



# Ministry of Civil Affairs of Bosnia and Herzegovina - “Ministry of Social Capital”

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## Executive Summary

Social capital is one of the prerequisites for economic success and sustainable development of any society. The main presumption behind it is that participation in different societal networks and mutual connections deriving from them enhance mutual cooperation, help proliferate information, foster social trust, regulate norms of interaction, and encourage solidarity. All these elements help build a more cohesive, inclusive and trusting society based on sharing and cooperation which in turn eases social and economic interactions. In Bosnia and Herzegovina, the importance of social capital is often overlooked as the concept is relatively unfamiliar to the local academic community, decision makers in public administration, politicians and the public. Fostering trust in the social environment is a long-term process more so in a country still recovering from a conflict which violently broke social ties and fragmented the society along ethnic lines. Efforts of the international community and local civil society organizations are unfortunately not sufficient and it is now apparent that social capital needs to become a long-term priority for state institutions.

Social capital and social trust are related to a set of very important factors - access to basic services such as education, health and social protection as well as to areas which traditionally foster creation of social networks and associations such as sports and culture. All of these fields, in Bosnia and Herzegovina, fall within the scope of the Ministry of Civil Affairs envisioned in this study as the Ministry of Social Capital. Due to the specificities of the BiH political system, this ministry was created to host all state competences not allocated to other existing ministries and entrusted with coordination and alignment in the areas which fall under direct competence of lower levels of government. Although in a position to be the driving force for building social capital in the country and despite possessing human resources competent to comply with this task - the Ministry of Civil Affairs is burdened by faulty legislation, absence of defined mechanisms for coordination and alignment, lack of cooperation from lower levels of government and, above all, with a vast scope of responsibilities. Organized in 7 sectors (plus two pertaining to general affairs) - two of which are completely unrelated to the rest - and in charge of one commission and one agency, the Ministry struggles to perform its duties often resulting in public scrutiny. This study is devoted to proposing valid, feasible and acceptable public policy solutions for institutional improvement of this key institution based on the results of comprehensive research and extensive analysis. Policy recommendations laid out in this study are aimed at reforming the Ministry of Civil Affairs in order to enable it to foster, strengthen and increase the level of social capital in Bosnia and Herzegovina

## 1. Introduction - Why Social Capital?

In the past two decades, the academic and the policy community have led vibrant discussions on social capital, and more importantly, its correlation with development. Differences in approaches (most notably the two lines of thought following R. Putnam and P. Bourdieu) and even in definitions of social capital, provided an extensive theoretical background, but made it more difficult for concrete empirical studies to be performed. This holds true especially when it comes to measurement of social capital and its relation to economic growth and development. The World Bank has even launched a research program, as well as the Social Capital Thematic Group (TG) which produced hundreds of publications and papers since its foundation in the late 1990s. In spite of the difficulties in spanning from divergent approaches, Keefer and Knack found that *"(...) all concepts have in common the idea that trust and norms of civic cooperation are essential to well-functioning societies, and to the economic progress of those societies"* (Keefer and Knack, 1997:1283). However, their conclusions also disproved Putnam's theory of association membership being linked to trust and economic growth:

*"First, trust and civic cooperation are associated with stronger economic performance. Second, associational activity is not correlated with economic performance - contrary to Putnam's [1993] findings across Italian regions. Third, we find that trust and norms of civic cooperation are stronger in countries with formal institutions that effectively protect property and contract rights and in countries that are less polarized along lines of class or ethnicity"* (Ibid, pg. 1252).

<sup>1</sup> Slovenian, Macedonian, Serbo-Croatian, Albanian and Hungarian - the latter two spoken in autonomous regions of Kosovo and Vojvodina - as well as a few minority languages (Slovak, Russian etc.)

Having this in mind, the focus of this paper will be on institutional strengthening and the role of government bodies in fostering, producing and accumulating social capital.

Post-World War II Yugoslavia might be one of the more fetching examples of social capital building projects in modern history. Uniting 6 states (republics) with similar, but nevertheless separate backgrounds, 5 different languages<sup>1</sup> and a variety of cultures all into one functional state was a success, exclusively because of social capital being built, developed and emphasized under the motto of "brotherhood and unity".

According to Garson *"(S)ocial capital may be defined as those resources inherent in social relations that facilitate collective action. Social capital resources include trust, norms, and networks of association representing any group that gathers consistently for a common purpose"* (Garson, 2006:456) and all of these resources were in place within the socialist system whose survival and progress was the common purpose and the cohesive element<sup>2</sup>. It might be argued that once built, social trust and social norms cannot disintegrate within a short period of time, but as Keefer and Knack claim *"(...) there are both theoretical and empirical reasons for caution regarding the assumption that trust and the strength of civic norms are stable over long periods of time. Cooperative equilibria can unravel very quickly, as Yugoslavia demonstrates"* (Keefer and Knack, 1997:1267). In a reverse process, the federal state collapsed when efforts to undermine mutual trust became successful, the institutions unreliable and the networks politicized and instrumentalized to serve a new cohesive ideology - nationalism. Instead of moving forward to a pluralist political system and a stable market economy for which the communal ties offered a solid background, the systematic undermining of Yugoslavia's social capital culminated in the war(s) of the 1990s.

<sup>2</sup> Obviously, the one party system and lack of political alternatives do not fit into the modern definition of „free association“ however, the lack of plurality was only present in the political arena. Other networks such as professional associations, labor unions and other organizations in the fields of science, culture, sports etc. have functioned.

Unlike other ex-Yugoslav states where ethnic/national homogeneity was the main element of social cohesion, Bosnia's trilateral national construction has been held together by the flawed



framework of the Dayton Peace Accord, sealing the country in a situation of unfinished war without winners, closure or social cohesion between national groups.

In describing successful societies, Garson notes that *"A norm of a culture high in social capital is reciprocity, which encourages bargaining, compromise, and pluralistic politics. Another norm is belief in the equality of citizens, which encourages the formation of cross-cutting groups"* (Garson 2006:456). With a political and economic system explicitly denying citizens equality and discouraging reciprocity, Bosnian-Herzegovinian society needs to start building social capital as a prerequisite not only for economic and social progress but for enabling its very existence in the future<sup>3</sup>.

<sup>3</sup> For more on the possibility of ethnic conflict in societies without interethnic ties and social capital see: Varshney, A. (2001) *Ethnic Conflict and Civil Society: India and Beyond*. World Politics, Vol. 53, No. 3 (Apr., 2001), pp. 362-398, Johns Hopkins University Press

In his 1993 book *Making Democracy Work*, upon evaluating Italy's social capital through the prism of civic traditions, Putnam emphasizes trust as one of the key components of success of Northern Italy, in contrast to Southern Italy. Mutual trust between citizens helps create a functional and stable "civic community" as one of the crucial factors of economic development, establishment of political culture and participation, as well as political relations based on equality. In places with a developed civic community, governmental bodies are more efficient, economic growth more apparent and constant improvement, modernization and dedication to development more emphasized. What Putnam (purposely) oversees is the importance of the state and its institutions for the production of social trust and precondition for social networks. Siisiäinen argues that Nordic states - undoubtedly successful in production and cultivation of social capital - owe their success not to independent formation and success of voluntary associations in a vacuum, but rather to "the development of the Nordic welfare state's function in guaranteeing (in principle at least, and even though imperfectly) a minimum level of living. This means that political and social welfare institutions increase the capacity of citizens to anticipate the future (and thus, most probably, the level of their confidence)" (Siisiäinen, 2000:8).

Efforts of civil society as a collective representation of different voluntary associations have proved relatively futile in Bosnia and Herzegovina (hereinafter BiH) in spite of the large influx of foreign capital. The reasons of failure of civil society (CS) lie with the fact that it was (and is) fragmented, often clientelistic, unwilling to work together beyond short-term project-oriented goals and very often mutually conflicted. Although some of the solutions proposed by civil society organizations (CSOs) have the potential to be successful, the absence of a functional state system prevents them from being implemented and ultimately achieving positive economic (side) effects. The primary problem, however, remains in ethnic polarization of society and all of its corresponding organizations and institutions:

*"(...) many societies are polarized by ethnic, political, religious, or income differences. Associations in such societies will often form along (e.g.) ethnic lines. These relatively homogeneous associations in heterogeneous societies may strengthen trust and cooperative norms within an ethnic group, but weaken trust and cooperation between those groups. This effect creates the potential for a negative relationship between horizontal associations and trust or norms of civic cooperation when measured at the national level"* (Keefer & Knack, 1997:1278).

Unlike Putnam's approach which places unrealistically high expectations on voluntary associations (such as sport clubs, cultural associations, etc.), our approach, in the case of BiH, will be based on the need for social capital to be fostered by state institutions by providing preconditions for (re)building social trust, supporting networks and associations, facilitating and coor-

dinating their work and enabling the use of available resources in social capital development. This would enable the citizens to develop mutual trust but perhaps more importantly - develop trust in the country's government:

*"The emphasis in modern societies on consensus (is) based on interconnected networks of trust - among citizens, families, voluntary organizations, religious denominations, civic associations, and the like. Similarly the very 'legitimation' of modern societies is founded on the 'trust' of authority and governments as generalizations"* (Seligman 1997:14).

## 2. Social Capital in Bosnia and Herzegovina

The current situation of social capital in BiH is characterized by the lack of knowledge about the concept, clear policies from the main stakeholders, the lack of understanding the importance of this field for the overall state progress and the lack of cooperation between different sectors. Social capital, as one of the most leading forces of society and the state, is greatly neglected in BiH due to political interests pushing for ethnic polarization to remain in power. Strengthening interethnic ties through *interethnic* formal associations (professional networks, trade unions, academic associations, student unions, chambers of commerce etc.) enables creation of long-term social trust:

*"Vigorous associational life, if interethnic, acts as a serious constraint on politicians, even when ethnic polarization is in their political interest. The more the associational networks cut across ethnic boundaries, the harder it is for politicians to polarize communities"* (Ashutosh, 2001:364).

In circumstances such as those in BiH, one would expect that the major societal cleavages are located along ethnic lines, however:

*"Quite optimistically - and in contrast to common perceptions of BiH - the report also observed that people perceive the most friction in the country to be between rich and poor and not different ethnic groups. This complements the finding that the war is of much less significance to people's lives now than it was even three years ago and that, now, most people are simply trying to move on with their lives"* (UNDP, 2009:3).

The results are shown below in Table 3.8.

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

(UNDP, 2009:42)

The anti-government protests from February 2014 reinforce these conclusions. In cities throughout BiH citizens held, in some instances even violent, protests with common demands: social security, revision of the process of privatization, social welfare, fight against corruption, immediate decrease of benefits pertaining to elected officials and overall a more secure, stable, equal and transparent society and its mechanisms, as well as trustworthy and efficient institutions. All of the key aspects of social capital have been reiterated through citizen's requests: employment (the right to work, subsidizing employment, protection of worker's rights,



transparency in employment, especially in government institutions, improvement of work of employment agencies, re-qualification of workers), health (equal access to health protection, transparency, prevention, treatment and improvement of quality of life), education (equal access, equal opportunities, more quality, merit-based system, free or cost reduced education, transparency), social protection and welfare and overall - creating a more trustworthy, efficient and transparent system and institutions. Despite the attempts to portray the protests as having an ethnic background, the dispersion of the protests in BiH (including the largest cities: Sarajevo, Tuzla, Banja Luka, Mostar, Zenica) and the demands of the protesters, these events have proven that ethnic differences which have been insisted on by the political elites since the end of the war, no longer play a dominant role. Furthermore, the protests yielded a unique form of civic organization - Citizen's Plenums which represent a new form of networking not only between citizens in particular communities but, through inter-plenum cooperation, between citizens in different cities. The plenums brought together all demographic groups (age, educational background, gender) uniting them in a transparent exercise of direct democracy, bridging some of the previously present societal divides (between old and young, men and women, periphery and center). Regardless of the outcomes, these events have shown that citizens are no longer content with the domination of closed and narrow, personal, political and economic ties dominated by interests of small groups (politically and economically tight-knit) which have so far privatized the political and economic system characterizing it by nepotism, clientelism and corruption jointly denounced by the word "štela"<sup>4</sup>. Transparency and efficiency of government institutions and bodies as well as state systems were placed in the forefront and the need for building networks untainted by previous corrupt practices emerged. This has reinforced the assumption that social capital is of paramount importance in BiH and that its proper development will have detrimental influence on future stability and prosperity of the country.

