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Citizenship and Social Welfare in Croatia: Clientelism and the Limits of ‘Europeanisation’

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ABSTRACT  This article addresses clientelism as a complex structure impacting on social welfare in the context of transition, war, new nation-state building and authoritarian populist political settlements. The paper explores the development of clientelistic welfare in Croatia through an examination 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 and of those of Croatian ethnicity particularly from neighbouring Bosnia-Herzegovina constitute dominant clientelistic practices largely resistant to change. The capacity of the European Union (EU) accession process to counter clientelistic aspects of welfare has proved to be extremely limited. Although the accession process impacted on and reconfigured economic, political and social arrangements, this was not a radical ‘break’ with the social and political circumstances, particularly in the 1990s, which had produced and consolidated these clientelistic welfare arrangements. Indeed, after the gaining of EU membership on 1 July 2013, with the translation of EU-led austerity politics, ideas of social citizenship may be unravelling once more in Croatia.

KEY WORDS: Croatia, social welfare, clientelism, citizenship, Europeanisation

Introduction

This paper explores the governance and lived realities of citizenship and social welfare in the Republic of Croatia. It suggests that some important aspects of welfare entitlements, particularly in connection with citizenship, cannot be adequately understand and described without invoking the concept of clientelism. Although taking different forms in different historical conjunctures, clientelistic forms of capture, defined here as consisting of distorted modes of governance, exclusivist definitions of citizenship and an asymmetric redistribution of resources, continue to structure social welfare in Croatia. Clientelism, then, represents a strong structural force in politics, the economy and social policy, encompassing far more than a ‘mindset’ (Stambolieva, 2015). Clientelism may be explicit, when particular political elites trade directly favours for votes, or it can be institutional or hegemonic, defining an
informal political common sense. Furthermore, the article argues that not only because of slow and late Europeanisation in Croatia compared to other Central and Eastern Europe countries, but also because of the very nature of the Europeanisation process, the capacity of accession to restrain the clientelistic aspects of welfare was extremely limited. Although the accession process impacted on and reconfigured economic, political and social arrangements, this was not a radical ‘break’ with the social and political circumstances, particularly in the 1990s, which had produced and consolidated these clientelistic welfare arrangements. Indeed, after the gaining of European Union (EU) membership on 1 July 2013, with the translation of EU-led austerity politics, ideas of social citizenship may be unravelling once more.

The paper begins by sketching the relationship between governance, citizenship and social welfare at diverse scales before addressing the issue of clientelism in general and in its post-communist and Southern European variants. This is then followed by an overview of the changing contours of both citizenship and social welfare in Croatia and the extent to which they have been affected by clientelism and other forms of exclusivity, notably ethnicised nationalism. A tentative final section outlines the prospects for changes in these arrangements in the context of the current economic and financial crisis and, in addition, the prospects for change in the light of EU membership.

Beyond Regime Theory

Here, what are often seen in the literature as unitary citizenship and welfare ‘regimes’ are treated as much more fluid, dynamic and fragmented ‘assemblages’, ‘ensembles of heterogeneous elements’ (Collier & Ong, 2005, p. 5) which should not be reified as ‘final or stable states’ (Marcus & Saka, 2006, p. 106). Processes of ‘Europeanisation’ are, therefore, also much more complex and multidimensional than is often discussed. A great deal of the ‘Europeanisation’ literature remains focused on the extent of ‘catch-up’ or ‘convergence’ towards a single model of European citizenship or welfare. In Radaelli’s terms, Europeanisation refers to:

processes of (a) construction (b) diffusion and (c) institutionalisation of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms which are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourse, identities, political structures and public policies. (Radaelli, 2003, p. 30)

This framing, in our view, limits the space to address contradictions, contestations and ‘the play of contingency’ (Hall, 2007). Both citizenship and welfare are mobile assemblages rather than hermetically bounded forms, so that their multiple articulations across diverse scales is better understood in terms of a variable geometry of constellations of forces and flows, sometimes coming together within ‘perverse confluences’ (Dagnino, 2007) deriving from two or more different, even antagonistic, sources or political projects.

