Newsletter#1
Inform
inform

March 2017

INFORM at a glance

Multidisciplinary social science research

9 partner institutions

10 countries involved: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Latvia, FYR of Macedonia, Montenegro, Slovenia, Serbia, United Kingdom

Region of research: the Western Balkan countries

Research topic: formal and informal institutions

Mixed qualitative and quantitative methods

Meticulous, bottom-up approach

Theory development

Outcome: original research and policy recommendations

Launched in April 2016

Length: 3 years

Funded by EU Horizon 2020

Welcome to INFORM!

We trust that you will find this newsletter insightful and that it will keep you interested in the INFORM project.

Welcome to the first INFORM newsletter! We are excited to share with you the tasks and goals of our project and offer a peek into the active year of research we have all had.

The INFORM project teams study interactions between formal and informal institutions in the Western Balkans – societies that have a long history of rapid, often foreign-inspired political and ideological transformations and have developed specific informal ways of dealing with fluctuations in formal institutions. Now, as we have embarked on our project, the Western Balkans face another change – potential EU accession.

Over the course of three years, we aim to understand how the formal and the informal come together in the fields of politics, economics and everyday life in the Western Balkan region. Eric Gordy, our project coordinator, and Predrag Cvetičanin, one of our leading researchers, elaborate on the importance of analysing the uneasy balance between formal institutions and informal practices on page 2 of the newsletter.

Importantly, the project asks: How does the intertwinement of formal and informal institutions and practices shape the implementation of EU rules and regulations in Western Balkans? What implications does this practice have on the ways EU regulations are perceived, accepted or resisted in the Balkan context? Our focus in the this newsletter – the first five case studies presented here (p. 3-8) – highlight our multidisciplinary and dedicated approach to the question.

These questions highlight the premise of the project: that the gap between formal institutions and informal social practices in the Balkans has been widening. The gap has increased because of people's historical experiences with radically changing ideological and legal structures over the past century. In the context of EU integration efforts, the citizens of the Western Balkan countries continue to rely on informal social networks to ensure their socio-economic and political security.

The distance between the proclaimed goals and existing practices represents a key challenge to the European integration of Balkan societies. At the same time, as our researchers argue throughout their texts in this newsletter, the INFORM project also aims to highlight the positive aspects of informal processes and practices.

To achieve our goals, the INFORM teams employ a variety of methods, relying on case studies (p. 4-8), quantitative data-gathering (page 9), structured interviews, ethnographic research, and secondary data analysis, including comprehensive analysis of legal documents and media reports.

The project brings together teams from nine countries and various research organisations. INFORM has grown in theoretical, methodological and cooperative strength through various meetings, workshops and conferences since launching the project in April 2016. The newsletter also provides a glimpse into this process. ●
INFORM team

Project launched

1 April 2016

19–20 May 2016

Project inception workshop, Skopje, Macedonia

Workshop on the project implementation, Sarajevo, Bosnia and Herzegovina

21–22 May 2016

27–30 June 2016

Workshop on the project's theoretical framework, Novi Sad, Serbia

INFORM capacity building workshop, Prizren, Kosovo

29–31 July 2016

29 August– 1 September 2016

Workshop on the survey questionnaire, Ohrid, Macedonia

Inaugural workshop, London, United Kingdom

29–30 September 2016

9 December 2016

DG NEAR Consultative workshop, Brussels, Belgium

28–30 October 2016

Methodology seminar, Tirana, Albania

Methodology seminar, Maribor, Slovenia

6–9 April 2017

Predrag Cvetičanin
Empirical data gathering working group leader
CECS

On the importance of informality

Although we study informal institutions, we do not see them as "primordial" or resulting from the "unchangeable" culture of Balkan societies. Quite the contrary. We think that in every cycle of important changes in these societies, there comes about a specific intertwining of formal and informal institutions that regulate social life jointly. And that these "new", post-socialist informal institutions are partly shaped by cultural tradition, partly by experiences from the socialist period, and mostly by adjusting to, confronting, and evading the formal rules of the emerging game defined by neoliberal policies and policies of Europeanization. We do not claim that informal necessarily implies undesirability or harmfulness. Some of the informal practices and informal institutions serve as examples of genuine human experiences. Informal rules are essential for all well-functioning institutions. The crucial question, however, is whether the formal and informal rules are in harmony with each other or not. The starting premise of our project is that, for a number of reasons, as Western Balkan countries move closer to the European Union, paradoxically, the gap between formal and informal institutions is not getting smaller, but, in fact, ever wider. This is what represents the key challenge for their European integration.