<sup>4</sup> This phenomenon is extensively described in the UNDP study *The Ties That Bind Us - Chapter 6 Exclusive social capital: štela and personal connections*, as a form uniting nepotism, corruption and clientelism through setting up favorable results (employment, enrollment in higher education, obtaining degrees, access to health services) by using personal (familial, political, economic) relations.

### 3. Rationale for the Research

#### 3.1. Government institutions and social capital

Unlike countries with high level of trust, established pluralist political culture and homogenous population, BiH cannot rely on civil society alone to build and accumulate social capital<sup>5</sup>. Although there is a strong inclination towards building stronger networks and building social trust, it is necessary for government institutions to deliver the groundwork and foundation for building social capital and channel it in a constructive way. Explaining the determinants of trust and civic norms and the relation between social capital and economic payoff, Keefer and Knack point out that: "*Formal institutions can be substitutes for - as well as causes of - trust and civic cooperation. Societies with low trust require more robust formal institutions if they are to undertake the exchanges that are crucial to growth*" (Keefer and Knack, 1997:1279).

<sup>5</sup> On the topic of low social trust and ethnic distance in Bosnia and Herzegovina, see more in: Puhalo S. (2009) *Etnička distanca i (auto)stereotipi građana Bosne i Hercegovine*. Friedrich Ebert Stiftung, Sarajevo

On state level, BiH has 9 resource ministries in charge for coordination of institutions on lower levels, communication and reporting to international organizations and cooperation through Council of Ministries and state Parliament. There hasn't been enough political willingness to establish more than 9 ministries with competence and jurisdiction in specific fields, some ministries are structured to cover a wide range of different sectors and fields while others cover relatively narrow fields (such as the Ministry of Foreign Trade). Given that education, science, culture, sports, employment and health are considered to be the primary areas for building social capital within a society, the focus of this paper will be on examining their current state

in BiH and the possibilities for improvement, resulting in social capital increase (in the long term). After examining the structure of the government and the distribution of power and competences, it has been concluded that the Ministry of Civil Affairs of BiH (hereinafter MCA), as a state authority responsible for all of the abovementioned areas, is the first institution to be addressed. However, as MCA is also in charge of several other areas, the attempt will be to demonstrate that those areas pose a burden to the functioning of the MCA, and that it needs to be relieved in order to become more efficient in the field of fostering production of social capital. This research is concerned with identifying key obstacles for proper functioning of this institution on state level, its legislation, human and material resources in order to propose policy recommendations for improving the work of MCA to become a true "Ministry of Social Capital of BiH" through its reorganization and empowerment in 'social capital fields'. Recognizing the current political situation, the main idea behind this is not oriented towards the complex structural reform processes which require establishing new ministries, but towards redistribution of certain departments to already existing ones (ex. citizenship, travel documents and demining to be addressed to Ministry of Security of BiH).

The main objective of this policy research is to highlight the importance of social capital, especially for transition countries such as BiH, and its socio-economic impact that can be produced for the overall well-being of the population if it is properly distributed and organized throughout state bodies, in this particular case within the MCA as a leading and umbrella institution for lower levels of government and all other socio-economic actors. MCA needs to perform as the main source and generator of social capital since it is embedded in and linked to formal political and legal institutions that tend to increase social trust and can create, but also destroy social and institutional capital in one state.

In order to illustrate the need for reform of the MCA, we will focus particularly on two areas - education and health, more specifically - higher education (hereinafter HE) and health, seeing as these are of particular significance in the context of post-war and transitional BiH society.

### 3.2. Social Capital and Health Domain

<sup>6</sup> Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946; signed on 22 July 1946 by the representatives of 61 States (Official Records of the World Health Organization, no. 2, p. 100) and entered into force on 7 April 1948

World Health Organization<sup>6</sup> (WHO) defines health as "*a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity*" (WHO, 1948). The issue with social capital and health is a relatively new phenomenon to health research since this domain lacks evidence. In the past decade, literature shows that human capital, social capital and health are seen as complements to each other but the concept of social capital is still not understood, especially in the post-conflict countries. While public health is seen as an important contributor to economic and social development, mental health is an important priority in a post conflict region (RHDC SEE Newsletter, Issue 1, 2011: 3) but also it is one of the priorities of the European health policy. Mental health is a growing global concern especially in low-income countries, such as BiH, who have high prevalence rates of mental disorders and in which mental health directly affects the emergence of somatic diseases such as strokes, cancer or diabetes (caused by high level of unemployment, smoking, malnutrition, etc.). This all together affects the health status of the population and the state of social capital.

The relation of social capital and health is quite complex with a lack of literature on this issue, a great potential is visible in the existing available literature and further research is needed in

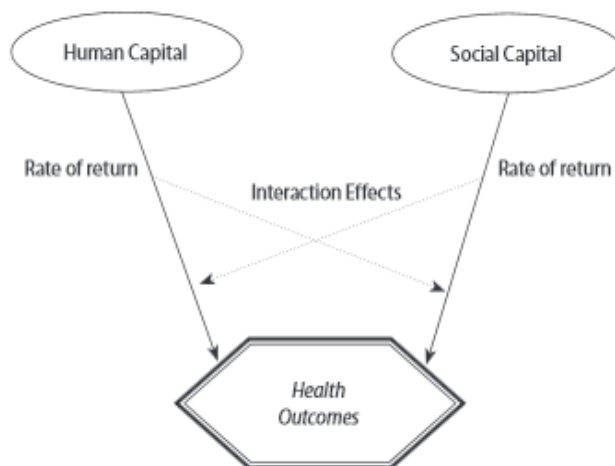




order to rethink how this issue can influence health policies. Since evidence-based practice is mostly applied within the health domain, advocating for the concept of the social capital is hard since there is a gap due to which the impact on health outcomes of the population cannot be proven, but it is a growing idea. Authors suggest that the relationship and interrelation among humans and social capital both affects health and may be health inputs.

Human capital requires investing in education and training. *“The term ‘mental health’ is considered to refer to an unimpeded sense of psychological and functional well-being (...) but there is also clear evidence for the importance of environmental, societal and behavioral factors”* (McKenzie, Harpham, 2006: 26). Mental health is nowadays being practiced on the community-based principle which provides strong community networks which influence the level of social trust. The work of the MCA in this context needs to facilitate all of these mechanisms crucial for the shaping the social capital. As for mental health, WHO recommends promotion and preventative programs because *“the evidence on the relationship between social capital and mental health is generally more consistent than that on the relationship between social capital and physical health”* (OECD, 2010: 20) but also it affects the integration of persons with mental health problems within the community and helps build social trust among citizens. Prevention and early diagnosis of mental disorders, such as depression or anxiety, contribute to improved lifestyle of individuals, and are potential contributors to well-being in a way that *“social capital may be a promising mechanism to improving mental well-being and preventing mental illness”* (Basset, Moore, 2013: 702).

Figure 0.2. **Interrelationships among human and social capital and health**



Source: Miller *et al.* (2006), “Social Capital and Health in Indonesia”.

Although literature on social capital and health is relatively new, there is *“a strong tradition of research and innovation in psychiatry concerning the effects of social context on health”* (McKenzie, Harpham, 2006: 11), such as the theory on suicide (Durkheim, 1951). The disagreement on measuring the social capital and health is focused on measuring the individual and societal dimensions with the tools already developed and available but not often validated. The individual level is based on measuring individual’s perceptions of society and is largely used by psychologists, but it is also connected to human capital, societal measures, group dynamics and network participation within the community related to the development of social capital. The second important question relates to the measuring of the context and the applicability of those measures in different communities.

*“The relationship between human and social capital however has been examined, revealing that social capital directs attention to the relationships that shape the realization of human capital’s potential for the individual and collective (...) while human capital can be understood to encompass social as well as technical skills, social capital brings to the fore the social networks and values through which skill portfolios generally are built, deployed and rewarded” (Schuller 2001: 19-21 in Cullen, Whiteford, 2001:8).*

	<b>Human Capital</b>	<b>Social Capital</b>
<b>Focus</b>	Individual agent	Relationships
<b>Measures</b>	Duration of schooling Qualifications	Attitudes / values Membership / participation Trust levels
<b>Outcomes</b>	Direct: income, productivity Indirect: health, civic activity	Social cohesion Economic achievement More social capital
<b>Model</b>	Linear	Interactive / circular

(Schuller 2001: 20.)

Generally, it is accepted that improved health status contributes to enhancing human capital and human capital contributes to enhancing social capital. Community-based mental health and social care mean any care or support that could help a person manage a mental health problem while living in the community (i.e. not in the hospital). It is not much known that in BiH the mental health reform that has been implemented in recent years positioned BiH as a role model for other countries in the South Eastern Europe (SEE) region, and it even resulted in its selection to become a project implementer for mental health within the Stability Pact. The SEE Mental Health Project was the flagship project of the South-Eastern Europe Health Network and the Regional Office of the Project was located in BiH. As the Project played an important role in the process of mental health reform in SEE countries in the period from 2002-2008, the Ministers of Health in the SEE countries have expressed their commitment to continue mental health reform initiated by the project by establishing the *Regional Health Development Center on Mental Health in South-Eastern Europe* within the MCA in 2010. The goal of the RHDC on Mental Health in SEE is *“to continue strengthening cooperation among SEE countries in the field of mental health in order to improve mental health policy and practice through promotion, prevention, advocacy, publications, research, policy development, and collaboration and networking among SEE countries”* (RHDC SEE Newsletter, Issue 1, 2011: 3).

In BiH the reform is continued through Swiss funded Project (Mental Health Project in BiH) which gave impressive results in the past 4 years and it will continue its implementation throughout its second Phase until 2018. RHDC SEE has a great potential since the neighboring countries still have not applied the community-based principles, and strengthening “social capital dimension” within the MCA could foster and improve the work of the RHDC SEE in the future.

### 3.3. Social Capital and Education

The World Declaration on Education for All (Jomtien, Thailand, 1990) emphasizes the importance of equal access to education for all people regardless of their social or economic status, reiterating the importance of basic education as a human right and an obligation for all states within the UN framework. UNESCO goes further to establish that not only primary but sec-



ondary education as well should be included in the basic scope of the right to education and numerous studies show that higher education is one of the main components of success of developed societies. Alongside formal education, the emphasis has recently also been placed on informal education, re-qualification and lifelong learning. The World Bank considers education to be:

*“a powerful driver of development and one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability... (E)ven when children complete school, they often do so without acquiring basic skills necessary for work and life. This is particularly detrimental when unemployment is high and labor markets are demanding more skilled and agile workforces than ever before”* (World Bank Education Strategy 2020).

The World Bank studies show that quality high education is directly linked to country's development, industrialization, standard and higher wages which in term result in better social benefits and citizen's well-being.

