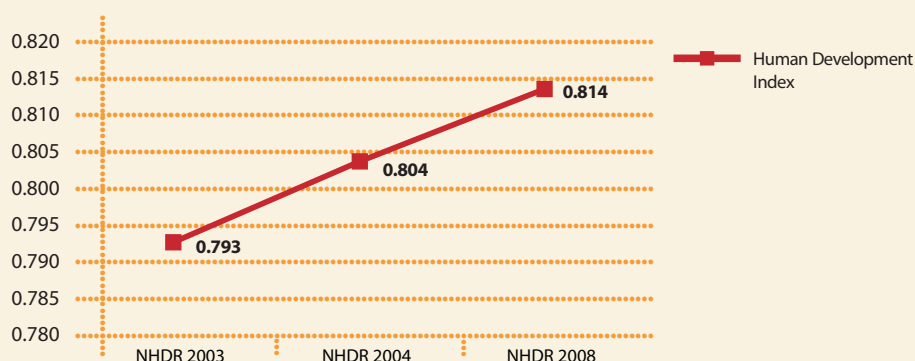
### Human Development Trends in BiH

In the following section we look at the latest calculations of the Human Development Indices (HDI) for Bosnia and Herzegovina. These indices – the Human Development Index, the Human Poverty Index, the Gender Development Index and the Gender Empowerment Measure – provide, from different perspectives, composite indices that measure different aspects of development and deprivation.

The HDI is used to measure a country's basic level of development. It combines normalised measures of life expectancy, literacy and education, and standard of living. In terms of the HDI, BiH has been making steady progress since 2002. Our calculation of the

Human Development Index for 2008 comes to **0.814**. This shows considerable improvement since the 2004 calculation, which put the HDI at 0.804 and so saw BiH enter the group of countries with high human development for the first time, with an HDI of over 0.800. In 2004, the breakdown of the HDI to entity level showed significant differences between the two, with the FBiH scoring significantly higher than the RS. Unfortunately, due to the current unavailability of data, it was not possible to disaggregate the index by entity for the current report. It therefore remains to be seen, when further data become available in the future, whether this difference between the entities has continued. In terms of BiH's global position with regard to human development, Table 2.1 provides an indication of the country's position. Here, we can see that BiH's position has improved.

**Figure A2.1** Human Development in BiH from 2002 to 2008



**Table A2.1** Human Development Index - Rankings<sup>172</sup>

Country (2006 data)	HDI <sup>173</sup>	Global ranking
Iceland	0.968	1
Norway	0.968	2
Canada	0.967	3
Montenegro	0.822	64
Serbia	0.821	65
Belarus	0.817	67
<b>Bosnia and Herzegovina (2008 NHDR calculation)</b>	<b>0.814</b>	
Bosnia and Herzegovina (2006)	0.802	75
FYROM	0.808	68
Albania	0.807	69
Russian Federation	0.806	73
Democratic Republic of Congo	0.361	177
Central African Republic	0.352	178
Sierra Leone	0.329	179

<sup>172</sup> Note that this table represents a rough estimate since the differing methodologies, combined with the different years of assessment, make the level of comparability between these different data quite weak.

<sup>173</sup> According to most available data, much of which is from 2006.

There are two versions of the Human Poverty Index: HPI-1 which is calculated for developing countries and HPI-2 which is calculated for developed countries. Given that the HPI-2 is calculated for the OECD countries, Central and Eastern Europe and the CIS, it is what we have calculated for BiH. HPI-2 measures poverty and exclusion according to longevity, in-

come poverty, literacy and long-term unemployment. According to our calculations the HPI-2 for BiH is **16.12**.<sup>174</sup>

Since 1995, Human Development Reports have also used two measures to highlight the status of women in development. The first – **the Gender-related De-**

**Table A2.2 Human Poverty Index 2**<sup>175</sup>

Country	HPI-2	Global ranking
Sweden	6.3	1
Norway	6.8	2
Netherlands	8.1	3
United Kingdom	14.8	16
United States	15.4	17
Ireland	16.0	18
<b>Bosnia and Herzegovina</b>	16.12	
Italy	29.8	19

**Table A2.3 Gender-related Development Index (GDI) value**

GDI RANK	Country	2005
49	Cuba	0.839
50	Bulgaria	0.823
51	Mexico	0.820
<b>52</b>	<b>Bosnia and Herzegovina (2008)</b>	<b>0.815</b>
53	Tonga	0.814
54	Romania	0.812
58	Russian Federation	0.801
59	Brazil	0.798
60	Albania	0.797
63	FYROM	0.795
78	Turkey	0.763

<sup>174</sup> Due to the significant differences in the data available for previous calculations of the HPIs, comparisons to prior years are not possible.

<sup>175</sup> UNDP (2008). Table 4: Human and income poverty: OECD countries, Central and Eastern Europe and the CIS'. <[http://hdr.undp.org/en/media/HDR\\_20072008\\_Table\\_4.pdf](http://hdr.undp.org/en/media/HDR_20072008_Table_4.pdf)>.

**Development Index (GDI)** - measures achievement in the same basic capabilities as the HDI does, but takes note of inequality in achievement between women and men.<sup>176</sup> Like the HDI, the GDI is calculated as a proportion of 1.0. The GDI becomes lower when either the achievement levels of both women and men in a given country are reduced or the *disparity between* the levels of women and men increases. The disparity between men and women's human development can also be seen in the difference between the country's HDI and its GDI.

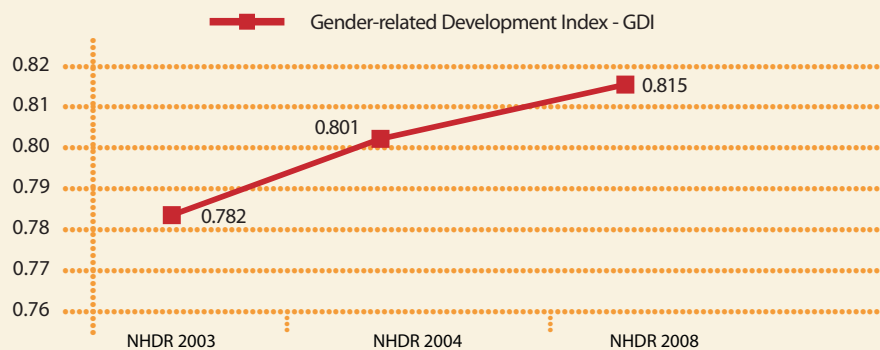
The assessment of the GDI in BiH at three points of assessment in the past 6 years shows significant improvement. As demonstrated in the graph below, our calculation of the GDI is **0.815**.