Eric Gordy
Project coordinator
UCL SSEES

INFORM in light of scholarship

The INFORM project brings new information and new perspectives both to the study of Southeast Europe and to the understanding of informality.

Nearly thirty years after the fall of "real-socialist" regimes in Europe, the discussion of political and social change in the states that are affected remains defined by the frame of "transition." The concept of "transition" has received broad criticism, of course, both for its uncritical assumption that historical change is headed toward a specific goal as well as for its ideological character. Yet the "transition" approach still represents a default reflex in assessments of political change: there is a presumed endpoint of liberal democracy and market economy, and countries get assessed and compared according to how near to or far from that endpoint they are.

We are altering this frame by understanding the current political and social processes as standing within a hundred years of experience in which "fundamental reforms" are announced from above, imported from outside, and implemented with superficiality. In the resulting environment of unpredictability and dysfunctionality, people find ways to get their work done by circumventing official channels and relying on networks of acquaintance, kinship, and locality. Everybody knows that these informal practices exist but nobody has investigated just how they function or how widespread they are. INFORM is producing deep and broadly based knowledge about them.

We are also moving beyond the conventional view that tends to equate informality with corruption. Although some informal practices are corrupt, some others compensate for inefficient legal systems, counterbalance discriminatory institutions, and preserve social and communal contacts. Rather than treating informality as a problem, INFORM is identifying both problems of informality and instances of ground level creativity that work.

INFORM in the policy arena

European enlargement is defined primarily by benefits being offered to states on the condition of carrying out legal and institutional reforms. Less frequently, attention is paid to the substantive embodiment of legal and structural changes in lived practice. Sometimes it happens that the mismatch between legal resolutions and real conditions is so great that large numbers of laws are passed unread, with no debate and no intention that they will ever be implemented. This condition represents a continuation of a phenomenon that has been familiar to people living in the region for a long time: is the dominance of abstract formality that unites national states created in the absence of national institutions, Communist revolutions declared in the absence of class consciousness, and liberal reforms enacted by authoritarian and clientelistic politicians. The EU is not the first global actor to act, mistakenly, on the belief that if formal practices are brought into accord that real life will eventually catch up.

INFORM is guided by the conviction that legal reforms work best when their interaction with social reality is substantive, and when they bring formal procedures and lived practices into harmony with one another. This requires detailed knowledge of what informal practices are present, how they operate, and how widespread they are.

INFORM aspires to make a contribution to understanding where gaps between policy and practice appear, and to providing insight into what works. The goal is to share our data and analysis with DG NEAR and offices concerned with EU integration, as well as to assist them in formulating legal resolutions that make a substantive and positive contribution to political and social institutions.

Case study overview

Eric Gordy
Project coordinator
UCL SSEES

In its first year of operation, INFORM researchers have produced **five case studies on informal practices in four domains**: politics, economics, interaction between the public and institutions, and regulation of interpersonal relationships.

> Case studies were chosen based on their relevance for issues of EU accession, the degree to which informal phenomena are observable in the states of Southeast Europe, and their potential contribution to the development of theory.

In the **political sphere**, our electoral practices case study examines practices ranging from ones that can be described as instances of corruption (vote buying and party feudalisation of public offices) to informal distribution of benefits (funding of projects and issuing of licences in the periods just before and after elections). The range of activities involved suggests that strengthened legislation and enforcement regarding corruption is not likely to be a sufficient measure to address a wider concern: that the concentration of both political and economic power in the hands of political parties enables them to prioritise loyalty, connections and acquaintance over merit-based decision-making. In some measure, clientelistic practices

can be described as inherited from previously existing single-party systems, with the crucial distinction that in a multiple-party system there are multiple paths to the privatisation of public benefit, with these paths sometimes competing with one another. The case study on "leadership meetings" highlights instances in which on issues of high political conflict, party leaders frequently resort to circumvent the legal institutions of decision-making and work out compromises through private agreements, many of them reached in environments such as restaurants. This informal practice, frequently encouraged by US and EU diplomats, trades the short-term benefit of resolving a pressing issue for the long-term marginalisation of formal institutions designed to guarantee debate and public participation.

