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Rethinking Clientelism, Governance and Citizenship in Social Welfare: the case of Croatia

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Abstract:

Recent work on ‘clientelism’ has sought to address the concept in terms of a broad set of practices in the context of asymmetrical distributional, governance and citizenship relations. Social welfare has, increasingly, been seen as a key site of clientelism in which claims making, akin to the capturing of institutions, resources and services by certain groups, is traded for the political advantage of particular elites (Roniger, 2004). The concept of clientelism has been used by Ferrera (1996) in order to explain the specificities of the Southern European welfare model and clientelist-particularistic relations has been seen as one of the core features, along with religion and the role of the family, in the ‘extended family’ of Mediterranean welfare

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states (Gal, 2010). Studies of post-communist transformations have been dominated by two paradigms: one focusing on path-dependent internal features and the other on processes of globalisation and Europeanisation, neither of which are sufficient to explain all the features of post-communist welfare transformations, especially in countries marked by a slow and delayed Europeanization.

Taking Croatia as a case study, marked as it is by a quite peculiar configuration of Bismarckian, post-communist, and post-conflict legacies, this paper seeks to address clientelism as a set of complex, changing and contested politicised projects, through which social policy is subject to competing and contradictory tendencies in the context of war, new nation state building, and populist authoritarian political tendencies. In a political environment in which power struggles within the ruling party have been as important as externally driven reforms, the paper explores the nature of captured and categorical distributional effects, the dominance of nationality over territorial-based citizenship claims, and the politicisation of the nature and scale of governance. The privileging of the rights of war veterans, those of Croatian ethnicity and those with linkages to the ruling party are addressed in the context of competing reform discourses of universalism and rights, on the one hand, and targeting and economic efficiency, on the other.
INTRODUCTION

The concept of ‘clientelism’ has occupied a rather shadowy place, thus far, in studies of welfare regimes in transition. Often, it is treated as a general, abstract, factor with no real attempt to address the mechanisms through which clientelistic relations impact upon social policy. This formalistic approach to clientelism, therefore, tends to see it as a background feature in certain welfare regime types, with no attention to the dynamic and active role of political agency and elites in shaping clientelistic patterns of capture in social policy. The specificities of clientelism in different places, at different times, is, sometimes, lost, therefore, as well as an understanding of the inter-linkages between clientelistic forms and other political, economic, and social features in specific welfare regimes. What is meant by clientelism, is, therefore, rarely explicitly stated, and there have been few attempts to trace the active processes through which clientelism results in certain kinds of welfare arrangements, practices and outcomes, much less as to how these might be eroded, changed or reformed.

An emerging literature, particularly on welfare change in post-communist countries in transition, is beginning to move beyond a focus on path dependency and lock-in notions, to address the role of political agency and the dynamic influence of political elites, states and state-like actors including international organisations. The attempt to complement studies of regimes and institutions with dynamic understandings of political agency, allows us to move beyond rather abstract notions of ‘modernisation’ or, even ‘Europeanisation’ to describe processes of change over time. At its most articulate, such an approach allows us to address the ways in which different processes merge and converge with each other, in terms of active political agency rather more than abstract generalised forces. The idea that welfare arrangements are constructed, and therefore challengeable and changeable; contested, consisting of multiple and potentially divergent projects albeit with some more dominant than others; and contradictory, based on antagonistic pressures and interests (Clarke, 2004; 5), allows for an understanding of clientelism as a field of relationships of political struggle rather than as an abstract categorisation.

This text explores clientelism in the context of social policy changes in Croatia, set to become the twenty eighth member state of the European Union in July 2013. It allows for a revisiting of arguments regarding the ‘captured’ nature of social policy in the context of war, an authoritarian nationalist and populist state-building, and a ‘delayed Europeanisation’ (Stubbs and Zrinščak, 2009). It suggests how an understanding of clientelism in terms of governance, citizenship and distributional practices allows for a re-emphasis on the role of political agency and dominant elites and networks. Croatia is a country where one political party, more akin to
a movement or network of networks, has held power for 17 out of 21 years since Croatia declared independence. Of course, over time, this party has profoundly transformed its narrative, political goals and, indeed, its personnel, whilst maintaining political power through alliances and agreements, as well as internal conflicts, which have perpetuated rent-seeking and rent-enhancing practices in the economic sphere and a rather distortive ‘capturing’ of social welfare leading to skewed and specific distributional practices in terms of the allocations of rights, entitlements and benefits.

The text contains three main sections. The next section explores and revisits a literature on clientelism both in terms of political agency and in terms of social policy and welfare arrangements. It then moves on to address key features of the political economy of Croatia and the nature of the dominant political elite and its changing narratives over time. A tentative third section describes some elements of the implications of clientelism in terms of Croatian social policy, before a concluding section notes key questions for research in the future.

