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## Corruption in a Culture of Štela: Understanding Informal Transactions in Bosnia and Hercegovina

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**Abstract:**

*The focus of this thesis is to explore why petty corruption dominates and persists in Bosnian society despite the major anti-corruption efforts of Bosnian government and international organisations. By approaching corruption from a social-legal perspective, this thesis aims to explore the local experiences, social norms and morality of informal transactions in Bosnian society. To investigate these questions, a qualitative ethnographic approach is applied providing detailed in-depth findings regarding petty corruption in Bosnia, specifically the experiences and interpretations of ordinary citizens involved in the informal activities are explored. The thesis is based on participant observations and informal interviews which were carried out during a period of ethnographic field research in 2016 in Sarajevo, Bosnia and Hercegovina. The study applies Ehrlich's concept of 'living law' and Marcel Mauss's gift-giving analytic framework in which the special focus analyzes the gap between state laws and the informal laws followed by citizens. Throughout the thesis it is argued that informal transactions in Bosnian society reveal different cultural and practical meanings from most of the Western world. International anti-corruption organisations often overlook the fact that Bosnia has not experienced only a transition in politics and its economy such as other ex-communist states but has also undergone a transition from war to peace. Thus, this has led to a non-functional welfare system and a socio-economic divide between the political 'elite' and ordinary citizens. The findings of this study show that due to a collapsed welfare system Bosnian citizens without traditional informal connections must turn to corruption, ranging from receiving healthcare to entering into employment. Although ordinary people in Bosnia condemn bribery they are left with no choice but to engage in corrupt practices as they serve as 'coping' strategies. The findings of this research study indicate the need for an approach that considers the socio-economic and moral factors within the local context in order to understand the relevance of international legal definitions of corruption. In failing to acknowledge these issues, Bosnia remains and will remain one of the most corrupt countries in Europe. Moreover, the current socio-economic situation not only reinforces corrupt behaviour but creates a greater segregation between the 'elite' and ordinary citizens in Bosnia.*

**Key words:** Bosnia, Corruption, Transparency International, Living Law, Legal Pluralism

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# List of Abbreviations

**EU:** European Union

**WB:** The World Bank

**UN:** United Nations

**UNDP:** United Nations Development Programme

**UNDOC:** United Nations Office on Drugs and Crime

**IMF:** International Monetary Fund

**TI:** Transparency International

## 1. Introduction

Just before landing in Bosnia and Hercegovina (hereafter Bosnia) after eighteen years absence I remember the lack of a baggage belt and the unbearable heat at the long passport control queue. On arrival at Sarajevo airport, the sight of the once beautiful and vibrant city was heart breaking, full of signs of the war; destroyed houses and buildings riddled with bullet holes. I observe that this time when I arrive it is a different airport with a modern working baggage belt, cash machines and plenty of international commercial planes parked on the tarmac. The airport is like any other European one.

The man at Customs stamps my passport, smiles and says ‘Dobro dosli’ (warm welcome) and I find it hard to believe that I am back to a ‘post-war’ Sarajevo. My taxi driver starts our conversation straight away in the charming Sarajevo manner; full of jokes and stories. After a few minutes he slows down and I observe why. I see a traffic police car parked on the side street and ask if they often stop him, he replies:

*‘Oh, only when the police are bored and need some spare money. The other night, I went to the bar and got really drunk on slijva, (local spirits). Not beer or vodka but sljiva which really stinks, he continues. Of course, when the police officer stopped me whilst driving he could smell it straight away even before I opened the window. When he asked me if I had been drinking I thought there was no point lying. You know, the first thing the police do is to give you their phone and ask have you got anybody to call? If your uncle is a powerful politician or your aunt is married to the head of the police force, you know they will let you go, it’s all about informal networks (Stela). I gave the police officer my driving license together with two folded fifty notes. When the officer made noises that it wasn’t not enough. I told him that’s all the money I have left. The police let me go this time....’*

Interestingly, an hour earlier on the plane to Sarajevo I was reading research and reports on ‘bad corruption in Bosnia’. I came to realise that petty corruption is just a part of everyday life in Bosnia where it has a functional role and helps people maneuver around the legal system. Hence, the above story with the driver reveals the existence of informal rules and practices (living law) in Bosnia vis-a-vis the state law and that bribes are seen as a normal part of daily life and social relations.

Informal practices in Bosnia are well documented by international organisations such as the World Bank, the United Nations and the European Union.

To be more specific, existing reports and research (Soberg, 2008; Kahvedzic and Losic, 2011; UNDOC, 2011; 2014) indicate that Bosnia is riddled with corruption at all levels of society. For instance, a study carried out in 2011 indicated that over the period of a year eight out of every ten ordinary citizens experienced corruption during their daily lives; ranging from employment, medical visits, the issue of new documents and in the education system (UNDOC, 2011). These informal practices (bribery and informal networks) appear puzzling to international anti-corruption organisations but are part and parcel of everyday life in Bosnian society (Kahvedzic and Losic, 2011). Likewise, existing research shows that informal transactions have a functioning role in Bosnian society which enables ordinary citizens to carry out daily tasks. Paying medical staff in public hospitals and other officials is viewed as standard practice that makes up for the absence of an efficient welfare state (Soberg, 2008; Kahvedzic and Losic, 2011). Even though there have been innumerable anti-corruption initiatives and legal interventions by the Bosnian government and international actors (e.g. Transparency International, European Union, World Bank), informality and corruption still continues to be a dominant feature of everyday life in Bosnia (*ibid*).

One major issue when studying or discussing corruption in developing countries is that most international organizations have the penchant to apply a Western-centric understanding of corruption. International organisations such as the World Bank (2002) and Transparency International (2012) describe corruption as ‘ the abuse of public office for private gain’ These definitions are often assumed to be universally applied and have been criticized by numerous scholars (Haller and Shore, 2005; Anders and Nuijten, 2007; Holmes, 2015). The international legal definition imposes difficulties when applied to non-Western societies that inhabit different cultures and norms. To define such a defuse phenomena one must ask if it is possible to transfer this Western-centric definition to, for example Bosnia, where informal practices are understood as a necessity. Moreover, there are different definitions of gifts/bribes depending on the local cultural context. In developing countries gifts/bribes are not only interpreted as mere economic transactions but as a set of rules based upon obligation, morality and power (Tanzi, 1998; Gupta, 1995; Haller and Shore, 2005). The difference between social and legal norms becomes more pronounced as illegal activities become more accepted in a society. Haller and Shore (2005) explore this issue by publishing a range of anthropological case studies in their book. The case studies provide a deep insight into what happens when corruption becomes a part of the norm in society.

Hence, anthropological accounts indicates that local morality and living law often contradict the legal norms (c.f Werner, 2000; Haller and Shore, 2005; Blundo, 2006).

Thus, there is a need to explore the relationship between formal and informal rules concerning petty corruption in order to gain an understanding as to why people turn to informal activities when dealing with state officials.

Throughout this thesis I aim to shed light over the importance of not limiting ourselves to a mere legal definition of corruption. There is a need to go beyond conventional approaches and thereby to use a socio-legal lens to better understand why petty corruption is so persistent and prevalent in post-socialist societies like Bosnia despite the legal interventions of both central government and international anti-corruption structures. Hence, we need to consider socio-economic, cultural, historical and moral factors when trying to better understand and explore these questions. This approach provides a deeper understanding of the social context and the multifaceted understanding of the phenomena. Accordingly, by approaching corruption from a social-legal perspective, this thesis aims to explore the local experiences, social norms and morality of informal transactions in Bosnian society. More specifically, the thesis aims to explore and answer the following overarching research question and sub-questions:

**Why is petty (everyday) corruption dominant and persistent in Bosnian society despite its illegal nature and the major anti-corruption initiatives and legal interventions of the Bosnian government and international organizations?**

*How is petty corruption perceived, experienced and morally evaluated by ordinary citizens in Bosnia?*

*What implications do these interpretations and experiences have for the possibility of curbing corruption in Bosnia?*

*What is the relationship between formal and informal rules concerning petty corruption in Bosnia?*

These questions will be explored with reference to an ethnographic study of ordinary citizens' perceptions and everyday experiences of petty corruption in Sarajevo, Bosnia and Herzegovina.

More details about the fieldwork and data collection process will be provided in the methodology section.

### **1.1 Structure of the Thesis**

The thesis is presented in the following manner. The first chapter presents an overview of the extent of petty corruption in Bosnia concerning the study. Moreover, this part discusses the implications when applying a Western-centric approach to corruption in post-communist states such as Bosnia. Chapter two discusses the extent of corruption across Europe and presents comparative data on corruption in Central and Eastern Europe countries. Furthermore, it provides a contextual information on political, cultural and historical aspects of everyday corruption in Bosnia which is useful for acquiring a basic understanding of the current situation in the country. Chapter three focuses on existing academic work regarding corruption and thereby situates my thesis within the existing corruption literature. In chapter four I present relevant theoretical approaches by drawing on socio-legal theories and Marcel Mauss's concept of gift-giving. In chapter five methodological considerations and the research methods chosen for this specific study are discussed. In chapter six I present and analyse my empirical data on petty corruption in Bosnia. Chapter seven provides interpretation of the primary and secondary data concerning petty corruption in Bosnia. Finally, in the last section of the thesis the main points are concluded followed by policy recommendations.

## **2. The Extent of Corruption in Central and Eastern Europe**

Although corruption is a global issue, research indicates that it is more common in developing and post-communist countries (UNDOC,2011;Jancsics,2014). According to the European Commission (2014, p.3) the extent of corruption in Europe is 'breathtaking'. However, in countries like Denmark, Finland and Sweden there is a low experience of bribery (less than 1% of cases). In the UK, only 5 respondents out 1115 were exposed to bribery, which was the lowest in the EU (European Commission, 2014). The same study showed both a high perception and experience of corruption in Croatia, the Czech Republic, Lithuania, Bulgaria, Romania and Greece. Between 6% and 29% of the respondents said that they had paid a bribe in the last twelve months.