Europeanisation, as Lendvai reminds us, is as much about ‘constructing subjectivities and identities’ (Lendvai, 2007, p. 27) as it is about policies. It is also about ‘translation’ and ‘re-domaining’ as new policy sectors are created, old ones transformed and new mergers of different policy areas are created (Clarke et al., 2015). Ideas of ‘European citizenship’ and a ‘European social model’ encompass, therefore, a range of understandings that are constantly being reconfigured, reframed and recoupled, as well as disputed and
contested. Crucially, in addition, some Europeanisation literature assumes a unidirectional and all-powerful impact of Europeanisation in which the changing of laws produces equivalent changes in lived practices, forgetting the translation work undertaken by a wide range of actors, including administrators and bureaucrats, advocacy NGOs and networks, and those on the receiving end of policy changes. In this context, there is a need to study Europeanisation together with other forces, including globalisation (Kostovicova & Bojičić-Dželilović, 2006), to trace carefully changes which occur in the process of EU accession and membership. It is not insignificant that Croatia joined the EU at a time when the relationship between the economic and social dimensions of the EU is being restructured as a reaction to the deep economic and financial crisis, culminating in a new core and periphery within the EU and the imposition of new kinds of disciplinary austerity politics. A ‘European social model’ which was already ‘fuzzy’ (Stambolieva, 2015) underpinned by the rather ‘soft’ conditionalities of the ‘Open Method of Co-ordination’ is now largely subordinated to neo-liberal economic logics although the impacts of these logics take different forms in different places.

Marshall’s view of ‘citizenship’ as a linear, sequential, progression from civic/legal, through political to social citizenship (Marshall, 1950), also needs reworking. Outside of the particular British context which he, arguably, misreads, it is not merely that, elsewhere, the process is slower, more uneven and chaotic but, rather, as Garcia (1994) argues regarding Southern Europe, and we would assert regarding post-socialist societies, it is ‘completely different’. Understanding that ‘forms of citizenship are situated in historical contexts, political projects and cultural formations’ (Clarke et al., 2014, p. 12) draws attention to the ‘work’ needed to make or re-make citizenship. Citizenship, then, is located inside, and not prior to, the social relations which constitute it. These can be seen as both ‘vertical’, the relation between states (and state-like actors) and individuals ascribed as citizens or non-citizens and, crucially, also horizontally, in terms of the relationships between individuals and groups themselves. These processes are, also, always embedded in transnational and translocal processes, often ignored within a dominant ‘methodological nationalism’ and within an equally flawed and flattening ‘methodological Europeanisation’.

Citizenship, then, is fluid, contested and ‘enacted’ from below (Isin, 2008, p. 16), sometimes in ways which do not fit with de jure or de facto assigned statuses. As Sassen noted, ‘citizenship results in part from the practices of those who are excluded by it’ (Sassen, 2005, p. 84) so that, in a way, it is defined ‘at its margins’ (Clarke et al., 2014) or through its paradoxes and exceptions. The ‘work’ needed to naturalise the concept, and see it as equivalent to, variously, the nation, the state, ethnicity, culture and the like, is crucial to particular political projects, including those which were part of the wars of the Yugoslav succession and the creation of new nation-states in the post-Yugoslav space (see Stambolieva, 2015). Citizenship requires the repetition of rituals and norms within the ‘habits of the everyday’ (Isin, 2008, p. 17). The rescalings of citizenship which occurred, and are still occurring, in an emergent post-Yugoslav space, were multiple, complex and contested, causing a further questioning of radical breaks and a simple equivalence between legal status and lived practices.

Marshall, not unlike welfare regime theorists, is in danger of extrapolating social welfare from the power relations which both produce it and are produced by it, into a more or less constant set of goods and services. Again, a focus on the nation-state level can miss both the transnational dimensions of social welfare and the impact of transnational actors.
How resources are allocated between different groups, including varieties of defined ‘non-citizens’ is, also, of immense importance. Social citizenship needs to be set ‘within a context in which the policies and discursive practices attached to the provision of social rights (may be) … exclusionary and/or differentiated along lines of class, race, gender, ability and sexuality’ (Williams, 1995, p. 145). Regime-based theories, then, are unable to address the multidirectional restructurings of social welfare and, moreover, the diverse ways in which welfare was ‘lived’ before, during and after the wars of the Yugoslav succession, by different groups holding different status positions in different spaces. The ‘co-constitution of multiple spatial scales and the multiscalarity of economic transformation and institutional restructuring’ (Lendvai, 2013) also questions the appropriateness of linear models.