UNDERSTANDING CLIENTELISM

In its broadest sense, the concept of clientelism is usually connected, in mainstream political science, with the concept of ‘patronage’, to refer to “the trade of votes or other kinds of partisan support in exchange for public decisions with divisible benefits” (Piattoni, 2001; 4). More narrowly, and simply, it has been described as “the distribution of selective benefits to individuals or clearly defined groups in exchange for political support” (Hopkin, 2006; 2). It can also be understood as “a problem-solving mechanism mediated through personalised political relationships and re-signified through symbolic promises” (Iraola and Gruneberg, 2008; 3). ‘Dense clientelism’ tends to be seen as consisting of personalised, dyadic and emotional relationships, typically seen as present in so-called ‘traditional’ societies. However, the literature refers increasingly to ‘institutional clientelism’ as a very broad set of political strategies incorporating relations of exchange between dominant political elites (patrons) and particular individuals and/or groups (clients). Clientelism is, therefore, “just one of the historical forms in which interests are represented and promoted” (ibid; 18), related to the nature and form of the state- and administration-building process, and involving a complex mixture of ideology, formal political programmes, and divisible benefits, rent-sharing, and privileged subsidies.
Most of the literature underlines exchange as a key element in clientelism, usually between politicians and their (poor and rather powerless) clients (Weitz-Shapiro, 2009), or as a particular mode of exchange between electoral constituencies as principals and politicians as agents in democratic societies (Kitschelt and Wilkinson, 2007; 7). The concept of ‘exchange’ encourages research on both the demand and supply sides of clientelism, as well as on the social conditions which favour such a particularistic mode of exchange. Clientelism may be compatible with formal political competition providing there are elements of elite capture of the state, public administration, electoral rules and processes, the judiciary, and/or the mass media (Grzymala-Busse, 2008) Indeed, clientelistic structures have proved to be rather resilient in established democracies, such as Italy, Japan, Austria, and Belgium (Kitschelt and Wilkinson, 2007; 3). Clientelism need not involve corruption, bribery and formal law-breaking, though it often does, but can refer to cases where public goods are allocated through what are apparently fair legal means but, via particularistic mediators who hold discretionary power, in favour of groups in direct exchange for electoral or other kinds of support.

Our understanding of clientelism as a very broad set of hegemonic political practices and strategies marked by asymmetrical modes of governance, definitions of citizenship, and distribution of resources, is, perhaps close to the concept of ‘prebendalism’ in which political elites operate less through mass patronage and more through their access to state and administrative power (van der Walle, 2007). Indeed, van der Walle’s work on new African clientelism in which the party which first came to power in nominally democratic processes maintains control, with opposition groupings largely fragmented and/or co-opted, through defending ethnicised interests in a kind of authoritarian populist framework marked by control of key sections of the mass media, and through close linkages with the military and the church, is, as we shall note below, rather close to aspects of the Croatian scenario. Hence, rather than the development of ever more complex typologies of varieties of clientelism in different parts of the world, it would seem to be more useful to trace the main dimensions in practice in particular contexts and settings. In that sense we focus on three constitutive elements of clientelistic exchange: contingent direct exchange, predictability, and monitoring (Kitschelt and Wilkinson, 2007; 9). The ways in which the capture of institutions, services, jobs and resources by certain groups is traded for political advantage and for the benefit of a ruling elite, albeit within formally democratic frameworks marked by the rule of law, is particularly interesting here (Roniger, 2004). The uneven allocation of citizenship which confers particular rights on some whilst denying those rights to others is, we would suggest, a key feature of clientelism in the context of emerging new nation states, especially in the aftermath of ethnicised conflicts.

3 First, the exchange between principal and agent is contingent and direct. It concerns goods from which non-participants in the exchange can be excluded. Second, such exchanges become viable from the perspective of politicians, if voter constituencies respond in predictable fashion to clientelistic inducements without excessive opportunism and free-riding. Third, short of constituencies’ spontaneous and voluntary compliance with the clientelistic deal, politicians can invest in organizational structures to monitor and enforce clientelistic exchange. (Kitschelt and Wilkinson, 2007; 9-10)
The idea of clientelism has been used by Ferrera (1996) to explain one element of what he terms a ‘Southern European welfare model’ or, latterly, ‘type’ (Ferrera, 2000), perhaps best seen as a particular sub-set of the more general state-corporatist model originally outlined by Esping-Anderson (1990). In the Southern European type, the family is important as a welfare provider, accompanied by familial ideology, in the context of strong religious influence and a legacy of authoritarian regimes, leading to a rather rudimentary welfare state. Whether the existence of networks of patronage for the selective distribution of welfare entitlements and benefits is equally, or similarly, present in Italy, Greece, Spain and Portugal has been hotly debated (cf. Garcia, 1999; Petmesidou, 1996). The argument as to whether clientelism is a permanent or cultural feature of these particular formations is in danger of repeating the frozen abstractionism of much of the welfare modelling business, detracting attention from the way in which social welfare is shaped by active political agency and complex and contested power relations. Ferrera’s concern with the persistence of ‘institutional particularism’, in which ‘patronage machines’ distribute cash subsidies and perform particularistic manipulations of sections of the welfare state, is relevant here. His argument is worth quoting at some length:

“It is certainly true that some form of institutional particularism characterises all developed systems of social protection. But when particularistic ties or networks play a prominent and in some cases determinant role in granting access to important benefits and services, when they even display some form of formal institutionalisation (as was the case in Italy in the sector of invalidity benefits or in Spain in the sector of unemployment benefits for the agricultural unemployed during the 1980s), then particularistic norms and clientelistic circuits start to make a difference in systemic terms” (Ferrera, 2000; 170).