This GDI sees BiH rank 56 out of 156 countries in which the calculation has recently been made. The countries with the highest GDIs are Iceland and Aus-

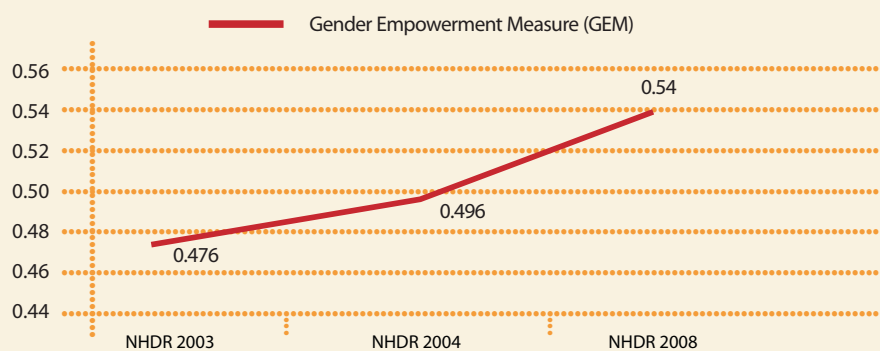
tralia, while the lowest are Sierra Leone, Chad and Niger. Slovenia, Croatia and Bulgaria have higher GDI calculations than BiH while Romania and Macedonia (FYROM) have lower ones.

The second of these two measures – **the Gender Empowerment Measure (GEM)** is a measure of agency – that is the ability of an individual to exert power and influence over his or her situation and environment. It therefore 'evaluates progress in advancing women's standing in political and economic fora. It examines the extent to which women and men are able to actively participate in economic and political life and take part in decision-making. While the GDI focuses on expansion of capabilities, the GEM is concerned with the use of those capabilities to take advantage of the opportunities of life.<sup>177</sup> The GEM for BiH for 2008 is **0.54**. GEM is calculated as a proportion of 1.0; a calculation of 1.0 represents ideal empowerment.

**Figure A2.2** GDI Measures in BiH Over Time



**Figure A2.3** Gender Empowerment Measure Over Time



<sup>176</sup> UNDP (2009).

<sup>177</sup> UNDP (2009).

Table A2.4 shows some comparative results based on the most recent available calculations of GEM from elsewhere.<sup>178</sup>

**Table A2.4 Gender Empowerment Measure - Rankings**

Country	GEM	Global ranking
Sweden	0.925	1
Norway	0.915	2
Finland	0.892	3
FYROM	0.644	32
Slovenia	0.625	37
Croatia	0.622	38
Moldova	0.522	63
Russian Federation	0.544	65
<b>Bosnia and Herzegovina (2008)</b>	<b>0.54</b>	
China	0.526	72
Romania	0.500	80
Egypt	0.283	107
Yemen	0.136	108

### Calculations & Data Sources

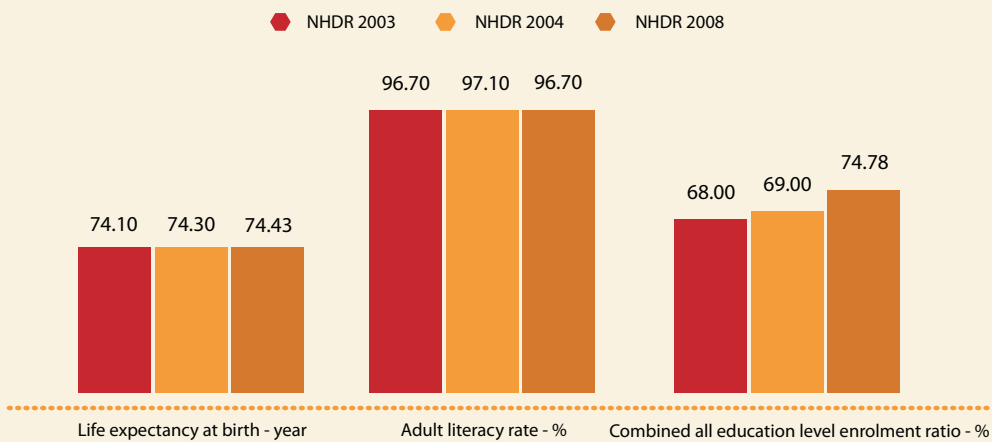
**Table A2.5 Human Development Index**

	Indicator	NHDR 2003	NHDR 2004	NHDR 2008
1	Life expectancy at birth - year	74.1	74.3	74.43
2	Adult literacy rate - %	96.70	97.10	96.70
3	Combined all education level enrolment ratio - %	68.00	69.00	74.78
4	GDP per capita - PPP US \$	\$ 6,250	\$ 7,230	\$ 7,611
5	Life Expectancy Index	0.818	0.822	0.824
6	Education Index	0.871	0.877	0.894
7	GDP Index	0.690	0.714	0.723
	<b>Human Development Index (HDI)</b>	<b>0.793</b>	<b>0.804</b>	<b>0.814</b>

<sup>178</sup> UNDP (2009).

**Table A2.6** Sources and comments

	Indicator	Source	Comment
1	Life expectancy at birth - years	NHDR team, estimate	Based on mortality tables for 2006 in 'Population estimates of BiH, Arjan Gjonca, 2007 (unpublished).
2	Adult literacy rate	UNDATA 2006-2007	
3	Combined all education level enrolment ratio -%	NHDR team, estimate	Based on: estimate of age structure of population for 2006 in 'Population estimates of BiH' and number of enrolled pupils and students, BHAS: Education statistics
4	GDP per capita - PPP US\$	International Monetary Fund, World Economic Outlook Database, April 2009	GDP per capita=7,611 \$

**Figure A2.4** HDI (main indicators)

**Table A2.7 Human Poverty Index (HPI-2)**

	Indicator	NHDR 2003	NHDR 2004	NHDR 2008
1	Probably of not surviving above age 60, % P <sub>1</sub>	13.60	13.50	12.68
2	Adult illiteracy rate, % P <sub>2</sub>	3.30	2.90	3.30
3	People living below the income poverty line, % P <sub>3</sub>	18.4	17.8	18.6
4	Long-term unemployment, % P <sub>4</sub>	12.3	13.7	20.22
	$HPI = \{1/4 (P_1+P_2+P_3+P_4)\}^{1/4}$ , where a is 3 (according to the standard)	13.86	13.88	16.12

**Table A2.8 Sources and Comments**

	Indicator	Source	Comment
1	Probably of not surviving above age 60, %	NHDR team, estimate	Based on mortality tables for 2006 in 'Population estimates of BiH', Arjan Gjonca, 2007 (unpublished).
2	Adult literacy rate	UN data 2006-2007	
3	People living below the income poverty line, %	Household Budget Survey 2008	
4	Long-term unemployment, %	NHDR team, estimate	Based on Labour Force Survey 2008

**Table A2.9 Gender Development Index**

	Indicators	NHDR 2003	NHDR 2004	NHDR 2008
1	Population total	3,832,099	3,843,00	3,497,686
	Female population N <sub>f</sub>	2,000,356	1,838,550	1,856,901
	Male Population N <sub>m</sub>	1,831,743	2,004,450	1,640,784
	Female share n <sub>f</sub>	0.522	0.521	0.531
	Male share n <sub>m</sub>	0.478	0.479	0.469
2	Average life expectancy at birth	74.10	74.30	74.43
	Female	76.80	77.00	77.90
	Male	71.40	72.00	70.96
3	Adult literacy rate	96.7	97.1	96.7
	Female	91.10	94.40	94.40
	Male	98.40	99.00	99.00
4	Combined enrolment rate	68.00	69.00	74.78
	Female	72.200	0.707	0.666
	Male	65.100	0.678	0.828
5	Total GDP PPP USD (000)	23,950,246	28,858,209	30,389,00
6	GDP per capita PPP \$	6,250	7,230	7,611