Social capital rests upon the premise of social trust, and research has shown that higher education is one of the key elements in its advancement:

*“Higher average education levels may help to create a climate of trust that is self-reinforcing. If individuals know that higher education levels make others more likely to be trusting (and perhaps also more trustworthy), then they are in turn more likely to trust others. Hence the returns to trusting behavior are increased where there are increases in average levels of education, so that it should be expected that people of any level of education are in fact more trusting of others in an environment marked by higher average education levels”* (Helliwell and Putnam, 2007:5).

In BiH, higher education is fragmented and decentralized due to the fact that competences over higher education pertain to entity level government in Republic of Srpska and cantonal governments in the Federation of BiH. Although BiH has adopted a Framework Law on Higher Education, its provisions are neither respected nor implemented. In fact, there is little or no coordination of higher education institutions - namely universities and research institutes on state level. Aside from the Rector's Conference, an almost informal body without clear regulations, competences or authority functions on the basis of (often politically influenced) loose compromise. The results are lack of coordination, unequal development of universities due to differences in funding, different schemes of grading and degrees (variations within the Bologna system) and almost no mobility of students and staff between universities. The latter can be plastically illustrated by the fact that students from different cantons in the Federation of BiH cannot continue their education in other cantons nor in another entity and vice versa. The acknowledgement of degrees is also a problem, creating a paradox of BiH diplomas being externally recognized under the Bologna framework but not internally in different parts of the country. The implementation of international standards related to higher education which BiH has accepted to comply with are also lacking. The Agency for Development of Higher Education and Quality Assurance exists, but it has so far accredited only 5 of the 44 licensed universities and higher education institutions in BiH.<sup>7</sup> The Agency functions as an independent body within the Council of Ministers of Bosnia and Herzegovina (hereinafter CoM) rather than a part of the MCA, which is paradoxical given the MCA's competence over coordination in higher education. The Agency is also in no formal way related to the Rector's Conference and as such operates in a vacuum. The consequence of this is non-recognition of BiH diplomas in the EU

<sup>7</sup> List of accredited Universities: [http://www.heg.gov.ba/akreditacija\\_vsu/Default.aspx](http://www.heg.gov.ba/akreditacija_vsu/Default.aspx), List of HEIs in BiH: [http://www.heg.gov.ba/kvalitet/evencija\\_vsu/Lista.aspx](http://www.heg.gov.ba/kvalitet/evencija_vsu/Lista.aspx), accessed on 11.3.2014.

<sup>8</sup> For example, the Instruction states the obligation to issue the Diploma supplement in English with a possibility to issue it in local languages as well. However, the University of Sarajevo adopted an internal decision stating that the Diploma supplement is in rule, issued in local languages and can be issued in English only after a complicated formal procedure initiated by individual Faculties.

and other countries which adhere to the Bologna standards, which impedes educational as well as labor mobility. Universities in BiH go so far as to violate the Agency's decisions (which are legally binding) such as the *Decision on norms for determining minimal standards in higher education in Bosnia and Herzegovina (Official Gazette BiH, Number: 100/11)* or the *Instruction on the form and content of the diploma and diploma supplement issued by accredited institutions of higher education*.<sup>8</sup> With no valid standards, impeded local and international mobility and subsequent lack of labor mobility (due to non-recognition or issues with recognition of diplomas from different parts of the country) and no overall strategy for HE implementation in BiH, the HE system is one of the weakest links in the web of social capital.

The UNDP study on social capital in BiH clearly states that higher education of the population improves networking, strengthens social capital and social trust: *"Those with higher education have more diverse networks, highlighting the importance of strengthening the education system in BiH and improving retention levels"* (UNDP, 2009:3). Showing that *"(A) low level of education also elevates the risk of poverty"* (Ibid, pg.16), the study recommends to *"Implement more inclusive and gender-sensitive education policies"* (Ibid, pg. 92) as well as improvements in quality, enrollment rate, and transparency of higher education.

Having this in mind, strengthening the role of the MCA in the domain of higher education and the closely related domain of science and research could contribute to a more efficient, more transparent merit-based system of education whose quality could be significantly improved by adoption of international standards, investment in science and research and easier access to international networks, programs, support and funds.

### 3.4. Social Capital and Sport

Social capital is a concept which contains two words that are related to social relations and something that might give a future benefit. Sport has been recognized to have many benefits in the long run, but only recently has it been discussed in the sociology of sports as being related to social capital through theory of (voluntary) associations and social participation, with emphasis on community level (Putnam, bonding versus bridging). In general, sport is seen as a positive value in one community or state and it can be measured when it comes to general social trust. *"Sports build social capital because they build self-confidence and teach respect for rules. Sports widen our social contact. They spread tolerance and egalitarian values on the sly"* (Uslaner in Seippel, 2006: 173). In the context of building social trust, sport is a valuable social mechanism through 3 dimensions:

- *social relations as social capital work by providing and facilitating information for the individuals involved,*
- *persons involved in organizational work are influenced by the social ties associated with their activity and positions in the organizations,*
- *reinforcement of identity and recognition (Seippel, 2006: 17-175).*

This aspect is extremely important, particularly the third mechanism in the context of BiH, since sport associations and activities are quite weak and often misused for spreading nationalistic rhetoric. But after the recent qualifications of the football representation of BiH at the World Cup 2014 in Brazil, more than 50 000 people only in Sarajevo, and more than 200 000 in other cities all over BiH, welcomed the BiH representatives, standing in the rain until 4 am. This



example shows that social trust can be developed through sports, especially in disadvantaged communities like that of BiH. Therefore, the role of MCA in creating sport policies, programs and networks aiming at delivering social inclusion should be considered seriously since their presence in the public in this sphere is almost invisible.

### 3.5. Social Capital and Culture

As a sociologist of culture, Bourdieu extended the idea of capital to the following categories: social capital, cultural capital and symbolic capital. Cultural capital is a wider concept which presents *“the form of knowledge, skills, education and advantages that a person has”* (Sabharwal, 2013:34). Social capital along with economic capital helps transform cultural capital and there are different relations between the forms of these capitals. Culture and cultural associations, just like sports, are an integral part of the norms and networks of civic engagement. This relationship with social capital is also at the early stage of development in theory, but we can agree that culture (in this case we mean arts and performance) has a social impact on the community, since artists have a strong voice in democratic development and they help us have a shared understanding of the world we live in. The arts are viewed as important for building social capital as they have the potential to:

- *consolidate informal social ties through shared experiences,*
- *to enhance individuals’ sense of pride in their community, and*
- *to provide a means of discussing and resolving divisions and conflicts within a community* (Better Together Report, 2000: 29-31).

BiH cultural scene is poor and is getting worse day by day. Museums are closing down; there is no political will to support cultural institutions and workers who are left on their own. The National Museum of BiH is now closed after 124 years of its existence. Since there is no separate institution on state level that could stop further cultural shutdowns. On the other hand, cultural institutions are financed from a variety of budgets, without clear competences, and the government never established a new legal and funding status for the country’s cultural institutions and it is unclear which agency is responsible for their funding. MCA is managing international funds for culture, but this process is not transparent and often a large amount of money stays unused since workers in the institutions do not have the capacities and knowledge to implement project-oriented activities. This left enough space for strengthening the MCAs’ facilitating role in informing and educating employees in cultural institutions to apply and cooperate through networks and partnerships in developing social capital in this field.

#### 4. Obstacles for the functioning of the Ministry of Civil Affairs

**Problem Statement:** *The Ministry of Civil Affairs of BiH is neither able nor capacitated to exercise its competences in the current wide scope of its jurisdiction, covering the areas which are too broad and not properly interlinked.*

Currently, the MCA is in charge of

*“citizenship, entry of citizenship and keeping records of citizens, protection of personal data, registering residence and permanent residence, personal identification documents, travel documents, procedures of registration of vehicles and demining” while at the same time, the MCA is in charge of “conducting the work and completing tasks within the jurisdiction of BiH which pertain to the establishment of basic principles of coordinating activities, aligning and harmonizing plans of entity bodies of government and defining strategies on an international level in the fields of: health and social protection, pensions, science and education, labor and employment, culture, sport, geodetic, geologic and meteorological affairs.”<sup>9</sup>*

<sup>9</sup> Ministry of Civil Affairs of Bosnia and Herzegovina - Competences, official web site: [http://www.mcp.gov.ba/Default.aspx?langTag=enUS&template\\_id=107&pageIndex=1](http://www.mcp.gov.ba/Default.aspx?langTag=enUS&template_id=107&pageIndex=1), accessed on 15.6.2013.

The structure of the MCA is organized through nine departments:

- Department of Legal, Personnel and General Affairs
- Department of Financial Affairs and Internal Support
- Department of Citizenship and Travel Documents
- Department of Labor, Employment, Social Protection and Pensions
- Department of Health
- Department of Education
- Department of Science and Culture
- Department of Sport
- Department of Geodetic, Geological and Meteorological Affairs

There is also the Demining Commission of Bosnia and Herzegovina, as an organizational unit within the MCA.

*The Law on Ministries and Other Bodies of Government in Bosnia and Herzegovina* (Official Gazette No. 42/03, 26/04, 42/04, 45/06, 88/07, 35/09 and 59/09, 103/09) clearly states that *“Ministries are bodies of government performing governing and administrative work from the jurisdiction of BiH in one or more related areas for which in whole or in accordance to a legally defined scope, they directly ensure the application of laws and other legislation and are responsible for their implementation.”<sup>10</sup>*

<sup>10</sup> Article 4 of the *Law on Ministries and Other Bodies of Government in Bosnia and Herzegovina* (2003), available at the official web site of the Council of Ministers of Bosnia and Herzegovina: [http://www.savjetministara.gov.ba/pdf\\_doc/default.aspx?id=12231&langTag=hr-HR](http://www.savjetministara.gov.ba/pdf_doc/default.aspx?id=12231&langTag=hr-HR), accessed on 17.6.2013.

The current structure of tasks and duties of the MCA is clearly not comprised of related areas making it very difficult to accommodate such a wide range of mutually unlinked areas within a single body of government.

Additionally, there are no clear legal definitions of what pertains to the duties of “coordination and alignment” of plans and strategies of lower levels of government, leaving these important tasks and the manner of carrying them out to interpretation of Heads of Departments, their staff and often to lower levels of government and their bodies which often autonomously limits and restrict efforts on state level. There are no formal procedures regulating the authority of the MCA in these processes and no modes of securing that coordination and alignment will in fact be carried out.



## 5. Policy Options

### 5.1. The role of the Ministry of Civil Affairs

Due to the complexity of the political system of BiH laid out in the Dayton Peace Accords - Annex 4 the Constitution of BiH, and the political circumstances surrounding its formulation, the main areas concerning social capital - science, education, culture, sports, health, labor and employment are allocated to lower levels of government - entities and cantons (within the Federation of BiH). This contributed to the creation and perpetuation of "separate social capitals" in the country divided along ethnic lines and development according to ethnic and political interests of the governing political elites. However, it was at the same time necessary to have a single body in charge of coordination and harmonization of different entity and cantonal strategies, plans and documents which would act from the state level towards international actors (institutions, governmental and non-governmental organizations, associations and structures).

With the process of stabilization and accession to the European Union (hereinafter EU), the emphasis is being placed more and more on these processes which enable BiH to use international programs for support and development, join international networks, organizations and associations and regulate areas such as education according to international and accepted standards and requirements<sup>11</sup>. The specific position of the MCA enables it to act as an umbrella network coordinating other relevant social networks (primarily in the sphere of education, science, culture, sports, health and labor and employment) which should be aimed at *bridging* and *linking* social capital through "*fostering trustworthiness in the social environment*" and "*facilitating flows of information on available options*"<sup>12</sup> (UNDP: 2009, pgs. 17-18) resulting in social, economic and individual benefits. According to the assessment of the World Bank given in 2002 "*social capital-broadly defined as the networks, norms, and values that enable people to act collectively to produce social benefits-has been increasingly recognized as an essential element of peace building, reconstruction, poverty reduction, and sustainable development*"<sup>13</sup>. Unlike the majority of other countries in the region and in Europe, BiH has a Ministry linking different aspects of social capital, rather than them being dispersed, as a solid starting point, but is however not using the resources available to build on these possibilities.