John Gal (2010) adds Cyprus, Israel, Malta and Turkey to the list of what he terms ‘the extended family’ of ‘Mediterranean welfare states’, sharing a number of common features including the particularistic-clientelism form of welfare which Ferrera identified. The idea of an ‘extended family’ of nation states is meant to recognise both their similarities as well as differences relating to historical legacies and the impact of specific combinations of internal and external forces shaping welfare and its reform. He suggests that late industrialisation, segmented labour markets, a legacy of authoritarian or colonial rule, and clientelistic bureaucracies, tend to result in rather limited and particularistic forms of social protection. Strong ethnic and regional cleavages also lead to a securitised state and the absence of a universal model of social protection cutting across these cleavages. His discussion of ‘clientelism-particularism’ suggests that it has been rather resistant to explicit reform efforts, so that ‘particularistic social policies’ are “a relatively widespread, legitimate or tolerated component in the workings of welfare states in the extended family of Mediterranean nations” (Gal, 2010; 294). He suggests that, within this common feature, the forms of clientelism vary, ranging from the provision of jobs in welfare bureaucracies and the distribution of resources
based on political affiliation to the development of practices and legislation favouring groups which are identified with one political party. Inevitably in a large comparative study, his focus is on broad brush stroke analysis rather than on the dynamics of specific agency in each setting.

Linda Cook (2010) has tended to suggest that social welfare and its reform in post-communist countries in Eastern Europe and the former Soviet Union, with the exception of some of the poorer, more rural parts of some countries, which she terms ‘neo-patrimonial’, cannot be framed in terms of the concept of ‘political clientelism’. Nevertheless, the forms of political patronage and corruption which she points to, in which elites play ‘fiscal games’, social welfare providers become ‘brokers for themselves’, and services are subject to ‘spontaneous privatization’ and ‘shadow commercialisation’, can be subsumed under a broad definition of clientelism. Indeed, the fact that ‘interest representation’ is more likely to be present in the clientelistic Russian Federation than in either ‘democratic’ Poland or ‘authoritarian’ Kazakhstan (Cook, 2007), tends to reinforce the salience of the trading of particularistic welfare privileges for political support. The importance of informality in post-communist welfare arrangements can be seen both in terms of the structural capacity of the state to redistribute but, also, in terms of the role of informal local brokers to ensure that basic needs are met. The familiar idea that in both communist and post-communist societies, the majority of the population have little trust in institutions per se, and tend to resort to connections in terms of people they trust who work in these institutions, is also relevant in terms of the study of clientelism and social policy.

The most abundant literature on the relationship between clientelism and social policy concerns cases in Latin America, where political clientelism is seen as thriving in the context of high inequality, persistent poverty and weak and residual social protection schemes, so that survival strategies become embedded in clientelistic networks which exist as a kind of substitute for a formal welfare state (Ley, 2011). The role of non-state actors, the increasing use of social funds, as well as innovative and, often, ‘pilot’ programmes in the provision of welfare is, also, relevant in this context since they often rely on key promoters at national and, more importantly, sub-national levels (Weitz-Shapiro, 2009; Iraola and Gruenberg, 2008; Penfold-Becerra, 2006). Much of the literature points to hybrid forms of clientelism somewhere between ‘direct’ and ‘institutional clientelism’ in which political elites direct programmes to particular areas or groups in return for electoral support.

There has been little attempt to extend the concept of clientelism to cover the influence of international actors in social welfare, with clientelism seen as a largely, if not wholly, domestic, national process. Hence, when international actors are involved, they are usually seen as
seeking to undermine the internal basis for clientelism. Nevertheless, the idea that, insofar as they act within nation states, international actors become, themselves, a part of internal processes, opens up new possibilities for the study of their role. In addition, the importance, within projects, programmes and strategic support, to be seen to be ‘getting things done’ necessitates often working through brokers, intermediaries and translators (Lendvai and Stubbs, 2009). Crucially, international actors provide access to grants, loans and other tangible resources which may be utilised within clientelistic processes as much as they alter them.

The idea of clientelism in relation to network power has recently been explored by Janine Wedel (2009), referring to a new global power elite which she terms ‘flexians’ operating in ‘flex nets’ which “draw their membership from a limited circle of players who interact with each other in multiple roles over time, both inside and outside government, to achieve mutual goals” (Wedel, 2009; 16). The idea of ‘flex nets’ as ‘resource pools’, able to prescribe, coordinate, implement, promote, and justify particular policies ties this form of power to new forms of transnational clientelism, operating in hybrid environments enhanced by new public management, sub-contracting of governance, and new forms of public-private partnerships.