Furthermore, 84% to 99% thought that corruption was widespread in their own country (*ibid*).

Albeit, the Balkans seems to suffer from a higher extent of corruption and in a survey (UNDOC, 2011) one in six citizens in the Western Balkans (2,475,000) had experienced indirect or direct bribery with a public officer within the last twelve months.

Transparency International's (2015) report showed that only a few countries in Eastern and Central Europe have succeeded in reducing the extent of corruption. However, the majority of the countries in this region are still struggling with corruption. Countries, such as Hungary, Spain and FYR of Macedonia, where there was once a positive hope for change are now experiencing a rapid growth in corruption. More relevant to this study, Miller et al's (2001) large scale survey showed that those who worked in the health sector (in particular doctors) in Ukraine, Bulgaria, Slovakia and Czech Republic were also more likely to accept money or a gift. In addition they were more likely to ask for extra payments in comparison to other public officials.

### **2.1. Everyday Corruption in Post-Communist Bosnia**

Bosnia is a country located in Southeastern Europe and was pronounced an independent state in 1992 having been formally part of the communist ruled Yugoslavia (Malcolm, 1994). After three years of civil war (1992-1995) and following the Dayton peace agreement the country now consists of two ethnically defined entities; The Muslim-Croat Federation and Republic Srpska (Donais, 2012). Although the idea behind the peace agreement was to reconcile the three main ethnic groups, Muslim Bosniaks, Orthodox Serbs and Catholic Croats, relations among them have severely deteriorated (Malcolm, 1994; Azinovic and Baussuener et al, 2011). Today, each of the federations have their own president, parliament, government and police. Connecting these entities is a central Bosnian government with a rotating presidency. This multilayered political system has led to Bosnia having an overload of civil servants and politicians who are paid from the state's already strained economy (Divjak and Pugh, 2008; BBC, 2015). International grants and development loans often end up in the wrong hands. For instance, in 2006 Dodik, the president of the Republika Srpska failed to distribute millions of euros of donor funds to the public sector. This was reported by the media and created pressure from watchdogs and other non-governmental organizations; however there was no reaction from any international or regional legal enforcement agencies (Divjak and Pugh, 2008).

Concerning anti-corruption instruments, Bosnia has both legal frameworks and strategies (Donais, 2012). The most relevant is the *Criminal Code of Bosnia and Hercegovina*. The Code imposes sanctions for a range of different criminal corruption acts; such as accepting gifts or

other forms of beneficial payments or acts. More specifically, breaching this act can lead to up to five years in prison (Devine and Mathisen, 2005).

Furthermore, several initiatives and reforms influenced by the European Union integration process, such as strengthening the legal and institutional systems have taken place in Bosnia (Donais, 2012).

However, these anti-corruption strategies and legal provisions remain on paper and have little impact on the behaviour of state officials and ordinary citizens.

Policy documents indicate that corruption in Bosnia exists in both the private and public sphere and in all aspects; ranging from bribery, tax fraud and diversion of public funds (EU, 2014; Devine and Mathisen, 2005; TI 2009; 2014). However, people experience corruption at a greater extent on a local level where officials and ordinary citizens have contact with each other (Belloni and Strazzari, 2014). The public service sector is often the main employer in modern states and provides crucial services such as healthcare (Kahvedzic and Losic, 2011). Nonetheless, with a persistent shortage of public service sector staff and resources in Bosnia, combined with arbitrariness and remaining post-communist bureaucracy attitudes, corruption remains and currently imposes great social implications (Devine and Mathisen, 2005; Jahic and Troncota, 2016).

Moreover, the previous communist universal welfare system has been in part replaced by an employment insurance that gives Bosnian citizens in formal employment the right to healthcare provisions. According to the Law on Health Protection in Bosnia, all citizens have the right to access public healthcare provisions (Babic-Svetlin, 2009). However, the lack of willingness from politicians, the complex legal framework and insufficient state funds means that a large population of socially disadvantaged citizens are not covered by basic healthcare (Babic-Svetlin, 2009; Samo-Krupalija 2011). Kahvedzic and Losic's (2010, p. 4) study showed that within the healthcare sector wealthy people who can pay bribes to medical staff receive proper treatment and that 'the poor have neither money nor connections. It is not even granted that they will actually get an appointment ...'

In 2012, bribery in the health care sector came under special scrutiny from the media. The Bosnian Health minister Rusmir Mesihovic gave a famous musician permission to register his medical records and receive a CT scan all in one day, despite the fact that he was not living in Sarajevo.

The whole procedure was filmed by television cameras and created outrage amongst the citizens mainly because seriously ill ordinary citizens had at the time to wait for months to get a CT scan in Sarajevo. Moreover, when the public demanded an explanation the Health minister admitted that the musician was a good friend.

The Bosnian Prime minister commented that this was nothing unusual but rather the standard practice of getting access to public services via informal connections (Sunj, 2012).

Corruption can also be found in the Bosnian education system. According to Transparency International (2010) a large-scale study including both students and teachers showed that more than 52% of the respondents believed that corruption existed at their university. For instance, paying professors to pass exams is a standard practice and spoken about openly at universities. Even if the student has the knowledge to pass the exam, they are still expected to make informal payments to get a passing grade (TI, 2010). This in turn leads to the distinction between rich and poor students where the former pass exams with no required knowledge. Kahvedzic's and Losic's (2010) study showed that some respondents were not able to graduate since professors often demanded large sums of money.

The employment sector is also riddled with corruption. Recruitment is not based upon who is the most suitable or who has the most relevant qualifications but based on informal networks and transactions (Saric and Herman, 2014). The best employment positions are within government institutions or government owned businesses, as they are viewed as safe and the salaries are paid on a regular basis. However, these jobs are impossible to obtain without relevant connections within key positions (Kahvedzic and Losic, 2010; UNDOC, 2011; Von der Brelie, 2014). Recruitment in other large firms such as BH Telecom require large sums in exchange for employment (Von der Brelie, 2014). In the private sector, workers receive low wages and the existing framework for holidays and benefits is often ignored. Due to high unemployment rates in Bosnia workers are often at the risk of exploitation. In addition, a large number of people engage in informal (black) employment leaving them without healthcare insurance, social security and pensions (Saric and Herman, 2014).

In 2014, corruption and insufficient governance led to fuelled protests amongst the citizens in Sarajevo, Tuzla and other cities in Bosnia. The protesters showed frustration with an over-multilayered administrative framework leading to political instability and the increased risk of the public being exposed to corruption. Corrupt privatization has led to a desperate economic state in Bosnia where in 2014 four out of ten citizens were unemployed.

Banners read that Bosnians are hungry and starving whilst corrupt politicians lead the countries economy (BBC, 2015). One of the protest leaders explained the situation in Bosnia as: “Corrupt privatization. Political parties controlling the judiciary, controlling the police, promoting terror in everyday life and that’s the worst thing: that they have actually stolen the money from the people and they have got richer.” (Von der Brelie, 2014).

Another protester told the media that if anyone was seeking employment within the healthcare sector they are expected to pay 25, 000 Bosnian Marks (around 13, 000 Euros) to the head of the institution. His own experience was that three months after gaining employment his position would be replaced by the manager’s relative if money was not paid (Von der Brelie, 2014).

Transparency International’s (2009) report showed that more than 66% of the respondents perceived that the government’s effort to tackle this issue is ineffective. Corruption “remains endemic as a way of life in Bosnia” (Soberg, 2008, p. 718). It has become evident that corruption is a widespread and consistent phenomenon that occurs at all levels in Bosnian society. Moreover, informal relationships are not only a post-communist phenomena but are deeply rooted in a historical, cultural and social context (Zerilli, 2005). Although Bosnia has a legal framework for both the protection of fundamental rights and has adopted numerous anti-corruption laws, implementation and enforcement of these laws remains absent. One reason is that supranational structures such as the European Unions and the United Nations, assumed that the former Yugoslavia’s politics and economy had a similar structure to the former Soviet bloc (Belloni and Strazzari, 2014). This was not the case and they failed to recognize that the non-functional country had been struggling for decades with their economy and political instability. The international efforts seemed to ignore that ex-Yugoslavia was built on informal networks and corrupt practices which showed a common misunderstanding of the local Bosnian context. Unfortunately this has led to the failure of most anti-corruption initiatives (Donais, 2013; Belloni and Strazzari, 2014).

## **2.2 Bosnian ‘Štela Culture’**

Although Bosnia is no longer under a communist regime, centuries-old traditions and moral codes continue to influence current developments in the country.

Alongside communism a previous historical era of Bosnia may explain the link between citizens and ‘corrupt’ behaviour (Malcolm, 1996; Donais, 2013; Belloni and Strazzari, 2014). Therefore, a brief overview of historical developments may be in order.

The Ottoman Empire conquered Bosnia in 1463 and ruled the country for nearly 450 years. This has significant repercussions for traditional practices and attitudes towards corruption given the dominance of 'baksis' practice in Ottoman administrative culture. Hence, new forms of favours and bribes have emerged in Bosnia due to the influence of Oriental customs (Malcolm, 1996).

A typical Ottoman gesture that still continues to be part of everyday life in Bosnia is 'baksis' that refers to expected tips in the form of money that are given as a sign of appreciation. According to Zerilli (2005) this critical recognition of modern immoral behaviour is underpinned by an 'idealized' world consisting of selflessness and generosity based upon ancient Ottoman traditions.

During the communist era it was encouraged to turn to several different survival mechanisms due to the shortage of goods. Bribery was one of the ways to get hold of certain goods. Ledeneva (2009) describes the Russian practice of 'blat': 'the use of personal networks and informal contacts to obtain goods and services in short supply and to find a way around formal procedures. The word is virtually impossible to translate in English' (Holmes, 2015, p.65). Bosnians have a similar use of personal, informal networks and contacts that is referred to as 'štela' (Kahvedzic and Losic's, 2010). Štela is the Bosnian term that locals use when talking about the use of informal networks and connections (UNDP, 2009 in Adzenela, 2011, p. 186). Although štela has an important functional role in Bosnian society, it is viewed as negative by the Western world as a hindrance in completing a 'democratic transition' rather than being historically and culturally embedded behaviour.