Rethinking Clientelism

The concept of clientelistic capture draws attention to the dynamic and active role of political agency in shaping particular assemblages of welfare and citizenship which both include and exclude, enabling us to move beyond rather abstract notions of ‘modernisation’ and ‘Europeanisation’ to describe processes of change over time and the complex ways in which these changes are lived, accepted and resisted. Expanding on earlier 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 & Zrinščak, 2009), our understanding of clientelism in terms of governance, citizenship and redistributinal practices allows for a reconceptualisation of the nature of Croatia’s multiple transitions.

Mainstream political science treats ‘clientelism’ as a kind 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, p. 4) or as ‘the distribution of selective benefits to individuals or clearly defined groups in exchange for political support’ (Hopkin, 2006, p. 2). It can also be understood as ‘a problem-solving mechanism mediated through personalised political relationships and re-signified through symbolic promises’ (Iraola & Gruneberg, 2008, p. 3). Most of the literature underlines ‘exchange’ as a key element in clientelism, usually between politicians and their clients (Weitz-Shapiro, 2009), or as a particular mode of exchange between electoral constituencies and politicians (Kitschelt & Wilkinson, 2007, p. 7). Clientelism may be compatible with formal political competition provided 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).

Our understanding of clientelism refers to a broad set of hegemonic political practices and strategies marked by particularistic modes of governance, exclusivist definitions of citizenship, and asymmetrical distribution and redistribution of resources. Hence, rather than the development of ever more complex typologies of varieties of clientelism, or even ‘clientelistic regimes’, it is more productive to trace the main dimensions in practice in particular contexts and settings. In Croatia, the conjunction of clientelism and ‘authoritarian populism’ in the context of new nation-state building reworks notions of who are the key political actors, what are their political projects and above all, breaks down hard and fast distinctions between top-down and bottom-up social processes.

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 group, 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 while 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. While ‘fair’ distribution is, of course, a cornerstone of modern welfare states, clientelistic patterns of redistribution refer to the capturing of resources and distorted spending on certain categories or groups in, direct or indirect, exchange for votes.

Elements of clientelism have been said to be central to the Southern European welfare model or type (Ferrera, 1996, 2000), in which the family is important, both ideologically and as a welfare provider, in the context of strong religious influence and a legacy of authoritarian regimes, leading to a rather rudimentary welfare state. The model is said to be marked by the persistence of ‘institutional particularism’ in which ‘patronage machines’ distribute cash subsidies and perform particularistic manipulations of sections of the welfare state:

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, p. 170)

Gal (2010), adding Cyprus, Israel, Malta and Turkey to Spain, Portugal, Italy and Greece as an ‘extended family’ of ‘Mediteranean welfare states’, suggests that late industrialisation, segmented labour markets, a legacy of authoritarian or colonial rule, and clientelistic bureaucracies, tended to result in rather limited and particularistic forms of social protection. He suggests that 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.

Croatia, in our view, exhibits many of these characteristics, together with some aspects of post-communist transition which are neither fully ‘authoritarian’ nor fully ‘democratic’. 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 subjected to ‘spontaneous privatisation’ 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 benefits 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 and 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 welfare.

In Latin America, as in parts of Southern Europe and the post-communist world, survival strategies can become embedded in clientelistic networks which exist as a kind of substitute for, or parallel to, 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 (Penfold-Becerra, 2006; Iraola & Gruenberg, 2008; Weitz-Shapiro, 2009). Much of the literature points to hybrid forms of clientelism somewhere between ‘direct’ and ‘institutional’ clientelism in which political actors direct programmes to particular areas or groups in return for electoral support.