A POLITICAL ECONOMY OF TRANSITION IN CROATIA

An orthodox political economy of Croatia sees the country emerging, in the new millennium, from a protracted process of state building cut across by war, authoritarian nationalism, and ‘crony capitalism’, to emerge as a consolidated democracy marked by a progressive Europeanisation of institutions, policies and practices. Whilst this dominant narrative is both plausible and, indeed, true in many respects, it is rather incomplete, not least because of its tendency to play down a number of continuities between the two periods and, indeed, between Croatia’s post-communist and communist incarnations. There can be no denying the real changes which have occurred over twenty years with Croatia now judged as ready to join the European Union as the twenty eighth member state in July 2013. However, the narrative tends to rule out the possibility of processes of Europeanisation co-existing with political clientelism within the dominant political elite in Croatia. Here, we seek to explore elements of the continuities in terms of the issues of governance and citizenship, within a more nuanced political economy approach, before addressing the social policy consequences in the subsequent section.
Any focus on political agency in order to disrupt the dominant narrative would quickly rest on the nature of the hegemonic forces gathered around the leading Croatian political party, the Croatian Democratic Union (HDZ), which won the first multi-party elections held in Croatia in April 1990, and has been in power for the entire intervening period, with the exception of a centre-left coalition government which was in power from January 2000 to December 2003. In its formation, HDZ represented both a degree of continuity and a radical break with the communist past and consisted of a series of interlocking power bases. The rise of HDZ, of course, occurred in exceptional circumstances, namely the quest for statehood and state building in the context of increasing tensions and, subsequently, a long and bloody war in which for considerable periods, large swathes of Croatian territory were not under Croatian government control. The core of HDZ, gathered around the figure of Franjo Tudjman, its founder and leader, who was President of Croatia until his death in December 1999, consisted of very disparate elements including sections of the Croatian Diaspora, Croats from Bosnia-Herzegovina, mainly from the part bordering Croatia known as Herzegovina, some of whom were themselves in exile abroad, former communists, sections of the technocratic elite, and dissidents from movements for greater Croatian autonomy in the 1970s. The nature of the war and, indeed, the arms embargo imposed on all sides, cemented links between HDZ and those able to secure arms, as well as encouraging Tudjman to vest power in a kind of parallel power structure centred around his own office and advisors and a Defence and Security Council (VONS) headed by his son, at the expense of Parliament and a number of technocratic Prime Ministers who he was quick to appoint and dismiss.

Crucially, from the beginning, the main political goal of HDZ was to acquire statehood and, in the war, to regain Croatia’s territorial integrity, although hard-line nationalists around Tudjman, including what came to be known as the ‘Herzegovina lobby’, held clear aspirations to incorporate parts of Bosnia-Herzegovina where Croats were the majority population into a contiguous ‘Greater Croatia’. The nature of the network around Tudjman and the formation of a new political-economic elite in the context of state-building, war, and transition, is a highly complex, paradoxical, and contradictory phenomenon which we can address only in broad brush stroke terms here. Crucially, however, it did not have any common economic or social vision to go along with its political vision.

It may be, indeed, that the extent of the break between what has been termed ‘Tudjmanism’ and ‘post-Tudjmanism’ (Jović, 2006) has been overstated not least in terms of the continuance of political clientelism and the continued power of a dominant elite engaging in classic rent-seeking behaviour, even while jettisoning some of the discursive elements of an authoritarian populist nationalism. In this sense it is significant that Tudjman’s successor as leader of HDZ, Ivo Sanader, was credited with modernising the party and removing a number of hard-liners, and was responsible for reorienting the party to unite around a new political consensus pursuing EU membership. Sanader, Prime Minister from December 2003 until his surprise
resignation in July 2009, however, now stands accused of also leading a parallel power structure and of having taken a series of bribes over a long period of time to secure his own wealth, those of his associates and, crucially, to establish a fund for HDZ activities.

There have been too few attempts to analyse the nature of Croatian capitalism and even fewer attempts to understand this in terms of the actions of key political elites. A recent summary text (Ivančić and Šonje, 2011), using a typology derived from North, Wallis and Weingast (2009), argues that the inherently ‘undemocratic’ nature of Croatian capitalism is its most important feature, since a coalition or network of interests, not reducible to the formal government coalition, utilises interpersonal relationships to garner rents and to limit competition, allocating public services, private property, and the proceeds from privatisation, on the basis of these relationships even within a nominally functioning ‘rule of law’. The co-existence of formal democracy and recurrent ‘crises’ requiring authoritarian and populist resolution, the incorporation of some ‘deprived groups’ into the ruling coalition, notably war veterans, the lack of transparency in the registration and allocation of private property, and close links between the dominant elite and key sections of the mass media, are all important features of ‘undemocratic capitalism’ still present in Croatia.

In some sense, there are continuities between the new system and what has been termed ‘political capitalism’ (Županov, 2002) in which the directors of large state firms, under self-management socialism, particularly in the crisis and reform conditions of the 1980s, gained power, influence, and money, in part through their links with local and republic political elites. Very quickly in a war and transition context, those directors who expressed loyalty to the new regime maintained their positions and were joined by the ‘instant tycoons’ who benefitted from a first wave of privatisation which, taking forms not unlike other post-communist regimes, has been described as “legalized robbery through different forms of fictitious or politically dictated transactions” (Baletić, 2003; 287). The dominance of “insider interests, extreme clientelism, non-market based financial sector allocation, and a close link of the state and the government with entrepreneurs and the financial sector” (Bičanić, no date; 1), set the conditions for Croatia’s transition and, in the context of an emphasis on political agency, has not been eroded as much as modernising discourses on Europeanisation assume.