Informal networks are widespread at all levels in Bosnian society and exist in nearly every relationship between service providers and ordinary citizens. Štela is often found amongst Bosnian friends and families and is based upon obligations and reciprocity (Adzenela. 2011; Koutkova, 2015). Informal networks are deeply integrated in the social structure and an UNDOC survey in 2011 showed that 95% of respondents in Bosnia reported using 'Štela' when accessing basic public service and in obtaining official documents.

Interestingly, although Bosnians actively engage in corruption in their daily lives, research shows that the majority of citizens consider it to be illegal (TI, 2014; Belloni and Strazzari, 2014). Although Bosnians have an intolerant attitude to corruption they regularly take part in the activities based on 'needs' (Belloni and Strazzari, 2014, p. 861).

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<sup>1</sup> The term *štela* originates from the Austro- Hungarian regime (1878-1978) in Bosnia and derives from the German word *Stelle* (position, place).

This is a paradox of Bosnian society: people consider corruption to be an illegal phenomenon but they continue to use it in their everyday life. This paradox can probably be explained with regard to the weakness of formal state institutions in delivering public services in an efficient and equitable way. Hence, turning to informal and illegal informal activities allows them to live their daily lives and fulfill basic needs.

Moreover, if engaging in this behaviour is what is required to survive and all fellow citizens behave in the this way it would be absurd not to engage in these activities (Person et al, 2013).

Hence, corruption is an integrated part of everyday life and social relations in Bosnia. In other words, it is a functioning mechanism to 'get things done'.

### **3. Review of the Relevant Literature**

#### **3.1 Existing research on petty corruption in Bosnia**

Concerning Bosnia, there is extensive research regarding corruption (Chandler, 2001; Devine and Machines, 2005; Kahvedzic and Losic, 2010; Transparency International, 2010; Belong and Strazzari, 2014). For instance, Belloni's and Strazzari's (2014) study suggests that widespread corruption in Bosnia is a result of international actors pressure on local parties to accept anti-corruption legislation. According to Dviljak and Pugh (2008) the anti-corruption efforts should replace social contracts that have been created by political elites by introducing income generation and social protection. Donais's (2013) study suggests that the implementation of the rule of law has failed mainly because of the implications of restructuring the Bosnian political system after the civil war.

Saying that, Nyiri and Gravelle (2007) carried out face to face interviews with 2000 participants in Bosnia and their results showed that 86% of the respondents perceived corruption as a widespread problem in both the public and private sphere. Perception based indicators are useful for raising awareness about issues such as corruption. However, it is questionable how reliable it is to use perception as an indicator when measuring corruption as an individual's perception of the phenomenon can be heavily influenced by the media or simply gossip (Heywood, 1997; Haller and Shore, 2005).

I aim to contribute to the scholarly debates by adding qualitative in depth understanding regarding citizens' perceptions and experiences of petty corruption in Bosnian society.

Although there is a growing body of literature on corruption in Bosnia, little attention is paid to exploring the questions why petty corruption is persistent and how it is perceived and experienced by citizens in everyday life situations. Thus, this thesis aims to address these questions by exploring ordinary citizens in their local context and explore the socio-legal factors contributing to the prevalence of informal transactions in Bosnian society.

Hence, this task requires a thorough review of international literature on corruption so as to locate my thesis within existing research and thereby engage with relevant academic debates.

### **3.2 Review of Relevant International Literature on Corruption**

There are two fields of literature of relevance to my research which offer two contrasting viewpoints on corruption. One viewpoint condemns and argues that corruption should be eradicated whilst the other aims to contextualize the phenomena by looking at local context, conditions and moral codes.

The first strand of scholars argue that corruption is present in societies where both the market economy and democracy are inefficient and not yet developed (e.g. Lovell; 2004; Mungiu-Pippidi, 2002). For instance, one strand of scholars argue that corruption derives from a dysfunctional economic and political system generating an institutional ground for corrupt behaviour (Chandler, 2006; Holmes, 2015). According to Rose-Ackerman (1996) and Della Porta and Meny (1997) corruption often occurs in several different areas at the same time which not only affects a country's economy and corrodes democracy but also leads to poverty and social inequality. Viswanathan (2012) provides a similar argument claiming that only the elite with power enjoy the benefits of public services while the poor strata of the population have limited access to them, which implies that corruption generates injustice and inequality in society.

Along the same lines Freeman (2011) argues that everyday corruption in public service delivery such as in the healthcare section violates citizens civil and human rights, promotes inequality and indirect institutional discrimination. According to this perspective, the cure for corruption is good governance programmes, building up civil society and promoting Western-centric neo-liberal policies (Zerilli, 2005 in Haller and Shore, 2005 p. 83).

This strand of scholars' strategy is to eradicate corruption by a top-down approach (c.f Helmke and Levitsky, 2006; Christiansen and Neuhold, 2012). Nonetheless, although this standpoint provides useful insights, it fails to acknowledge that corruption occurs within a local context by social actors taking part in corrupt practices and activities that are not necessarily based upon Western models of society (Gupta, 1995).

Thus, the second group of scholars are mainly anthropologists who argue that we need to understand the local context, norms and morality as they often contradict legal norms and that Western-centric interpretations of corruption are not adequate tools to measure corruption in developing countries (Werner, 2000; Haller and Shore, 2005; Blundo, 2006; Holmes, 2015; Urinboyev and Svensson 2014; Polese 2008:2015). One idea common to this literature is that corruption, particularly in post-communist countries, derives from social, historical and cultural roots. These kind of informal connections are not phenomenon that should be considered as something in transit in these particular countries but are socially embedded within the formal economy (*ibid*). Albeit, most corruption literature tends not to reflect that both social, historical and cultural facts must be taken in account.

Thus, it is argued it is necessary to reinterpret the Western-centric definition of corruption when discussing and examining non-Western countries (Werner, 2002; Polese, 2008; Haller and Shore, 2005; Nuijten and Anders, 2007).

According to Sandholtz and Taagepera (2005) relatively few studies specifically address cultural factors that might explain the extent of corruption. Hyden (2004) argues that in certain cultures where the state is weak, corruption is needed as a functioning kin network that fuels the economy and in turn leads to effective administration. Werner's (2002) field study supports his argument and her findings showed that citizens of Kazakhstan turned to petty corruption in the form of gifts and bribes to form informal networks that replaced dysfunctional welfare services and a shortage of available goods. Along the same line Zerelli (2005) argues that we must have an understanding of the local practices and the social actors that are actually engaged in corruption.

This in turn leads to a loose definition of corruption rather than restricting oneself to a singular interpretation of the phenomena. Similarly, Judge et al (2011, p. 94 in Dimant, 2013 p.3) provides a valid point that corruption is a moral phenomena and not merely economic.

Thus, as morality is influenced by both social and cultural norms in society the investigation of social-cultural institutions are crucial.

In this study, I depart from the scholarly context described above and argue that when studying corruption in Bosnia we must take local experiences, understandings, morals and norms into account. The reason for this stance is that I want to reach a deeper understanding of the social structures and norms that inform the meaning of informal transactions in Bosnian society.

#### **4. Theoretical Framework**

This thesis explores why corruption dominates ordinary citizens daily life in Bosnian society. Moreover, it explains why the phenomena is still persistent despite major anti-corruption efforts. I focus on how the so-called ‘corrupt practices’ are interpreted, experienced and morally justified by Bosnian in their local context. This task, in turn, requires the creation of a relevant theoretical framework. Hence, I draw on Marcel Mauss’s anthropological approach to gift-giving and Eugen Ehrlich’s concept ‘living law’ and legal pluralism perspective as a theoretical framework.

##### **4.1 Gift-Giving**

In Marcel’s Mauss’s (1925) classical text about gift giving he points out the complex structure of the phenomena. From an anthropological approach Mauss argues that the exchange of gifts contains a system of rules and moral norms. He argues that gift-giving is a matter of obligation in receiving, giving and in reciprocating. In other words, the exchange of gifts creates a moral bond between individuals where the obligation to return a gift is the focus (*ibid*). Obligation occurs when the giver shows their gratitude and generosity thus a being worthy recipient. Additionally, obligation is when a person by receiving a gift shows a token of respect by returning a favour. Finally, it is the obligation to return a gift that expresses that the givers honesty is equal to the receivers (Mauss, 1966). Mauss’s concept serves as a useful analytical tool as bribe and gift-giving is a standard practice in Bosnian society and is not always understood as corruption by local citizens. This means that we need to be aware of the existence of competing moralities and norms in society. In this regard, it is worthwhile complementing Mauss’s concept of gift-giving with additional tools, such as living law and legal pluralism that helps us explain the diversity of moral codes.

#### 4.2.1 Legal Pluralism and ‘Living Law’

Law exists at every level of a society whether state law, norms or religious codes. Law does not exist in a normative vacuum but is influenced by factors such as religion, economy, politics and ethnicity (Yilmaz, 2005; Banakar, 2011). This perspective is referred to as ‘Legal Pluralism’ within the legal anthropological literature and provides a useful angle when studying the links between law and society (Merry, 1988; Griffiths, 1992; Nuijten and Anders, 2007).

Griffiths (1986, p.129) defines legal pluralism as ‘the presence in a social field of more than one legal order’.

The legal orders do not fall under the same system but are interactions between formal and informal laws (*ibid*). From this perspective, institutions are not corrupt by definition, instead they are classified as corrupt based upon a set of legal orders or norms. This set of rules decides the dividing line between which rules require compliance and which do not (Nuijten and Anders, 2005). This suggests that formal rules are something that exist alongside other informal morals and norms. Thus, from this aspect formal rules such as state laws are not the only rules followed in a society. Applying a Western-centric definition of corruption when studying informality in Bosnia does not explore the multifaceted meaning, morality and logic behind the phenomena. Alternatively we should focus on informal rules that dominate citizens daily lives and their socio-economic situation.