**Table A2.10 Sources and Comments**

	Indicator	Source	Comment
1	Population	NHDR team, estimate	Based on 'Population estimates of BiH', Arjan Gjonca, 2007 (unpublished).
2	Average life expectancy at birth	NHDR team, estimate	Based on mortality tables for 2006 in 'Population estimates of BiH', Arjan Gjonca, 2007 (unpublished).
3	Adult literacy rate	UN date 2006 - 2007	
4	Combined all education level enrolment ratio - %	NHDR team, estimate	Based on estimates of age and gender structure of the BiH population for 2006 presented in the 'Population estimates of BiH' report; number of enrolled pupils and students by gender; BHAS: Education statistics
5	Female and male share of economically active population	NHDR team, estimate	Based on Labour Force Survey 2008
6	GDP per capita - PPP US \$	International Monetary Fund, World Economic Outlook Database, April 2009	GDP per capita=7,611 \$

**Table A2.11 GDI Calculation**

		NHDR 2003	NHDR 2004	NHDR 2008
1	Female share of economically active population (Eaf)	0.38	0.4	0.37
2	Male share of economically active population (Eam)	0.62	0.6	0.63
3	Life Expectancy Index			
	Female $I_{Lf} = (77,9 - 27,5) / (87,5 - 27,5)$	0.822	0.825	0.840
	Male $I_{Lm} = (70,96 - 22,5) / (82,5 - 22,5)$	0.815	0.825	0.808
4	Life Expectancy Equality Index			
	IEDL	0.818	0.825	0.824
5	Education Index			
	Female literacy index $I_{lf}$	0.911	0.944	0.944
	Female Enrolment index $I_{kf}$	0.722	0.707	0.666
	Female education index	0.848	0.865	0.851
	Male literacy index	0.984	0.99	0.990
	Male enrolment index	0.651	0.678	0.828
	Male education index	0.873	0.886	0.936
6	Education equality index			
	IEDE	0.86	0.875	0.889
7	Income dimension index			
	Salary ratio $W_f/W_m$	0.75	0.75	0.75
	Female share of generation income	0.315	0.333	0.308
	Male share of generated income	0.685	0.667	0.692
8	Estimate income per capita			
	Female total income	7,543,342	9,509,111	9,364,510



	Female GDP per capita	3,771	4,744	5,043
	Male total income	16,408,754	19,341,546	21,024,490
	Male GDP per capita	8,958	10,520	12,814
9	Index GDP			
	Female IGDPf=(log GDPf-log 100)/(log 40.000-log 100)	0.606	0.644	0.675
	Male IGDPm=(log GDPm-log 100)/(log 40.000-log 100)	0.75	0.777	0.810
10	Income equality index			
	IED <sub>GDP</sub>	0.667	0.702	0.732
11	Gender-related development index			
	<b>GDI</b>	<b>0.782</b>	<b>0.801</b>	<b>0.815</b>

**Table A2.12 Gender Empowerment Measure**

Gender Empowerment Measure		0.54
Indicators		
1	Parliamentary representation	
	Female share of population	0.5309
	Female share of parliamentary positions	0.2082
	Male share of population	0.4691
	Male share of parliamentary positions	0.7918
2	Economic participation	
	Female share of managerial positions	0.2257
	Male share of managerial positions	0.7743
	Female share of professional and scientific positions	0.3897
	Male share of professional and scientific positions	0.6103
3	Earned income PPP USD	
	Women's estimated earned income	5,043
	Men's estimated earned income	12,814

**Table A2.13 Sources and Comments**

	Indicator	Source	Comment
1	Parliamentary representation	Websites of the Parliament of BiH, Parliament of FBiH and National Assembly of Republika Srpska	Ratio of total number of female representatives in all parliaments (entities, state) and total number of parliamentary seats
2	Economic participation	Estimated 0.75	In absence of reliable data, a fixed ratio of 0.75 is used
3	Earned income PPP US\$	NHDR team, estimate	According to the methodology for GDI calculation
4	Share of managers, professional and scientific positions by gender	Household Budget Survey 2008	

### ANNEX 3: LOGISTIC REGRESSIONS & SUPPLEMENTARY TABLES

#### Logistic Regressions

A series of logistic regressions was carried out in order to control for the significance of selected independent variables (e.g. age, ethnicity, income) and their impact on a given dependent variable (e.g. network poverty) in comparison to all other remaining variables. In the results shown below, the most significant results are characterized by levels approaching 0.000 (sig.). Values in the first column (B) show the impact of the individual independent variable: the higher the value, the bigger the influence. Minus values indicate a decrease, while plus values indicate growth in the dependent variable.

Each of the regression coefficients describes the size of the contribution of that independent variable. A positive regression coefficient means that that variable increases the probability of the outcome (value 1 of the dependent variable), while a negative re-

gression coefficient means that the variable decreases the probability of that outcome. A large regression coefficient means that the variable strongly influences the probability of that outcome, while a near-zero regression coefficient means that that variable has little influence on the probability of that outcome.

Logistic regression is often used for purposes of identifying differences between different values of one variable regarding the influence of those values on the dependent variable. The following tables relate to or support various points made throughout the text.

Of the more significant results, we found that age is a driver of network poverty. Respondents over the age of 65 are more likely to be members of the 'network poor' group. Logistic regressions also demonstrated the lack of impact of ethnic identity on network poverty (for Serbs  $b=0.728$  and for Bosniacs  $b=0.670$ ).

**Table A3.1 Binary logistic regressions of trust in family and trust in other ethnicities**

	Trust in Family			Trust in other ethnicities		
	B	s.e.		B	s.e.	
Constant	1.19	0.38	0.001	-2.33	0.45	.001
F BiH	0			0		
RS	<b>-0.82</b>	<b>0.24</b>	<b>.001</b>	0.05	0.27	NS
Brčko	1.49	0.95	NS	-0.23	0.60	.05
Bosniac	0			0		
Croat	0.26	0.22	NS	0.13	0.29	NS
Serb	<b>0.82</b>	<b>0.26</b>	<b>.001</b>	0.06	0.25	NS
Of local ethnic majority	0			0		
Of local ethnic minority	-0.36	0.24	NS	0.39	0.27	NS
Of ethnically balanced community	0.21	0.30	NS	-0.12	0.35	NS
Men	0			0		
Women	0.25	0.14	NS	0.19	0.17	NS
Urban	0			0		
Rural	0.23	0.15	NS	0.08	0.18	NS
Under 30	0			0		
30 to 60	<b>-0.53</b>	<b>0.19</b>	<b>.01</b>	-0.23	0.22	NS
Over 60	<b>-0.54</b>	<b>0.22</b>	<b>.01</b>	0.23	0.23	NS
Low education	0			0		
Middle education	0.09	0.17	NS	<b>-0.52</b>	<b>0.22</b>	<b>.05</b>
High education	0.21	0.22	NS	-0.20	0.27	NS
R square	0.04			0.01		