Three elements of political clientelism are crucial in terms of subsequent social policy developments. The first concerns citizenship relations, the second war veterans and their associations, and the third the integration or co-option of deprived and, even, oppositional elements, and the role of local and regional elites. Clearly, the ‘citizenship regime’ in 1990s Croatia engaged in a kind of ‘ethnic engineering’ (Koska, 2011) designed explicitly to create an equivalence between political and ethnic communities and state borders. One part of this, in
part reflecting the strong role of the Diaspora in the hegemonic project, involved the active encouragement of ethnic Croats and their descendants, anywhere in the world, to apply for and acquire Croatian citizenship, without losing any other citizenship rights. Of course, this ‘invention’ of the Croatian Diaspora, a product of “a deliberate symbolic and material effort by political actors to unite several ... groups into a single entity” (Ragazzi, 2009; 2), had real effects, most crucially in terms of Croatia’s relations with Bosnia-Herzegovina. The fact that most ethnic Croats in Bosnia-Herzegovina gained Croatian citizenship during the war, even if they did not settle in Croatia, is crucial in terms of subsequent political and social rights. In terms of political rights, Bosnian Croats with Croatian citizenship are, in a sense, doubly enfranchised, being able to vote as part of the Croatian Diaspora on a reserved list for Parliament, and, if they have a registered address in Croatia, to vote as ‘regular’ Croatian citizens. This is largely responsible for the anomaly that the electoral register in Croatia contains more registered voters, not including the Diaspora, than the census count of the entire Croatian population⁴.

During the war, and even afterwards, strong links between Croatian political and military forces and their counterparts in Croatian-controlled parts of Bosnia-Herzegovina were developed⁵, widely criticised by sections of the international community as ‘interference’ in Bosnia-Herzegovina’s affairs. Many aspects of this linkage were dismantled after Tudjman’s death, as the new centre-left coalition government pursued a path of EU membership and more constructive regional engagement. Internal power struggles within HDZ also reduced significantly the power of the Herzegovina lobby although, as we shall note in the next section, the strong transnational dimension of Croatian social policy vis a vis Croats in Bosnia-Herzegovina remains, and represents a key case study in political clientelism.

The incorporation of war veterans and their associations through clientelistic relations in complex, not least since the awarding of special privileges to those who were involved in military actions on behalf of a country is widespread and, indeed, has precedents in terms of the rights of Partisans from the Second World War even within Croatia itself. Nevertheless, the main Croatian Disabled War Veterans’ Association HVIDRA, with branches throughout Croatia and in Bosnia-Herzegovina, has been a crucial link between the political constituency of war veterans and the state apparatus in Croatia. HVIDRA has played a leading role in both articulating members’ interests and in protecting what is seen as the ‘dignity’ and ‘legitimacy’ of the 1991-1995 war. Whilst, over time, the arrest and prosecution of those suspected of war

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⁴ In the 2009/10 Presidential election, 4,495,233 Croatian citizens were registered to vote. The preliminary results of the 2011 census show the domicile population of Croatia to be 4,290,612.

⁵ HDZ BiH controlled what has been described as one of three ‘mini party-states’ run by «ethnopolitical criminal structures, operated through a closely-knit network of political, economic and military elites engaged in the redistribution of assets accumulated in the public domain and often connected to regional and international criminal networks» (Bojicic-Dzelilovic, 2004; 3).
crimes has become a key conditionality for EU accession, HVIDRA and others have been influential in securing significant privileges for their members, becoming a key political and social force often mobilising in support of ruling ideas if not, always, the ruling party. The political significance of veterans’ affairs has been recognised by politicians from all parties and reflected in the fact that there is a Ministry, now part of the Ministry of Family, Veterans and Inter-Generational Solidarity, to address their interests and concerns. Perhaps the clearest evidence of clientelism, however, relates to the existence of a Veterans’ Register, issued by the Ministry of Defence in 2005 and updated in 2008. The register has not been made public, although some opposition politicians have called for this, since it is said to include some 500,000 names, far in excess of the number who saw front-line service of any kind. The register has become a source of political contention since it is the basis of a set of privileges and rights for veterans, discussed at greater length below.

An even more complex set of concerns relates to the co-option and extension of privileges to groups who may normally be critical of, or lie outside of, the ruling coalition. Ivanković and Šonje (2011) have argued that in the aftermath of organised protests by ‘the losers of transition’ in the late 1990s, co-ordinated and led by some trades union associations, the hegemonic rent-seeking coalition actually extended certain privileges to some of these groups. In addition to war veterans, this may also, at least in part, be the case of some pensioners, including those who were allowed to retire early with enhanced pensions in the early 1990s at a time of rising unemployment. Later, the existence of a Pensioners’ party receiving enough votes to enter into Parliament can also be said to be a key event, securing the honouring of a Constitutional Court decision requiring back payment of pensions in return for support for Ivo Sanader’s government between 2003 and 2007. However, as we have argued elsewhere, the introduction of pension reform in Croatia in the 1990s was, largely, a result of a combination of structural, political, institutional and agent-specific ‘drivers of change’ all working together in a rare case at the time of “a converging of the interests of the ruling regime with those of domestic and international financial institutions” (Stubbs and Zrinščak, 2007; 95). In addition, whilst attention to the rights of minorities and to anti-discrimination can be traced to processes of Europeanisation (Jović, 2006; Koska, 2011), it should not be forgotten that the main political party representing the Serbian community in Croatia, the Independent Democratic Serbian Party (SDSS), has been part of the coalition government since 2003. In addition, the election of a Roma MP in 2007, supporting the ruling coalition although not formally part of it, has also coincided with significantly increased investments in some Roma settlements. In both cases, it can be argued that subsidies for particular projects favoured by minority politicians have been as important, if not more important, than structural reforms which create changed conditions challenging discrimination against minorities.