In order to demonstrate my argument I shall create a relevant theoretical framework by using Eugen Ehrlich’s idea of ‘living law’.

Ehrlich (1862-1922) is one of the founders of Sociology of Law and one of the first scholars to discuss legal plurality and daily life within a multicultural community. Although he coined the concept ‘living law’ nearly a century ago, his theory is still relevant and has received renewed interest within sociology and anthropology (Hertogh, 1996) In fact, his perspective is still appropriate when discussing modern European societies’ aims in implementing ‘political, economic and social integration’ (Cotterrell 1995 in Travis and Banker, 2013, p. 50).

However, according to Trevino (2013 in Banker and Travis, 2013, p. 48) his work has been mainly overlooked in the mainstream literature of Sociology of Law. To borrow Ziegerts (2002.p. 2) words ‘many, if not the most, sociologists of law today would be hard pressed if asked how their work was related to Ehrlich’s foundation of sociology of law’.

Ehrlich, an Austro-Hungarian legal scholar taught at the University of Czernowitz, Bukowina then a part of the Soviet Union, Romania (Deflem, 2008).

At the time Bukowina was a multi-cultural society with different groups living side by side, Jews, Armenians, Germans, Romanians, Hungarians to mention only a few (*ibid*). Ehrlich (2002) rejected the dominating positivist law theories and argued that we should instead employ sociology when exploring the relationship between law and society. The aim of ‘living law’ is to fill the ‘gap’ between official laws and the laws people follow in society (Deflem, 2008).

In ‘Fundamental Principles of the Sociology of Law’, Ehrlich (2002) differentiates between law emerging from the state and informal norms and rules deriving from social relationships (living law). His research consisted of direct observations and his findings showed that laws which dominate a community are not state laws but ‘living laws’.

Expressed differently, societies consist of multiple rules (such as social informal norms, moral values and codes) beside the state laws. According to Ehrlich it is not the state laws but the ‘living law’ that dominates our lives and shapes our actions although not being legally composed (Yilmaz, 2005; Deflem, 2008; Trevino, 2013 in Banakar and Travers, 2013). Moreover, he argues that these rules or norms that emerge from social associations have more influence on the social structure and institutions of a society than official laws imposed by the state. Moreover, formal rules run the risk of being disconnected where ‘living law’ dominates (Deflem, 2008; Banakar, 2011). Moreover, he points out that if we want to grasp a deeper understanding of existing laws and norms and the collision between them we must observe daily lives.

Albeit, it is of a crucial matter that the observation must be carried in a society’s local context including customs, practices, religion and morals when studying law (*ibid*).

Thus my purpose is to provide an understanding of the norms, historical, cultural and social factors that contribute to corruption and why it is still persistent in the Bosnian context.

Hence, equipped with Mauss’ concept of gift-giving and Ehrlich’s ‘living law’,

I argue that we cannot satisfactorily explore the resilience and dominance of petty corruption in Bosnia without a better understanding of the diversity of moral codes, traditions and cultural practices and their implications for informal transactions.

## **5. Methodology**

### **5.1 Qualitative Approach**

The existing literature regarding corruption in Bosnia mainly consists of judicial archives presented in a quantitative manner (UNDOC, 2011; Adzanela, 2012).

In this sense, corruption is seen as a universally measurable observable phenomena. Although this kind of research is highly important as it examines different indicators and which variables that lead to corruption (c.f La Porta et al 1999; Treisman, 2000; Knack, 2007) the choice of methodology depends on the aim of the study (Sarantakos, 1998). This means there is a need for qualitative ethnographic studies that complement ‘numbers‘ with more in-depth ‘thick description’ of petty corruption.

Accordingly, the aim of this study is to explore how petty corruption is perceived, experienced and morally evaluated by ordinary citizens in Bosnia.

Given that most existing research regarding my specific topic is of a positivist nature, a qualitative approach aims to add to the existing literature by providing empirical data. According to Toresello (2011) the majority of existing quantitative research regarding corruption has been significantly criticised. The main reason behind the critique is the lack of qualitative data alongside statistics.

A qualitative approach unravels how certain phenomena are experienced and interpreted by people which in turn enables us to explore different perspectives (Sarantakos, 1998). The research project is based on constructivism which approaches corruption as a socially constructed phenomena, created by interactions between people (Bryman 2012). The access to the participants’ real life is given through social constructions such as language, morality and shared meanings (Lister, 2010). This enables us to understand the meaning of corruption in the participants’ own expressions and actions rather than approaching corruption as a universal measurable object (Andvig et al, 2000).

Moreover, when it comes to informal practices that may be illegal, ethnographic field studies are well suited as they capture ‘slices, glimpses and specimens’ (Denzin, 1997, p. 247).

I travelled to Bosnia in search of empirical data. The field study was conducted during two weeks in Sarajevo in April 2016. As a part of an ethnographical approach to corruption in Bosnian society I conducted observations and informal interviews. The reason for selecting Sarajevo as a field site is that I have extensive social networks and contacts available there. Moreover, Sarajevo’s status as a capital city of Bosnia is equally important as it is a hub of informal transactions and this is where all important public policy decisions are made. Furthermore, my mother-tongue is Bosnian thus I have some understanding of the local context, culture and situation. According to Smyth and Holian (2008) being a ‘insider’ means being embedded in shared settings and may lead to accessing confidential information.

Hence, an ‘*inside*’ view of different informal networks in the Bosnian community. However, I was born and raised in Sweden which contributes to an ‘*outside*’ perspective. In some contexts during my field study I was considered as an ‘*insider*’ and others as an ‘*outsider*’. Thus leading to a more holistic and grounded perspective of the situation.

### **5.1.2 Methods**

By applying a qualitative approach I aim to provide in-depth and detailed data regarding petty corruption in Bosnia, to be specific, the experience, moral codes and how the phenomena is perceived by ordinary citizens.

This approach aims to understand how specific situations or phenomenon occur and how they emerge (Mayo, 1933).

However, research regarding informal payments or any type of corruption is of a complicated nature because of the hidden characteristics of the phenomenon (Morris and Polese, 2013). As corruption in an abstract sense may be considered an illegal act, this topic must be approached in a sensitive and thoughtful manner (*ibid*). In other words, an ethnographic approach allows the participants to explain in their own way how they experience and understand corruption in their everyday lives (Matthews and Ross, 2010).

Since the aim of this study is to explore how petty corruption is perceived, experienced and morally evaluated I accessed information by *observations* and *informal interviews*, the *data collection techniques that are frequently used in ethnographic research*. Blundo and Oliver de Sardan (2006) argue that observation is highly useful when exploring the relationship between formal and informal norm systems as the method unravels which rules participants consider to be most important. This method enabled me to bring my collected data close to reality as I was able to observe how people experienced petty corruption and their perception and interpretation of the phenomenon (Sarakontos, 1998). I paid specific attention to informal networks and ‘gift-giving’ and my observations provided important insights into the everyday lives of ordinary citizens. Almost everywhere I observed that there were hidden moral codes that from a Western-centric aspect would be classified as corruption thus illegal, but are morally accepted in the Bosnian context.

As this study is of an exploratory nature, *informal face-to face interviews* with individuals were conducted rather than group interviews. Informal interviews in this sense are suitable as they discover how participants use their language when discussing a certain topic.

This particular interview technique provides confidential information and enables both the researcher and informants to be sensitive when talking about their experiences. (Matthews and Ross, 2010; Bryman, 2012). Moreover, this limits the creation of a potential bias as the participants can describe their experiences of corruption in their own words without having to worry about safety issues (Sarantakos, 1998; Bryman, 2012). The interviews provided sufficient findings and although the participants consisted of a heterogenous group I agree with Seidman's (2006, p.55) experience in using this method as '*the interviewer began to hear the same information reported*'. My role as a researcher was passive, leaving the participants the freedom to speak about their life stories without interruption.

As the researcher Ann Oakley (1981) claims when interviews are not structured the participant is more in control of the conversation.

Due to time and resource constraints, I conducted six informal interviews but considering their relevance and to avoid providing a similar set of data, I decided to present four interviews in this thesis. Informal interviews were complemented with my observations of informal transactions in Sarajevo. The interviews first two interviews were conducted with friends and acquaintances from different ages groups, gender and educational backgrounds (Amina and Dejan). I conducted the first two interviews in quiet places as in their homes. Nonetheless, I also came across and interviewed unknown individuals that I interacted with as part of my daily life in Bosnia. The interview with the corruption officer, Jasmina, was conducted in her office and my interview in the introduction and with Edin was carried out during a taxi journey. All four interviews were recorded on my mobile phone after being given full consent.

The interviews lasted from thirty minutes to an hour and a half and clearly gave an understanding of relevance to my research question. The interviews provided in-depth data that I was unable to come across through existing secondary data.

### **5.1.3 Methods for Analysis**

There are several methods (c.f Miles and Huberman, 1994; Neuman, 1991; Wolcott, 1992) within the framework of how qualitative research may be analyzed. Interpreting data that answer the research question is the most crucial step in the process. Nonetheless, this step is rarely written about and there are no precise rules or guidelines and the interpretation and directions are left to the researcher (Sarantakos, 1998). To borrow Patton's (2002, p.432) words 'Qualitative

analysis transforms data into findings. No formula exists for that transformation. Guidance, yes. But no recipe.....’

Finally, although methods and direction may be offered the findings are unique to each researcher (*ibid*).

The collected data was processed by using *Contextual Analysis*. This is a method that consists of coding and classifying texts which in turn leads to identifying crucial findings and messages (Bryman, 2004). This approach suggest that a text unravels how the participants ‘really’ felt, thought or acted in a particular situation. Moreover, it allows themes to derive from data by identifying the importance for understanding the context and the interpretation in which a phenomena is being analyzed in. In other words, the researcher explores the data for meaning and looks for relationships (*ibid*).

