International Support Policies to South-East European Countries

Lessons (Not) Learned In B-H

CHAPTER VIII

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<u>**'SOCIAL SECTOR' OR THE DIMINUTION OF SOCIAL POLICY?**</u>
<u>**REGULATING WELFARE REGIMES IN CONTEMPORARY BOSNIA-HERZEGOVINA**</u>

1. Introduction

This chapter builds on existing work which is critical of international support and assistance policies in the sphere of the 'social sector' in B-H, a term popularised, in the world of external assistance projects, by the World Bank (WB), to refer to the wide range of institutional arrangements impacting upon livelihoods such as: health; education; employment and labour markets; and social assistance. The chapter will focus more narrowly, and from a somewhat different perspective, on 'social policy' and 'welfare regimes', arguing that external attempts to regulate welfare regimes in B-H have, by and large, been ill-conceived, belated, confusing, and contradictory, and have contributed to a diminution of the importance of social rights and of social policy as a whole, which has been given much less emphasis than it should have had, as a key pillar contributing to peace, security, good governance, and economic regeneration.

Whilst critical of international support efforts, the concepts and terms which are central to the text - 'social policy' and 'welfare regime' - derive from recent work by the British Government's Department for International Development (DFID), formerly the Overseas Development Administration (ODA). As early as 1995, ODA published work to explore the relationship between social policy and social development which utilised a very wide definition of social policy to refer to:

"… any policy developed at supranational, state, local or community level which is underpinned by a social vision of society and which, when operationalised, affects the rights or abilities of citizens to meet their livelihood needs" (ODA, 1995; 26).

Conceived in this way, the relationships between supranational, regional, state, sub-state, and local bodies, are framed in terms of competing or concordant social visions. This is especially important in B-H where the essence of the war, so-called 'ethnic cleansing', must be seen as a particularly obnoxious social vision and, therefore, a kind of social policy. Indeed, the relative neglect of formal social policy within the Dayton General Framework Agreement for Peace (GFAP), with its failure to vest any real operational possibilities in a central state, has produced a consequent increase in the role and significance of bodies and groups above the level of the state, including diverse international and supra-national organisations, and below it, including actors in local communities.

The notion of a 'welfare regime', increasingly influential in social policy studies, has also been utilised in recent planning for DFID programs in B-H, and refers to:

"the interdependent way in which welfare is produced and allocated between the state, market, civil society and the family" (DFID, 2000).

Hence, by adding this, we are concerned with another set of relationships *within* a nation state which, of course, can be combined in different ways, implying different visions of social policy, all of which are also likely to be seen differently by different actors. In many ways, recent attempts to influence the governance and the content of B-H's welfare regimes (in the plural since there are, certainly, two and, as we shall note below, possibly three such systems at the moment), can be seen as based on a misreading of inherited, pre-war, structures and processes as if they were, essentially, the same as those in Soviet-controlled Central and Eastern Europe. In fact, the complexities of the 'Yugoslav exception',

addressed in Section 2 of this chapter, suggest that seeing the domain of 'the social' as, in and of itself, inhibiting of 'economic progress' and 'political freedoms', is too simplistic and in danger of leading to the imposition of a narrow, neo-liberal, 'template' model of adjustment and reform.

To multiply the complexity even more, these relationships all occur within the framework of another set of relationships: those between macro-level social structures and micro-level social processes, themselves changing rapidly, and perhaps far more fluid and flexible than ever before, in the context of new forms of 'globalisation', perhaps most succinctly defined as:

> "a social process in which the constraints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding" (Waters, 1995; 3).

This is extraordinarily important for a number of reasons, not least in terms of the dissolution of old categorisations and the transgression of traditional boundaries. In this context, it has to be stated that those who study social policy are highly likely to be personally and professionally involved in the processes they study. In what might be termed the 'privatisation' of policy advice, there is an increasing role for the freelance academic-researcher-consultant, called in by a range of international agencies, but particularly the WB, the UN agencies, and major bilateral donors, to offer 'advice' in preparing and developing projects and programs; evaluating them; and sometimes even implementing and running them. The implications of this go far beyond this study, or the other studies in this critical assessment of international assistance in B-H, and merit much more analysis, discussion and debate.

