



# Ministry of Social Capital

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## What is social capital and why do we need it?

Social capital is one of the preconditions for economic success and sustainable development. The basic assumption behind social capital is that participation in different social networks, as well as communal ties resulting from it, can improve **cooperation, dissemination and exchange of information**, foster social **trust**, regulate norms of interaction and encourage **solidarity**. All of these elements contribute to building a more cohesive and inclusive society which in return facilitates social and economic interaction. The significance of social capital in Bosnia and Herzegovina is often overlooked, since the concept is relatively unfamiliar to the local academic community, decision-makers, politicians and general public.

Fostering trust in the social environment is a long-term process due to the fact that the country is still recuperating from the conflict which violently ripped through social ties and divided the society along ethnic lines. Despite the efforts of the international community and local civil society aimed at rebuilding broken ties and re-establishing social trust – social and professional networks and associations are still homogenous and enclosed within ethnonational borders. Such circumstances demand strategic institutional engagement of state-level authorities given that: “(F)ormal 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).

Measuring social capital is extremely complicated and although no universal scales and indicators have been adopted, researchers and academics agree that a society rich in social capital is characterized by:

- High quality of education (especially higher education)
- Adequate investment in science, research and development
- High quality of health care accessible to all citizens
- Adequate social protection and efficient employment
- Attention dedicated to culture and sports

## Education, science, culture, sports, health, employment and social protection – key areas for social capital development

The circumstances surrounding the creation of the current political system in Bosnia and Herzegovina conditioned a division of competences over key social capital areas between different levels of government – entities, cantons and Brcko District. On state level, the umbrella institution is the Ministry of Civil Affairs of BiH (MCA) organized in nine departments - two of which concern general affairs (legal, personnel and financial). Apart from the Department of Citizenship and Travel Documents and the Department of Geodetic, Geological and Meteorological Affairs – all other departments are in charge of areas of social capital. Although the MCA does not have direct competences in these areas, it represents the only point of contact for international institutions, associations, organizations and networks, as well as for other governments and EU institutions.

The MCA is withal the only institution in charge of coordination on state level, which enables it to focus its resources towards connecting and strengthening institutions, associations and professional networks. Within the scope of various technical assistance programs as well as EU's Instrument for Pre-Accession Assistance (IPA), Bosnia and Herzegovina can access funds worth millions of euros provided that the applications meet strict selection standards.

## Abstract

Social capital in BiH is notably underdeveloped. The most influential societal networks are based on kinship, political and personal interests. Professional associations and institutional networks are rare, weak and deprived of influence. Efforts of civil society organizations and the international community directed at rebuilding war-torn ties and broken trust have produced limited effects. The absence of a strategic institutional approach in areas of education, science, research, culture, sports, health care, employment and social protection, is costing the country millions in lost international funding for development and technical assistance. This analysis delivers feasible recommendations for a more efficient, organized and strategy-oriented Ministry of Civil Affairs.

This analysis is the result of the policy study entitled „Ministry of Civil Affairs of Bosnia and Herzegovina - Ministry of Social Capital”, created by the authors within the Policy Development Fellowship Program of the Open Society Fund Bosnia & Herzegovina. The full text of the study is available at: <http://www.osfbih.org.ba/index.php/programi/pdfp>

### The Ministry of Civil Affairs is in charge of:

- affairs pertaining to citizenship, entry of citizenship and keeping records of citizens, protection of personal data, registering residence and permanent residence, travel documents, vehicle registration;
- demining

The Ministry is in charge of performing duties and tasks within state competences of Bosnia and Herzegovina in relation to establishing basic principles of coordination of activities, alignment of plans of entity authorities and defining international-level strategies in the fields of:

- health and social protection;
- pensions;
- science and education;
- labour and employment;
- culture and sports;
- geodetic, geological and meteorological affairs.

This Ministry incorporates the Agency for Identification Documents, Registers and Data Exchange of BiH (IDDEEA) and the Demining Commission of BiH. (Law on Ministries and Other Bodies of Government of BiH)

Since 2007, IPA provided more than 650 million € including “entry tickets” for TEMPUS, FP7 and Culture Programme – EU funded programmes for support and development in education, science and culture. Although BiH has so far used 32 million € through TEMPUS alone, a much larger amount has been passed up due to lack of information, skills and competences required for applying and implementing such programmes.