**Table A3.2** Linear regressions of the two dimensions of trust

	Family and neighbourhood dimension			Own and other ethnicity dimension		
	B	s.e.		B	s.e.	
Constant	-0.20	0.14	NS	-0.00	1.36	NS
F BiH	0			0		
RS	<b>-0.20</b>	<b>0.09</b>	<b>.05</b>	0.01	0.09	NS
Brčko	<b>0.45</b>	<b>0.18</b>	<b>.05</b>	<b>-0.37</b>	<b>0.18</b>	<b>0.5</b>
Bosniac	0			0		
Croat	0.12	0.08	NS	<b>-0.30</b>	<b>0.08</b>	<b>.001</b>
Serb	<b>0.29</b>	<b>0.09</b>	<b>.01</b>	-0.11	0.09	NS
Majority	0			0		
Of local ethnic minority	<b>0.31</b>	<b>0.09</b>	<b>.001</b>	0.05	0.09	NS
Of ethnically balanced community	-0.07	0.10	NS	-0.19	0.10	NS
Men	0			0		
Women	0.06	0.05	NS	0.02	0.05	NS
Urban	0			0		
Rural	<b>0.16</b>	<b>0.05</b>	<b>0.01</b>	0.02	0.05	NS
Under 30	0			0		
30 to 60	<b>-0.23</b>	<b>0.06</b>	<b>.001</b>	0.09	0.06	NS
Over 60	<b>-0.20</b>	<b>0.07</b>	<b>.01</b>	<b>0.26</b>	<b>0.07</b>	<b>.001</b>
Low education	0			0		
Middle education	-0.04	0.06	NS	<b>-0.17</b>	<b>0.06</b>	<b>.01</b>
High education	0.01	0.08	NS	-0.11	0.08	NS
R square	0.03			0.03		

The table below shows that having diverse friends and trust positively affects one's sense of belonging to a community.

**Table A3.3** Logistic regression on sense of belonging

	Sense of belonging					
	B	S.E.	Wald	df	Sig.	Exp(B)
Not a member	0	.236	2.646			
Member of an association	-.384			1	.104	.681
Has acquaintances of different gender	.298	.254	1.380	1	.240	1.347
Has acquaintances with different levels of education	.488	.134	13.168	1	.000	1.629
Has a diverse group of friends	.505	.141	12.757	1	.000	1.657

## Sense of belonging

	B	S.E.	Wald	df	Sig.	Exp(B)
Trusts family and relatives	.651	.150	18.719	1	.000	1.918
Has no friends	-1.234	.239	26.754	1	.000	.291
Is in an ethnic majority			38.185	2	.000	
Of ethnically balanced community	-.236	.246	.925	1	.336	.789
Of local ethnic minority	-1.226	.198	38.148	1	.000	.293
Constant	.024	.271	.008	1	.929	1.024

Table A3.4 Logistic regression on age, entity, ethnicity and network poverty

## Network poor

	B	S.E.	Wald	df	Sig.	Exp(B)
Below 31			24.491	2	.000	
31-39	.241	.332	.528	1	.468	1.273
40+	.998	.224	19.777	1	.000	2.713
FBiH			7.662	2	.022	
RS	.684	.269	6.479	1	.011	1.981
Brčko	-.606	.764	.628	1	.428	.546
Bosniac			9.574	6	.144	
Serb	.078	.287	.075	1	.785	1.082
Croat	.539	.238	5.149	1	.023	1.715
Other	-1.377	1.135	1.472	1	.225	.252
Constant	-3.140	.233	181.790	1	.000	.043

Table A3.5 Logistic regression on ethnicity and network poverty

## Ethnicity and network poverty

	B	S.E.	Wald	df	Sig.	Exp(B)
Bosniac			17.055	2	.000	
Serb	.728	.182	15.969	1	.000	2.070
Croat	.670	.234	8.212	1	.004	1.954
Constant	-2.454	.144	288.989	1	.000	.086

**Table A3.6** Logistic regression on volunteering

Volunteering						
	B	S.E.	Wald	df	Sig.	Exp(B)
Below 30			13.484	2	.001	
30-60	-.717	.286	6.305	1	.012	.488
60+	-1.473	.435	11.486	1	.001	.229
Rural	-1.153	.290	15.833	1	.000	.316
FBiH			11.523	2	.003	
RS	-1.602	.475	11.375	1	.001	.201
Brčko	-1.250	1.474	.719	1	.397	.287
Bosniac			7.597	2	.022	
Serb	1.220	.457	7.130	1	.008	3.388
Croat	-.057	.421	.018	1	.892	.945
Female	-.533	.274	3.794	1	.051	.587
Constant	-1.651	.268	37.935	1	.000	.192

Note, with regards to the table below, the codes to question V1 'how often have you volunteered in the last year'; 'regularly', 'often' and 'rarely' were taken as 'volunteered in the last year', while response codes 'not once', 'don't know' and 'don't want to answer' were left out.

**Table A3.7** Logistic regression on the likelihood of having a job

	B	S.E.	Wald	df	Sig.	Exp(B)
Rural	-.674	.119	31.818	1	.000	.510
Of local ethnic majority (ref)			14.661	2	.001	
Of ethnically balanced community	-.202	.235	.733	1	.392	.817
Of local ethnic minority	-.944	.249	14.318	1	.000	.389
Male (ref)						
Female	-.600	.118	25.767	1	.000	.549
Spend time with people with different educational backgrounds (1)	.458	.121	14.293	1	.000	1.581
Spend time with friends (1)	.731	.235	9.657	1	.002	2.077
Returned (1)	-.483	.150	10.331	1	.001	.617
Ever looked for a job (1)	1.373	.120	130.496	1	.000	3.948
Constant	-1.526	.251	36.814	1	.000	.218

**Table A3.8a Gender and employment**

			Gender		
			Male	Female	Total
Has a job	.00	Count	465	616	1081
		% within Gender	59.3%	75.5%	67.6%
		Adjusted Residual	-6.9	6.9	
	1.00	Count	319	200	519
		% within Gender	40.7%	24.5%	32.4%
		Adjusted Residual	6.9	-6.9	
Total		Count	784	816	1600
		% within Gender	100.0%	100.0%	100.0%

**Table A3.8b Gender and employment**

Chi square test	Value	df	Asymp. Sig (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	47.757 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	47.021	1	.000		
Likelihood Ratio	48.051	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	47.727	1	.000		
N of Valid Cases	1600				

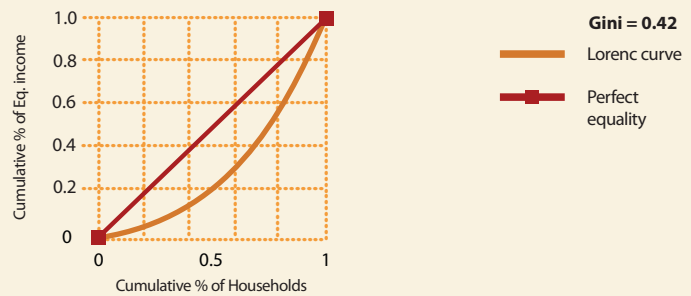
**Table A3.9 Gender and employment in age below 60**

			Gender		
			Male	Female	Total
Has a job	.00	Count	244	379	623
		% within Gender	45.3%	67.9%	56.8%
		Adjusted Residual	-7.6	7.6	
	1.00	Count	295	179	474
		% within Gender	54.7%	32.1%	43.2%
		Adjusted Residual	7.6	-7.6	
Total		Count	539	558	1097
		% within Gender	100.0%	100.0%	100.0%