A Political Economy of Clientelism and Citizenship in Croatia

Aspects of clientelistic capture can be traced back to the period when Croatia was a part of the communist Yugoslavia, particularly in the context of the political, economic and social crisis in 1980s, reinforcing a view that historical legacies matter (see Stambolieva, 2015). The Croatian sociologist Županov (2002) referred to this period as ‘political capitalism’, when managers of state-owned companies freed assets primarily through their links with local and national elites who, more or less, behaved as ‘oligarchs’. Nevertheless, it was the particular economic, political and social circumstances of the 1990s which shaped significantly clientelistic social relations. In war and post-war conditions, democracy was consolidated slowly and in the context an ‘authoritarian mode of rule’ (Dolenec, 2013, p. 143) and the dominance of one political party, The Croatian Democratic Community (HDZ), in power throughout this period (Kasapović, 2001, p. 21). HDZ, originally more of a network of networks than a formal political party, forged in the quest for statehood and state-building and, ultimately, in the war to secure it, crafted a new political and economic elite, at the same time maintaining power through clientelistic relations with a large number of interest groups, providing access to public goods and other resources in return for political support forming ‘a client-patron axis that helped transfer many features of wartime rule into subsequent years’ (Dolenec, 2013, p. 142). Kasapović points both to the diversity of resources on offer: lavish subsidies from the state budget, privileged access to public sector jobs and diverse forms of privileged benefits, resources and rights; as well as to the diversity of groups supported: Croatian war veterans and the families of war victims, displaced Croats and Croatian refugees from Bosnia-Herzegovina, Vojvodina and Kosovo, and indeed Bosnian Croats more generally, former political prisoners of the Communist regime, and returning Croatian diaspora including former political emigrants (Kasapović, 2001, p. 22).

The wars of the Yugoslav succession played a crucial role, of course. The wars in Croatia and in Bosnia-Herzegovina had massive, albeit complex, implications for the maintenance of clientelistic relations and for a fundamental reworking of citizenship in the context of state-building. Crucially, significant parts of Croatia, the so-called Republika Srpska Krajina, captured in fighting between July and December 1991, remained outside of
Croatian government control, representing an estimated 26 per cent of Croatian territory. Massive internal displacement, estimated at between 250,000 and 500,000, occurred in the last six months of 1991 (Stubbs, 1999, p. 21), followed by over three years of uncertainty, impasse and small-scale military actions. More significant military actions in May 1995 in Western Slavonia and in August 1995 in Dalmatia returned three of the four UN designated sectors to Croatian government control, resulting in a mass exodus of the mainly Serbian population, some 12,000 Serbs leaving in May 1995 and over 200,000 in August 1995 (Stubbs, 1999, p. 22). The Erdut Agreement in November 1995 led to the peaceful reintegration of the final part of occupied Croatian territory, Eastern Slavonia, including the symbolically important city of Vukovar, with a United National Transitional Authority handing over full control to the Croatian Government in January 1998. This sequencing is important since it means that during much of the 1990s, a period of ‘ethnic engineering’ (Koska, 2011), a significant part of Croatia’s population had no connection with Croatian central authorities and no access to Croatian citizenship. Subsequently, a whole battery of laws, institutional arrangements and informal practices hindered the attainment of citizenship, the repossession of housing and the right to social security for those who remained and, even more so, those who left (Koska, 2011).

A second fluid aspect of an emerging citizenship assemblage concerns ethnic Croats from Bosnia-Herzegovina, all of whom had the right to obtain Croatian citizenship. During the war in Bosnia-Herzegovina, over 350,000 people, mostly but by no means all, ethnic Croats, left to Croatia, initially as refugees, many of whom claimed citizenship (Stubbs, 1999). Of course, there were strong linkages between the war in Croatia and the war in Bosnia-Herzegovina, both militarily and politically, with ethnicised nationalisms seeking, but ultimately failing, to construct a stable relationship between ethnicity and statehood (Oberschall, 2007). In addition, Croatia gave the right to ethnic Croats and their descendants, anywhere in the world, to apply for and acquire Croatian citizenship, without losing any other citizenship rights, reflecting the significant role of the wider diaspora in the quest for Croatian statehood and the strong linkages between HDZ and sections of the Croatian diaspora, including Bosnian Croats. Of course, this had a fundamental impact on Croatia’s post-war 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 decisive in terms of subsequent political and social rights. In terms of political rights, Bosnian Croats with Croatian citizenship were, until very recently, doubly enfranchised, being able to vote as part of the Croatian diaspora on a reserved list for Parliament, and, if they had a registered address in Croatia, to vote as ‘regular’ Croatian citizens. Until recently amended, the electoral register in Croatia contained more registered voters, not including the diaspora, than the census count of the entire Croatian population.