In the **economic sphere**, our researchers sought to quantify the cost of informal means of maintaining business relationships and relationships of utility with employees of public institutions. INFORM researchers in nearly every country of their study encountered businesspeople who regarded the cultivation of informal relationships as an economic necessity. The economic cost of the lunches, coffees, gifts and other exchanges of value involved, if viewed as transaction costs, are considerable in all cases. They are relatively greater, however, and more likely to be paid out of pocket, by younger

> The case studies indicate a robust system of informal practices complementing, paralleling, and in some cases working in competition with legal and formal institutions.

and less established entrepreneurs, particularly those working in newer and smaller firms. In that regard, the transaction cost of network maintenance can act as a barrier to economic activity. There is a nearly universal preference among businesspeople for formal regulatory systems that would be reliable, predictable, and uniformly efficient. Crucially, the evidence in this case study suggests that informality as a representation of some imputed "Balkan sociability" is probably more of a stereotype than a viable explanation, and that much of the time and money invested in what appears to be sociability by businesspeople is in fact problem-solving activity.

In the area of **interaction between the public and institutions**, INFORM researchers examined the role that migrant and returnee communities play in the political and economic life of their home states. While many returnees return accustomed to the more formally and transparently regulated systems dominant in their sites of emigration, all of them rely on informal networks of acquaintance and kinship to establish their role and presence in their countries of origin. An instructive illustration of productive interaction between formal and informal

levels comes from the enterprise opened by an émigré taxi dispatcher in Banja Luka. Performing call-centre and online work for the taxi industry in Sweden, a formal business has succeeded in establishing an informal base of operation from which it is possible both to diffuse "Western" practices and assist in the reintegration of a local minority subject to widespread political and social discrimination. The examples suggest that positive substantive contributions can be made possible when formal and informal institutions exist in a harmonious relation to one another.

INFORM researchers approached the field of **regulation of interpersonal relationships** through the lens of home production of meat, an informal practice that is both a means of compensation for material need and deeply inscribed with traditional, religious, and communal meaning. This practice is strongly discouraged by EU health and agricultural frameworks, but the case study finds a high level of partiality and selectivity in the enforcement of restrictions. Some of the gaps between formal rules and informal practices, especially in relation to the humane treatment of animals, derive more from constraints on resources

than on attitudes. The research also indicates a pattern by which states willingly adopt restrictive rules, sometimes exceeding what is required by the EU, then compensate for any anticipated difficulty through lax enforcement. The voluntary character of this accommodation indicates a gap between formality and informality that can potentially be filled by capriciousness and corruption. In that sense, the evidence from home meat production proceeds from a small problem to a major need: to harmonise formal rules with practices on the ground.

> In all instances, the case studies indicate a robust system of informal practices complementing, paralleling, and in some cases working in competition with legal and formal institutions.

"Subversive institutions" appear to present the greatest danger in the fields of politics and economics, while in other fields of social life INFORM has found considerable evidence of complementary and substitutive institutions. **The distinct dynamics at work in different spheres of social life indicate a rich ground for formulating strategies to bridge damaging gaps, and to suggest ways of bringing the formal and informal spheres into more productive harmony with one another.**

Case study 1

There is no free (informal) lunch: The cost of informal business networking in Southeast Europe

Analysing informal networking of entrepreneurs from small and medium sized businesses in seven countries of the Southeast European (SEE) region, we find that informal networking is most extensive in institutionally less advanced countries and primarily serves as a substitute for formal institutional failures. For the purposes of informal networking, entrepreneurs spend, on average, around 200 Euros and six working days of their time per month. At the aggregated annual level, these costs reach between 0.5% and 2.0% of GDP in each country in focus.

This case study discusses informal networking of entrepreneurs from small and medium sized businesses in the Southeast European (SEE) region, with a primary focus on associated costs. It is based on a mixed methods approach and primary data coming from 70 interviews conducted with entrepreneurs in seven countries: Albania, Bosnia and Herzegovina (BiH), Croatia, Kosovo, Macedonia, Serbia, and Slovenia.

Our investigation confirms widespread informal networking of entrepreneurs in the SEE region, which is used for multiple purposes. We find that informal networking is most extensive in institutionally less advanced countries and primarily serves as a substitute for formal institutional failures. In more advanced (EU) countries, informal networking is less frequently ob-

served and operates more often as a complement to formal business environments.

We identify a substituting effect between the costs of time and money of informal networking, which varies with the stage of development of the business.

> In the initial stages, entrepreneurs invest more time and less money into informal networking, while longer established businesses invest more money but less of their time.

