

Edited by Slobodan Cvejić

**INFORMAL
POWER NETWORKS,
POLITICAL PATRONAGE
AND CLIENTELISM
IN SERBIA AND KOSOVO***

Informal Power Networks, Political Patronage and Clientelism in Serbia and Kosovo*
Edited by Slobodan Cvejić

Edited by Slobodan Cvejić

Informal Power Networks, Political Patronage and Clientelism in Serbia and Kosovo*

Publisher

SeConS

Reviewers

Dr Zoran Stojiljković - Chairman of the Board of Anti-Corruption Agency

Dr Vladimir Vuletić – Faculty of Philosophy, University of Belgrade

Dr Danilo Vuković - Faculty of Law, University of Belgrade

Design and Print

Dosije

ISBN 978–86–89515–08–4

Circulation

200

The RRPP promotes social science research in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia). Social science research aids in the understanding of the specific reform needs of countries in the region and in identifying the long-term implications of policy choices. Researchers receive support through research grants, methodological and thematic trainings as well as opportunities for regional and international networking and mentoring. The RRPP is coordinated and operated by the Interfaculty Institute for Central and Eastern Europe (IICEE) at the University of Fribourg (Switzerland). The programme is fully funded by the Swiss Agency for Development and Cooperation (SDC), Federal Department of Foreign Affairs.

The views expressed in this publication are those of the authors and do not necessarily represent opinions of the SDC and the University of Fribourg.

Informal Power Networks, Political Patronage and Clientelism in Serbia and Kosovo*

Edited by Slobodan Cvejić

Belgrade, 2016

TABLE OF CONTENTS

TABLE OF CONTENTS	5
ACKNOWLEDGEMENTS	7
INTRODUCTION.....	9
<i>Jelena Pešić, Dragan Stanojević</i>	
INFORMAL RELATIONS BETWEEN POLITICS AND ECONOMY IN POST-SOCIALISM.....	11
<i>Marija Babović, Dragan Stanojević, Jelena Pešić, Slobodan Cvejić, Dragana Gundogan</i>	
METHODOLOGICAL CONSIDERATIONS	23
INFORMALITY AND CLIENTELISM IN SERBIA	
<i>Marija Babović, Slobodan Cvejić, Jelena Pešić</i>	
HISTORICAL AND SOCIO-ECONOMIC CONTEXT OF INFORMAL RELATIONS BETWEEN POLITICAL AND ECONOMIC ACTORS IN SERBIA.....	29
<i>Dragan Stanojević, Marija Babović, Dragana Gundogan</i>	
ACTORS, RESOURCES AND MECHANISMS OF CLIENTELISM IN SERBIA.....	44
<i>Jelena Pešić, Slobodan Cvejić</i>	
SOCIAL REPRODUCTION THROUGH INFORMAL SPHERE – THE STRUCTURE AND THE SYSTEM OF CLIENTELISM IN SERBIA	65
INFROMALITY AND CLIENTELISM IN KOSOVO*	
<i>Adnan Hoxha, Dina Milovanović, Yllka Buzhala</i>	
HISTORICAL AND SOCIO-ECONOMIC CONTEXT OF INFORMAL RELATIONS BETWEEN POLITICAL AND ECONOMIC ACTORS IN KOSOVO.....	77
<i>Adnan Hoxha, Dina Milovanović, Yllka Buzhala</i>	
ACTORS, RESOURCES AND MECHANISMS OF INFORMALITY AND CLIENTELISM IN KOSOVO.....	87
<i>Adnan Hoxha, Dina Milovanović, Yllka Buzhala</i>	
INFORMALITY AND CLIENTELISM IN KOSOVO EXPLAINED	110
* * *	
<i>Slobodan Cvejić, Dragan Stanojević</i>	
VARYING CONTEXTS OF POLITICAL CLIENTELISM – COMPARATIVE ANALYSIS OF SERBIA AND KOSOVO*	123
SUMMARY.....	133
REZIME.....	136
PËRMBLEDHJE.....	139