**Table A3.10** Gender and employment in age below 60

Chi square test	Value	df	Asymp. Sig (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	57.330 <sup>a</sup>	1	.000		
Continuity Correction <sup>b</sup>	56.411	1	.000		
Likelihood Ratio	57.836	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	57.278		.000		
N of Valid Cases	1097	1			

## Supplementary Tables

**Figure A3.11** Calculation of the Gini Coefficient for BiH**Table A3.12** Perceived problems in provision of the following public services in municipalities

in %	Low quality	High prices	Poor infrastructure	Corruption	Discrimination
Issuing official documents	17.3	11.0	1.9	4.0	2.7
Employment services	50.2	0.6	3.1	11.2	3.1
Police and public security	19.4	0.6	0.9	18.3	3.2
Health services	33.1	12.9	3.6	5.6	1.9
Education system	26.8	6.3	3.1	9.7	1.5
Housing for IDPs and returnees	24.9	0.8	3.8	3.4	4.8
Roads and bridges	36.4	1.1	22.6	1.5	0.4
Social assistance	38.3	1.6	3.1	7.1	4.1
Public transport	27.6	14.6	8.0	1.5	0.5
Water supply and sewage	26.1	2.8	8.6	1.9	1.2
Garbage collection and street cleaning	26.5	1.6	4.2	2.2	1.0

**Table A3.13** Main problems in provision of services by entity

Perceived low quality of services	All BiH	F BiH	RS
Issuing official documents	17.3	19.1	15.1
Employment services	50.2	49.7	52.8
Police and public security	19.4	25.0	11.8
Health services	33.1	35.3	30.6
Education system	26.8	34.4	16.2
Housing for IDPs and returnees	24.9	28.9	19.7
Roads and bridges	36.4	42.3	28.9
Social assistance	38.3	42.1	34.4
Public transport	27.6	33.0	20.9
Water supply and sewage	26.1	26.8	25.9
Garbage collection and street cleaning	26.5	31.7	19.2

**Table A3.14** Importance of various factors impeding access to medical services

In % (very difficult plus a little difficult)	Distance to doctor	Delay in getting appointment	Waiting time	Official cost	Unofficial cost	Difficulty due to ethnic background	Length of waiting for additional tests
All BiH	49.0	65.5	61.3	62.3	47.2	35.0	57.9
F BiH	52.2	67.9	64.8	63.3	54.6	41.1	63.8
RS	43.5	61.5	55.8	60.3	35.3	24.9	48.2
Brčko (118)	74.4	74.6	73.7	72.1	67.8	40.7	48.1
Of local ethnic majority	48.9	65.2	60.5	61.6	46.9	34.1	56.4
Of local ethnic minority	50.4	68.5	67.2	65.7	50.3	46.2	64.7
Of ethnically balanced community	49.1	66.1	62.9	66.3	49.5	33.0	67.5
Men	44.2	62.4	57.5	59.7	45.9	32.5	54.4
Women	53.5	68.5	65.0	64.8	48.5	37.3	61.2
Under 30	34.5	53.7	48.9	46.8	38.4	27.6	46.2
30 to 65	47.5	65.6	62.5	64.4	47.7	34.3	58.0
Over 60	63.4	75.2	69.8	71.9	53.6	42.1	67.8
Urban	30.6	58.3	54.7	54.6	39.7	26.4	51.7
Rural	62.7	71.1	66.3	68.3	52.9	41.5	62.5



## ANNEX 4: QUESTIONNAIRE

## NHDR Questionnaire: Social Capital in BiH

Final Fieldwork Version  
Implemented November 2008

DM1	<p><b>We are interested in finding out more about people's relations with one another in BiH.</b></p> <p><b>To begin with, can you please tell me how many CLOSE FRIENDS you have these days, if any? These are people you feel at ease with, can talk to about private matters, or call on for help. Would you say that you have no close friends, one or two, three to five, six to ten, or more than that?</b></p> <p>None 1-2 3-5 6-10 More</p>
DM2	<p><b>Of these close friends you just described, how many of them:</b></p> <p>Are Serb Are Croat Are Bosniac Are of mixed parentage Are another ethnicity Are male Are female Live outside BiH Didn't complete secondary school Have a university degree Don't know [do not read] Don't wish to answer [do not read]</p> <p>All Most Some Few None</p>
DM3	<p><b>Now, thinking about your acquaintances. By acquaintances I mean people who you know by name and have perhaps had coffee with or talked to at some point, but are not your close friends. When you go out of the house during the day are you likely to run into these acquaintances?</b></p> <p>Yes, always Yes, nearly always Yes, sometimes No, not often No, never</p>
DM4	<p><b>Thinking about acquaintances you run into during the day – what proportion of your acquaintances are:</b></p> <p>Serb Croat Bosniac Of mixed parentage Another ethnicity Male Female Live outside BiH Didn't complete secondary school Have a university degree Don't know [do not read] Don't wish to answer [do not read]</p>

All  
Most  
Some  
Few  
None

**DM5 How often do you spend time with...**

Family/relatives  
Neighbours  
Close friends  
People of your own ethnicity  
People of other ethnicities  
People who lead a different life than you (different profession, different value system, financial/social status, rural/urban environment, etc.)  
Other (please specify)

Almost everyday  
A few times a week  
A few times each month  
Seldom  
Never  
Don't know [do not read]  
Don't wish to answer [do not read]

**DM6 In the past three months, how many times have you invited the following people into your home for lunch, dinner, coffee or a similar occasion?**

Family/relatives  
Neighbours  
Work colleagues  
Close friends  
People of your own ethnicity  
People of other ethnicities  
People who lead a different life than you (different profession, different value system, financial/social status, rural/urban environment, etc.)  
Other (please specify)

Almost everyday  
A few times a week  
A few times each month  
Seldom  
Never  
Don't know [do not read]  
Don't wish to answer [do not read]

**DM7 On average, how often do you have contact by phone, email, or by post with friends or family who don't live in BiH?**

Almost everyday  
A few times a week  
A few times each month  
Seldom  
Never  
I do not have any friends or family abroad  
Don't know  
Don't wish to answer

**R1 In the last three months, have you done any of these things, unpaid, for a relative or a close friend?**

Cooking, cleaning, laundry, gardening, shopping for groceries, or other routine household jobs  
Babysitting, caring for children or someone who is sick or frail  
Writing letters, translating, filling in forms, paying bills, transporting someone  
Helping out with harvesting or construction  
Other (specify)

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R2 In the past three months, have you done any of these things, unpaid, for someone who was NOT a relative or close friend?**

Cooking, cleaning, laundry, gardening, shopping for groceries, or other routine household jobs  
Babysitting, caring for children or someone who is sick or frail  
Writing letters, translating, filling in forms, paying bills, transporting someone  
Helping out with harvesting or construction  
Other (specify)

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R3 In the past three months, have you received unpaid help with any of the following from a relative or close friend?**

Cooking, cleaning, laundry, gardening, shopping for groceries, or other routine household jobs  
Babysitting, caring for your children or help when you are sick or frail  
With written letters, translating, filling in forms, paying bills, getting transportation from someone  
Help with harvesting or construction  
Other (specify)

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R4 In the past three months, have you received unpaid help with any of the following from someone who is NOT a relative or close friend?**