We find that entrepreneurs spend, on average, around 200 Euros and six working days of their time on informal networking per month. At the aggregated annual level, these costs reach between 0.5% and 2.0% of GDP in each country in focus. The total costs of informal networking are highest in countries with the least efficient formal institutions (Albania, BiH, and Kosovo), and lowest for the best performers in the sample (Slovenia, Macedonia and Croatia). There is a strong indication that the (opportunity) costs of (invested) time are larger than the real costs paid for informal networking. Finally, we identify that informal networking does not suffer from ethnic intolerance, which is one of the persistent problems in formal institutional settings of the region.

Where?

Albania
Bosnia and Herzegovina
Croatia
Kosovo
Macedonia
Serbia
Slovenia

How?

The case study relies on a mixed methods approach: the qualitative analysis (70 semi-structured interviews) is supplemented by quantitative (econometric) investigation of the data obtained from the researched businesses.

Who?

Coordinators:
Adnan Efendic
Armanda Hysa
Team:
Mirza Mujaric
Andrej Naterer
Nenad Markovic
Predrag Cvetičanin
Vjollca Krasniqi

Case study 2

"Leaders' meetings": (In)formalising political decision-making in Southeast Europe

This analysis of "leaders' meetings" (the practice of resolving substantive political disputes in private meetings between party leaders, thus circumventing legislative and other decision-making institutions) in four Balkan countries, demonstrate that the practice while efficient, suffer from an embedded transparency deficit. "Leaders' meetings" take place behind closed doors, far away from the public eye, and with no consideration of citizens' voices. "Leaders' meetings" have shifted the political decision-making from formal channels into informal ones. Ironically, "leaders' meetings" are often employed by the very international actors that formally seek democracy, the rule of law and transparency.

In Southeast Europe, stalemates in the political decision-making and the fragility of formal political institutions have led to the development of an informal mechanism called "leaders' meetings"

As an informal practice in the political domain, "leaders' meetings" represent a point where formal processes fail to resolve a problem at stake and informal ones fill the void in an attempt to reach a solution. Intriguingly, however, often the leaders themselves are not directly involved in negotiating the various aspects of an issue at hand; rather, such points are discussed by negotiators. The negotiators act as "middle men," consulting with the leaders throughout the negotiation process. Very often, external actors – such as representatives of the European Union and the United States, or the president of a country – are called to assume the negotiator role to ensure that agreements are honoured.

Our case study explores "leaders' meetings" as an (in)formal practice of negotiation and deliberation in times of political turmoil, which are often initiated and mediated by international actors who also shape their outcomes. "Leaders' meetings," we suggest, have served as a quick fix to larger political issues and crises of political hegemony. Focusing on Albania, Bosnia and Herzegovina, Kosovo, and Macedonia, the case study shows that **(in)formality in politics is reworked through the interventions of the "international community".**

Indeed, "leaders' meetings" have been successful in bringing to an end disputed political issues and closure to political crises. In Albania, "leaders' meetings" became a rule rather than exception during the justice reform, and the meetings have had an immense impact on political life. The political processes in Bosnia and Herzegovina, after the country's stalemate in the EU accession process, led to an (in)formal approach resolving political dead-ends; the issue of the EU coordination mechanism was moved outside the formal decision-making. In Macedonia, numerous "leaders' meetings" were often called, led and facilitated by the international actors, including the EU Commissioner Hahn himself and several members the European Parliament. The "soft" pressure of "the international community" was less publicly visible in the Kosovo case. In the period from July to December 2014, several "leaders' meetings" among the coalition parties took place. Unlike in the cases of Albania, Bosnia and Herzegovina, and Macedonia, the meetings in Kosovo were neither facilitated nor called by ambassadors of the United States or EU member states. The media, however, attributed the breaking of the post-election political deadlock to the efforts of Ambassador of the German Ministry of Foreign Affairs for Southeast Europe.

What our case study also highlights, is that it is crucial to situate these success stories in the context of EU enlargement. That is, **the success of "leaders' meetings" rests on the instrumentality of EU conditionality**, as Albania, Bosnia and Herzegovina, Kosovo, and Macedonia all aspire for EU membership. At the same time, **the "leader's meetings" have also altered formal politics, positing (in)formality as a complementary type of political decision-making process.** The constitutional design does not safeguard formal decision-making, and (in)formal "leaders' meetings" as interventions in the political domain have a lasting impact on the legitimacy of polity and democracy.

Where?

Albania
Bosnia and Herzegovina
Kosovo
Macedonia

How?

The method of process-tracing was employed in this case study. It enabled the mapping of events and actors in and through the processes of decision-making on contested political issues. Process-tracing is premised on qualitative data; in this research, it entailed analysis of documents and reports, media reports, press releases, statements of local leaders and representatives of international organisations.