The literature in the field of social capital reviewed in the introduction of the paper at hand clearly indicates a strong connection between social capital and economic benefits through the use of social networks, social interaction and strengthening communal ties. What the MCA as a "Ministry of Social Capital" can do in this regard is support, provide assistance, capacitate and network the pre-existing networks and institutions and coordinate, connect and strengthen them.

### 5.2. Selected Policy Options

Considering the possibilities of improving target areas (education, science, culture, sports, health, labor and employment) at the state level, three policy options can be used to address this issue:

1. Forming new ministries for each of the areas in such a way that they are dominantly represented in democratic systems in the region and Europe;
2. Maintaining the status quo;

<sup>11</sup> See more in: International Crisis Group (2009) *Bosnia's Incomplete Transition: Between Dayton and Europe*

<sup>12</sup> UNDP, United Nations Development Programme (2009.) National Human Development Report for 2009, *The ties that bind, Social Capital in BiH*, Sarajevo, pages 17 - 18

<sup>13</sup> World Bank (2002a) *Local Level Institutions and Social Capital Study*, Vol. 1. World Bank, Sarajevo, available at: [www.esiweb.org/pdf/bridges/bosnia/WB\\_LocLevInst.pdf](http://www.esiweb.org/pdf/bridges/bosnia/WB_LocLevInst.pdf), page iv

3. Organizational restructuring of the MCA in the Ministry of Social Capital devoted to the related fields, with the transfer of mutually unrelated sectors in other existing government departments which are closer to the areas for which these sectors are responsible.

**5.2.1. First option - forming of new ministries**

The formation of new ministries at the state level, such as the Ministry of Education, Culture and Sport, Labor and Employment, and Health, would unconditionally solve a multitude of problems accumulated in these areas, and would improve vertical information flow within lower levels of government and lead to a clearly constituted authority system. However, given the political situation in the country, the context in which government departments are formed and the need for political consensus on this issue, such a possibility is not probable in the near future, also because it involves transferring original jurisdiction of the entities, cantons and Brcko District at the state level. Such initiatives in the past have been repeatedly rejected, especially by the government of the Republika Srpska and failed despite lobbying and advocacy of the international community. In addition, this option would require more financial resources that, along with the consequences of the financial crisis, internal and external debt of all levels of government in the country and the budget deficit, is impossible to provide.

**5.2.2. Second option - Maintaining status quo**

Maintaining of the status quo is another possible option in the current situation, but considering the above, it is clear that it cannot be a solution to pressing problems nor can it provide the opportunity for development of social capital, or even stagnation, given that the countries of the region and the EU are developing much faster than BiH. This is creating a growing backlog which needs to be stopped urgently.

**5.2.3. Third (preferred) option - Organizational restructuring of the MCA**

After conducting an extensive analysis on the situation and a preliminary research, and taking into account all relevant factors, we believe that the reorganization of the MCA is the only possible, generally acceptable and financially viable option. This would also significantly allow improvements in the work of the MCA, progress of individual interrelated areas, and strengthen their connections with the aim of building, improving and accumulating social capital.

In the policy at hand, the terminology used for departments/sectors which are considered to remain within the MCA and are seen as social capital leaders is “keepers”, and for departments/sectors recommended to be moved to other ministries or state bodies is “reassigned”. Having in mind that there are too many actors involved within this institution, in order to sketch the problem the focus of this study will be placed on education and health as they come from the “keepers” field after eventually reassigning the existing departments/sectors within the MCA. The policy option advocated is as follows:

	<b>'Keepers'</b>	<b>'Reassigned'</b>
1	Health	Citizenship and Travel Documents (Dept.)
2	Education	Geology and Meteorology (Dept.)
3	Labour, Employment, Social Protection and Pensions	Personal identification and information: IDDEEA (Agency)
4	Science and Culture	Demining: MAC BiH (Commission)
5	Sports	
* Adding the Agency for Development of Higher Education and Quality Assurance within the MCA (which exists as an independent public organization, responsible for improving cooperation, quality, transparency and certification of higher education).		





## 6. Research Design

While identifying the main scope of this research, several challenges connected to MCA's availability of information such as relevant documents, reports and strategies have emerged since their Internet presentation is notably scarce. Despite the new website design which has been set up in 2014, key information, statistics, reports and assessments are still lacking.

Therefore, access to information was obtained using informal connections with several employees of three connected sectors at the MCA - all of which decided to be anonymous due to the non-disclosure atmosphere set up within the MCA limiting provision of information to the public (and researchers) without explicit approval of the Minister. Monitoring reports issued by the Centre for Civic Initiatives provided some missing information in a general sense (motions, legal drafts, general expenditure). The majority of information obtained within the preliminary research through informal contacts cannot be used in official capacity, but it does provide sufficient insight into the functioning of the MCA. At the request of the interviewed employees from two respective sectors, the MCA's management has responded positively. However, according to the Rulebook of the Ministry of Civil Affairs, the information obtained orally is not binding nor does it represent the official position of the MCA. Interviewed employees have decided to remain anonymous, citing their inability to issue the official score presented without the explicit approval of the Minister. Bearing in mind the political aspects of the functioning of the MCA and other ministries at the state level<sup>14</sup>, the questions are related strictly to the professional aspects of the performance of these employees' functions.

The apparent absence of information is yet another indicator showing how the MCA's staff is overcharged with too many tasks within existing departments, which results in poor communication, coordination, monitoring and reporting, hence providing a measure of MCA's effectiveness through their visibility and information provided.

### 6.1. Research Questions

**Q1:** Is the legislation regulating the work (scope of competences and modes of executing) adequate for functionally conducting the work of the MCA?

**Q2:** Is the MCA adequately organized to execute its competences, providing for the best results?

**Q3:** Are the MCA's human resources put to adequate use within the existing organizational structure?

**Q4:** Would reassigning some of MCA's competences (passports, protection of personal data, meteorology geology, demining, social, pension security) relieve the workload of the MCA, thus strengthening its ability to perform tasks and execute its competences in the sphere of education science and culture, health, sports, work and employment as cornerstones of state social capital?

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<sup>14</sup> Ethnic balance and the consequent differences in the attitudes of certain "sensitive" issues

## 6.2. Goals and Objectives of the Research

**The overall goal** of this research is to provide policy makers with information and analysis which supports the thesis/ assumption that increasing the level of social capital through re-forming aspects of work of the MCA will make proper use of social capital as a relevant factor of economic growth and sustainability, and will directly have an impact on increasing the level of generalized social trust between BiH citizens. More specifically, the paper will try to reach the following **objectives:**

1. The main objective of the policy is to demonstrate that the *Ministry of Civil Affairs should be primarily devoted to being a "Ministry of Social Capital"* for which it has the necessary preconditions.

### Specific Objectives:

- Efficiency of the MCA can be *increased through improvement in legislation and reorganization* in order to clarify the "modus operandi" of the MCA, procedures and coordination it conducts as well as its allocation of existing human and material resources.
- To demonstrate that *other Ministries on state level can manage, more efficiently, the work from some sectors* currently assigned to the MCA, enabling it to focus on its role as "Ministry of Social Capital".
- A reorganized and legislatively supported MCA could *focus on building and improving social capital* through: initiatives for increasing the portion of GDP being invested in Research and Development (R&D), as well as in other aspects of social capital (education, employment and health), and being devoted to creating and implementing more comprehensive strategies, documents and legislation proposals in this area.

### General Hypothesis

MCA is overcharged with too many competences and is thus prevented from executing its role as the "Ministry of Social Capital of BiH" and adequately producing economic and societal benefits.

### Working Hypothesis

**H1:** MCA is *de facto* a "Ministry of Social Capital of BiH", connecting the majority of social capital components on the state level (education, science, culture, employment, health).

**H2:** MCA possesses adequately capacitated and educated human resources that can be put to better use under an improved organizational structure.

*Research Methodology - Appendix 1*



## 7. Research Findings

### 7.1 MCA beneficiaries

The questionnaire form was developed with Google Doc tools, using open-ended questions to prompt respondents to think, express values and provide answers in their own words. The questionnaire contained 6 questions and 20 respondents were entered into the analysis as follows:

1. University of Banja Luka	42%
2. University of Mostar	0%
3. University of Sarajevo	33%
4. University of Zenica	17%
5. Other	8%

Respondents are equally represented by gender, female (50%) and male (50%) with M.S. or PhD degree, and engaged in university teaching process, university research institutes or centers. Anonymity of respondents was guaranteed in advance.

### 7.2. Cooperation with the MCA

Only 17% of all respondents did not know if their institution had any kind of cooperation with the MCA. 33% expressed that they cooperated together to a great extent, 42% to a somewhat and 8% to very little extent. 70 % of respondents who have been working on projects with the support of the MCA assessed the quality of their mutual cooperation as very good, 20% as good and 10% as moderate. In the first two questions, 2 respondents added that they see MCA as an important facilitator in gaining international funds, especially in the field of information flow, trainings and co-financing project application process.

25% respondents said that their institution uses international funds facilitated through the MCA to a great extent and 50% to some extent which coincidences with the level of respondents' involvement and satisfaction with cooperation with the MCA. Other 24% used either very little or no funds, or did not know the answer to the question. In the optional field to this question this question respondents expressed their positive attitudes towards the work of the National Contact Point (NCP) followed comments which state that they serve as an example of best practice and that forming national contact points for other areas would surely be helpful.

### 7.3. User perception on functioning of the MCA

It is important to stress that the respondents mostly come from technical and economic faculties which can be connected to insufficient understanding of the context of social capital, since 42% responded that MCA has very little impact on the level of social trust among BiH citizens. Other 50% recognize its role in this area to some and 8% to a great extent. Qualitative data shows that respondents are not completely informed on all the competences that the MCA is in charge of, but they recognize the problem in its setting: *"I believe that the part of other sectors needs to be out of the MCA because they do not fit in civil affairs by their nature"* and *"maybe more focus needs to be on some areas with more coordination in connected activities with other existing sectors."*

Almost all respondents are of the opinion that the changes in the MCA need to take place in order for the MCA to be able to fully demonstrate its role. 42% believe that MCA needs change to a great, 42% to some extent and 17% do not know. The next question relied on the previous one, and did not provide multiple-choice answers. Respondents were asked to identify the main areas for change and to explain their position. Answers confirmed that people from academia share the assumption expressed in the working hypothesis and problem questions in this study that MCA needs changes *“not in the sense of existing human resources, but more in their work organization and through connecting more with their beneficiaries.”* Also, the MCA’s existing organization is assessed as being slow and not quite adequate:

*“since too much time is spent on their mutual communication, data collection and statistical data processing, instead of working on harmonization of laws on lower levels, planning of ENFORCABLE strategy of development of HE and R&D (...), innovating outdated and inadequate standards and procedures, introducing QA&QM<sup>15</sup> through HE, expanding international cooperation, arranging benchmarking NPP, measuring of HE impact factors etc.”*

<sup>15</sup> Author note: Quality assurance & Quality management

Working hypothesis 2: “MCA possesses adequately capacitated and educated human resources that can be put to better use under an improved organizational structure” has been confirmed by beneficiaries since more than 70% assessed the employees of the MCA with whom they cooperated as *“very attentive and competent people, but there are only a few of them, and the organizational structure and organization of work are way too bureaucratic.”* Also, the importance of more information flow, better application services, transparency, analytics, accessibility and cooperation is emphasized in almost all answers which confirm the statement that when it comes users, the MCA should transform its coordinating role to a more facilitating one:

*“Within the Ministry, or otherwise, in coordination with the Ministry, it is necessary to build additional institutional capacity for technical and informational assistance to academic institutions in BiH. It is evident that the local academic community is absolutely lacking these services, regardless of whether they are inside or outside of the MCA BiH.”*

There is a gap in the respondents’ attitude when it comes to assessing the cooperation with the MCA. While assessing it as being at a (very) good level, with the answers provided to the open/ optional question, it is evident that they are quite critical of MCA’s work. The opinion of the respondents is that the MCA’s role in the field of science, education and research is poor and they recognize and understand challenges within their sectors. Respondents mostly do not understand the MCA’s coordinating role stating that it’s role is *“coordinating (whatever that means!)”*; *“unfortunately advisory”*; *“minor”*; *“insufficiently structured”*; *“quite approximate, distant from the researchers and support is quite limited (except in the framework of the NCP system)”*. On the other hand, they see this role as very important in the way it should become a *“basic hub for planning and development of HE and R&D on the state level”* as well as that it should *“not blindly follow the communication of the European Union, but create an environment for the development of higher education in accordance with the real needs and opportunities based on pre-accession process”*.