Cooking, cleaning, laundry, gardening, shopping for groceries, or other routine household jobs  
Babysitting or caring for your child or when you are sick or frail  
With written letters, translating, filling in forms, paying bills, getting transportation from someone  
Help with harvesting or construction  
Other (specify)

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R5 In the past three months, how often did you give or lend money to any of the following people?**

Family/relatives  
Work colleagues  
Neighbours  
Close friends  
Other (please specify)

Almost everyday  
A few times a week  
A few times each month  
Seldom  
Never  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R6 In the past three months how often did you get or borrow money from any of the following people?**

Family/relatives  
Work colleagues  
Neighbours  
Close friends  
Other (please specify)

Almost everyday  
A few times a week  
A few times each month  
Seldom  
Never  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**R7 From whom would you get support in each of the following situations?  
For each situation, choose the most important person.**

If you needed help around the house when ill  
If you needed advice about a serious personal or family matter  
If you were feeling a bit depressed and wanting someone to talk to  
If you needed to urgently raise 1000 KM to face an emergency

Family member  
Work colleague  
Close friend  
Neighbour  
Someone else (specify)  
Nobody  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**T1 Which statement do you agree with most:**

- a) 'Most people can be trusted'  
b) 'You can't be too careful when dealing with people'

Don't know [Don't read]  
Don't wish to answer [Don't read]

**T2 People have different opinions about different groups of people. Do you think you can trust: All, Most, Some, No people in the following groups:**

Family / relatives  
Neighbours  
Close friends  
People of your own ethnicity  
People of other ethnicities  
People who lead a different life than you (different profession, different value system, financial/social status, rural/urban environment etc).

Trust all  
Trust most  
Trust some  
Trust none  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**T3 We would like to make a few statements and would like you to say whether you in general agree or disagree:**

'Most people tell a lie, when they can benefit by doing so'  
'If you drop your wallet or purse around here, someone will see it and return it to you'  
'People are ready to use those they work with'  
'If you have a problem, there is usually someone who can help you'

Agree to a large extent  
Agree to a small extent  
Disagree to a small extent  
Disagree to a large extent

Don't know [Don't read]  
Don't wish to answer [Don't read]

**E1 We are interested in knowing how people view themselves in terms of ethnicity. Firstly, can you tell me which of the following you identify with most?**

Bosniac  
Serb  
Croat  
Other (specify)  
None

Don't know [Don't read]  
Don't wish to answer [Don't read]

**E2 Ask this question ONLY if response was one of first three responses above: Bosniac, Serb, Croat**  
Which of these statements best describes how you regard yourself?

XX, not Bosnian & Herzegovinian  
More XX than Bosnian & Herzegovinian  
Equally XX and Bosnian & Herzegovinian  
More Bosnian & Herzegovinian than XX  
Bosnian & Herzegovinian, not XX  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**E3 What is your religion? If you do not wish to say, please tell me so.**

Roman Catholic  
Christian Orthodox  
Other Christian  
Muslim  
Jewish  
Atheist  
Other  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**E4 Apart from weddings, funerals and other important religious events (e.g. Bajram, Christmas, Easter or other specific holy days), how often do you attend religious services?**

More than once a week  
Once a week  
Once or twice a month  
A few times a year  
Once a year  
Less than once a year  
Never  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**S1 In the neighbourhood where you live now, is your national/ethnic group in the majority or a minority or is there a balance?**

Majority  
Minority  
Balance  
Don't know [Don't read]  
Don't wish to answer [Don't read]

- S2** **How strongly do you feel you belong to your immediate neighbourhood?**  
Very strongly  
Fairly strongly  
Not very strongly  
Not at all strongly  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- S3** **How important to you personally is what happened during the war, 1992 to 1995 – What impact does the war have on your everyday life?**  
  
Very important, I'll never forget it.  
Important, but I have moved on with my life.  
I am trying to forget it.  
It is not important to me, and has no impact on me whatsoever.  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- S4** **In all countries there sometimes exists tension between social groups. In your opinion, how much tension is there between each of the following groups in BiH?**  
  
Poor and rich people  
Management and workers  
Men and women  
Old people and young people  
People from urban and rural areas  
Different national and ethnic groups  
  
A lot of tension  
Some tension  
No tension  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- F1** **Are you a member (active or inactive) of any associations, teams or clubs of the following type:**  
  
A sports, arts, music, folkloric, youth or other leisure group  
A political party or labour union  
A professional, business or entrepreneurial association  
A religious charity organization/association  
A women's, citizens, student, pensioners or environmental association  
A service or social welfare organization  
A veteran's association, veteran war invalids' association, or civilian victims of war association  
An IDP association or returnee association  
A Mjesna Zajednica board  
Any other club or group that meets regularly  
  
Yes, active  
Yes, inactive  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- F1a** **If yes**  
**What is the name of that group**  
  
.....
- VP1** **Are you currently registered to vote?**  
  
Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

## VP2

*If registered to vote***Did you vote in the local elections on October 5th?**

Yes  
 No  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

## VP3

*If voted in local elections***Which party or independent candidate did you vote for? [don't read - use show card or hand respondent list and ask them to mark the party]**

Narodna Bošnjačka stranka  
 Pokret za promjene BiH  
 Zavičajni socijaldemokrati - Mile Mirčeta  
 Penzionerska stranka RS i Narodna demokratska stranka  
 Nezavisna demokratska stranka  
 Kongresna narodna stranka zaštite prava boraca i građana  
 SNSD - Milorad Dodik  
 Demokrati BiH  
 SDS  
 Narodna stranka Radom za boljitak  
 DNS  
 Hrvatska stranka prava BiH Đapić-Jurišić  
 Srpska radikalna stranka RS  
 Stranka za BiH  
 Socijalistička partija  
 Hrvatska narodna zajednica  
 SDP  
 Bosansko-hercegovačka stranka prava  
 HDZ 1990  
 Naša stranka  
 Srpska radikalna stranka dr. Vojislav Šešelj  
 Evropska ekološka stranka E-5  
 Liberalno-demokratska stranka BiH – LDS  
 SDA  
 Zeleni BiH  
 BOSS  
 Građanska demokratska stranka BiH  
 SDU BiH  
 PDP RS  
 DSS - Demokratska stranka Srpske  
 Nova snaga Srpske prof.dr. Petar Kunić  
 BiH slobodni demokrati  
 Demokratska stranka invalida BiH  
 Stranka penzionera/umirovljenika BiH  
 Pokret mladih BiH  
 Bosansko-podrinjska narodna stranka  
 HDZ BiH  
 BPS Sefer Halilović  
 Demokratska narodna zajednica BiH DNZ BiH  
 Demokratski pokret Srpske  
 Other  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

## VP4

**Now, thinking about your involvement in politics and local affairs. During the last year have you contacted any of the people listed on the card?**

Member of the State Parliament  
 Member of the Entity Parliament  
 Member of the Cantonal Parliament  
 Member of the Municipal Authority  
 Member of the Local Community Board  
 Some other elected official

VP5

Don't know [Don't read]  
Don't wish to answer [Don't read]

*If yes***What were the reasons you contacted that/those person/people?**

As part of my job  
To apply for a permit/license/other documents  
To complain about a service  
To complain about a decision  
To share information/raise awareness on an issue  
To get information  
To complain about a decision  
For personal reasons  
For another reason (specify) \_\_\_\_\_  
Don't know [Don't read]  
Don't wish to answer [Don't read]