Who?

Coordinators:
Vjollca Krasniqi
Nenad Markovikj
Team:
Jovan Blizankovski
Ilina Mangova
Enriketa Papa-Pandelejmoni

Case study 3
Migrations and informality in Southeast Europe

Analysing the interactions between Southeast European (SEE) diaspora groups in the European Union, as well as other European countries and their countries of origin in SEE, we argue that informal networking plays a considerable role both in emigration and re-emigration processes, as people make use of both formal or informal institutions.

This case study explores the interactions between Southeast European diaspora groups in European Union, as well as other European countries and their countries of origin (Albania, Bosnia and Herzegovina, Kosovo, Slovenia and Serbia). We analyse the different forms of interactions and networks diaspora groups establish and sustain with their respective "home communities" and places of settlement across both space and time, seeking to identify the role of formal and informal institutions in establishing and encouraging such cross-border, transnational and translocal activities connecting the EU, other European countries and the SEE region.

People from the five countries of our case study have had different motivations, time periods and destinations of migration. While in some cases people were forced to leave their home country because of war and ethnic cleansing, citizens of other states emigrated for economic reasons. What our analysis reveals, however, is that in most cases informal social networks in SEE have played a crucial role in finding and organising life in the new host country. Social networks based on family, friendships and local communities from original homeland enable such movements. For instance, some of our informants in Slovenia emphasised the importance of their friends in accessing information about jobs, finding suitable work, as well as arranging residence in Austria, Slovenia's neighbour country.

Informal networks are of importance **not only in emigration, but also re-emigration or partial re-emigration processes**. In several cases, informants relied on their social capital in their home countries to establish a business. For instance, Emir, a Bosnian businessman and the owner and manager of one of the largest taxi companies in Sweden, opened a call centre in Banja Luka, his hometown in Bosnia and Herzegovina. While his taxi and other businesses are located in Sweden, the call centre that serves these businesses is located abroad – in his home country. This was done not so much for economic reasons, but for Emir to emotionally reconnect to his hometown and contribute to its economy.

It is important to stress that **people combine access to informal institutions (their social networks) with the availability of formal institutions**. Thus, to operate his transnational business enterprise, the Bosnian businessman Emir successfully combined his informal social networks in Bosnia and Herzegovina with formal institutions of Sweden. According to him, his success in business stemmed from combining Bosnian and Swedish ways of doing things, with the Bosnian way being more informal and relying on knowing people personally and the Swedish one being formal, structured and somewhat de-personalised.

Additionally, people combine their informal networks in their home countries with experience and knowledge gained living and working abroad. One of our informants in Albania used to work in Greece, in a factory that produced furniture. His work experience and his contacts helped him open his own furniture business in Albania. Another informant from Albania who used to live in Greece noticed the absence of a certain kind of bars in his home country and decided to open such a place in Albania.

Our case study also highlights that migrants from SEE have **an ambivalent attitude towards the EU and the "West" in general**. While they acknowledge the functioning and functional formal institutions, the research participants also express what they perceive as downsides to life in their host countries: pervasive alienation, lack of warmth in human interactions, and deep-seated prejudices against and stigmatization of foreigners, including migrants from SEE.

To conclude, informal networks are important in assisting people both in emigration and re-emigration processes. Informal social networks help establish and organise life in the host country – and they also assist in re-emigration processes, helping migrants from SEE launch new activities in their home countries.

Where?

Albania
Bosnia and Herzegovina
Kosovo
Serbia
Slovenia

How?

The data for this case study were collected through a multi-sited qualitative study involving ethnographic in-depth interviews, participant observation and fieldwork with relevant participants in selected local places in Southeast European countries. This research approach was further complemented by a review of statistical, demographic and other secondary on-site and on-line sources.

Who?

Coordinators:
Hariz Halilovich
Brikena Balli
Team:
Nirha Efendic
Vjollca Krasniqi
Gerda Dalipaj
Miloš Jovanovic
Andrej Naterer

Case study 4

Enforcing EU rules in Southeast Europe: The case of pig and sheep slaughter

Analysing the enactment of EU regulations across five Balkan countries, we argue that, in sharing home-slaughtered meat, the gap between formal rules and informal practices exists due to the lack of administrative capacity as well as public servants' contextual interpretations of the law.