The new ERASMUS + program offers 14,7 billion € for projects dedicated to education, training, sports and youth. The percentage of funds drawn by BiH from this program will directly depend on project preparation skills and, more importantly, on the ability of local institutions to connect with universities, research centers and institutes abroad. MCA’s assistance in this respect will be of utmost importance.

### The role of the MCA

Results of the survey conducted with MCA beneficiaries – employees of institutions of higher education, institutes and centers in BiH – show that 70% of the users are satisfied with their cooperation with the MCA, but also reveal the fact that institutions are not sufficiently participating in international programs. The majority of respondents (83%) believe that changes within the MCA should be performed in order for it to fully comply with its role. The interviewed experts as well as survey respondents agree that the MCA should improve „not only in terms of human resources but more in terms of the organization of work and improvement of connectivity with their beneficiaries” in order to become „the main hub for planning and development in higher education, research and development on state level”. The legal definition of ministries as „bodies of government performing governing and administrative work from the jurisdiction of BiH in one or more related areas” clearly does not apply to the MCA, resulting in that:

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 mutually unrelated.

### Possible solutions

Resolving the problem of capacity and resource overload could be achieved in 3 ways:

- Creating new state ministries
- Maintaining the status quo
- Reorganizing the MCA and improving legislation regulating its work

The first option is not feasible not only because of the absence of political will and firm opposition of lower levels of government to transfer any competences but also because there are no funds and resources available for such a large intervention.

Maintaining the status quo would prove detrimental to Bosnia and Herzegovina’s social capital given that the most favorable outcome of this option would be stagnation. In present circumstances when countries in the region, and especially those in the European Union, are developing at a rate several times faster than Bosnia and Herzegovina, stagnation would produce an even greater lag.

The third option has proved to be the most optimal one because it would enable the MCA to commit to **facilitating**<sup>1</sup> processes of:

- Building and raising the capacities of local institutions
- Interlinking and strengthening existing ties and networks
- Applying and participating in international programs, offering funding and technical assistance
- International cooperation and integration in professional associations and organizations
- Adopting international standards

In 2013, the funds allocated by the MCA for supporting the preparation of projects for FP7 application amounted to 450 000 BAM. Only 14 grants in the range between 10 000 and 28 000 BAM were awarded totalling a mere 250 200 BAM. The MCA committed to repeating the open call in September 2013 in order to award the remaining funds but, according to available information, never did. The 2014 budget was cut for almost a half compared to the 500 000 BAM total allotted in the previous year and amounts to 273 000 BAM.

<sup>1</sup> Facilitation implies the ability to ease and speed up processes, enable conversation and cooperation, achieve compromise and results. It enables the actors to gather, strengthening and encouraging them to recognise their capabilities and capacity and to agree on collective action.



## Reaching the goal – reorganizing the MCA and improving legislation

### 1. Transferring unrelated departments and organizational units to other state ministries

The transfer entails keeping related and mutually interlinked departments within the MCA and transferring unrelated ones to the Ministry of Security and the Ministry of Transport and Communications.

The Department of Citizenship and Travel Documents, IDDEEA and the Demining Commission of BiH are suggested for transfer to the Ministry of Security in order to consolidate the system of security within the scope of one ministry. Since protection of personal data, monitoring asylum and naturalization and similar tasks related to citizenship pertain to the domain of internal affairs – inseparable from the system of security, transferring these competences would enable closer cooperation and coordination of security and police agencies, data exchange and verification. Since the Law on Demining in BiH, Article 2, states that „affairs pertaining to demining, in terms of this Law, represent affairs of significance for security of Bosnia and Herzegovina” it begs the question how this field ended up in the Ministry of Civil Affairs in the first place.

The Department of Geodetic, Geological and Meteorological Affairs, in absence of a state ministry in charge of energy and mining, can be incorporated equally well into the Ministry of Security or the Ministry of Transport and Communications.