Political clientelism is also important at sub-national scales in Croatia, not least in terms of a territorial reorganisation which introduced twenty one Counties (županije) as a regional tier of
government, allowing the ruling party to balance traditional opposition from some of the major cities with support from traditionally pro-HDZ rural areas. At the same time, within a kind of ‘welfare parallelism’ in which many of the larger cities, often under the control of the centre-left opposition, have developed extensive welfare provisions (Stubbs and Zrinščak, 2007), localised clientelism has emerged in which rent-seeking politicians have secured political support in return for resources including welfare benefits. The rise of somewhat maverick mayors in the two major cities of Zagreb and Split, fusing political and economic elites in new forms of rent-seeking, is also relevant in terms of the multiplication of scales of clientelistic relations in Croatian politics.

Analysis of the relationship of key international organisations to these processes is beyond the scope of this text. Whilst, in broad terms, we might agree with Ivanković and Šonje (2011) that the IMF, World Bank and, latterly, the European Union have only managed to secure reforms if the preconditions for these already existed within the ruling coalition, it is, perhaps, just as much the coincidence of, or joining of interests, of key internal and external actors which has proved crucial. It should not be forgotten that the combination of conditionalities and access to significant sums of money for particular projects and programmes is not incompatible with political clientelism, particularly in a project world in which sub-contracted consultants and intermediaries are often key actors and where key representatives of many international actors are, in fact, well-connected Croatian citizens. Whilst a new technocratic elite may emerge with a vested, including material, interest in initiating a new transition based on fairness, transparency, depersonalisation of institutions, and strict control mechanisms, it is not clear what the relationship of this group to the ruling political elite will be in the future. What is clear is that a rigorous political economy analysis, paying due attention to political agency, forces us to question some of the automatism of a modernisation thesis framed in terms of Europeanisation. The implications of this for social policy also need to be teased out much more than they have been thus far.

CLIENTELISM AND CROATIAN SOCIAL POLICY

There has been very little academic work which explicitly seeks to understand Croatian social policy in the context of clientelistic social relations. Most texts tend to adhere to the ‘radical break’ thesis in which the election of a new democratic Government in 2000 allowed for a slow Europeanisation of social policy in the last decade, expedited by the process of agreeing a Joint Memorandum on Social Inclusion with the European Commission (Stubbs and Zrinščak, 2010). At the same time, discussion of the ‘captured’ nature of social policy and the consequent blockages of attempts at reform, have not focused enough on specific political agency, nor on
the legacies of war and post-war authoritarian nationalism from the 1990s (Stubbs and Zrinščak, 2009). Part of the problem is that, within a broad sectoral approach to social policy, there is little scope to address the influence of clientelism, not least in the context of a lack of available data.

This is particularly the case in terms of the issue of social rights claimed by ethnic Croats in Bosnia-Herzegovina. Of course, the extension of citizenship rights can be traced rather clearly, whereas the existence of a kind of transnational ethnicised social policy regime, in which the Croatian state’s social policy is extended to those Croats living in Bosnia-Herzegovina is harder to track in any meaningful way. In addition to these ‘normalised’ citizenship rights, there is also speculation that many holders of dual Croatia and Bosnian citizenship, whose primary residence is in Bosnia-Herzegovina, claim some specific social benefits in Croatia. The incentive to claim maternity and child benefits may be particularly acute since there is a significant difference between these benefits in Croatia, where they are linked as much to a rhetoric of demographic renewal as much to an anti-poverty discourse, and Bosnia-Herzegovina where only a small number of regional government units (Cantons) have any such benefits and, usually, at rather low levels. The fact that, claiming and receiving such benefits necessitate a Croatian address also suggests the importance of clientelistic relations and the role of local political party and other intermediary structures. In addition, although the illegal siphoning of funds to a political-military complex of Bosnian Croats has ended, there remains elements of Croatian state support for both education and health services in the Croatian parts of the Federation of Bosnia-Herzegovina, aided by the fact that, under the Bosnian constitution as a part of the Dayton peace agreement, health and education services are the responsibility of Cantons so that each canton has a Ministry of Health responsible for primary and secondary health care and a Ministry of Education responsible for education services and the curriculum. Inevitably, then, risk-sharing and economies of scale in health care and education has brought Bosnian Croats into a wider transnational ethnicised system, although the extent of this is difficult to ascertain directly. In addition, there has been support for a new hospital and a University in the city of Mostar, the centre of Bosnian-Croat politics within a divided Canton, through direct financing as well as secondment of doctors and professors. Underpinning all of these practices is, in fact, a Constitutional pledge to be concerned with those Croats living outside of the Republic of Croatia.