It is necessary to stress out one more time that the respondents were carefully selected and that in this sample other academia workers were not included. The idea was to assess the quality of MCA’s work with participants who already have been involved in this process. One recommendation for additional research would be to test the real situation in the field and to analyze how many university staff are familiar with the research possibilities provided through cooperation with this institution.



The other recommendation addressed to the MCA would be active enrollment of beneficiaries in planning activities, based on a critical analysis of current capacities. Respondents stated that including representatives from each sector is necessary since: *"MCA is often acting as a representative of interests and a voice of higher education institutions, and assesses their needs without prior consultation with representatives of these institutions"*. Also active enrollment of the MCA trained staff in education on project management with academia workers in order to bring closer the opportunities of the available funds. Respondents assessed the cooperation with NCP as the most valuable (through FP6, FP7, COST, CEEPUS, Basileus, Erasmus Mundus, Join SEE EU, WBC-INCO.net, etc.) and a good start in expanding these activities on other universities and faculties.

#### 7.4. Allocation of budget

At the beginning of this research it was not quite clear if international funding is provided through the MCA and the initial desk research did not provide sufficient information on what the actual role of the MCA is in this process. Freedom of access to information helped answer the question about the purpose of funds and money used in the field of culture, science and education in the period 2011-2013. Desk analysis showed that MCA has annual calls in this areas and a certain amount of returned grants was noticed. Therefore, the question on return of grants, visible in calls, was asked in order to identify the main cause of it.

The MCA provided the requested information within a legal deadline, in a very competent and professional manner and further explained that it does not initiate or empower users to apply, but that it only supports the interested potential beneficiaries of international funds in the application process. The MCA only follows annual budget limits (defined and approved by The Law on Budget of Institutions of BiH and international obligations of BiH) for this purpose and announces annual calls. When project proposals are completed, users directly apply to the foreign grant schemes and after the selection process, beneficiaries sign contracts directly with foreign institutions (e.g. EU Commission). MCA does not possess information on the implementation of the contract/ programs and/or any kind of indicators showing how many grant users were selected in order to assess the efficiency of the MCAs' intervention.

The analysis on the available data on the official web presentation of the MCA showed that the amount of money unused in calls is almost the same as the amount of money allocated to beneficiaries. In 2013, the grant for supporting the application process in FP7 was 450.000,00 BAM. Only 14 grants were awarded with the amount from 10.000,00-28.000,00 BAM. In the Decision on allocation of funds from the FP7 grant<sup>16</sup> of this call it is stated that these beneficiaries were awarded with 250.200,00 BAM in total and that the MCA will repeat the Call in September 2013 for the unused amount of 199.800,00 BAM. As available data show, the call was not repeated and until the end of the research, the budget of the intuitions of BiH for 2014 for the support of the application process in FP7 is half the amount for 2013. It amounts to 273.000,00 KM<sup>17</sup> in 2014 which is half compared to 2013 when it was 500.000,00 BAM. It is clear that the unused 199.800,00 BAM in 2013 was reallocated, and the budget for this purpose is reducing.

<sup>16</sup> Decision on allocation of funds from the grant "Programs for the preparation of projects and potential candidates for funding from the grant EU-FP7" for 2013 available at <http://mcp.gov.ba/vijesti/FP7%20bosanski.pdf>, accessed on 11.4.2013.

<sup>17</sup> Official Gazzete of BiH nr 100, 17.12.2012. pg 36 available at <http://www.sluzbenilist.ba/Sluzbeni%20dio/Sluzbeni%20glasnik%20Bih/2012/broj100/Glasnik100.pdf> and Official Gazzete of BiH nr 104, 31.12.2013. pg 36, available at <http://www.sluzbenilist.ba/Sluzbeni%20dio/Sluzbeni%20glasnik%20Bih/2013/broj104/Broj104.pdf>, accessed on 15.4.2014.

<sup>18</sup> Facilitation is the skill of relieving, fostering of the process, enabling discussions to reach an agreement and achieving agreed. The aim is to facilitate the inclusion of all pressures. Facilitation enables gathering, empowering and encouraging actors to recognize their capacity and to agree on common action.

### 7.5. The role of the MCA as facilitator<sup>18</sup>

As respondents from universities stated, the role of the MCA in the application process needs to be strengthened with strong recommendation that the MCA becomes more proactive. The MCA needs to be recognized as a facilitator and as such encourage and stimulate potential beneficiaries to apply. Flow of information is crucial for achieving a two-way communication in this aspect, with a defined monitoring and evaluation system for the entire process. It is absolutely necessary to gather and process data on this level, as it will serve as an indicator for better planning and implementation of policies and strategies.

This point of view was confirmed in the face-to-face interview with Professor Nihad Fejzić, Dean of the Veterinary Faculty in Sarajevo, that the MCA does not take initiative when it comes to training of university staff nor does it encourage potential beneficiaries to apply for support grants. It is known that the academic community in BiH does not have experience in project-oriented activities, but rather in academic research, and they are not familiar with project methodology or terminology, except for those who have international experience, but such profiles are rare at BiH universities.

When Professor Fejzić was appointed Dean, he organized staff training on project management and project writing skills. He invited trained staff from the MCA who provided at the training the most important guidelines and introduced available programs, project methodology and donors demands:

*"I combined the work from different experiences. I had an idea to organize a seminar on how to write European projects. (...) I wrote a letter and people from the MCA came and also I gathered my entire teaching staff. I organized that to initiate open discussions between them. (...) I think they would work more if they were more active, and I mean the academic community. (...) I don't know if anyone else did something similar to this training at the university."*

Since one of the identified recommendations is to strengthen MCA's facilitation with the academic community in order to initiate first contacts with potential grant users, with emphasis on their informative and educational role, professor Fejzić stated that: *"In this condition it would be very positive if The Ministry was to become such an institution."* Professor also agreed that there are well educated and competent employees within the MCA, especially in the NCP, who can contribute to this process.

In this regard, the Veterinary Faculty in Sarajevo serves as an excellent example of how the management of universities can help the process of university staff capacity building for project management and implementation. Unfortunately, the Veterinary Faculty is a rare example of a faculty which develops inter-entity cooperation through research projects, has active student mobility with high participation in international programs through several European partnerships: *"If we do not take advantage of this opportunity, then we are the ones to blame."* Interviewed employees of the MCA stated that the Ministry *"does not have the mandate for conducting trainings, at least not strictly"*. With that being said, it can be noticed that there is enough space for introducing to the MCA such activities in order to use the opportunities of available funds. One of the MCAs' crucial coordinating roles is coordination with lower level institutions in order to secure necessary approvals for participation of BiH in international programs. That process is often slow, facing many challenges and often when everything is almost completed something is missing (e.g. approval from 1 entity or canton of total 13 ac-



tors) and all the effort proves useless. As respondents from the MCA stressed out: *“It takes time to finish the consultation process with lower levels and then follows informing the public. Superhuman efforts are necessary to keep doing something that is meaningful.”* The biggest problem they see in this case is the legal framework, since not all laws define higher instances, in this case the MCA. Every institution can work separately since there is no legal obligation towards higher levels:

*“They have their mandate but there is no obligation, they can sign agreements with other countries (!) (...) We do not have legislation, we have legislations. We do not have a system, we have systems. We do not have a constitution, we have constitutions. We do not have a state, we have states. We are the EU, we have the principle of subsidiarity in the field and BiH is an unsuccessful experiment of the EU Constitution.”*

## 8. Ministry of Social Capital

Since both beneficiaries and employees of the MCA agree that the MCA is overcharged with too many competences, without clear definition of what its coordinating role precisely means, separate ministries are their first argument when it comes to restructuring state level institutions. As situational variables shows, there is an evident lack of political will for undertaking such activities, which also implies huge amounts of money, the conversation with respondents included testing their opinion on measures and policy option proposed in this study.

Employees of the MCA had a very positive reaction to the presented policy option since they are constantly exposed to critics both from the public as well as from their colleagues from other public service institutions: *“When we say we are not competent for that field, we just coordinate, they always ask: what exactly do you coordinate? It is frustrating! (...) You lose credibility with your colleagues and to the outside, but many things do not depend on us.”* Since health, education, science, research, sports and culture are social capital fields; the assumption was that they had to have a certain contact point, especially when it comes to local and international projects, policies and strategies. Therefore, after introducing the idea of having such a ministry of social capital, the MCA employees emphasized that they often have to cooperate between listed sectors, but never did with meteorology or demining<sup>19</sup>. They assessed mutual cooperation as very good and they help each other by having an “open doors policy”.

This finding is valuable since the presumption on having a Ministry of Social Capital would not be such an irrelevant idea when taking into account that efficiency could be achieved if it (the Ministry) were to stay within the same institution, but with fewer departments than now. *“The health sector cooperate the most with social work<sup>20</sup> and education, but as well with science”* and the education sector is *“Inevitable linked, through IPA, for example with the health sector when it comes to diploma recognition.”* Unfortunately, there was no consensus on applying for health programs towards the EU and if there was, their mutual cooperation would surely be even stronger. When discussing with employees of the MCA the potential advantage of having all these sectors connected within one institution, they noted that this structure is unique compared to the rest of the world, but they were in situation when, for example, discussing this issue with international colleagues some of them recognized that the idea to have a Ministry gathering these sectors would be valuable: *“one Italian told me that they would like to have such an institution.”*

<sup>19</sup> The reason for lack of cooperation is the nature of the areas in which they operate, and which are interconnected in the sectors of social capital, and not affiliated with respect to the area of citizenship, passports, geology, meteorology and demining.

<sup>20</sup> Department of Labor, Employment, Social Protection and Pensions

As for reassigning identified departments from the MCA, all respondents agreed that the current state is slowing down the work of the MCA and would definitely: *“reduce the burden and the minister would be more accessible.”* Burden on the Minister in dealing with this enormous scope of jurisdiction is visible in monitoring reports of the CoM’s work: *“At all meetings of the Council of Ministers held in the 2013 (...) the most recorded absences were those of the Minister of Civil Affairs Sredoje Nović and Minister of Defence Zekerijah Osmić, who were not present at even a quarter of all sessions.”*<sup>21</sup> The same statistics were recorded for the previous year, 2012. According to these reports, the majority of legislation proposed by the MCA relates to the fields of reassigned departments.