However, one issue is directly relevant and should be stated at the outset. If this shift is real, then there is no longer any possibility of true 'objective', 'impartial' and 'neutral' research. Conflicts of interest are, rather, endemic in any writing about social policy in B-H since those who write are, inevitably, either already involved, or soon will be, in the development of policy advice and program implementation, often both. Indeed, access to key actors and policy documentation is increasingly only available through involvement in a consultancy for a donor, advice or implementing agency, which itself requires certain kinds of confidentiality. Hence, the ability to detail what one finds in the course of that consultancy for the sake of wider research and the furtherance of knowledge is limited. In addition, there is the self-imposed censorship of not wanting to risk being seen as 'unreliable' and 'unethical' – especially pronounced for those who do not have permanent, well-paid, academic/research positions (which includes, I would assert, *all* researchers and scholars from, and currently working in, B-H), and who therefore rely, to a greater or lesser extent, on such consultancies for their own livelihoods. This, as much else in wider global social relations, requires new forms of ethics, accountability and trust, and new forms of writing which acknowledge the conflicts of interest and seek to steer a path between the Scylla and Charybidis of dry objectivism, on the one hand, and trivialised anecdotalism, on the other.

This chapter treats these three sets of relations chronologically, beginning with the pre-war welfare regime in B-H as a part of the Socialist Federative Republic of Yugoslavia (SFRY). Section 3 focuses on the welfare regime during war and the coincidence of the war in B-H with a greatly increased role of particular kinds of International Non-Governmental Organisations (INGOs), which was, itself, reinforced by this coincidence. Section 4 addresses the manifest and manifold problems of the GFAP for any state-based reciprocal social policy in B-H. Section 5 focuses specifically on the role of the World Bank in the reform process in relation to social policy, in the context of wider developments in global governance, and Section 6 looks at some innovative bilateral programs with which two members of the current study team (Papic and Stubbs) have been involved in key roles. Section 7 draws some conclusions and makes some recommendations.

2. The Welfare Regime in Pre-1992 B-H

In the former Socialist Federative Republic of Yugoslavia, the welfare regime after the 'break with Stalin' in 1948 was different from those found in other state socialist societies in Central and Eastern Europe which remained within the Soviet sphere of influence. After an initial, proto-Stalinist, faith in centralised planning, rapid urbanisation, and mass literacy campaigns, there was an increasing recognition, from the late 1950s, of the inability of central planning to meet all needs and to eliminate poverty and social problems. Through a series of reforms in the late 1960s and early 1970s, often with the assistance of the IMF and WB, a system of social policy provision emerged which was seen as both 'very highly developed', and combining 'development with decentralisation' (World Bank, 1975). In former Yugoslavia, unlike most of South Eastern Europe, there was a recognition, from the late 1950s, of the need for professional social work interventions to combat social problems, based on an understanding that socialist economic progress was not, in itself, enough. This led to the formation of Centres for Social Work in most urban Municipalities in the early 1960s, with university level social work training beginning even before this in Belgrade, Ljubljana and Zagreb.

In the context of the 1974 Constitution, which gave the Republics many of the powers of states, the importance of the 'social' dimension of economic policy was particularly important in B-H, both because of its relatively underdeveloped status, and as a result of it being a mixed Republic in which Muslims, newly recognised as a constituent people, were the largest single national/ethnic group. The emergent 'welfare regime', then, can be seen as a combination of workplace welfare; traditional family care; limited universal social rights; professionalism social protection; and, to an extent, voluntary and religious based charitable effort. Missing from this was any real notion of community-based approaches to welfare, despite the centrality of socialist self-management within the post-1974 settlement. This can be understood as a product of: the internal contradictions of self-management, coupled with the power of traditional careers and new professionals, both of which operated within somewhat paternalistic, pathologising, and patronising approaches; and in the context of the critical absence of a vibrant civil society and alternative political culture (unlike that developing, at the time, in Ljubljana, Belgrade, and Zagreb, for example).