VP6

**Was the person that you contacted any of the following? (Circle all responses)**

Acquaintance  
Neighbour  
Close friend  
Family member/relative  
I did not know the person(s) I contacted  
Don't know [Don't read]  
Don't wish to answer [Don't read]

V1

**In the last year, did you do any volunteer work with an organization, association or religious group, that is work you did freely, of your own choice, and did not receive a regular wage for? For example, this might include providing services to children or elderly people, disseminating information, helping to organize a special event, fair or festival.**

Not once  
Rarely (a couple of times)  
Often (at least once a month)  
Regularly (a few times a month)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

V2

*If yes***What is the main benefit you derive from doing volunteer work?**

Socializing, enjoying the activity, spending free time  
Doing something good for the community  
Building self esteem  
Gaining work experience  
Learning new skills and/or knowledge  
Networking with influential people  
Getting a job  
Not any  
Other  
Don't know  
Don't wish to answer

V3

**In your opinion, what is the main reason why more people do not do voluntary work in BiH?**

Not having the time  
Not been asked to do volunteer work  
Not having right skills/knowledge  
Volunteering is unpaid  
Volunteering is not effective / doesn't change anything  
Pressure from the community not to volunteer  
Volunteering is exploitative  
Lack of information about the opportunity for volunteering in certain organizations



Other (specify)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D20a Are you currently employed**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D20 How did you find your current job?**

Contacted the public employment office  
Contacted a private employment agency  
Contacted employers directly  
Asked family members and relatives about jobs  
Asked close friends about jobs  
Asked acquaintances about jobs  
Looked at advertisements in newspapers, on internet etc  
Placed advertisements in newspapers, on internet etc  
Took a test, interview or examination to get a job  
Worked as a volunteer  
Any other method (specify)  
No answer  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**J1 Are you currently looking for a job (even if you already have one)?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**J2 For how long have you been searching for a job?**

\_\_\_\_\_ (years) \_\_\_\_\_ (months)

**J3 If no  
What is the main reason you are not searching for a job?**

I am satisfied with my current job

Have found a job that will start soon  
Waiting to be recalled to work on an old job  
Believe that no work is available  
Too hard/far to travel to where there is work  
Looking after children, incapacitated adults, elderly persons  
Other personal and family reasons  
Am a student or trainee  
Am retired  
Own illness or disability  
Other sources of income  
Other reasons (specify)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**J4a Have you ever looked for a job?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**J4 Which of the following methods do/did you use when you are/were looking for employment?**

Contacted the public employment office  
 Contacted a private employment agency  
 Contacted employers directly  
 Asked family members and relatives about jobs  
 Asked close friends about jobs  
 Asked acquaintances about jobs  
 Looked at advertisements in newspapers, on internet etc  
 Placed advertisements in newspapers, on internet etc  
 Took a test, interview or examination to get a job  
 Worked as a volunteer  
 Any other method (specify)  
 Don't know  
 Don't wish to answer

Yes, used  
 No, did not use  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**J5 Have you ever considered working abroad?**

Yes  
 No

Don't know [Don't read]  
 Don't wish to answer [Don't read]

**J6 Have you ever attempted to find a job abroad?**

Yes  
 No

Don't know [Don't read]  
 Don't wish to answer [Don't read]

**J7 In your opinion, how useful is it to have *štela* for...?**

Getting a job  
 Getting a visa  
 Getting access to the authorities (e.g. police, judges)  
 Getting access to services (e.g. registry, registrations)  
 Getting better health care  
 Enrolling in school or university

Always useful  
 Sometimes useful  
 Occasionally useful  
 Never useful  
 Don't know  
 Don't wish to answer  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**A1 On the last occasion you needed to see a doctor or medical specialist, to what extent did each of the following factors make it difficult for you to do so?**

Distance to doctor's office/ hospital/ medical centre  
 Delay in getting appointment  
 Waiting time to see doctor on day of appointment  
 Official cost of seeing the doctor  
 Unofficial cost of seeing the doctor (e.g. bribes, presents)  
 Inability to see the doctor I would like to see because of my ethnic background  
 Length of wait for certain additional tests and specialist examinations

Very difficult  
A little difficult  
Not difficult at all  
(Not applicable/ never needed to see doctor)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**A2 Do you have health insurance?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**A3 If no: Why don't you have health insurance?**

I am working without a contract  
I cannot afford it  
My employer does not provide it  
I do not qualify  
Other (specify)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**A4 If yes: Where does your health insurance coverage come from?**

Provided by/through another family member  
Provided through your employer  
Provided by a government programme  
Purchased directly from a private insurer  
Other (specify)

**AE1 Have you received any education or training in the last four weeks?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**AE2 Since leaving school have you done any further training courses?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**AE3 If yes: What kind of course is/was it? (If more than one, then tell us about the most important course that you took)**

General education  
Computer course  
Language course  
Training course related to profession  
Cultural or hobby-related course  
Other  
Can't remember  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**AE4 If attended post-school course(s) How did you find out about the course(s) you took?**

Looked at advertisements in newspapers, on internet etc  
From family members and relatives  
From close friends

L1

From acquaintances  
Any other method (specify)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**In your municipality, what is the main problem in relation to the provision of following public services?**

Health services  
Education system  
Public transport  
Roads and bridges  
Social assistance (e.g. receipt of unemployment benefit/pension)  
Employment service  
Police services and public security  
Garbage collection and street cleaning  
Housing for IDPs and returnees  
Water supply and sewage  
Issuing of official documents

Does not exist at all  
Low quality  
High prices  
Poor condition of infrastructure  
Corruption (bribes, private connections)  
Discrimination (some citizens are not treated equally due to their ethnicity, gender, political affiliations, social background, etc.)  
Generally there are no problems  
Other (specify)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

L3

**About how much time in total does it take you to get to and from work or school using your usual mode of transportation?**

\_\_\_\_\_ minutes

Not applicable to respondent

D1

**Gender**

Male  
Female

D2

**Please tell me in which year you were born?**

Year \_\_\_\_\_

Do not read:  
Does not wish to answer

D3

**What is your marital status?**

Single (never married)  
Married  
Living with partner  
Separated/Divorced  
Widowed  
Refused [Do not read]

D4

**In general, would you say your health is...**

Excellent  
Very good  
Good  
Fair

Poor  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D5 Do you have any long-standing illness or disability that limits your activities in any way? By long-standing, I mean anything that has troubled you over a period of time or that is likely to affect you for a period of time.**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D6 Roughly how many years have you lived in this neighbourhood?**

\_\_\_\_\_ Years  
  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D7 Were you displaced during the 1992-1995 conflict? By displaced I mean fleeing or leaving your home to avoid violence.**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D8 When you were displaced, where did you go?**

Within this BiH Entity  
To another Entity within BiH  
Within the territory of the former Yugoslavia  
Abroad, outside of the territory of the former Yugoslavia  
No answer [do not read]

**D9 Have you returned to live in the village/neighbourhood where you were originally displaced from or not?**

Returned  
Not returned  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D10 Are you registered as an Internally Displaced Person?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D11 Could you please tell me the highest level of education that you have completed?**