- *Marija Babović*
- *Dragan Stanojević*
- *Jelena Pešić*
- *Slobodan Cvejić*
- *Dragana Gundogan*

METHODOLOGICAL CONSIDERATIONS

In order to identify, describe and explore the informal practices of capturing economic resources by political elite, we have chosen qualitative research design. The research goal was thus accomplished in two steps:

1. **Analytical reviewing** of relevant literature and data sources with the aim of recognizing:
 - a) trends in relations between economic and political elite over the last 20 years;
 - b) current state-of-art research and analysis;

The research relied heavily on social science journals and books in order to grasp a better understanding on the historical legacies and changes in the social context of the two societies.

2. Semi-structured face-to-face **interviews** with three groups of respondents¹:
 - a) In politics –people occupying high positions in public administration, influential people in political parties (on the national and local level);
 - b) In economy –executives/managers in private companies (small, middle and big enterprises).

1 From an ethical perspective, all participants were clearly informed about the objectives of the study, were given the right to remain anonymous, and were guaranteed confidentiality. All of the interviews were recorded. Keeping in mind the sensitivity of the issue, all respondents were approached individually and interviewed at places of their choosing or discretion. With the aim of establishing and maintaining an open, trust-based “discussion,” all responses – including those that were viewed as controversial – were met with an honest, benevolent and respectful attitude by all interviewers.

- c) In the area of expertise –specialists and experts;

Interviews were chosen as the primary method for collecting data, mainly because they enable researchers to learn more (and in greater depth and detail) about respondents’ experiences and perspectives on a specific topic.

With the information gathered through desk research and multiple workshops the research team was able to agree on a theoretical framework to use. Out of this framework, several hypotheses were formulated and therefore used as tools to help: build the data collection, construct the field research instruments and target the analysis and elaboration of findings.

Hypothesis 1: Political party patronage is present on the central and local levels of governance and among all key political parties, those being either in the rule or in opposition in Serbia and in Kosovo*.

Political patronage represents an asymmetric exchange of resources, with the ultimate purpose to provide political parties better chances or opportunities for entering –or remaining – in power within the system of political competition. This is frequently accompanied by transitional societies.

Patterns of political patronage –at the central and local levels– hold a certain number of similar characteristics. Characteristics of patronage practices may include:

- 1) appointment of loyal party members to the managing (managers, board members) positions of important public enterprises;
 - 2) providing jobs and employment opportunities for loyal party members or other clients;
 - 3) informal agreements about control over public enterprises between political parties; feudalization of the public sector;
 - 4) public contracting, tenders, awarding licenses, concessions, granting monopolies (or tolerating the monopolization of certain market segments);
 - 5) contracting the private sector out of free competition (*'setting the business'*) –contracts that are not part of the public sector and not subjected to the public tender procedures, but are pre-arranged and exclude free competition, such as printing party materials, renting premises to parties, catering, etc.;
 - 6) corruption and manipulation during privatization processes;
 - 7) changing laws in favor of the interests of certain lobbyists, interest groups;
 - 8) granting protection from legal consequences even when legal norms have been broken.
- 2) economic resources such as: money for financing political campaigns, contracts, jobs in public or private enterprises (for voters or politicians' post –political occupation);
 - 3) the regulation of prices on certain products;
 - 4) information –usually information that gives an advantage to the client over other competitors (during tender procedures, license granting, giving concessions, privatization processes);
 - 5) other favors –votes, political agitation in favor of one political party (patron's party), expanding networks of voters, etc.

Hypothesis 5: Political patronage relations develop between various types of actors:

- 1) political actors –party members, members of governments at all levels;
- 2) economic actors –entrepreneurs, managers, citizens (constituents, second degree clients, such as relatives of loyal party members or other important clients);
- 3) interlocking brokers (individuals taking positions at the intersection of two elite circles –political and economic.