In this regard, the lack of a four-year graduate program in social work at the University of Sarajevo, so that most of the new social work professionals were trained, at least for some of the time, in one of the other Republics, in the context of a rapid expansion of higher education, particularly for Muslims, within B-H, is also important. An emergent professional social space, then, retained an intimate connection to the wider social, political, and cultural tensions within B-H and SFRY as a whole. Hence, in the economic and political crises of the 1980s which were particularly dramatic in B-H, and sometimes led to the impoverishment of whole communities, as in Velika Kladusa with the collapse of *Agrokomerc*, there was no real lead taken by social workers in developing an alternative analysis and practice. Social work remained a conservative profession in a conservative Republic. Indeed, the roots of 'clientelism', in terms of the inter-relationship between personalised political, economic and social connections, can be traced back to this period. This 'clientelism' was to become amplified during the war and in the post-war period.

This very brief, and oversimplified, discussion is relevant for three inter-linked reasons. Firstly, because in the rapid rush of reform efforts in the aftermath of the GFAP, few international agencies, their staff, or key definers, made any real effort to understand these details. Secondly, insofar as they did address the pre-1991 welfare regime, it was in terms of a caricature of socialist planning in which people 'expected' and 'waited for' social protection from the state, which was erroneous. And, thirdly, because external reforms tended to fail to note the importance of deep seated memories of welfare, not all of which were negative, among populations of service users and, above all, social workers and related professionals, who continued to act according to existing values, attitudes, and assumptions.

Whilst it is relatively easy, in the aftermath of a very bloody and destructive war, to dismantle certain institutional structures, the memories, and cultural values placed upon those structures, felt not as separable (and therefore reformable) forms, but usually experienced as a whole, are much more resistant to change. Importantly, the notion that 'the state will provide' was not the central plank of the system. Nevertheless, the 'mix' of full employment, guaranteed incomes, and a faith in a 'patchwork' of formal and informal care, including family care, charitable assistance, moonlighting by professionals, and networking through 'connections', was powerful and relatively secure. The study of reform efforts, therefore, ceases to be fully understandable in terms of the dry analysis of institutional change but must encompass historical memory, cultural patterns, and a micro-sociology or, indeed, anthropology of change encounters between in-country and external subjects. The need to be active and creative in utilising or manipulating these 'connections', so that, eventually, 'someone will look after us', is crucial. In a sense, the 'international community' simply added another layer of complexity and possibility. This is a more accurate portrayal of the realities of assistance in the war and post-war period, in fact, than the usual notion that the paternalistic state was replaced by paternalistic humanitarian aid, thereby encouraging 'dependency'.

3. The Welfare Regime in War, 1992-1995: Humanitarian Aid, International NGOs and Implicit Social Policy

The significance of the conflict in Bosnia-Herzegovina as a 'new war' in 'new times' needs constantly re-stating, since it frames many of the interventions of a range of new actors in which strategic disengagement, in terms of wider geo-politics, combines with the substitution of humanitarian aid for external political will (Bojicic-Dzelilovic, 2000; 102). However, as a war in Europe, moreover 'the first war to which one can hitch-hike from Amsterdam', the disengagement which Bojicic-Dzelilovic refers to was, actually, never complete but rather filtered through a multiplication and diversification of international actors, particularly various kinds of International NGOs (INGOs). In terms of the legacy for the social sector and the welfare regime, the ways in which the provision of humanitarian aid set the contours of a new implicit social policy is particularly important. Large numbers of INGOs, already concentrated in Croatia as a result of the war which began there in 1991, were to become the main vehicles for international assistance for the first time, so that the war in B-H was coincident with the increasing importance of INGOs, transformed from agents of global civil society and advocacy to essentially 'private aid agencies' (Biekhart 1999), delivering 'projects' and 'programs', largely externally designed and funded but which, in their implementation, sometimes used and always transformed, local structures, resources, and meanings.