During the EU negotiation process in Southeast European countries, heated debates surrounded practices related to everyday life, local traditions, and alternative modes of economic self-subsistence. The public discourse focused on practices such as home brandy production, selling of homemade cheese, growing of locally specific varieties of vegetables and pig- and sheep-slaughtering, describing them as activities that would have to undergo significant changes – more so than other far-reaching and important spheres. Intriguingly, however, apart from animal welfare directives, EU regulations did not intervene strongly in the already existing practices and laws. This paradox raises various questions about the intertwinement of formal rules and informal practices in the context of EU integration.

Our case study highlights that research on pig- and sheep-slaughter has the potential to uncover how deeply rooted cultural practices are navigated in the context of EU integration. Here, we want to consider the case of home slaughter. According to EU regulations, home slaughter is intended for private domestic consumption. It means that meat originating from domestic slaughter cannot be put on the market, as the private person who obtained it cannot be considered a food business operator. Therefore, such meat can be consumed only by the owner and his/her immediate family and cannot be sold or transferred to other parties. The five countries of our case study have a good track record of aligning domestic legislation with the aforementioned EU rules regulating home slaughter of livestock.

At the same time, the rule limiting the use of meat originating from home slaughter for private consumption is observed only sporadically. For instance, inspection agencies intervene only in the case of third party complaints. We identify here a gap between formal rules and formal constraints, which is present in all the countries of our study, despite their varying levels of EU integration.

There are different reasons for this gap. The first one has to do with the administrative capacity of the state. As one public servant from Croatia put it: "How many inspectors do you think we ought to have in order to penalize that?" Similar explanations emerged in interviews with experts in other countries as well. Additionally, public servants from all countries agreed that the quantities of meat distributed in this manner are very small and therefore the distribution of home-slaughtered meat poses no real threat to public health. Some suggest that it can even serve a positive socio-economic function.

At the same time, however, our data suggest that state authorities are much more active in monitoring and sanctioning more public forms of selling home-slaughtered meat on the informal market, for example, selling such meat in a shopping mall parking lot. Slovenian authorities, for instance, have developed an additional measure to limit such practices – they inform the public about individuals penalised for selling home-slaughtered meat in order to prevent the spread of production of such meat for the informal market.

To summarise, the rule limiting home-slaughtered meat for private consumption is only partially enforced by the state authorities in the countries considered in our case study. That is, the rule is enforced only when home-slaughtered meat is sold on the informal market, while it is weakly or not at all enforced when it comes to sharing such meat within networks of relatives and acquaintances. The partial enforcement of the rule means that there exists a two-dimensional gap between, on one hand, the formal rules and, on the other hand, the bureaucratic capacity and interpretations of state authorities.

Where?

Bosnia and Herzegovina
Croatia
Kosovo
Macedonia
Slovenia

How?

A set of qualitative methods: analysis of legal documents; analysis of online media reports; interviews with public servants; interviews with producers and consumers of home-slaughtered meat.

Who?

Coordinators:
Reana Senjković
Miran Lavrič
Team:
Borjan Gjuzelov
Ines Prica
Ismet Kumalić
Ivan Damjanovski
Nita Luci
Orlanda Obad
Rudi Klanjšek
Vesna Vuk Godina
Vjollca Krasniqi

Case study 5

Political clientelism in the Western Balkans: Perpetuum mobile for re-election?

Our case study explores various forms of political clientelism in the electoral process in the Western Balkans. We follow the distinction between electoral clientelism, i.e., transactions that last for a short time during elections and relational clientelism, i.e., a prolonged relationship between patrons and clients. We find that short-term relationships during elections are sporadic and usually involve vulnerable groups, whereas long-lasting relationships are more prevalent and take a number of shapes. Political parties create dependency by distributing resources and thus create long-term loyalties.

The latest report issued by the SELDI network of think tanks in 2016, demonstrates that there is state capture in the Western Balkans societies. This situation has come to be due to the large-scale corruption recorded in each of these societies, where political parties' power networks dominate the political as well as the social and economic landscapes and permeate many aspects of social life. The distribution of public services follows the logic of clientelism – different kinds of benefits and rights are distributed based on loyalty rather than objective eligibility.

Our findings show that the short-term relationships during elections (electoral clientelism) are relatively sporadic and tend to be aimed at vulnerable groups such as Roma communities. Electoral clientelism involves practices such as handouts in the form of vote buying, material goods, or interventions such as infrastructural repairs. These practices are present in all the researched countries.