The other main set of clientelistic relations in Croatian social policy consequent upon the war, in terms of benefits for veterans of the war, is easier to chart and identify. After the 1991-1995 war Croatia developed a comprehensive system of rights and privileges for Croatians who saw active service in the army or as volunteers (termed Croatian ‘defenders’), including those killed or disabled in the war and members of their families. Although comparisons are difficult, it does seem Croatia has one of the most comprehensive systems of protection of war veterans, with a significant package of largely passive benefits, as well as positive discrimination for their
children (Dobrotić, 2008). The range of support includes personal and family invalidity benefits, pensions, some other cash benefits, additional health care protection, as well as grants for restoration of destroyed houses, additional unemployment benefits, cheaper credit for business start ups, and additional rights in obtaining shares of privatised companies. As noted above, the system is largely based on a passive, ‘compensational’ approach offering relatively high levels of cash assistance, and much less concerned with the reintegration of ex-combatants. Often, in fact, benefits can be maintained even if the recipient obtains work, thus maximising the ‘peace dividend’ to Croatian ex-combatants.

Although it is more the mode of distribution than the type and level of expenditures which is indicative of clientelism (Weitz-Shapiro, 2009), public discourse and debate about the treatment of war veterans is highly instructive. Namely, there is a powerful argument, formulated and circulated mainly by international financial institutions, that Croatia is a high spender in terms of social protection, suggesting this is more than it can afford as a transitional country or emerging market. The World Bank, for example, claims that overall spending on social assistance is high by (rather vaguely defined) ‘regional standards’ at 3.61% of GDP (World Bank, 2010). This figure includes what are usually termed ‘categorical benefits’, mainly spending on war veterans and their survivors which accounted for 1.8% of GDP in 2009. Spending on other social protection benefits were rather low, including: child and family benefits for families (0.81%), civilian disabled, (0.07%), vulnerable children, adults, and elderly (0.22%), low-income households (0.27%), and around 0.5% of GDP as welfare spending by local governments.

Any suggestions for reducing this raft of benefits have been fiercely rejected by veterans’ associations and leading figures within HDZ, both nationally and locally. The discourse in favour of maintaining benefits is largely moralistic, in terms of the ‘debt’ to those who made it possible for all to live in a free, independent, and prosperous Croatia. Although there is no recent research on public perceptions, it is likely that the principle would receive broad support, bearing in mind that in a general low-trust society, both in institutions and people, war veterans’ organisations are amongst those most highly trusted. In a sense, it is less the fact of the wide range of benefits and rights, or their efficiency or lack of it as a social protection tool, but, rather, the fact that such benefits are based on a clientelistic exchange between politicians and a particular organised group which is of interest here. On this and other matters, as noted above, war veterans’ organisations act in public not only as interest organisations but as powerful networks exercising political agency on a wide range of political issues, often merging with those of key HDZ figures. Not unlike the issue of the Croatian Diaspora, it would be wrong to consider war veterans as a unified block: there are a range of veterans’ voices across the political spectrum, but the political symbiosis between leading associations and the dominant political elite is clear and demonstrable. Even when those closer to far right parties are critical of the HDZ-led government’s co-operation with the
International Criminal Tribunal for former Yugoslavia in the Hague, and more widely in terms of a criticising a pro-European stance, it is the consensus on the welfare needs of Croatian defenders which is most striking. It exhibits all three important elements of clientelism: contingent direct exchange (benefits and rights), predictability (with some minor exceptions, there is a high predictability of constituencies’ responding positively on this matter), and monitoring (with HDZ assured of the largest portion of veterans’ votes). There have been discussions regarding the excessive number of individuals on the veterans register, underpinned by the issue of ‘fairness’ to those who really defended Croatia as opposed to being desk-bound, as well as a degree of opposition to proposals to weigh highly in selection for secondary school and university entrance of the children of veterans, suggesting that clientelism has its limits here.

As we have argued elsewhere (Stubbs and Zrinščak, 2009), there are significant impacts of this combination of ‘captured’ social expenditure in a context of IFI-led claims, often supported by domestic economists, that Croatia is a high social spending state. Notwithstanding the fact that Croatian social expenditures are below the EU average, and that merging categorical and last-resort benefits together presents a rather distorted picture, there is a public perception that, in the context of poor economic conditions, social expenditure is unsustainably high and that choices need to be made. In a sense, a globalised ‘moral underclass discourse’ (Levitas, 1998) merges with a pro-veterans’ moralism, to target other groups as less deserving, notably those recipients of social assistance deemed ‘capable of work’. A combination of a kind of ‘radical egalitarianism’ in the context of restricted goods, leading to support for the state to make moral judgements, noted as the dominant form of discursive institutionalism (Schmidt, 2008) under communism (Županov, 2002), is now reworked in a free-market context, in which those singled out for punitive treatment are those less able to use clientelistic exchange relations.

Related to Croatian war veterans’ rights and benefits, the issue of disability pensions is also central to understanding the workings of clientelism in Croatian social policy. Croatia’s rate of 12,000 beneficiaries of disability pension per 100,000 population is the highest in Europe (Bađun, 2011). In March 2011, a total of 328,018 disability pension beneficiaries included 138,962 whose rights, based on different categorisations used for former soldiers, derived from service in the ‘Homeland War’ between 1991 and 1995. Disability pension expenditures amounted to 2.7% of GDP compared to an average of 2.1% in the EU 27, while overall pension expenditures were only 7.6% of GDP in 2005 compared to 11.1% in the EU 27. Badun (2011)...