The 'negotiated access' for the delivery of essential aid (shelter, food and non-food items) was particularly important in terms of its reliance on, and thereby reinforcement of, clientelism or what, elsewhere, has been termed a 'new feudalism' (Deacon and Stubbs, 1998), in which a state is broken down into ever smaller, relatively autonomous, bounded entities. In fact, the ability to control the movement of goods, people and services, through control of particular routes and territories, became a central element of the war, unchallenged until very late in the day by external force. Access to different parts of the country was, of course, 'uneven' as a result of both internal and external factors, and aid was increasingly 'targeted' to particular groups of the population, both tendencies also reinforcing and increasing the arbitrariness and localisation of survival and livelihood conditionalities. The development of war economies, beginning to be addressed in recent literature, should not blind us to the development and significance of war welfare regimes, which also remain important in later restructuring in the post-war context.

Through their large-scale relief programs, the European Union (through ECHO its new humanitarian arm), the United Nations agencies, primarily through UNHCR as 'lead agency', USAID and other bilaterals, tended not to implement projects directly but to work

through 'implementing partners', initially INGOs such as CARE, Catholic Relief Services (CRS), the International Rescue Committee (IRC) and many others so that, by the end of the war, over 200 INGOs were registered as working in B-H. These agencies, increasingly 'multi-mandated' (Duffield, 1996) and multi-funded, worked on an 'external' model of assistance. Hence, their key staff were experienced aid workers from crises in developing countries, where models of rights-based social welfare were much less important, reinforced by newly recruited international staff with some volunteer experience in the region, and only in third place was there a priority on the recruitment of 'local staff', most often expected to accept and comply with these frameworks and models rather than adapt and reform them. Given that employment by an international agency, for those who remained in B-H, was itself a crucial survival and livelihood opportunity, providing salaries far in excess of any other similar employment, any resistance to this subordinated role was always likely to be informal and unsystematic, if it was present at all. Rarely did any of these groups, separately or together, seek to assess or build upon the capacities of existing institutional structures.

The tendency of existing Bosnian professionals, including those in Centres for Social Work (CSWs), to join international agencies, did occur but was itself complex since agencies tended to prefer younger staff, those who spoke English, and those seen as able to adapt to rapidly changing conditions. Sometimes, those with professional qualifications in social work were marginalized *vis-à-vis* other professions, particularly psychologists, and younger graduates from other, non-related disciplines, more willing and able to utilise the terminology and technology of external international interventionism. In some ways, this can be seen as reinforcing the conservatism of CSWs and other welfare providers, including the local Red Cross branches, whose role rarely challenged 'ethnic cleansing' and sometimes, even in the case of the latter, reinforced it (the wife of extreme nationalist Radovan Karadzic became President of the Red Cross in the Serbian territory, retaining this position in *Republika Srpska* for a time even after the Dayton Agreement). Very quickly, then, mistrust became an intrinsic element of a new diversified welfare regime - fragmented and localised, residualised, category-based rather than needs-based, and de-politicised.

Centres for Social Work were not, of course, completely ignored in these processes, but, deprived of some of their more innovative staff, they became little more than conduits for international assistance, compiling beneficiary lists, often alongside other agencies. No-one thought of investing in CSWs in terms of technologies which would have enabled them to play a greater role in the welfare regime of the time (in contrast every INGO and many of their local counterparts received massive injections of computer, communications and transport resources). Most parts of B-H where international agencies worked, established aid co-ordination mechanisms but these rarely included CSWs or, indeed, any local institutions, being entirely composed of international agencies, although often themselves represented by local staff.

One initiative which was a partial exception to these processes was the REACH program implemented by CARE and funded by a range of agencies including ECHO, DFID, and CIDA, which began towards the end of the war (Shenstone 1998). Through a focus on 'exceptionally vulnerable individuals' (EVIs in the international development lexicon), the program can be seen to have reinforced residual approaches to welfare since it continued to think in terms of categories: the elderly; ethnic minorities; refugees; and so forth, rather than to articulate any more sophisticated rights-based approach. Nevertheless, it was one of the first programs to seek to have an all-Bosnia focus, as opposed to being localised in one particular area, and it did base its interventions on existing structures, in part at least, including CSWs and health clinics, seeking to reform existing practices through the development of 'home care' assessment and intervention teams.