In addition, political authoritarianism contributed to the development of an inherently ‘undemocratic’ form of capitalism, where close interpersonal relations were instrumental 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’ (Ivanković & Šonje, 2011). The legacy of the ‘organised robbery’ (Baletić, 2003) of privatisation, 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, remain relevant in contemporary Croatia. 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, n.d., p. 1)
is also still apparent. In short, what others have termed ‘crony capitalism’ (Bićanić & Frančević, 2000) may be more systemically embedded than was initially thought, taking new forms as new kinds of transnational capitalist arrangements are in place (Cvijanović & Redžepagić, 2011).

Although much has changed in the meantime, in particular with the process of consolidating democracy and the Europeanisation process throughout the 2000s, our argument is that clientelistic relations remained very much in place, albeit, often, in more subtle and less visible forms. In many ways, governments that were in power in the post-2000 period ‘socialised high level corruption, state politicisation and continued abuses of public office’ (Dolenec, 2013, p. 149). Both processes of democratisation and Europeanisation brought new regulations, more transparency, new procedures, but did not challenge in any systematic way the existing political and economic power relations. Processes of Europeanisation were not ‘fictions’ (Lendvai, 2015) or ‘fake’ (Noutcheva, 2007) but they confined compliance to a particular set of technical and political issues which, often, did not address the deep structures of clientelism. Indeed, in some ways, the EU accession criteria in the second half of 2000s actually added a new layer of clientelism within dominant politics. The translation of EU conditionalities regarding minority rights, for example, led to the creation of new forms of interest relations with some minority groups. The main political party representing the Serbian community in Croatia, the Independent Democratic Serbian Party (SDSS), was part of the coalition government from 2003 to 2011, succeeding in changing some discriminatory laws which the EU accession process had focused on, but having little impact on de facto discrimination of Croatian Serbs in everyday life. In addition, the election of a Roma MP in 2007, supporting the then ruling coalition although not formally part of it, also coincided with significantly increased investments in some Roma settlements. In a budget revision in 2014, additional monies were allocated for minority projects, in part to secure the votes of minority Members of Parliament. In all three 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.

Another important aspect of maintaining clientelistic relations is located in the territorial political structure of Croatia. Although a detailed exploration of this is beyond the scope of this paper, the very creation of counties (županije) was used by HDZ Governments in the 1990s to curb the power of urban centres, at that time very much centres of opposition. The counties still remain and, indeed, have played more important roles in the development of social welfare, despite evidence that their existence and powers are more of an obstacle than a driver of effective regional development. In addition, there has been the massive expansion of units of local self-government (be they towns or municipalities) to over 500, many of them lacking sustainability, but having an important role in distributing jobs and resources. Counties and municipalities, together with a battery of state-owned enterprises and new agencies, multiplied the sites of governance in Croatia and, crucially, the multiplication of informal power networks.

Finally, the conditions under which Croatia joined the EU, in the midst of a deep economic and financial crisis, limited the likelihood that membership, per se, would act as a force for change. The fact that new EU disciplinarities focus only on economic conditionalities and, in particular, the need for cuts under the excessive deficit procedure could not create the social preconditions necessary for any kind of radical break with inherited political and clientelistic practices. Indeed, as already visible in many European
countries, this tended not only to slow down democratisation processes but also to accentuate conservative, semi-authoritarian and xenophobic tendencies, favouring distorted modes of governance, exclusivist definitions of citizenship and an asymmetric redistribution of resources. In the translation of austerity politics, the Croatian government’s balancing of domestic pressures and pressures from the EU has tended to reinforce rather than erode clientelism.

**Clientelism and Social Welfare in Croatia**

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 & Zrinščak, 2010). At the same time, the 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 & Zrinščak, 2009). In addition, there is a lack of qualitative, ethnographic, work on the lived reality of people’s livelihood strategies and their encounters with state welfare agencies. 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. Still, and despite the absence of empirical analysis, there is sufficient evidence to argue that part of the Croatian social policy cannot be adequately understood outside of the framework of clientelistic relations. This concerns primarily benefits of veterans, disability pensions and the social rights of ethnic Croats in Bosnia and Herzegovina.