<sup>21</sup> Annual Report on monitoring the work of the Council of Ministries of BiH for the period 1.1-31.12.2013., CCI, Sarajevo, 2014, pg 14

It is difficult to assess the efficiency of the MCA’s work, since there are too many competences. While analyzing annual reports on the work of CoM of BiH, it is easy to conclude that the MCA needs to be more efficient. A slight shift can be noticed when comparing reports from 2010, 2011 and 2012. As for this study, it is important to emphasize that MCA started to recognize itself as an important catalyst of social capital since its activities are now more oriented towards sectors identified as social capital areas:

*“What is especially significant in the work of the MCA in 2012 is the strong project activity. This indicates the kind of proactive approach of employees in various sectors as a clear commitment on working to strengthen MCA sectors themselves but as well a qualitative contribution to the development of different areas of life in BiH, such as health, education, culture, science, etc. Therefore, European Integration and everything related to it, was one of the priorities of the Ministry.”*<sup>22</sup>

<sup>22</sup> Report on the work of the Council of Ministries of BiH for 2012, Sarajevo, May 2013, pg 64

## 9. Competences, organization and human resources of the MCA

According to the Law on Ministries and Other Bodies of Government of Bosnia and Herzegovina, the competences of the MCA regarding the sectors closely related to social capital (labor, employment, social protection, health, education, science, culture and sport) are limited to *“execution of duties and tasks within the competences of BiH relating to the establishment of basic principles of coordination of activities, alignment of plans of entity authorities and definition of strategies pertaining to international cooperation”*. However, there are no legal or informal documents or instructions issued by the CoM, the MCA or BiH Parliament that define the *“basic principles of coordination”*, leaving the most important task assigned to the MCA up for interpretation to the MCA employees and officials. Depending on the MCA department in question and general political climate, these duties may entail anything, from simply notifying the lower levels of government to actively working on obtaining their approval for projects, activities or implementation of strategies, plans or legally binding agreements. Refusal of just one lower level ministry may, and often does, result in failure of implementation in term, costing BiH, its institutions and their beneficiaries financial resources, access to international networks and associations, support and capacity improvement.

The citizens of BiH are thus denied the full scope of their human rights - primarily related to health and social protection, education - as well as an opportunity to improve quality of life. In interviews conducted with MCA employees the absence of any definition or set mechanism of coordination was marked as the primary obstacle in their everyday work. The lack of any sanctions or mechanisms of enforcement enables lower level ministries to deny their participation in international programs and associations, projects, research, data bases or activities and to





choose not to obey legally binding international obligations assumed by BiH. Introduction of a defined and elaborated process and mechanism for coordination would, according to the interviewees, significantly improve their efficiency and produce positive results for beneficiaries and citizens. Considering the fact that each of these departments have to coordinate with 13 lower-level ministries (two entity ministries, one in Brcko District and 10 cantonal ministries in the FBiH) and obtain their approval for every project application, membership in international network or association, every state level or international strategy and every international agreement - all of which without any established process and without possibility of sanction or encouragement to comply - it is clear that any work getting done is solely dependent on personal willingness of employees and officials and their efforts, rather than on regulated procedures standard for public administration. Furthermore, design, alignment and coordination of plans and strategies become almost impossible in cases when entity authorities refuse to comply. BiH does not have a unified system of health protection or education, and adopted strategies in this field are not implemented so citizens are not able to receive medical treatment (other than emergency services) outside of their canton/entity/district and there is very little to no mobility of students between the eight public universities due to mutual non-recognition of curriculums and qualifications. According to the interviewees from the MCA, data collection and reporting is also extremely difficult because lower-level legislation does not recognize the obligation to provide data or report to the state-level Ministry. Integration in the European Higher Education Area (EHEA) or the WHO, for instance, is severely compromised due to these problems and adequate statistics in fields coordinated by the MCA is either non-existent or partial.

## 9.1. Organization and Human Resources

According to the Rulebook of Internal Organization of the Ministry of Civil Affairs of BiH (Rulebook), the MCA has 12 organizational units:

- Cabinet of the Minister
- Cabinet of the Deputy Minister
- Office of the Secretary of the Ministry
- 9 Departments :
  - Legal, Personnel and General Affairs
  - Financial - material Affairs and Internal Support
  - Citizenship and Travel Documents
  - Labor, Employment, Social Protection and Pensions
  - Health
  - Education
  - Science and Culture
  - Sport
  - Geodetic, Geological and Meteorological Affairs

The MCA also incorporates the Agency for Identification Documents, Registers and Data Exchange of BiH (IDDEEA) and the Demining Commission.

The 12 organizational units (without IDDEEA) employ a total of 193 people: employees (55), civil servants (99), officials (Minister and Deputy), advisors with special status (6), assistant ministers (9) and heads of sectors and divisions (21) and the Secretary of the MCA. In terms of qualification, civil servants hold university degrees while employees hold secondary education degrees.

<sup>23</sup> Revision report on the Ministry of Science, Education and Sports of Croatia for 2012 issued by the State Office for Revision, available at: <http://www.revizija.hr/izvjesca/2013-rr-2013/korisnici-drzavnog-proracuna/ministarstvo-znanosti-obrazovanja-i-sporta.pdf>

Performance-wise, this means that 154 employees and civil servants are managed by 39 officials - a ratio of almost 4:1. The closest comparable ministry could be the Ministry of Science, Education and Sports of Croatia with 395 employees<sup>23</sup> (284 domestic and 111 international) with 55 officials in management producing a ratio of 6,2:1. Additionally, the Croatian counterpart has extensive state competences in all areas and coordinates a network of lecturers and teachers abroad.

In order to support the managing structure of the MCA, it employs 26 administrative assistants/technical secretaries and 5 drivers which is excessive considering the scope of work and amount of local travel. In this respect, our recommendation is to reduce the number of admin. assistants by 4 and drivers by 2.

<sup>24</sup> Assistants to Minister lead sectors, while heads of departments manage departments within the sector.

The job descriptions of assistant ministers and heads of divisions as stated in the Rulebook are almost exactly the same<sup>24</sup> (the difference being who they report to), leading to duplication of tasks especially in those departments which have fewer divisions. Our recommendation is to reduce the number of Assistant Ministers to two - one for Labor, Social Protection and Health and the other for Education, Science, Culture and Sports.

In order to improve the organizational capacities of the MCA, the two departments in charge of servicing the needs of the Ministry (Legal Affairs and Human Resources and Financial-Material Affairs) can be integrated into one department - Dept. of General Affairs which would reduce the number of administrative employees and centralize the responses to needs of "productive departments". The financial consequences of this reduction would enable employment of more needed personnel - experts in departments. This would be in accordance with the research results from beneficiaries who overwhelmingly stated that the MCA needs more expert staff in the process of liaising and facilitating. We recommend that the MCA should be structured as a hub connecting institutions and associations in the country and facilitating their access to international organizations, networks and projects. A large portion of facilitation should be devoted to promotion, training and encouraging application for international projects which carry ample funding and development opportunities.

## 9.2. Coordination

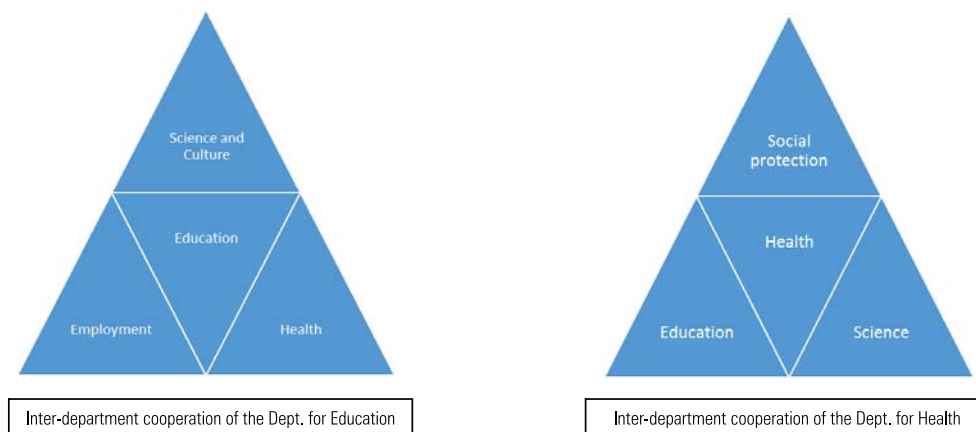
The coordination of different departments/divisions within the MCA is carried out by the Expert Collegium of the MCA (Minister, Deputy, MCA Secretary, advisors and Assistant Ministers), the Coordination Collegium (MCA Secretary and Assistant Ministers) and permanent and temporary commissions, work groups and working bodies. The Rulebook states that these bodies meet occasionally - according to needs and not on regular basis (annually, monthly, weekly) which would enable effective coordination of departments/divisions and management. MCA employees interviewed stated that no regular strategic/planning/coordination meetings are held and that cross-sectorial and cross-divisional cooperation is done "on demand" when mutual projects demand cooperation. The majority of cooperation and exchange within the MCA is done informally through interpersonal contacts, e-mail correspondence and meetings. The lack of structure in the area of coordination manifests an ad hoc approach that hampers efficiency, strategic planning and development and obstructs monitoring and evaluation.



## 10. Conclusions and Policy Recommendations

### 10.1. Cooperation and coordination within the MCA

The Law on Ministries and Other Bodies of Government of BiH defines ministries as bodies of government performing in “one or more related fields”. The MCA, however hosts a number of departments which are not related, making organization and coordination extremely difficult. This requires a large number of consultants and a managerial structure versatile in areas of expertise completely non-related to one another (such as demining and sports). In the interviews and informal conversations conducted with MCA employees, the departments covering the aspects of social capital are the ones most closely related as reflected by information we received from interviewees:



The structure of cooperation and field-specific relatedness of these fields lead to the conclusion that these departments should be kept within the framework of one Ministry with an improved mechanism of coordination based on strategic approaches and planning conducted during regular meetings of Expert and Coordination Collegiums and permanent and temporary commissions. Regular strategy planning meetings of Collegiums should be held at least once every 6 months while coordination meetings should be held at least once a month. Inter-departmental meetings should also be held on bi-weekly basis determined by the current state of projects in need of closer cooperation.

### 10.2. Reassignment

In the interviews with beneficiaries, employees of the MCA and the former director of the Agency for Development of Higher Education and Quality Assurance (HEA), Professor Nihad Fejzić, we concluded that although consultation and coordination of HEA with the Dept. of Education do exist, there is a need for further improvement of this relationship. Legally, state agencies can be attached to ministries or be stand-alone bodies who report to the Chairman of the CoM. The majority of state agencies are stand-alone simply due to the fact that no state ministry exist in their field of work which is not true for HEA and there is no functional reason for it to operate outside the MCA. The process of accreditation of HE institutions in BiH is painfully slow as well as the process of quality improvement, and the MCA can certainly contribute to the Agency’s efficiency in this respect.