CARE was, together with CRS and IRC, a major implementer of a range of programs in B-H and, through its own complex multi-national structure, CARE Canada was the lead CARE agency, establishing itself as CARE B-H and Croatia. Utilising Canadian expertise, the program can be seen as a hybrid of Western European and United States models of welfare. Even more importantly, CARE's then head of office was increasingly concerned

with the wider challenge of 'transition programming' in terms of how to rethink the structures of assistance after the war, both in terms of the development of civil society (commissioning a highly influential report by Ian Smillie (1996)) and in terms of social policy, pushing donors to address the question of 'turning over' international assistance programs to local organisations. This concern can, in retrospect, be seen as both intellectually driven and opportunistic – insofar as those agencies who had faced these issues most effectively were likely to be best placed to capitalise on the shift in donor priorities from relief to development. The intellectual basis of this, whilst actively seeking academics and researchers with whom to dialogue, continued to ignore local intellectual expertise. Hence, this one initiative which was in advance of all others at the time, itself reproduced many of the problems of creating an implicit social policy through diverse welfare regimes.

The implications of the problematic transition from 'relief' to 'development' was particularly pronounced, therefore, in B-H in the transition from war to peace. Relief had been dominated not by wider social policy concerns but by keeping people alive long enough for a peace agreement to materialise, as if the two processes were completely separable. In addition, relief agencies, in particular the new strengthened INGOs/private aid agencies, sought themselves to be conduits for later development assistance – building civil society, post-war reconstruction, and internal institutional capacity building. The complete separation between human rights and solidarity-based approaches, including those funded by innovative agencies such as the Open Society Institute, on the one hand, and the implementing partner and service delivery model, on the other, also posed immense problems, since agencies concerned with social welfare tended not to utilise any kind of rights-based frameworks and could offer no challenge to the dominant, modernist, Western model which the former reinforced, of individualised notions of human rights alongside neo-liberal distrust of 'the social sphere' per se. Even more importantly, diversity in the welfare regime had developed completely accidentally and anarchically and not as a result of any principles. INGOs, in turn both 'over-ethnicising' and 'de-ethnicising' in their social practices, tended to misunderstand, misread, and marginalize CSWs which, denied of resources, both human and material, tended to become vehicles for social exclusion and discrimination whereas, had more accurate analyses and attempts at alliances been made, could have become forces for re-integration and even a core 'peace constituency'.

4. Solidifying Ethnicity and Ethnicising Solidarities: The Welfare Regime and the 1995 Dayton Agreement

The Dayton Agreement or GFAP has been criticised, rightly, from a number of diverse perspectives but, mainly because, whilst valid as a (short-term) peace agreement it has much less validity and credibility as a long-term constitutional agreement since it reinforces and legitimises 'ethnic cleansing' and, indeed, allows the parties to the conflict to pursue 'war by other means' (Woodward, 1996). There has been very little commentary, however, on the fact that the draftees of the GFAP, whilst obviously not seeing social policy, in any sense, as a priority, established the ground-rules for welfare governance in B-H which, more than five years later, continue to limit effective, efficient, and equitable reform efforts. In a sense, the structures laid down were 'the worst possible' and, given the failure to address social policy and social welfare in its entirety, it would actually have been preferable if the GFAP had established no ground rules for the constitution of the new post-war welfare regimes in B-H.

Under the Constitution agreed at Dayton, no social policy responsibilities are allocated to the overall State institutions. Article III (3) states explicitly that 'all government functions and responsibilities which are not strictly given to the institutions of Bosnia-Herzegovina shall be the functions and responsibilities of an entity'. Hence, the agreement allows for the development of two distinct social policies and social welfare regimes within Bosnia-Herzegovina, in the Federation and in *Republika Srpska*. The existence of the illegal

Herceg-Bosna para-state entity effectively holds out the possibility for the emergence of three social policies and three welfare regimes, each of which receive support from neighbouring states, some of which are themselves guarantors of the GFAP, most particularly Croatia in terms of *Herceg-Bosna*, and Serbia in terms of *Republika Srpska*. Indeed, within the Federation social policy powers are further divided between the Federation and the Cantons. The Federation, under Article 1, has exclusive responsibility for the creation of monetary and fiscal policy. Health issues and social welfare policy are defined as joint responsibilities of the Federation and Cantons under Article 2 (III). Cantons are given responsibility by Article 4 for the creation and regulation of education policy, the creation and regulation of housing policy, the creation and regulation of policy regarding public services, and for the *implementation* of social policy and maintenance of social welfare services.