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6 As Croatia has only recently started to implement the Eurostat methodology about social expenditures, the data has not been very accurate in that sense, but recent data using the ESSPROS methodology show social expenditures at the level of 17.5% of GDP in 2007, compared to 27% for EU 27, while using the IMF methodology Croatia spent the equivalent of 18.9% of GDP in 2008, and 20.6% in 2009. The rise happened because of the significant fall of GDP in 2009 and not because of any rise in social expenditures.
has shown that disability pension beneficiaries are generally young (43% are under 59 years of age), and on average enter the pension system when they are 52.6 years old. However, notwithstanding their earlier entrance into the pension system, they receive pensions on average for only one-year more than old-age pension beneficiaries, which indicates their rather poor health conditions. Whilst this suggests that general health status of the Croatian population, harsh work conditions, and poor socio-economic conditions, all contribute to the high rate, it is the combination of war events, particular legislative conditions, and the prevalence of corruption which is of most interest here. Based on a medical assessment of the degree of impairment (or invalidity as it is still termed in the Croatian content), based on a notion of percentage of damage to organic functions, the level of impairment of the veterans who receive benefits is significantly lower than non-veteran recipients. Whilst non-veterans who qualify for benefits are assessed as, on average, having a 70% loss of function, some 80% of veteran recipients are assessed at between 20 – 40%, including 37.2% with 20% loss of function. The most common diagnosis among war disability beneficiaries is post-traumatic stress syndrome. Although other beneficiaries have a longer working record and higher levels of disability, on average war disabled receive 2.5 times higher pension than civil disabled. The most significant legislative changes occurred in 1999 and 2007, both election years, prompting significant increases in numbers of beneficiaries on each occasion. In the context of high levels of corruption and informal or out-of-pocket payments in the health service, there is a widespread perception that payments to doctors helps to account for the high numbers of beneficiaries but there is no clear evidence on this.

In any case, the combination of large numbers of beneficiaries, higher levels of benefits for veterans, pre-election changes of legislation which, in contrast to official rhetoric restricting rights, actually created new disability rights, and possible corruption, all point to the influence of clientelism. Indeed, the lack of reform in terms of tighter control and monitoring, more transparent and accountable assessment procedures, and a unified register of persons with disabilities, all of which have been proposed in various policy papers but never implemented, despite proven impact in terms of lowering costs, provides further evidence here. It is worth noting that high levels of passive disability benefits for veterans rests alongside a severely underdeveloped system of support services for civil disabled and low levels of integration of children with disabilities into mainstream education.

CONCLUSIONS

This text has begun to explore the persistence of clientelistic relations, in the context of a focus on political agency, within Croatian social policy. It is no more than a very tentative first
attempt to nuance an argument about the continuance of ‘captured’ social policy in the context of Croatia’s ‘late Europeanisation’ following war and state building. Clientelistic relations are, in a sense, the prime example of continuities between 1990s Croatia and the Croatia of the new millennium. The role of active political agency, and complex patron-client relations needs to be studied in order to deepen our understandings of both the continuities and changes in Croatian social policy in the last twenty years. The fact that the process of developing and implementing the Joint Memorandum on Social Inclusion has tended to strengthen technical capacity within one part of the relevant Ministry, but has not had wider impact in terms of raising social policy issues up the political agenda (Stubbs and Zrinščak, 2010), may be relevant here. In future, then, the importance of clientelism as one part of the ‘patchwork’ nature of Croatian social policy (Zrinščak and Stubbs, 2007) will need further exploration and analysis. Part of this study could involve a more comparative focus to explore the structural conditions as well as the political differences in terms of social policy forms in Croatia compared with the Southern European family of welfare states, as well as other, perhaps even more valuable comparators, such as the successor states of former Yugoslavia which, albeit in very different socio-economic conditions, inherited a broadly similar social protection system.

Methodologically speaking, the broad meso-level analysis here is in need of supplementing, not only in terms of a traditional macro- or even meta-level analysis beloved of welfare regime theory, in terms of historical legacies and structures, but perhaps even more so in terms of a micro-level analysis, akin to a kind of ‘political ethnography’ (Schaltz (ed.), 2009). At its best, political ethnography operates through building a series of case studies or vignettes of interactions which, when combined, allows for a mapping of interlocking power networks at the heart of clientelistic and hegemonic relations.

Finally, the impacts of clientelism on various kinds of ‘discursive institutionalism’ will be needed, in part to explain why it is that currently in Croatia the alternative to clientelistic social policy is a fusion of a kind of technocratic and ideological neo-liberalism. The idea that ‘depersonalised’ institutions are needed combined with consolidated democracy and, above all, a free market enabled to work properly in order to deliver economic growth which, when it trickles down, will benefit all groups in the population, remains the only coherent alternative position to clientelism. This combines with a rather residual focus on the need to target benefits to the ‘poorest of the poor’, and a new form of punitive conditionality on those capable of work. The space for a view of social protection as social investment, as itself contributing to social cohesion, and as a key ‘institutional complementarity’ (Hall and Soskice (eds), 2001) within political and economic structures, is, thus, highly limited, as it is in other new member states of the European Union.
REFERENCES