This approach is suitable as the aim of this research is to gain a deeper understanding of the participants’ stories, and explanations of experiences of corruption (Bryman, 2004; Sarantakos, 1998).

The advantage with this analysis is the flexibility to adjustment to new and unforeseen aspects of the data collected during the study (Matthews & Ross 2010; Bryman, 2012).

However, when interviews and observation methods are employed in a study it is most likely that the data collected make more sense when the data is transcribed and listen to.

Nonetheless, as mention beforehand, the main shortcoming with qualitative analysis is that it fails to provide straightforward and concise guidelines. Hence, it is crucial to apply an existing theory as a framework to restrict shortcomings of this form of analysis (Matthews & Ross 2010).

Thus, my selected theories serve as an analytical framework for my collected data. All the categories were based upon the transcriptions from the field study. The categories were constructed inductively with the main criteria whether the information was relevant to the research questions. My focus was the linguistic features and how they perceived, experienced and morally evaluated petty corruption. Nonetheless, bearing in mind that *contextual analysis* contains varieties of data analysis (for further discussion c.f Mayring, 2002; Bryman, 2004) my collected data analysis is guided by Miles and Huberman (1994) *Pattern Coding* which is described in more detailed below.

The first step of the analysis of my interviews and observations was to transcribe data from the voice recorder and field notes onto paper.

In the second step I checked and edited my transcripts by preparing my data for further analysis. In step three I reduced my data and performed my analysis by developing, identifying trends and categories.

In this part of the analysis I applied pattern coding in the sense of categories that fitted in with my research question. Albeit, a common issue with qualitative data is that words are thicker than numbers thus it may be harder to interpret than numbers as they may have different meanings. However, using this process allowed me to perform cross-case analysis and identify the relationships that were based upon my central topic; why petty (everyday) corruption is dominant and persistent in Bosnian society despite its illegal nature.

The fourth step involved generalization of my findings where differences and similarities were highlighted, thus enabling me to develop my typologies. In other words, I interpreted trends and patterns available through my collected data that led to valid conclusions.

The last step consisted of verification by checking the validation of my findings in order to modify my existing theory.

Finally, it is important to note that even though observations follow the same principle of methodology the findings must be separately analysed and evaluated. As different data collection has been employed (triangulation) in my project they have the benefit of complementing findings to the interviews (Sarakontos, 1998).

## **5.2 Ethical considerations**

Ethical issues are crucial and need to be carefully considered at every stage in a research project (Bryman 2012)

Anonymity of my participants is guaranteed since corruption is a sensitive matter (Morris and Poles, 2014). Thus, the names used in this thesis are not real but pseudonyms.

At an early stage of the field study I intended to include some medical professionals in my project but was largely unsuccessful in finding willing participants. Mainly because Bosnian official law does not differentiate between bribes and gifts hence the unwillingness to speak about illegal activities involving themselves (Devine and Mathisen, 2005).

Unfortunately, I was not able to carry out direct observations in hospitals. A maternity ward I contacted did not see the reason for me to observe the ward as I did not belong to the healthcare staff and a doctor's practice kindly also declined. One doctor even told me that findings that showed levels of corruption would not be beneficial to Bosnia in joining the European Union.

Being an *'insider'* and an *'outsider'* was at times a disadvantage as I felt that medical professionals would not talk to me since corruption is an ethically sensitive matter.

Throughout my field study my role as a researcher constantly shifted from being an insider to an outsider thus I had to consider the ethical side when both collecting and analysing data. For example, to the Doctors I was considered as an *'outsider'* whom talking about corruption is a sensitive matter.

Nonetheless, the majority of the time during the field study I found it beneficial knowing the culture and the current situation in Bosnia. Growing literature (c.f Smaje, 1995; Alexander, 1999; Sheldon, 1992) suggests that cultural diversity is often overlooked by researchers. Being an *'insider'* contributed to participants feeling relaxed and I managed to capture a more realistic picture by showing an understanding of Bosnia's complex society.

### **5.3 Limitations**

There are inevitably limitations to my study. My research topic consists of different layers such as ethnicity, age, gender and location. Albeit, my thesis is limited to people's experiences in Sarajevo. It would have been useful to include people from different ethnic backgrounds and locations, such as exploring peoples experiences and understandings of petty corruption in both urban and rural areas.

Including medical professionals would also have been useful in providing a more holistic picture of the research subject.

This project was both time and resource constrained. It is to be hoped that this study may encourage further research regarding this specific topic and add to existing literature.

## **6. Primary Data and Analysis**

In this part of the thesis I will analyse both primary and secondary data collected during the project. The analysis will serve as a foundation to answer my overarching research question and sub-questions.

My aim is to provide an understanding of the norms, historical, cultural and social factors that contribute to corruption and why it is still persistent in the Bosnian context. Hence, in this

chapter I aim to use two observations followed by four interviews with key informants. I will analyse my data by applying Ehrlich's theory of 'living law' in combination with Mauss's concept of gift-giving.

Applying two different analytical frameworks provide a more comprehensive analysis of petty corruption in Bosnia rather than restricting us to a single explanation of the phenomena.

### **6.1 Observations of informal transactions in Sarajevo**

Prior to my field trip I was well aware of the situation in Bosnia, nonetheless, I was struck by the informal transactions in 'real' life' For instance, by using taxis on a daily basis I observed that in certain areas drivers put on their seat belts. This is highly unusual in Bosnia as traffic rules are rarely obeyed not even by the police. During one of my trips the driver explained that in certain areas, such as the Republic Srpska the traffic police would stop non-local people and demand bribes if traffic rules are not obeyed. This is not unusual in Bosnia, hence, this is exactly what I experienced the following day.

My first direct observation of 'living law' was during a longer taxi drive outside Sarajevo. We had just passed the border to Republic Srpska when the traffic police stopped us, I can only assume for speeding as there were some cameras by the police car. Before the taxi driver opened the window I noticed that he took out a note from his wallet that he folded up. The driver opened the window and gave the police officer his license together with the folded note. To my surprise, the only communication between the two was '*Dobar Dan*' (greeting phrase) moreover, there seemed to be some kind of unspoken mutual agreement. Later, the driver told me that there is no point in arguing with the police. '*The choice is to either pay the going rate, lose the license or end up at the police station*'.

This observation provides an important insight as it shows the nature of every day life and the relationship between formal and informal rules in Bosnia. The main purpose of law is to create order in and between relationships in a society. Hence, law generates norms that shape and coordinate individuals actions and behaviours (Shooten and Verschueren, 2008). Nonetheless, according to Ehrlich it is not state laws but rather informal norms emerging from structures and institutions that are powerful and obeyed. Moreover, the aim of 'living law' is not 'dispute and legislation' but 'peace and cooperation' (Deflem, 2008, p. 91). Although there exists an anti-

corruption legal framework that criminalizes the above described transaction, judicial rules seem to play a restricted role in Bosnian's daily lives.

Moreover, the observation reveals that an obvious mutual agreement exists between drivers and traffic police officers.

Thus this supports Ehrlich's concept of 'living law' which suggests informal rules dominate although they have not been posited in legal propositions (Deflem, 2008). Another useful analytical framework in this context is Mauss's (1966) concept of gift giving as it reveals how moral bonds between the actors exchange decides the character of social relations. This observation shows the power relationship and hierarchy between the driver and the officer as in Bosnian society the police inhabit a powerful position as they reinforce informal rules. Moreover, they are rarely challenged as the driver indicates, expressing that there was no point in arguing. This observation sets the scene that shows us that the transactions are not merely informal acts but also matters of power structure, hierarchies and social-economic relationships.

Informal practices do not always consist of monetary exchanges but can also be in non-monetary forms such as gifts as I observed at a dental practice. During the usual morning coffee in our <sup>2</sup>komšilik I mentioned to my relative that I wished to see a dentist. My relative reassured me that was easy to arrange as the head of the local dentist practice in the komšilik was a close friend of his.

Nonetheless, after finishing our daily morning routine my relative told me that he was on the way to the local shop to buy a bottle of whiskey for the dentist. Although I offered to pay for the gift the gesture was firmly rejected and I was told to stay out of it. The following day I arrived thirty minutes before my appointment in order to observe other patients. What struck me, is on my arrival the receptionist did not ask me about health insurance or the 'little health book'. Instead I was told to sit down in the waiting room and wait my turn. However, I observed that patients during my wait presented their 'books' to the receptionist.

The dentist concluded straight away that I was a foreigner when she examined my teeth. Although I wanted to talk to her about informal practices, in this particular situation I was considered as an 'outsider'. This was expressed when I asked her about the informality in the Bosnian healthcare sector and I observed her unwillingness to speak about the subject. The

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<sup>2</sup> Komšilik translates to Bosnian neighbourhoods that represent communities and interpersonal ties based upon common values and norms. Within the communities, reciprocity is based on traditional, cultural and religious norms deeply embedded in Bosnian social structure. For an in-depth and critical discussion of the concept refer to Sorabji's (2008) article 'Bosnian Neighbourhoods Revisited: Tolerance, Commitment and Komšilik in Sarajevo'.

uncomfortable situation prevented me from asking further questions as I felt that this was a sensitive issue.

This observation gives us an insight into how important *štela* is in Bosnian citizens daily lives. These informal networks play a functional role in enabling citizens to access and receive both basic and special treatment in the public services. In contrast to my previous observation between the taxi driver and traffic police, this informal transaction was not of a monetary nature which indicates that gift-giving may also be culturally and historically rooted and serve as standard practice in a society.