In essence then, the GFAP creates a contradiction between entity-based rights and the need for lower levels of the system, Cantons and Municipalities in FB-H, and Municipalities alone in RS, to raise resources to meet these rights. The system, therefore, promotes the creation of high levels of unrealisable social rights, completely disconnected from revenue questions. Indeed, as Cantons and Municipalities vary enormously in size, resources, and revenue-raising abilities, fundamental inequities in the realisation of rights and entitlements are also built into the system and its structure. This is illustrated, indeed, by the fact that the Federal Law on Social Protection passed in July 1999 required Cantons to pass laws with the same, or greater rights than the Federal law, within three months. Given the need for Cantons to match rights with available resources, it is not surprising that four Cantons still have not done so. In RS, the system remains based on a 1993 law, amended in 1996, and accompanied by a series of legislative acts, but which also leaves intact a system where rights outweigh resources. In RS, child protection and child benefit payments are underpinned by a Children's Fund, which does promote a sharing of risk across the entity. In addition, a Solidarity Fund is meant to equal resources available to vulnerable groups but, thus far, has been used mainly to finance pensions and veterans' programs, rather than for social assistance.

Hence, with this variation in the size, resources, and revenue-raising abilities of the Cantons and Municipalities, fundamental inequities in the realisation of rights and entitlements are also built into the system and its structure. In addition, mainstream social policy responsibilities in both RS and FB-H are, largely, vested in marginalized sections of marginalized Ministries. In RS, it is the responsibility of an Assistant Minister within the health-dominated Ministry of Health and Social Protection, and in FB-H responsibility lies with an Assistant Minister within the Ministry of Refugees and Social Policy.

Perhaps most importantly, the GFAP ended any hope of a 'normal' social policy in a 'normal' state, based on an assumption of reciprocity and sharing of risk in which all citizens have a responsibility for raising revenues which are then disbursed, on the basis of need. Instead, separate ethnicized claims and loyalties are legitimated, leading to three separate welfare regimes underpinned by a social vision which limits reciprocal obligations on the basis of ethnicized belonging. In a sense then, sub-state entities and CSWs become responsible for the administration of a particularly narrow set of benefits, primarily for majority communities, with local and international NGOs, focused on minorities, refugees and displaced persons, and minority returnees. Hence, ethnicization is itself embedded in the new 'welfare mix' in B-H, most pronounced in RS where *Merhamet* for Bosniacs, and *Caritas* for Croats, play the role of ethnicized CSWs for minorities.

Rather than witnessing a process of democratisation, pluralism and a move towards a well-regulated, open, market economy, it is probably more accurate and useful to see contemporary B-H as a 'virtual' or 'neo-feudal' state in which power is concentrated locally, in mini-states, based on patronage, influence peddling, and mafia-like elites. Social welfare regimes reflect these tendencies and reinforce them. International agencies, including those charged with regulation, implementation, and institutional development, have been extremely reluctant to recognise this, consistently misreading the situation, at least for public consumption, in which the GFAP must be accepted *in toto*, in terms of the GFAP

promoting a 'normal', 'modern' priority given to 'decentralised' social welfare regimes based on 'subsidiarity'.

In fact, it is not quite the whole story to suggest that international agencies have sought to render complex political questions as essentially 'technical' in B-H. There have been major distortions in the levels of support for different parts of B-H which are unrelated to need but are, in fact, related to an ambiguous sense of the legitimacy of *Republika Srspka* which, until almost two years after the GFAP, received a far smaller proportion of international assistance. It is very difficult to assess the diverse impact of different kinds of transfer payments, remittances from abroad, support from sympathetic states, and such like, but the decentralisation and diversification of these transfers have also reinforced ethnicized claims. In addition, the importance of new hierarchies of provision, notably in terms of categorisations of 'war victims', have further complicated the picture.