The main set of clientelistic relations in Croatian social welfare consequent upon the war, in terms of benefits for veterans of the war from the Croatian side, is not difficult to chart and identify. After the 1991–95 war Croatia developed a comprehensive system of rights and privileges for Croats 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 in privatised companies. The system is largely based on a passive, ‘compensational’, approach offering relatively high levels of cash assistance, and much less concerned with the social and economic re-integration 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. In addition, it seems to be maintained by both main parties whenever in power. Thus, a report from the Croatian Pension Insurance fund, covering pensions paid in December 2012, lists four kinds of pension and disability pension beneficiaries: (I) those with rights via pension insurance; (II) military, police and others; (III) war veterans from the Homeland War in the Croatian army HV and (IV) war veterans who served in the Bosnian Croat
army HVO in Bosnia. It is clear that pension rights for those in category III are significantly higher than those for other groups. In total, there are 70,579 beneficiaries in Category III, including 58,424 recipients of invalidity benefits. The average pension is over €700 per month compared to only €320 for Category I recipients.

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 people is the highest in Europe (Badun, 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 per cent of GDP compared to an average of 2.1 per cent in the EU 27, whilst overall pension expenditures were only 7.6 per cent of GDP in 2005 compared to 11.1 per cent in the EU 27. Badun (2011) has shown that disability pension beneficiaries are generally young (43 per cent 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. While this suggests that the 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. While non-veterans who qualify for benefits are assessed as, on average, having a 70 per cent loss of function, some 80 per cent of veteran recipients are assessed at between 20 per cent and 40 per cent, including 37.2 per cent with 20 per cent 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 people. The most significant legislative changes occurred in 1999 and 2007, both election years, prompting significant increases in the 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 help to account for the high numbers of beneficiaries but there is no clear evidence on this.

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 proved 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.

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 and, indeed, strengthened, in the context of Croatia entering the EU’s excessive deficit procedure, that Croatia is a high spender in terms of social protection, suggesting that this is more than it can afford. The World Bank, for example, claims that overall spending on social assistance is high by (rather vaguely defined) ‘regional standards’ at 3.61 per cent 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 per cent of GDP in 2009. Spending on other social protection benefits was rather low, including child and family benefits for families (0.81 per cent), civilian disabled, (0.07 per cent), vulnerable children, adults and elderly (0.22 per cent), low-income households (0.27 per cent) and around 0.5 per cent of GDP as welfare spending by local governments. Comparative EU data (Eurostat, 2013) show Croatia spent 20.6 per cent of GDP on Social Protection in 2011 (similar to figures for 2009 and 2010). Among the EU members Croatia is the 18th ranked in terms of size of spending, with Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Luxemburg, Malta, Poland, Romania and Slovakia spending less. Spending in neighbouring Hungary (23.0 per cent) and Slovenia (25.0 per cent) is higher. Croatia is the most exceptional, however, when we come to look at the proportion of benefits spent on different social protection functions. 51.1 per cent of social protection expenditure (or 10.7 per cent of GDP) is spent on sickness/healthcare and disability, presumably distorted by veterans’ disability benefits.

Any suggestions for reducing this raft of benefits have been fiercely rejected by veterans’ associations and leading figures within all major parties, 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. Politicians of all parties, but particularly the right, continue to frame politics in terms of the significance of the ‘Homeland War’ in achieving Croatian statehood and territorial integrity. 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 among 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. 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 more, the political significance of veterans’ affairs has been recognised by politicians from all parties and reflected in the fact that in every Government there has been a Ministry to address their interests and concerns. A Veterans’ Register also exists, issued by the Ministry of Defence in 2005 and updated in 2008. The register was finally made public, amid numerous protests, in December 2012 and includes some 500,000 names, far in excess of the number who saw front-line service of any kind. Although the register is the basis of a set of privileges and rights for veterans and their families, it is still unclear if the fact of making it public will contribute to deconstruction of these clientelistic relations. Veterans’ protests tend to be more radical when a centre-
left government is in power, with an organised encampment outside the Ministry of Veterans’ affairs in late 2014 a proactive attempt to cement veterans benefits within the Croatian Constitution and demanding the removal from office of those who they see as ‘relativising’ the suffering of Croatian war veterans with civilians or with those fighting on the other side.