Hypothesis 2: Party patronage unfolds through *formal, informal and mixed* exchange practices. Due to the development path of Serbian and Kosovan societies, it is to be expected that the relations between formal and informal institutions today, will be frequently competitive although they have functioned, in historical perspective, as complementary and even substitutive.

Hypothesis 3: Informal practices are supported or framed by the culture of informality. That culture includes specific norms, rituals, customs, language, places.

Hypothesis 4: Under party patronage, political parties capture public resources and use them to their own advantage (collective and individual).

Resources exchanged through clientelistic relations may include:

- 1) power positions –within party ranks, local government and in the central legislation of executive power;

Hypothesis 6: Through the process of political patronage, clientelistic networks emerge:

The dynamics of establishing and reproducing clientelistic relations are very complex. And as a result of political patronage relations, whole clientelistic networks can emerge. These networks can take various forms, but are generally distinguished as *personal networks* and *power networks*.

Interviews were conducted on non-random samples of politicians, businessmen and experts in Serbia and Kosovo*, taking into consideration the representation of women and ethnic minorities. The research was conducted on the central and local level (two local communities –each in Serbia and Kosovo*).

In order to recognize potential patterns of changes in informal relations, both levels of research –i.e. national and local– have encompassed both current and former office holders.

SAMPLE PLAN FOR RESEARCH ON THE CENTRAL LEVEL

Subsamples (each in Serbia and Kosovo*):

- 1. Political elite:** 25 representatives of the five largest political parties in the last 5 years; The interviewees were **high and middle range politicians** who had, or used to had, important positions within the political structures and public administrations;
- 2. Economic actors:** 15 entrepreneurs/top managers of big, medium and small-sized, privately- and publicly-owned enterprises (excluding members of the political elite);
- 3. Interlocking brokers:** 10 persons occupying political and economic power positions at the same time, thus linking and bridging the political and economic elite (politicians on boards of public companies, as well as big entrepreneurs or tycoons in political power-holding positions);
- 4. Experts:** 10 experts – representatives of state and independent bodies that deal directly or indirectly with relevant issues (such as the Anti-corruption Agency or the Anti-corruption Council) as well as representatives of civil society organizations dealing with these issues and independent experts from the academic community.

SAMPLE PLAN FOR RESEARCH ON THE LOCAL LEVEL

Two local communities were selected –each in Serbia and Kosovo* (one of two was multi-ethnic):

Serbia: Velika Plana and Novi Pazar (the Bosniak minority constitutes 77% of the population);

Kosovo*: Prishtina and Gračanica (the Serb minority constitutes 68% of the population);

The subsamples in **each** local community:

- 1. Political elite:** 15 representatives of the five largest political parties in the local community;
- 2. Economic actors:** 5 managers or entrepreneurs of local public or private, big, medium and small-sized enterprises.

The samples were identified and selected as the following:

Category of Respondents	# of Respondents	
	Kosovo*	Serbia
Political Elite	40	55
Central level	25	30
Local level	15	25
Economic Actors	20	26
Central level	15	20
Local level	5	6
Experts	10	8
Interlockers	10	9
Total	80	98

In the first phase of analysis, data were coded, depersonalized and decomposed to components that responded to respective hypotheses, while in the second phase, all data was processed in NVivo software and analyzed.

Disclaimer Regarding Northern Kosovo

For the purpose of this research, four northern municipalities (Mitrovica North, Zvečan, Zubin Potok, Leposavic) have been entirely excluded as the issues of political patronage and informality in the north were not researched for three main reasons:

- 1) northern municipalities first had local elections within the Kosovo* system in 2013 and those local governances are still not fully operational due to a number of issues;
- 2) most of the political patronage and informality relates to Serbia rather than Kosovo*, thus a different research approach would be needed to cover the other municipalities;
- 3) most of the interlocutors provided statements such as: “depending if you ask about the north or the south, as those are two different worlds.”