Gift-giving is a custom that is deeply integrated in the Bosnian structure (Malcom, 1996). Thus, despite formal definitions of corruption we can see that gift-giving here in the local context is a matter of obligation in reciprocating as Mauss (1966) suggests. Informal transactions are not activities unique to the Bosnian context. There have been several studies suggesting that cultures with informal transactions are common in other post-communist countries (Polese, 2008; Cherechess et al, 2014). Similar findings are evident in Werner's study (2002) where it becomes evident that Kazakh's citizens have a different understanding of gift giving from Westerners. Moreover, Polese (2008) carried out a study regarding bribery in the Ukraine healthcare system. He discusses the need to redefine the Western-centric definition of corruption when studying the phenomenon in post-communist countries. Polese (2008) contextualizes Mauss's (1966) framework specifically to the informal practices within the health care section by identifying three situations:

***(1) The patient knows the doctor or is in a relationship of mutual dependency with the doctor***

***(2) The patient knows someone who knows the doctor***

***(3) The patient does not know the doctor***

The *second situation* is relevant when analyzing my observation at the dental practice.

Here, the patient visits a particular health professional that has been recommended by a mutual acquaintance.

This in turn leads to the patient receiving special attention which is evident in the above observation, jumping the queue without healthcare insurance. Nonetheless, the patient is still

expected to give something depending on how strong the mutual relationship is between acquaintance, patient and doctor. The gift must not necessarily have been purchased by the patient but by the mutual relation that wishes to continue the exchange of favours.

The patient may be now receiving free or special treatment as the gift is now viewed as a bond between the doctor and the patient (Polese, 2008). Thus, in my case the bottle of whiskey served as a basis for an informal transaction to receive faster treatment which creates a moral and social bond between the dentist and my relative, thus the obligation lies in returning the gift (Mauss, 1966). Simply put: *'you scratch my back and I'll scratch yours* (Oka, 2013, p.17).

Personal networks of this nature were something I constantly observed during my field study in Bosnia. I noticed how important informal network practices were and how they were manifested in people's everyday lives from accessing healthcare to employment. My observations of informal rules ranged from paying bribes to the police to buying contact lenses without a valid prescription. It struck me that these informal transactions involved both state officials and ordinary citizens whether it was *štela* or bribery. Although a current anti-corruption legal framework in Bosnia exists it became clear that the citizens were more influenced by 'living law' than the official rules.

Hence, my observations support Haller's and Shore's (2005) argument that gifts and bribes don't always have the same meanings as in the Western world. Undoubtedly, it is difficult to define the difference between a bribe and a gift. According to the IMF bribery implies reciprocity while a gift should not. Nonetheless, this definition is often not in accordance with non-Western countries values. Moreover, the definition does not include the power relationship between the actors or the social and cultural factors that need to be considered when studying corruption (*ibid*).

Finally we must keep in mind that there are considerable differences between a situation in which reciprocation is demanded in short time or where it is not expected but given in the long term (Mauss, 1966; Holmes, 2015).

## **6.2 Informal interviews**

In this section I present the results of four informal interviews with the key informants. My aim is to illustrate their experience of corruption, how they deal with the transactions and how they are understood in their local context. Moreover, the aim is to understand what the relationship is

between the formal and informal rules concerning petty corruption in Bosnia. This in turn leads to a deeper understanding as to why corruption still persists.

In the first interview the focus is on Amina, a retired nurse, the second is centered on Dejan, a judge in the Bosnian Court, the third interview presents Jasmina, an anti-corruption officer and the fourth is Edin a taxi driver's story. Following the respondent's interviews I enclose comments providing relevant analysis of each specific informal interview.

**Amina, a retired nurse: 'Thank dear Allah that I had that money otherwise who knows how I would be today...?'**

*Five years ago, after being on the waiting list for at least 12 months, I finally got an appointment at the local hospital. I had problems with my back, the discs, as long as I can*

*remember, you know it comes with age. The Doctor at the hospital said that he would do his best during my operation. Knowing that I did not have any connections (štela) at this hospital worried me. A friend of mine with no connections and no money was left paralysed after she had back surgery. With no connections and not knowing anybody in a higher position I had no choice than to pay. Back surgery is not something to 'play' with.*

*Just before I was to be wheeled down in my hospital bed to the operating table the Doctor was waiting by the lift. Although he did not say anything I knew what was expected so I gave him 800 Bosnian Marks (about 400 Euros). He just put it in his pocket and I felt somehow safe.*

*Thank dear Allah that I had that money otherwise who knows how I would be today.... You know, people that have no connections or money are left to die.*

*We have basic social healthcare in Bosnia but by the time they are seen most of them have probably passed away or are in a terrible state. If you have no work or if you are a pensioner with 300 Bosnian Marks a month, you can't even afford the basic medicines that are supposed to be free anyway.*

*I am lucky as I have some money, not a lot, but some with mine and my husband's pensions. Most of the medical staff probably have bought their diplomas anyway so you must be careful who you seek treatment from.*

*Yes, I think it is wrong to take money, bribes for surgery. I wouldn't mind giving him a good bottle of something as a thank you. Taking money from people for services that they are entitled to is wrong!*

*Before the war when I was working at the hospital as a nurse it was different. Yes, I must admit that yes, there was money under the table but not as much as now. We always had some kind of social basic network to fall upon. Yes, if you wanted something ahead of the waiting list or some special care, networks were important. However, you would receive medical care anyway.*

*Now if you don't have money or contacts you will struggle to even get an appointment.*

*How can a country be run with so much hatred between the different ethnic political parties?*

*They cannot agree on anything but surely they know to steal our money. Even our own politicians! All the private businesses do not declare all their income so no money is going to the state. Even if it did it would go straight to the politicians pockets. I wish we could join the EU. I know that will probably take an another decade. We are European but cursed....*

### **Comments:**

Here one must ask to what extent the stories of the taxi driver in the introduction, the driver in the observation interacting with the traffic police and the nurse's encounter with the doctor are comparable. Based upon my findings, my opinion is that all three are comparable by their lacking of *štela*. As a result they are left to turn to informal transactions as 'survival mechanisms' due to a lack of a functional welfare system, hierarchy and existing power relations.

The following three issues deserve special attention with regard to the interview presented above:

In this interview the relationship between formal and informal rules are illustrated concerning petty corruption in Bosnia.

(1) The above story illustrates another example of the ‘gap’ between ‘law in books’ and ‘living law’ as healthcare provisions should be for free. Thus accepting bribes is classified as illegal in accordance to Bosnian law but is part of everyday life in Bosnia, i.e. living law that dominates everyday life.

Amina’s linguistic representation provides important insights that show us that informal connections are necessary when accessing quality healthcare.

Moreover, it supports the study’s previous findings that indicate that citizens without *štela* are consequently expected to pay bribes.

(2) Amina’s story reveals an important insight into why citizens give bribes, although interpreted by the nurse as morally wrong, it serves as a ‘palliative mechanism’ (Urinboyev and Svensson, 2013, p 386). Informal transactions as coping or survival strategies exist in other post-communist countries. For instance, Ledeneva’s (2009) study in Russia argues for the need to distinguish between the purpose of informal transactions.

She defines them as ‘*supportive*’ and ‘*subversive*’ functions which range from safety nets, survival mechanisms to sociability. Along the same line, Polese’s (2008) anthropological study in Ukraine showed the need to redefine corruption when people turn to the informal activities for survival. Finally, Amina’s story reveals that people from social and economically disadvantaged group have limited access to public healthcare. As Dougherty (2000) reminds us, it is the people with power who enjoy the benefits of informal networks leaving the people with low monetary and social capital excluded from the system.

It is also necessary to acknowledge the State’s role in informal activities in Bosnia. Polese (2014) points out that when studying informal transactions two factors need to be considered; *the power of the relationship between the people and the role (or the absent role) of the state*. Considering *the role (or the absent role)* there is a normative assumption that in most modern countries the state is responsible for basic provisions such as healthcare (Adzanela, 2012; Polese, 2014). Albeit, we must acknowledge that there are developing states such as Bosnia where unequal access to public services exists or in some cases in which cases citizens are excluded from basic provisions. According to Polese (2014) and other scholars (c.f Ospian, 2014; Stan, 2012; Jingqing, 2015) the main reason is the state’s failure to link up citizens with services in a sufficient way. Yet again, this is not unique to Bosnia but may be found in other post-communist countries. For instance, Miller’s (2003) study in Eastern Europe concluded that corruption should be linked to situations rather than individuals.

His research revealed that public officers and ordinary citizens condemned bribery although they engaged in its transactions. This is according to Miller (2002) not because these individuals have corrupt values but is caused by certain situations such as a collapsed welfare system.

(3) Although Amina, the nurse expresses in the story that bribery in this specific situation is experienced as 'wrong' as discussed beforehand, she has no choice but to adhere to the informal norm. Failing to pay the bribe the nurse was 'worried' about the outcome of the surgery leaving her in a vulnerable position. This in turn reveals the doctor's powerful position which reminds us of Mauss's idea of gift-giving as it illustrates another example of hierarchies and power between social relationships in the Bosnian context. Moreover, the nurse's story is highly instructive as it helps us to understand the difference between traditional 'gift-giving' and 'bribes'. In her understanding paying money to the doctor is morally wrong although giving the doctor gifts would serve as a token of appreciation. This shows us the dual nature of morality in the Bosnian context. Her interpretation is in line with Polese's (2008) definition of bribery in Ukraine: *If I receive it, it is a gift; if I demand it, then it is a bribe*'

### **Dejan, A Judge: Štela is something that is just a normal thing here**

*I really don't understand why somebody like you would be interested in researching štela? In my opinion it would be more useful for you to interview judges, lawyers or anybody who works in the court and handles the big corruption cases. I can arrange some interviews if you want.*

*We have had some big corruption cases in my court. Powerful politicians have been stealing money since the war and getting richer and richer. Look around you, all the expensive cars. Where do you think they get the money from? Everyone here only wants to please themselves, fancy cars and big houses. They do not want to give money to a corrupt government that will not put a penny towards our people that need basic public services. I wouldn't either if I was self employed...*

*Štela is just a normal thing here. Petty corruption is nothing that Bosnian courts really deal with. Yes, I know it may not be legal but this is how we live in Bosnia. We are in the Balkans and not in a Nordic country where people are civilized. If every bribery case*

*was to be reported we would not have the time or resources to deal with it. It happens all the time and everywhere.*

*I am so annoyed today. I have just been on the phone with my daughter. She has this really lazy boyfriend who is unemployed.*

*He is extremely lazy and does not want to work. Surely, he should be the breadwinner and not be living on her money. What kind of man is that? I am begging that she won't marry him. Is she supposed to be the breadwinner? He expects my daughter to pay for him, rent, food, hospital visits. [And its all on my back] I bought her a big apartment and got her a really good job in the public service administration department. Well, yes she has got a relevant university degree. Of course this is not enough in this country nowadays. Anyone can buy a degree. You still need to know the right people to get a job.....*

### **Comments:**

The above informal conversation sheds light on three central issues that will be further elaborated on below.