The lack of data is particularly the case in terms of the issue of social rights claimed by ethnic Croats in Bosnia-Herzegovina but this issue is still highly instructive for understanding clientelistic relations. Of course, the extension of citizenship rights can be traced rather clearly, whereas the existence of a kind of transnational ethnicised social policy assemblage, 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 Croatian 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 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 necessitates 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 remain 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. With regard to education, the Government supports a University in Mostar. Sarajlić (2012, p. 15), using Ministry figures, suggests that in 2011, the Croatian Government allocated over €800,000 to support 159 different educational institutions in Bosnia-Herzegovina, mainly in Croat-majority areas but also to support Croatian minority projects and programmes.

In terms of health care, in addition to a state of the art hospital in the city of Mostar, Sarajlič (2012, p. 16) suggests that the 2011 budget allocated some €200,000 to support health centres and local NGOs, often linked to support for Bosnian Croat war veterans. In addition, some health care is provided to Croat citizens living in Bosnia-Herzegovina, particularly mothers giving birth to children in Croatian hospitals where facilities are better than where they reside. Underpinning all of these practices is, in fact, a Constitutional pledge to be concerned with those Croats living outside of the Republic of Croatia although recent, stricter, rules regarding residence, brought in to curb electoral abuses, may also have implications in terms of social welfare.

What is very clear is that the process of EU accession and, indeed, membership, has had little or no impact on clientelism in social welfare. In part, of course, this is because, as noted above, social policy is much more of a ‘soft’ than a ‘hard’ conditionality, in the context of most aspects of social policy retained as a nation-state responsibility, untouched
by the negotiations around Chapter 19 of the *acquis* on social policy and employment. As noted above, the development of a Joint Inclusion Memorandum was important in changing some social policy practices although, within regular progress reports, this was more focused on the implications for governance and administration than on specific restructuring of social welfare. Crucially, issues of veterans and disability benefits, and issues of support to Bosnian Croats, were never raised as significant issues. In some ways, the new excessive deficit procedure as an EU member state reinforces a demand to curtail social spending in the name of fiscal consolidation and austerity. This continues, as we noted above, a long tradition of similar demands from the World Bank. However, again, most if not all of the clientelistic benefits remain outside of discussion reinforcing, instead, a discourse of high social benefits and widespread fraud which are focused on so-called undeserving beneficiaries.

**Conclusions**

Although more in-depth research is needed, the paper has shown that many aspects of contemporary social welfare in Croatia: the welfare rights of Croats in neighbouring Bosnia and Herzegovina, and the extent of rights enjoyed by war veterans, including those diagnosed as disabled, cannot be understood outside of the notion of clientelistic exchange, framed through suboptimal governance and exclusivist ideas of citizenship. Many of these aspects of Croatian social welfare have become woven into political ‘common sense’, so that no major political party dare question them, thus undercutting the political advantage to be gained by one political party, while ensuring that they remain core elements of Croatian social policy regardless of changes in Government.

In addition, clientelism in social welfare is multi-scalar, involving also regional and local exchange relations which have a degree of relative autonomy from central structures. In this context, and when the current deep and transnational economic and financial crisis is considered, there is little hope for EU membership to change significantly Croatian social policy. According to comparable data, Croatia had an at-risk-of-poverty level of 21.1 per cent in 2011 which is the fifth highest in the EU, after Bulgaria, Romania, Greece and Spain. The EU’s main concern is, however, with Government debt so that the state budget has experienced significant cuts in recent years, affecting also the budget for social and health care, and although this was not communicated in public, cuts meant much less money for services. The reduction has been visible in lowering standards, less money for different categories of social care beneficiaries (disabled persons, victims of family violence and so on) and particularly in the health-care sector. The dominance of a fiscal austerity frame over a concern with the consolidation of democracy or the strengthening of social rights is a key element of contemporary post-accession Europeanisation. Though we do not have hard data and lack the full picture, we are witnessing the fragmentation of welfare arrangements, and a significant deterioration of welfare standards. There are also indicators that problems in offering services contribute to a ‘strategy of looking for alternatives’ which means a rising level of informal and private, quasi-marketed, solutions inside the public sector. This is also fertile soil for bribery, corruption and enhanced clientelism. The kind of welfare assemblage which will emerge from this in the future is hard to predict but any change will depend on rather more fundamental changes to practices of governance and broader socio-economic reforms. In this sense, any appeal for
‘justice-based distributive practices not only in the national, but also in a regional context’ (Sarajlić, 2012, p. 22) appears unlikely to resonate, at least for the foreseeable future.

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Note


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