On the other hand, the long-lasting relationships between patrons and clients are much more prevalent and take a number of shapes. The most dominant is the political party patronage in employment, identified in all the researched countries. That is, coalition parties redistribute posts in the administration, the broader public sector, as well as enterprises based on party membership, thus ensuring loyalty and re-election.

The distribution of social and public benefits is another practice. It renders a political party – rather than public institutions – the provider of social and health care. Political parties identify people in need and provide social benefits as favours, thus gaining loyalty in exchange.

Political parties also benefit from creating clientelistic relationship with the business sector. Government contracts are awarded based on loyalty or in exchange for a financial donation to political parties.

This distinction between electoral and relational clientelism necessitates different ways of facilitating the outcome, that is, a vote for the patron. For instance, local brokers in Roma communities guarantee votes through kinship and their own social capital within these networks.

However, the greatest challenge for political parties is the enforcement of the client vote in cases when transactions are less direct. Incumbent political parties are at an advantage in this process as they mobilise their membership within the public sector, tasking employees with campaign work during their working hours. Public sector employees dedicate their time and act as "astroturfers" on social media, reproducing online content in favour of their parties. These practices – identified in most of the researched countries – provide political parties with enough workforce to have an advantage and create an image of size and success.

Acknowledging that relational clientelism is a product of complex social developments, we argue that the prevalence of such practices highlights the adaptation of the infomal side of the election process to the new formal reforms and political developments. Furthermore, the classic patron-client relationship – based on kinship or other types of close social networks – is continually being replaced by the machinery of political parties, turning them into a new kind of patrons.

The increased monitoring by local and international organisations discourages easily detectable election fraud. At the same time, the international community nevertheless assesses the elections as credible and competitive if the results are not contested. This provides a window of opportunity for the informal power networks to continue maintaining the complex relationships of political clientelism.

Where?

Albania
Bosnia and Herzegovina
Kosovo
Macedonia
Montenegro
Serbia

How?

This case study relied on in-depth interviews and secondary research. These methods enabled the identification of clientelistic practices in the area of elections. The secondary research entailed analyses of reports by local and international election monitoring missions, media reports as well as background research about the levels of corruption and the main political issues in the countries.

Who?

Coordinators:
Danijela Gavrilovic, Misha Popovikj
Team:
Jovan Bliznakovski, Borjan Gjuzelov, Linda Gusia, Gentiana Kera, Adrej Kirbis, Tea Skokic, Nemanja Krstic, Marija Stefanovic
Acknowledgements:
Ilina Mangova, Vlora Recica

What's next?

Predrag Cvetičanin
Empirical data gathering working group leader
CECS

Face-to-face survey with 5900 respondents:

- 1200 in Bosnia-Herzegovina
- 1100 in Serbia
- 1000 in FYR of Macedonia
- 900 in Albania
- 900 in Kosovo
- 800 in Montenegro

The questionnaire is composed of eight question batteries

1. Socio-demographic data
2. Economic, cultural, social, and political capital of respondents
3. Value orientations and attitudes of the respondents
4. Dependent variable: respondent's evaluation of the efficacy and fairness of formal public institutions
5. Dependent variable: respondent's perceptions, personal experiences and attitudes towards informal practices and institutions
6. Data collection on key brokers in the informal sector: social networks
7. Data collection on key brokers in the informal sector: political parties
8. Respondent attitudes toward the European Union and the accession process

Semi-structured interviews:

- 160 semi-structured interviews with survey respondents
- 60 interviews with experts
- 30 interviews with policy makers (6 from EU and 4 from each of the 6 WB countries)

The survey will be carried out by agency Ipsos Adria.

The preliminary data will be available at the beginning of June of 2017.

Also:

- Ethnographic fieldwork
- Case studies (quantitative and qualitative methods)
- Secondary data analysis, content and discourse analysis of legal documents and media reports

About institutions

University College London (UK)

has expert knowledge in comparative research of the Balkan region and the field of informality. UCL also employs its vast administrative experience in coordinating the INFORM project.

Institute of Ethnology and Folklore Research (Croatia)

adds anthropological field experience and brings theoretical strength to the project.

University of Maribor (Slovenia)

team brings in experience in wide-ranging social research. The UM team also coordinates the interaction between INFORM and the EU policy circles, as well as between INFORM and the accession countries under research.

Center for Interdisciplinary Social Applied Research (Bosnia and Herzegovina)

shares experience in cross-disciplinary research in the region, especially Bosnia and Herzegovina, bringing together the fields of economics, sociology, anthropology, and political science. The CISAR coordinates the formulation of policy measures.