### 2. Improving mechanisms of cooperation within the MCA

Strategic planning, monitoring and evaluation of activities within the MCA is carried out through collegiums, permanent and temporary commissions, working groups and bodies. However, none of them meet on regular basis and on a previously determined schedule. Meetings are organized when needed which is understandable considering the current complex structure of the Ministry. With a reorganized structure focused on interrelated areas, the MCA could intensify internal cooperation, improve division of tasks and monitor implementation. These ac-

	“Kept departments”	“Transferred departments and organizational units”
1	<b>Health</b>	Citizenship and Travel Documents
2	<b>Labor, Employment, Social Protection and Pensions</b>	Agency for Identification Documents, Registers and Data Exchange of BiH (IDDEEA)
3	<b>Education</b>	Geodetic, Geological and Meteorological Affairs
4	<b>Science and Culture</b>	Demining Commission of BiH
5	<b>Sports</b>	

\* Incorporating the **Agency for Development of Higher Education and Quality Assurance** - currently established as a separate body of government – into the MCA’s Department of Education would be desirable in order to improve coordination in the field of higher education.

tivities can be carried out through regular meetings of: collegiums (at least tri-monthly plus a yearly strategic planning meeting), commissions (monthly) and working groups (weekly). Meetings could be more frequent in instances where interdepartmental and intersectional cooperation is intensified due to joint projects.

### 3. Defining mechanisms of coordination and alignment

Improvement to the existing legislation (bylaws, decrees, regulations and internal procedures of the CoM<sup>2</sup>) can help define and regulate the coordination role of the MCA and prevent it from operating in „gray areas” where its role is unclear or insufficiently elaborated. This would not presume a complete change of current legislation - impossible in a reasonable period of time - but rather creating a precise definition and description of coordination and alignment. The legislation would contain detailed mechanisms, deadlines, responsibilities and duties of lower levels of government and the MCA itself with appropriate sanctions. Reporting and providing data to the MCA should be obligatory for entity/cantonal/district ministries and the process of alignment should be outlined in steps (notification, consultation, mediation) describing the process of obtaining consent<sup>3</sup> required for MCA actions.

The justification behind the proposed restructuring is also evident from the analysis of cross-sectoral connections within the MCA, based on information provided by MCA employees interviewed for research purposes. The employees were asked to rank other departments according to the frequency of interaction and communication with their department.

**Figure1:**  
Departments suggested for keeping and transferring

<sup>2</sup> Council of Ministers of Bosnia and Herzegovina

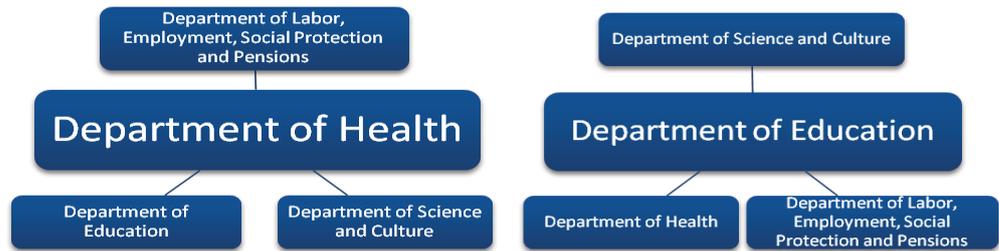
<sup>3</sup> All duties, responsibilities and obligations assumed by BiH on state level, membership in international organizations, participation in programs and initiatives and all other actions pertaining to direct competences of entities, cantons and Brcko District cannot be undertaken without previous consent of lower level ministries.



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**Figure 2:** Relations of the Department of Health and the Department of Education with other departments within the MCA

The MCA’s ability to foster cooperation between different institutions and use international networks, associations and programs can stimulate local networking, strengthen pre-existing networks and associations and consequently influence a rise in the level of social trust and accumulation of social capital. Funding and technical support available through various programs can encourage institutions to connect and build consortiums in order to gain access, and this will in return help create connections between their employees and staff, establishing mutual trust and cooperation.

Bosnia and Herzegovina now develops three separate social capitals enclosed within ethnonational and political frames which is a recipe for failure in a country of its size and market potential. Domestic and international networking can help connect them into a productive basis for long-term sustainability and development. Institutional support for this endeavor is crucial and, if done properly, can have long-term positive economic and societal effects – a worthy goal for public administration.

### Key sources:

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A “Policy Development Fellowship Program” has been launched by the Open Society Fund BiH in early 2004 with the aim to improve BiH policy research and dialogue and to contribute to the development of a sound policy-making culture based on informative and empirically grounded policy options. The program provides an opportunity for selected fellows to collaborate with the Open Society Fund in conducting policy research and writing a policy study with the support of mentors and trainers during the whole process. Over hundred fellowship have been granted since the starting of the Program. All policy studies are available at [www.osfbih.org.ba](http://www.osfbih.org.ba)