Non-related departments - Dept. of Legal, Personnel and General Affairs (and the IDDEEA), Dept. of Geodetic, Geological and Meteorological Affairs and the Demining Commission should be transferred to other ministries more closely related to these fields as follows:

### Ministry of Security:

- Dept. of Citizenship and Travel Documents
- IDDEEA
- Demining Commission

### Ministry of Communications and Transport:

- Dept. of Geodetic, Geological and Meteorological Affairs

<sup>25</sup> "Constituent parts of this Ministry are also the following administrative organizations: Direction for Coordination of Police Bodies of Bosnia and Herzegovina, Border Police of Bosnia and Herzegovina, State Investigation and Protection Agency, Forensic Examination and Expertise Agency, Personnel Education and Professional Development Agency, Police Support Agency, and the Service for Foreigners' Affairs", official web site of the Ministry of Security of BiH: <http://www.msb.gov.ba/onama/default.aspx?id=3053&langTag=en-US>, accessed on 14.7.2013

<sup>26</sup> Official web site of the Ministry of Security of BiH, section About us: <http://www.msb.gov.ba/onama/default.aspx?id=3053&langTag=en-US>, accessed on 14.7.2013

Integration of the Dept. of Citizenship and Travel Documents and IDDEEA within the Ministry of Security would allow for a more efficient and functional protection of personal data enabling cooperation and data-sharing with police and security agencies and a better connected security system in the country<sup>25</sup>. Ministry of Security, within its jurisdiction, "creates, maintains and implements immigration and asylum policy in Bosnia and Herzegovina and regulates the procedures and the way in which services are organized in relation to the movement and staying of foreigners in Bosnia and Herzegovina"<sup>26</sup>. This is fully compatible with the work of the Department for Citizenship and Travel Documents in addition to other responsibilities of the Ministry of Security in the sphere of security and data protection of the citizens of BiH. As the Ministry of Security is de facto the Ministry of Internal Affairs - which usually includes competences over citizenship and travel documents, the reassignment would be a logical step. Since demining is of crucial importance for security of citizens in BiH, the transfer to the Ministry of Security would be a natural progression also allowing for better inter-agency cooperation in the field of domestic security.

Mine action in security and peace studies implies an integral part of the security system, and the Law on Demining in Bosnia and Herzegovina, Article 2 - paragraph 1, explicitly states: "The demining activities, in terms of this law, **is the work important for the security** of Bosnia and Herzegovina and the environmental and human health (highlight S.M. and M.K.)." Therefore, it is unclear on what grounds the Demining Commission is under the MCA and not the Ministry of Security, where it clearly belongs considering its scope. The Operational Plan for mine action in BiH for 2013 states that according to estimates from December 2012 "suspected area in Bosnia and Herzegovina is 1262.82 square meters, representing a 2.46% relative to the total area of Bosnia and Herzegovina", and estimates that "locations contaminated by mines/UXO directly affect the safety of 540,000 people, of whom 152,000 in communities with high vulnerability, 180,000 in communities with medium threat and 208,000 in those with low vulnerability." Integration of the Demining Commission in the scope of security would enable the improvement of the security system, linking related sectors, departments, bodies and agencies, a unique and comprehensive security financing system and better local and international collaboration.

Joining the Dept. of Geodetic, Geological and Meteorological Affairs to the Ministry of Communications and Transport is connected with its competences in the field of construction and maintenance of road infrastructure, because the planning and design of roads is closely related to its field of geodesy, since BiH does not have a state ministry for energy.



Based on the results of our research and reports issued regarding the performance of the MCA<sup>27</sup>, we have concluded that due to a wide scope of activities currently performed by the MCA, it is in fact unable to competently handle the scope of work assigned to it. Therefore our policy recommendations suggest an organizational restructuring which would entail the transfer of some of the current departments of the MCA - over to the other Ministries on state level. This *does not represent the introduction of new competences on state level or the transfer of additional competences from the entities to the state* and therefore should not be a subject of major political deadlock or reluctance. A similar thing has already been done with the Law on Amendment of the Law on Ministries and Other Bodies of Government of BiH<sup>28</sup> adopted in October 2012. These amendments entailed a series of transfers of departments, agencies and competences between the state level ministries and forming new organizational subjects. Feasibility of the project would, for this reason, not be compromised as *the recommendations we would put forth would follow the pre-existing patterns and procedures* of political and legislative decision-making.

<sup>27</sup> CCI Report 2013 a and 2013 b

<sup>28</sup> Law on Amendment of the Law on Ministries and Other Bodies of Government of Bosnia and Herzegovina available at: [https://www.parlament.ba/sadrzaj/zakonodavstvo/ranije\\_usvojeni/default.aspx?id=26198&langTag=bs-BA&pril=b](https://www.parlament.ba/sadrzaj/zakonodavstvo/ranije_usvojeni/default.aspx?id=26198&langTag=bs-BA&pril=b), accessed on: 14.7.2013.

Organograms showing the current and the proposed organizational structure of the MCA in Appendix 2

### 10.3. Mechanisms of coordination and alignment

The second part of policy recommendations would presume suggestions on improving the lower-level legislation (bylaws, CoM's orders and internal MCA procedural documents) regulating the "coordinating role" of the MCA. This will allow the MCA to avoid functioning in "grey areas" where its role is unclear or insufficiently provided. This does not presume a thorough re-modification of the pre-existing legislation which would not be feasible, but rather a suggestion of definitions of processes and mechanisms of cooperation with clear deadlines for response by the lower-level ministries, an obligation to report and provide information to the MCA and sanctions as well as encouragements for (non)compliance. The documents regulating coordination should list specific steps for each type of coordination (strategy alignment, planning and implementation, reporting and providing data, provision of authorization for membership in international organization, signing of international documents, charters and agreements, application for projects etc.).

To demonstrate the improvement which can be made by the introduction of these modifications, we have created an alternative organizational diagram for the current functioning of the MCA as well as one outlining the MCA's functioning with the suggested modifications (Appendix 2).

## 11. Conclusion

This study suggests policy improvements in the field of social capital through formal institutions as a way for it to evolve and be recognized as a true force for the society as a whole, by linking social capital areas which can provide various positive impacts in BiH and increase social trust among its citizens. The ability of the MCA to foster cooperation of different institutions and use international networks, associations and projects can serve as a stimulus for improvement and building of local networks which in turn builds social trust. The fact that 42% of MCA beneficiaries who took part in our research stated that the MCA has very little influence on social capital demonstrates the need for the MCA to become more actively involved in this respect and use its potential to the full extent. The public perception of the MCA, largely tainted by public scandals and protests over the past few years (JMBG protests and ERASMUS + project membership) can be significantly improved should its scope of duties become more focused, coherent and represented as such.

Events in February have served to prove the initial observation that the cleavages in BiH are dominantly of social and not of ethnic character and have exposed the low level of trust citizens have towards state, entity and cantonal authorities and institutions. Frequent calls from protesters for better education, employment and access to health services and other social services reinforced our determination to pursue this path for policy research in light of these occurrences and the potential they carry for future social change. Recent political rhetoric is justifying the demands of the citizens which could prove positive for the outcomes of the proposed policy measures.



## APPENDICES

## Appendix 1 - Research Methodology

### Situational variables

- Political system and constitutional structure of BiH under Dayton Peace Accords
- Lack of political will to promote and strengthen social capital on state level
- Lack of elements for social cohesion
- Economy in the process of transition within the post-conflict society
- Current economic crisis

### Policy Variables:

- Support programs and technical assistance provided by the MCA and foreign organizations and institutions
- Unclear and ineffective organizational structure of the MCA
- Use of human and material resources and social capital within the MCA
- Competences of the MCA that can be carried out more effectively by other ministries (ministries of security, human rights and refugees, communication and transport)
- The Law on Ministries and Other Bodies of Administration of BiH regulating the work of the MCA

The output of this research will be a clear policy analysis on institutional empowerment with the aim of strengthening the capacity of a society to produce social capital among its citizens in BiH, directly affecting the consequences of the global economic crisis in a positive way. This paper will contain the needed components that connect areas of social capital within the MCA, i.e. on state level, and that concern institutional challenges for providing institutional and social capital that are now not considered not even in its infancy. Also, the paper will provide much needed data to encourage and facilitate discussions on inter and intra-sectoral reorganization as to indicate the benefits of social capital and if it's understood in a way that could produce material capital and its further management. One of the most important outputs, as we can see now, are the identified possibilities for improving government efficiency in this complex state structure in order to generate adequate social trust as precondition for creating and managing social trust.

### Measurement and indicators

As Fukuyama (2011) states, the measurement of the social capital is questionable because of the absence of consensus on how and what to measure, and generally there is a huge gap and criticism of it. The main reasons for criticism are the different interpretations of social capital and which is mainly measured through general social trust in one state and often inconsistent. Therefore, the literature suggests that empirical data are much needed in this kind of research. This is why we have identified to analyze MCA to get data that will help us to interpret the idea of social capital in the BiH context and identify ways for its improvement. For example, the support programs funded by the EU (ex. Framework Program 7 - FP7) if we measure how many organizations applied for the program in the last calls for application we can identify the state of (or lack of) human and NGO resources which could use these programs and provide long-term goods in selected areas but also identify the role of the MCA in the way we see it as the "Ministry of Social Capital". Later that data will be interpreted in the context of social capital in transition/potential candidate countries and use the indicator for testing our hypothesis on the MCA's work overload.





In 2009, UNDP launched the National Human Development Report for 2009: The ties that bind, Social Capital in BiH which explores the relationship between social capital, social inclusion and human development in BiH. This research is the continuation of the previous study The Silent Majority Speak which showed that social bonds and solidarity in BiH are weak. The study on social capital in BiH measured a wide range of social distance and trust between citizens of BiH, with emphasis on networking poverty. This study is created in order to serve as a baseline study and evidence for policymaking. Therefore, data available in this study will be used to show the level of social trust in BiH, in order to explore the competences of the MCA since there is „the need to build stronger and more inclusive social capital“ (UNDP, 2009: 56) and we see that MCA could become that generator.

Therefore, the selected indicators are directly connected to research questions and the hypothesis in order to test them and show, verified through the theory of social capital, that the MCA could perform better and help individuals, organizations, networks and itself by being dedicated to the 'social capital areas' for producing societal and economic benefits in long-term development of the country.

## Indicators

### ***11: Indicators for measuring support programs and technical assistance carried out by the MCA***

- Number of applicants/approved programs/amount of money - unused
- National Contact Points (NCP) BiH documents
- Calls for applications for applying to MCA's programs
- MCA/CoM annual activity reports and plans
- Results of the program beneficiaries in FP7
- Interviews/survey with the MCA's beneficiaries

### ***12: Indicators for measuring MCA's effectiveness***

- Documents, reports and analyses carried out by the local and international organizations (Centre for Civic Initiatives, EU progress reports, World Bank, Doing Business, Global Competitiveness Report)
- Interviews with the MCA employees
- The Law on Ministries and Other Bodies of Administration of BiH

### ***13: Indicators for measuring measure MCA's human and material resources:***

- Number of employees per sector
- Annual budget of the MCA aggregated by the sectors
- No. of session which the MCA's minister attended

## Methodological Approach

Since the MCA is in charge of every sector that does not have a separate ministry on state level responsible for it, and as such covers a wide range of competences, the methodology used in this research will be focused on the *qualitative approach* oriented towards MCA's employees, as well as on the *quantitative approach* oriented towards the Ministry's beneficiaries (semi-structured questionnaires), and the content analysis of the existing legislature.

**a) Hermeneutics:** In order to reach the objectives of the research at hand, it is crucial to examine the existing legislature regulating the competences, resources, jurisdiction and operation of the MCA by analyzing the strengths and weaknesses of these documents and how they reflect on the work of the MCA, as well as to assess the possibilities for improvement and clarification of the existing legislation.