No education  
1 - 3 grades of Elementary School  
4 - 7/8 grades of Elementary School  
Completed Elementary School  
Completed Secondary School 2-3 yrs  
Completed Secondary School 4 yrs  
Completed High School  
Completed University Education  
Postgraduate Degree (MA, PhD)  
Don't know [Don't read]  
Don't wish to answer [Don't read]

**D12 How old were you when you completed full-time education?**

\_\_\_\_\_

Don't know [Don't read]

Don't wish to answer [Don't read]

**D13 What is the main reason you stopped school/university at that level?**

Found a job

Lack of documentation

Got married / Started a family

Wasn't interested in continuing

Didn't pass the entry exam / didn't do well enough

Unable to afford (fees, transport)

Distance from school

Needed to work for income

Believe my education is sufficient

Other (specify)

Don't know [Don't read]

Don't wish to answer [Don't read]

**D14 Which of the following best describes your current employment status?**

Employed full-time (regular not casual employment)

Employed part-time (regular not casual employment)

Employed casually (whenever there is an opportunity for employment; not part-time)

Self-employed (own-account/private business)

Unemployed

Retired

Looking after the home (homemaker)

Unable to work (disabled, etc.)

Am student / trainee

Other (specify) \_\_\_\_\_

Don't know [Don't read]

Don't wish to answer [Don't read]

**D15 If employed, unemployed, looking after home, retired****Which of the following describes the position you hold/held in your current or last main job?**

Owner/Joint owner with employees/Employer

Manager

Farmer on own agricultural holding with employees

Unpaid assisting family member

Owner/Joint owner without employees/Self-employed

Farmer on own agricultural holding without employees

Working for employer

Not applicable to member of household/Has never worked [Don't read]

Don't know [Don't read]

Don't wish to answer [Don't read]

**D16 If employed, unemployed, looking after home, retired****In which of the following areas are/were you employed in your current or last main job?**

Civil service

State-owned enterprise

Private sector enterprise

Civil Society Organisation

Local government

International organisation

International company

Producer- or service-cooperative

Work in someone else's home

Own-account worker/self employed (as before)

- Don't know [Don't read]  
Don't wish to answer [Don't read]
- D17** *If employed, unemployed, looking after home, retired*  
**Which of the following best describes your occupation in your current or last main job?**
- Traditional professional occupations, such as: medical doctor, accountant, solicitor, civil/mechanical engineer (usually with a full professional qualification)
- Senior managers or administrators, such as: finance manager, chief executive (usually responsible for planning, organising, and co-ordinating work and for finance)  
Middle or junior managers, such as: office manager, bank manager, shop manager or owner (who employs staff), restaurant manager or owner (who employs staff), police or army officer (sergeant or above)  
New professional occupations, such as: teacher, nurse, physiotherapist, social worker, software designer  
Farmer with own land (leased, profit sharing or owned)  
Clerical and intermediate occupations, such as: secretary, personal assistant, clerical worker, office clerk  
Technical and skilled craft occupations, such as: motor mechanic, fitter, inspector, plumber, printer, tool maker, electrician, train driver  
Semi-routine manual and service occupations, such as: postal worker, machine operator, security guard, army soldier below sergeant, caretaker, sales assistant  
Routine manual and service occupations, such as: cleaner, porter, packer, messenger, labourer, waiter/waitress, bar staff  
Farm worker without own land  
Other  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- D18** *If employed*  
**Do you have an indefinite or definite work contract?**
- Yes, definite  
Yes, indefinite  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- D19** *If currently unemployed*  
**Are you registered at the Employment Office?**
- Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]
- D20** **How many people live in this household including you?**  
**Lodgers and guests are included so long as they have been in the household for at least 6 months and wash their laundry and/or eat with the family**
- \_\_\_\_\_
- Don't know [Don't read]  
Don't wish to answer [Don't read]
- D21** **Into which of the following brackets does your monthly net household income fall?**
- No income  
Less than 100 KM  
Between 101 – 300 KM  
Between 301 – 500 KM  
Between 501 – 700 KM  
Between 701 – 900 KM  
Between 901 – 1100 KM  
Between 1101 – 1300 KM  
Between 1301 – 1500 KM  
Between 1501 – 2000 KM

Between 2001 – 2500 KM  
 Between 2500 – 3000 KM  
 More than 3000 KM  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**D22 Which of the following are sources of income for this household? Please mention all sources that apply**

Earnings from employment  
 Earnings from self-employment  
 Selling food we produce  
 Pension  
 Unemployment benefit  
 Invalidity/sickness or disabled benefit(s)  
 Other state benefit  
 Interest from savings or investments  
 Student grant/bursary or loans  
 Remittance from family/friends in BiH  
 Remittance from family/friends abroad  
 Bartering goods and services (not involving money)  
 Other (specify) \_\_\_\_\_  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**D23 Which source of income is most important for this household?  
 By most important I mean the one which contributes most to this household**

Earnings from employment  
 Earnings from self-employment  
 Selling food we produce  
 Pension  
 Unemployment benefit  
 Invalidity/sickness or disabled benefit(s)  
 Other state benefit or credit  
 Interest from savings or investments  
 Student grant/bursary or loans  
 Remittance from family/friends in BiH  
 Remittance from family/friends abroad  
 Bartering goods and services (not involving money)  
 Other  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**D24 Which of the descriptions on this card comes closest to how you feel about your household's income nowadays?**

Living comfortably on present income  
 Coping on present income  
 Finding it difficult on present income  
 Finding it very difficult on present income  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]

**D25 Which of the following best describes your accommodation**

Own without mortgage (i.e. without any loans)  
 Own with mortgage  
 Tenant, paying rent to private landlord  
 Tenant, paying rent in social/voluntary/municipal housing  
 Accommodation is provided rent free  
 Other  
 Don't know [Don't read]  
 Don't wish to answer [Don't read]



D26

**There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it?**

Yes, can afford if want  
No, cannot afford it  
Don't know [Don't read]  
Don't wish to answer [Don't read]

Keeping your home adequately warm  
Paying for a week's annual holiday away from home (not staying with relatives)  
Replacing worn-out furniture  
A meal with meat, chicken or fish every second day, if wanted  
Buying new, rather than second-hand, clothes  
Having friends or family for a drink or meal at least once a month

D27

**Are there any children living in your household?**

Yes  
No  
Don't know [Don't read]  
Don't wish to answer [Don't read]

D27a

**If yes, how many?** \_\_\_\_\_

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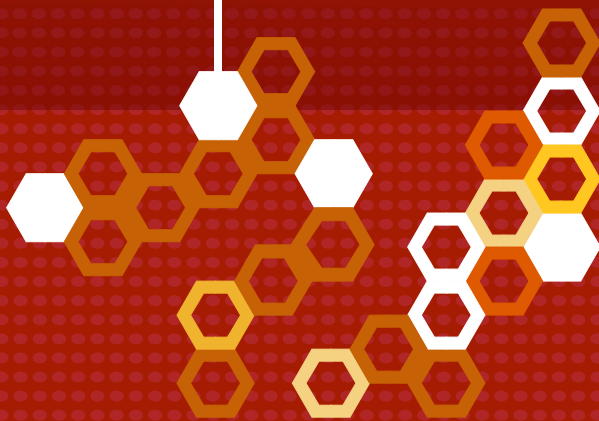
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