Centre of Empirical Cultural Studies of South-East Europe (Serbia)

applies its vast experience in researching the social and cultural sphere in the region and is mainly responsible for the coordination of research activities.

Institute for Democracy "Societas Civilis" – Skopje (Macedonia)

brings expertise in democracy studies and is primarily responsible for developing theoretical understanding of the observed phenomena. The team members have conducted extensive research in public opinion, elections, democratic governance, Europeanization and nationalism, among other topics.

Center for Historical and Anthropological Research (Albania)

team brings to the project strong fieldwork experience and expertise on informal institutions in Albania. The research background of the team members in different disciplines – such as history, anthropology and sociology – contributes to the interdisciplinarity of the INFORM project.

Social Research Kosova (Kosovo)

brings together researchers in social sciences from Kosovo and the region of Southeast Europe. The SRK strength lies in its application of scientific quantitative and qualitative methods to address social problems.

Riga Stradiņš University (Latvia)

team brings anthropological expertise on Montenegro. The team is also responsible for the project communication activities: the INFORM website, social media accounts, and newsletters.

INFORM informally: To formal or to informal, that is the question…

Klāvs Sedlenieks
Communication working group leader
RSU

My personal road to the INFORM project was through corruption. Back in 1998, I worked on several research projects that dealt with the seemingly pervasive problem of what was referred to as "transition" countries of Eastern Europe. However, as an anthropologist I quickly realised that the term "corruption" is a moral term rather than a scientific category. What was corruption for some people was a heroic deed for others – depending on what attitude one held toward a particular political and economic system. Blat, an informal system of providing access to scarce, state regulated goods in the Soviet state, was condemned by "true" communists while treated as a completely legitimate strategy by others.

It was way back in early 20th century when German sociologist Max Weber contemplated the question of the "iron cage of bureaucracy". While acknowledging that perhaps the most rational way of governing society is through bureaucracy, Weber also saw the other side – that bureaucracy can be so constraining, so limiting of freedom and creativity to the point of standstill. Since then, attempts to find the "right" pass have oscillated

between the quite rational wish for the "formal" and desire for the "informal".

Alena Ledeneva, one of the pioneers in informality research, described the Soviet practice of blat as lingering between a gift and a commodity. The formal and the informal have a profound relationship with exchange processes. What characterises the gift is that it is always somehow informal, even if it is what is called "a formal gift". The gift operates in the area where the borders are not clearly cut, where what is given and what is received are never evenly balanced. This fuzziness somehow creates both warmth and uneasiness. People tend to like the human heart and soul that seem to be produced through the unclearly defined transaction of gift exchange, yet they dislike the ambiguous obligations that this process also entails. Formality thus provides certainty, but takes away the cosiness and the joy of trustfulness of the informal. More than that, informal seems fair only for those who are inside the gift exchange circles.

I am writing this in Montenegro while on my ethnographic fieldwork during which

I aim to understand the workings of informality here. A man form Mojkovac tells me that what he likes about Montenegro is that he can go to a different part of the country and receive full hospitality there without paying a cent – and that he would provide the same to a stranger back home. "This is not the same in the EU", he concludes and continues: "Everyone works for profit there". On the same day, I read accession reports on the Balkan countries. The Balkans and the "Balkan way" seem to be characterised by informality there: informal conflict resolution, informal job market, etc. But, wait, when an informal agreement is reached between EU representatives and local politicians, the term acquires an entirely different meaning!

My own research in Montenegro and Latvia has lead me to realise that life is informal. It is just fractions of life that sometimes for some reason are formalised. And even if so, the formal rules need informal interpretations in order to work. Strict sticking to the rules is one of the most efficient forms of bureaucratic strike – it inevitably leads to standstill. Thus, the question I ask in the

title of this piece – "to the formal or to the informal" – is not a trivial one. It is not an either/or question either. Rather we need to identify the kinds of informality that work well without any formal and formalised interventions.

Two churches stand next to each other in the village where I do my fieldwork. One proudly exhibits "Under the protection of law" sign. The other has none. The first is in a dilapidated state, because the state has no funds for repairs. The other is lovingly maintained by the local informal community.

This is where the importance of the INFORM project lies – in its promise to take informality seriously. The path that may eventually lead to closing the gap between what is written in laws and regulations and what is actually practiced on the ground is up to policy-makers to take. An old Montenegrin man recently asked me: "What good will this research give to us, here"? Well, if our project contributes even a little bit to ensuring that what is written corresponds to what is done, I would consider the time of me and my Montenegrin friends well spent.