(1) This interview discloses the recognition by a judge that *štela* and informal transactions are classified as illicit. Nonetheless, he morally justifies transactions and networks as activities which occur everywhere in Bosnia as '*this is how things work*'. Thus, the judge's linguistic representation provides important insights showing us that informal rules are understood as normative behaviour and dominate peoples everyday lives in line with Ehrlich's argument.

Hence, this perspective illustrates the existence of a set of moral codes, informal norms and formal rules in a social setting that are in conflict with the state law. Thus, a legal pluralistic approach to corruption in Bosnia shows us that legal orders do not fall under the same system but are interactions between formal and informal laws (Nuijten and Anders, 2005). A similar situation was found in Urinboyev's and Svenssons's (2013, p.385) study that showed that citizens in Uzbekistan did not see their informal transactions as corruption as they were embedded in their cultural setting and were a means to 'get things done'.

(2) Another important aspect that became evident during my field study was that corruption exists at several levels within Bosnian society. By having this approach in mind the different understandings and meanings of corruption can be explored.

During the interview the judge (along with the nurse) perceive corrupt politicians as unfair. Their stories indicate that the politicians informal transactions are based on greed rather than needs and can be further explained by applying Heidenheimer's (2002) distinction of black', 'white' and 'gray' corruption.

'Black' corruption refers to transactions that most members (including the elite) perceive as unlawful and consider that the activities should have punitive consequences, whilst 'white' corruption is perceived as corruption but is accepted by both groups. 'Gray' corruption is an activity that the elites and ordinary citizens perceive as something completely different. The latter's (gray) distinction becomes apparent during the above interviews as it becomes evident that the corrupt activities of politicians are interpreted as predatory and should be punished. Thus, this interview reveals the multifaceted meanings of informal practices and networks in Bosnia. Jain's (2001) analysis of corruption scandals in Japan and Italy describe a similar situation. The study showed an existing tolerant consensus towards everyday corruption amongst the citizens. On the other hand, the citizens reacted strongly when corruption was revealed within a society's elite (*ibid*).

Albeit, from a Western-centric approach both types of activities are considered as illegal. Thus, when studying corruption in Bosnia within a social context we must systematically divide between the daily informal practices and networks of ordinary citizens and those of the political elite. Mainly because it becomes evident that the latter group's attitude to corruption is based on greediness and wealth rather than a need for 'getting things done' or a survival mechanism.

(3) The Judge's story provides information of great significance as it becomes evident that štela is not only necessary in accessing public provisions but also in gaining employment, especially in the government sector. The Judge explicitly tells us the importance of having these informal connections in addition to an adequate education. An excellent education alone is not enough to gain employment. Moreover, this illustrates my argument made previously in this study; when lacking informal connections bribes are consequently expected.

Štela may be traced to the communist era of Yugoslavia and used in obtaining goods or services and was often based upon personal networks and trusts (Adzanela, 2011; Oka, 2013, p.17). Thus in this sense gift giving is based upon obligations that serve as a foundation to all social structures as Mauss suggests.

The gift forms a moral bond between the actors that is in this case based upon obligation. Štela is a custom of networks integrated in the Bosnian structure and other post-communist countries (c.f Ledeneva, 2009; Urinboyev's and Svenssons's, 2013).

Thus, in the Bosnian context I agree with Polese (2008) who questions how effective anti-corruption strategies and legislation based upon international definitions of corruption are in post-communist states. Consequently, he urges the need to accept informal practices in these countries.

Informality is not something we can ignore, it exists and is not just going to vanish as it is '....integrative part of a society, and in turn of a state, so there is no reason to try to eradicate them' (Polese, 2008, p, 15).

### **Jasmina, an Anti-Corruption Officer: Wouldn't you pay a bit extra to jump the queue to see the Doctor faster**

*Corruption is closely linked to the structure of the Bosnian government and something needs done at a regional level. You see, the complex set up of the government means that there is no straightforward strategy that deals with corruption within the local context. I don't believe that there will be a successful strategy until we have a stronger transparency to the government.*

*I must say that people in general need to be educated about the law and their rights. I think that corruption is happening out of ignorance. We need a top up and bottom*

*up approach to corruption in Bosnia. Our regional governments do not see themselves as service providers per se. I think it is about time they need to start addressing existing gaps and start providing sufficient public services.*

*My organization is trying to map out the social affects of corruption within different social groups and how to address this. Of course corruption affects people differently and although we are trying to promote gender equality I must admit that corruption and gender is a very new topic and there is not sufficient or actually no domestic research about the subject.*

*As you know, Bosnia is a very different society. There has been mass migration to the bigger cities after the war and there is a huge population of single women households.*

*For instance, we have a big problem as ordinary citizens access to social and public services has been jeopardized by other categories that are considered more valuable in our society, for instance war veterans. I clearly remember that time but we have the perception from our parents that everything was much better. Surely some were also struggling then?*

*Informal networks exist everywhere, surely even in Sweden? Bribery is wrong but you do what you have to do. Wouldn't you pay a bit extra to jump the queue to see a doctor faster.....*

### **Comments:**

There are two main issues that need to be elaborated on in this context (1) The story reveals ineffective anti-corruption strategies in Bosnia (2) The interview points out the importance of including historical and cultural factors when studying people's understanding, logic and morals towards corruption.

(1) The insight from this interview confirms the non-functionality of the Bosnian welfare system thus affirming the study's previous findings that not having access to adequate public services leads to turning to informal rules (living law). Moreover, the interview confirms that current anti-corruption strategies are not effective as they do not address the above issues. Thus, the current legislation's 'top down' approach fails to consider the social, cultural, historical and economic context in Bosnia. Hence, this leads me to the conclusion that a 'bottom up' approach to corruption in Bosnia is needed. According to Banakar (2011) a 'bottom up' approach enables us to explore that law is sociologically 'thicker' within spheres consisting of domestic customs and norms that lay the rules for social order (Carbonnier, 1965 cited in Bankar, 2011, p. 16).

(2)The anti-corruption officer's moral reasoning is important as it helps us to better understand informal historical and cultural embedded norms. Thus, the linguistic representation '*Wouldn't you pay a bit extra to jump the queue to see a doctor faster....*' reveals that bribing a doctor in order to receive faster treatment is regarded as the 'norm'.

One explanation to why the citizens follow these informal norms can be traced to cultural habits that have remained from the Ottoman Empire. In Bosnian society, historical and cultural embedded traditions have been inherited not only from the post-communist era but also from the Ottoman empire.

*Baksis* is one of the Ottoman customs that has remained and is still much in practice in Bosnian society serving as tips in order to gain special and faster service (Malcom 1996). Thus, *Baksis* serves as a practice that contributes mutual benefits to both individuals involved in the exchange (Maus, 1966). The Ottoman's traditional habits are not unique to the Bosnian context but found for instance in Romania. Mrejeru et al's, (2000) legal study showed that Romanians accepted and tolerated these transactions as customs rather than corruption.

**Edin, a Taxi Driver: If this country was functional I wouldn't mind paying taxes.**

*"The only way to make money in my situation is to drive a taxi. It gives me an income and my family are entitled to health insurance for whatever it is worth. My brother owns the firm so he offered to pay for my taxi license.*

*The health insurance is worth gold. However, having insurance is not a guarantee you will receive proper care. Waiting lists to see specialists are extremely long and sometimes I wonder if the healthcare staff even have medical knowledge. A few years ago there was a medical nurse that got caught, the media discovered that she was paying her way through her education.*

*God help us, what is going on in this country? Look at us now, we used to be a decent European country before the war. We had a tourist industry, free healthcare and good education. Now there is nothing left and I feel ashamed of my country. As a child, my*

*family could afford to go to the coast on holidays every summer and now I struggle to feed my children.*

*A couple of weeks ago my brother got bitten by street dogs rummaging through the city. It was during the night time and he got attacked by a pack just outside his house in the middle of the city. Have you seen them? Where in Europe can you see this? They are everywhere but what can the authorities do?*

*They cannot even provide their people with basic provisions nevertheless take notice of to bunch of homeless creatures.*

*I had to rush him to the hospital as his hand was seriously damaged and you never know if the dogs have rabies. On arrival at the hospital the doctor said straight away that he did not have the necessary vaccine against rabies and the only way we could get it was to buy it from another hospital in a better part of the city. I had no choice but to get my brother in the car and drive across the town. I paid for the injection and of course I don't regret it. Thank Allah he is better now.*

*That is poor Bosnia for you and some people do not have anything to eat. Look around you, have you ever seen so many people begging as after the war?*

*This is what we have come to after fighting so hard for independence. What angers me is that I am supposed to pay taxes to the government and what do you get in return? The politicians don't even allow enough time for our taxes to be invested into public funds before they pay for their houses and fancy BMW's.*

*He ends the conversation with a Bosnian saying: "Ako je drzava prava ja cu platiti:- If this country was functional I wouldn't mind paying taxes"*

## **Comments**

Two relevant factors emerge from the taxi drivers story:

(1) What we see from this interview is that the need for paying bribes may differ. Although both the nurse and the driver turned to informal rules (living law) out of necessity the reasons differ.