### **b) Semi-structured interviews/questionnaires:**

1. In order to analyze the work of the employees from the "keepers" field within the MCA, as well as their opinion on the position of the related sector, semi-structured interviews were conducted with MCA employees. Service providers (1 per sector: health and education) were asked about their position within the MCA, their opinion on the overall functioning of the MCA and whether improvement and restructuring of the MCA would foster their work in a way that they could produce better results.
2. Since the hypothesis of this study is that the MCA is overcharged with competences and that one of the proposed feasible solutions would be to reassign some of the MCA's departments/sectors to other state ministries, the idea initially proposed within this policy study was to conduct the same interviews with stakeholders from the "reassigned" field. The idea behind this was to test the willingness of other institutions to take over some of the MCA's competences and to test their adhesiveness to the idea of this policy proposal. This analysis is missing since the Parliamentary Assembly of BiH voted for the dismissal of the Minister of Security who was identified as a respondent from the "reassigned" group and considered as a politician who could advocate for the proposed policy option. Nevertheless, this idea can be used in exploring advocating activities and for further policy research in this domain.
3. *Beneficiaries of the MCA:* Since beneficiaries are directly affected by the MCA's work, complex structure of the MCA and the results on their mutual cooperation need to be discussed. Since a particular focus has been placed on education, research and science, and in order to test their involvement and cooperation with the MCA, online semi-structured interviews were conducted on 4 out of 8 BiH public universities, as direct beneficiaries of support programs. The questionnaire was addressed to employees of selected universities who are engaged in the teaching process, with a special focus on those who participate in support programs through scientific institutes and faculties. The questionnaire was sent to the following universities:
  - University of Banja Luka
  - University of Mostar
  - University of Sarajevo
  - University of Zenica



The questionnaire consists of 6 multiple-choice questions, with each question containing an optional field for additional explanation. The analysis was conducted according to the data collected from 20 respondents from 3 universities (the University of Mostar failed to respond to the request).

An additional activity was undertaken in order to further discuss the proposed policy option and state of education, with emphasis on the role of the MCA. In May 2014, a face-to-face interview was conducted with Professor Nihad Fejzić, the Dean of Veterinary Faculty in Sarajevo, who has implemented several projects through support grants, but also was the Director of the Agency for Development of Higher Education and Quality Assurance of BiH (HEA).

### **Data Collection and Processing**

In accordance with the previously developed questionnaire, data was collected in the period between March and May 2014. In order to be able to compare the responses and perceptions of different respondents and sectors, the questionnaire contained the same set of questions, with minor changes to questions related to the specific areas of the respondents' work.

The primary data was collected from the official public sources (laws, documents, reports, etc.) and documents made by organizations which monitor the work of state institutions.

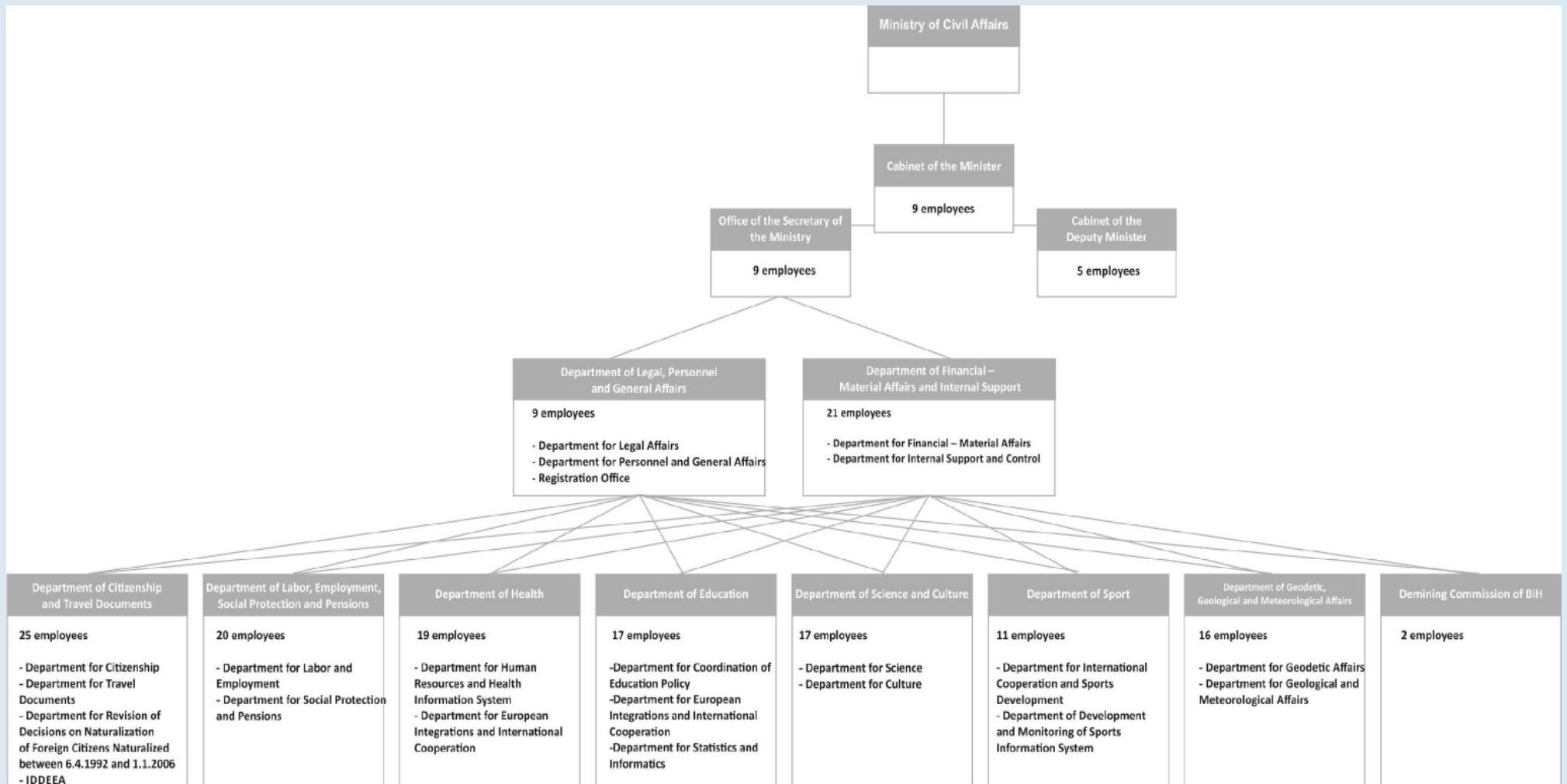
After initiating direct, informal and personal contacts with employees of the MCA and other state ministries, there was a need for undertaking formal calls to interviews appeared for all government employees and formal access has been approved. Some of information, insights and data used in this research were obtained through informal communication with employees from the MCA and the Ministry of Human Rights and Refugees of BiH. The main challenge of this process was gaining access to this target group.

As for the MCA's beneficiaries, an online questionnaire was created with simple Google Docs tool and addressed to carefully selected academia employees at the university departments for international cooperation and faculties who have already been involved in some international programs (e.g. FP6, FP7, COST) in order to assess their previous experiences with the MCA. In obtaining the information on the international and local funds that the MCA is coordinating, the Law on Freedom of Access to Information in BiH was used and the MCA responded within a statutory deadline.

During the face-to-face interviews, representatives from the selected sectors asked for anonymity, which is respected, and the opinions presented in this study reflect their own and not the official position of the institution from which they come.

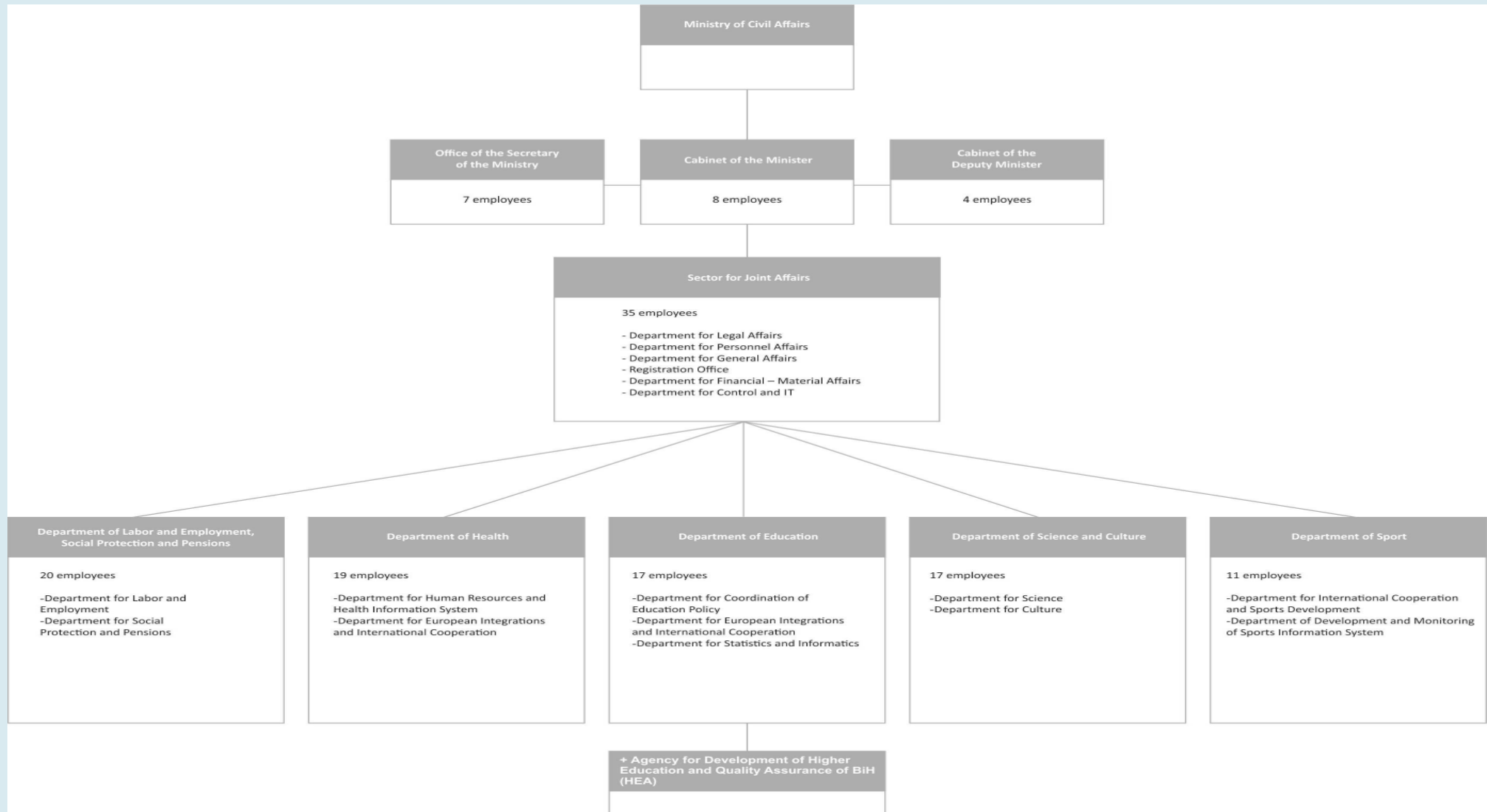
12.2. Appendix 2 – Organograms

a.) MCA - Current state





b.) Proposed Policy Option



**Appendix 3 - Acronyms**

BiH	- Bosnia and Herzegovina
CoM	- Council of Ministers of Bosnia and Herzegovina
EHEA	- European Higher Education Area
EU	- European Union
HE	- Higher Education
HEA	- Agency for Development of Higher Education and Quality Assurance of Bosnia and Herzegovina
IDDEEA	- Agency for identification documents, registers and data exchange of Bosnia and Herzegovina
BH MAC	- BH Mine Action Center
MCA	- Ministry of Civil Affairs of Bosnia and Herzegovina
NCP	- National Contact Point
R&D	- Research & Development
WHO	- World Health Organization



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