Analyzing this context Polese's (2014, p. 8) typology serves as a useful tool; **the patient does not know the Doctor**. In this discourse when certain goods, such as the vaccine in this situation are in high demand, people that are prepared to pay will have easier access to them. Moreover, here he points out that we must understand that it is not only a case of corruption, but that we must consider that although medical provisions are for free, hospitals may be poorly equipped and the staff may have low salaries. Polese (2014) refers to Ukraine where medical staff are underpaid and have to turn to other options such as joining the private sector or engaging in mutual informal transactions.

This issue is interlinked with the second issue and further analysed in the section below.

(2)The taxi driver's story is in accordance with the nurse's story thus both express that after the fall of communism the situation has become worse. Thus, as discussed earlier in this thesis, due to market changes and an ineffective welfare system informal transactions have increased and forced citizens to turn to informal rules (living law). A similar situation can be found in Grodeland et al's study (1989). The findings showed that people in post-communist countries interpretation of corruption has changed since the market has changed. Along the same line Rikvin - Fish's (2005) study concluded that in the Russian market both medical staff and patients felt less protected than during the communist era, mainly due to an unregulated society where market reforms haven't reached the healthcare section.

## **7. Discussion and Conclusion**

The main aim of this thesis is to explore why petty corruption still dominates and persists in Bosnian society despite its illegal nature and the major anti-corruption efforts of international organizations?

The first strand of scholars argue that corruption can be curbed by 'good governance' (Lovell, 2004; Mungiu-Pippidi, 2002). From this perspective corruption is a result of an ineffective political, economic and democratic system.

The solution for eliminating corruption is to promote 'neo-liberal' policies and laws that criminalize corrupt acts using a top down approach. However, existing research and my findings show that informal practices are not always understood as 'corrupt' by local citizens event though they are classified as such from a Western-centric perspective. Moreover, this perspective

does not consider that the rules citizens adhere to are not only derived from the state but also created through social associations. As existing research and my findings show, a top-down approach to corruption has been largely unsuccessful in the Bosnian context.

My findings are in accordance with a group of scholar's perspective who argue for the need to redefine the international definition of corruption when studying the phenomena in a non-Western country (Werner, 2002; Haller and Shore 2005; Nuijten and Anders, 2007).

Hence, the conclusion of my observations and interviews indicate that the respondents local context, perspective, experiences and morality regarding informal practices significantly differs from the Western-centric perspective of corruption.

In this sense, I claim that my empirical findings support existing research that suggests that we need a more relevant definition of corruption when studying or discussing the phenomena in a non-Western context.

My data illustrates the 'gap' between formal and informal rules in Bosnia. Although there is an anti-corruption legal framework in Bosnia formal rules have limited meaning for its citizens. Thus, it is the informal rules emerging from social associations that influences the structure and institutions rather than official laws imposed by the state (Deflem, 2008). Considering existing research and my data, the reasons behind petty corruption in Bosnia are: existing informal gift-giving traditions, a failed welfare system and a social divide between the 'elite' and ordinary citizens.

As existing literature and my findings suggest informal transactions and practices exist not only in Bosnia but in other post-communist countries. (Polese, 2008; Ledevena, 2009). During the communist era informal networks and transactions were based upon mutual interest, kinship and friendship where goods rather than money were exchanged. However, after the fall of communism the borders opened up which created more options on the market. Moreover international pressure from the West began to change their anti-corruption legal framework to Western standards. This mission is still largely seen as unsuccessful as the international legal reforms have failed to take the local socio-economic structure into account.

Nonetheless, the aim of this thesis is not to provide an alternative definition but to reach a deeper understanding as to why corruption still persists in Bosnia despite major anti-corruption efforts.

In recent decades there has been an extensive range of literature regarding corruption in post communist countries (Werner, 2002, Polese, 2008, Urinbojev and Svensson, 2013). Although Bosnia is a post communist country it is often overlooked that after the fall of the Iron Curtain Bosnia suffered decades of economic and political instability which led to civil war. Thus, Bosnia has not only experienced market transition but also a changed infrastructure from war to peace which has led to major socio-economic difficulties and a non-functional welfare system.

Štela remains morally justified as a historically and culturally integrated part of Bosnian social structure which is considered as a norm.

My findings show that favours based upon reciprocity and giving gifts to people are standard practices in Bosnian society.

However, during the communist era ordinary citizens without informal connections were able to access public services, education and gain employment as they had a safety net to fall back on. In other words, they had a universal welfare system which provided for their basic needs. Albeit, after the war ordinary citizens were forced to turn to informal transactions as a ‘survival mechanism’ due to the government’s failure in providing for their needs.

After more than two decades the situation remains largely the same. Although ordinary citizens morally condemn paying bribes without informal connections they have no choice than to engage in corrupt behaviours in order to ‘cope’. This shows the multifaceted morality when it comes to the local understanding of informal practices in Bosnia; štela is on one hand morally justified whilst paying outright bribes is perceived as ‘wrong’.

The non-functional welfare system is interlinked with the social divisions between the ‘elite’ and ordinary citizens. There are different reasons why people turn to corruption; based on need or greed. The civil war has created open hostility between ethnic groups, especially amongst the political parties. This in turn has led to nationalistic attitudes and personal interests have become central to the political agenda rather than the provision of basic public services for the country.

Although corruption amongst politicians is repeatedly reported in the media and by international organisations such as the World Bank leading to public protests, enforcement remains absent. This in turn has created mistrust in the government. My findings are in line with Polese’s (2015) argument in regards to why citizens turn to informality.

He argues that morality not only derives from the state but also contains social aspects. Simply put, people don't mind paying taxes to the state as long as they gain benefits. However, citizens who lack trust in their government which fails to provide for their needs view tax payment as a burden. Thus, they do not feel any obligation and are less likely to follow formal rules. From this perspective the persistency of petty corruption can be viewed as forms of coping strategies to compensate for a non-functional welfare system rather than mere illegal practices. Anti-corruption efforts should focus in gaining an understanding of 'living laws' and the power relationships in the Bosnian context in order to support socio-economic development.

Finally, as discussed earlier an ethnographic socio-legal approach is useful since my main aim of the thesis is to explore and analyze why petty corruption still persists despite major anti-corruption efforts. Through a socio-legal approach I have explored the relationships between ordinary citizens and petty corruption. By applying 'living law' this study provides a deeper understanding as to why people turn to corruption rather than distinguishing between formal and informal rules which the majority of international anti - corruption agencies are currently concerned with.

My approach to this study argues that corruption cannot be viewed as a mere economic phenomena but also contains moral and social aspects. Nevertheless, corruption can be studied from several aspects such as legal, political and economic standpoints and they all provide useful information. Different standpoints can be to expand and reach further understanding of informal practices in Bosnia. Future research into public official's experiences, morality and interpretation of corruption would provide valuable information. This thesis contributes to the literature about corruption in the unique context of Bosnia.

Finally, analyzing the 'gap' by applying socio-legal research, this study's findings show that efforts in reducing corruption should focus on socio-economic change rather on top-down approaches.

This study's results can be concluded by illustrating my three subquestions that are overarching the main research aim: *Why is petty (everyday) corruption dominant and persistent in Bosnian society despite its illegal nature and the major anti-corruption initiatives and legal interventions of the Bosnian government and international organizations?*

## **1. How is petty corruption perceived, experienced and morally evaluated by ordinary citizens in Bosnia?**

By contextualizing Mauss's (1925) classical gift-giving text we gain an insight of the complex structure that consists of a system of rules and moral codes. This analytical framework shows the existing moral bonds, power relationships, obligations and hierarchy between individuals when we discuss corruption. In other words we cannot satisfactorily explore the resilience and dominance of petty corruption in Bosnia without a better understanding of the diversity of moral codes, traditions and cultural practices and their implications for informal transactions.

It comes evident that although ordinary citizens morally condemn paying bribes without informal connections they have no choice than to engage in corrupt behaviours in order to 'cope'. This shows the multifaceted morality when it comes to the local understanding of informal practices in Bosnia; *štela* is on one hand morally justified whilst paying outright bribes is morally perceived and experienced as 'wrong'.

Thus, by exploring how petty corruption is perceived, experienced and morally evaluated by ordinary citizens we can come to the conclusion that there are different reasons why they turn to informal activities in Bosnia. This study show that the reasons for engaging in informal activities are based upon: tradition, need or greed.

## **2. What is the relationship between formal and informal rules concerning petty corruption in Bosnia?**

The international anti-corruption initiative's bodies must consider local norms, the multifaceted morals and categories into how ordinary people manage their daily lives and their understanding of the practices when exploring or discussing corruption. Thus this perspective leads to an understanding as to why corruption dominates ordinary citizen's lives rather than labeling certain transactions as illegal. Studying or discussing corruption in the Bosnian context should not solely focus on whether people adhere to state laws but should understand why 'living laws' dominate Bosnian society. As the findings of this thesis suggest, informality is a part of Bosnia that is socially integrated. Furthermore despite anti-corruption legal framework is in place, official rules are largely ignored which indicates the 'gap' between formal and informal laws in Bosnia.

As evident by both primary and secondary findings, ordinary citizens turn to petty corruption in order to 'cope' and survive due to poverty, the lack of a functioning welfare system, existing informal gift-giving traditions and a social divide between the 'elite' and ordinary citizens.

## **3. What implications do these interpretations and experiences have for the possibility of curbing corruption in Bosnia?**

By gaining a comprehensive understanding of informal rules and experiences, corruption may be approached from a 'bottom up' perspective.

This in turn enables us to implement relevant and sufficient strategies and policies. My study has shown that in the Bosnian context we need to shift the focus from a purely legal perspective and realise that we should instead concentrate on promoting socio-economic changes. Moreover, we must consider that Bosnia differs from other ex-communist countries, suffering from 'double transitions'.

The multi-layered government and corrupt politicians leads to a major drain on public funds. In failing to address this issue, segregation between different social groups will continue and corruption will remain.

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