In the initial post-GFAP period, we can see social policy in B-H as a relatively under-developed theme, for a number of reasons, including:
1. That relief interventions have tended to operate through INGOs or local NGOs, often sub-contracted to provide services, thus forming a parallel system with little integration or functional relationship with public services.
2. That those grassroots initiatives which have been more independent and less oriented to service delivery have been much more concerned with expanding the civil space and human rights rather than the social space and social rights.
3. That a range of social service initiatives have tended to be project based and focused on client groups: children; people with disabilities; older people; and so on, rather than to be concerned with the broader functioning of the system.
4. That no supranational agency has social policy as its main focus in B-H and the efforts of the lead agencies have been much more oriented to frameworks of governance, human rights, economic development, reconstruction and return.

It is this last issue that we focus on in the next section, seeking to account for and critique the increasing emphasis on formal social policy questions from mid-1997 onwards by the World Bank and others.

5. Changing Bosnia or Changing the Bank?: New Global Governance and Social Policy Reform 1997-1999

Major supranational and global agencies, including the World Bank (WB), have been instrumental in shaping the social policy choices made in post-communist Central and Eastern Europe and the former Soviet Union since 1989 (Deacon, Hulse and Stubbs, 1997). The task has been relatively straightforward once such organisations have been able to identify Ministerial counterparts with whom to do business. In the process of the encounter with countries which have a legacy of social development and social rights which exceed levels of economic development, the Bank has also been changed, too, and, whilst still dominating the reform process, together with the IMF, has had to accommodate much more of an emphasis on the social costs of transition, or the need for 'transition with a human face'.

As ever, the situation of the WB's engagement with B-H has been different, not least because of the GFAP which means that there is a need to 'do business' with far more counterparts, at entity and, indeed, in FB-H, Cantonal levels. A model of co-ordinated assistance strategies in which post-GFAP B-H is the subject of a 'new Marshall Plan' has proved highly elusive, not least because of the complex governance arrangements in B-H, the decline in importance of UN agencies, the multiplicity of donor efforts and, indeed, donor fatigue as other emergencies grabbed the headlines. Whilst a case study of the

WB's role in social sectors is beyond the scope of this text, some impressions from key moments are relevant.

Whilst its own evaluation of its programs suggests that "The Bank's response to post-conflict needs in Bosnia and Herzegovina was early and comprehensive" (World Bank OED, 2000; 11), in the sphere of social policy and welfare regimes it was neither. Of the sixteen 'emergency projects' initiated between February and December 1996, only one part of one of them – an Emergency Social Fund to provide incomes to the poorest households in 1996, only in FB-H, was concerned with social policy (ibid; 35-38). Even this was seen to have been based on payments which were "too widely dispersed and not sufficiently means tested" (ibid; 62). In fact, the payments system utilised CSWs so that, in fact, the problems of the scheme were less to do with targeting than with a lack of sustainability, with no plans for how to continue the scheme once donations dried up.

In May 1997, almost eighteen months after the GFAP was signed, the World Bank Resident Mission convened a Social Assistance Strategy Meeting, attended by the Ministry of Refugees and Social Policy in FB-H, and about twenty INGOs and donor agencies, together with the Bank, in Sarajevo. The minutes of the meeting state that:

> "... a serious attempt is missing to help the government develop a strategy for a streamlined and affordable program of social benefits beyond the emergency phase, and in particular there is: (i) lack of a framework ...within which to develop the part of the social safety net that it will be essential to maintain once donors begin to phase out; (ii) significant ambiguity over the future content and coverage of social welfare programs; (iii) lack of clarity regarding the role and responsibilities of government and non-government organisations as providers of social services; and (iv) no financing plan to ensure the sustainability of social services once donor funds dry up." (World Bank 1997).

As an indictment of social policy reform effort, the minutes are clear and indicate the beginnings of concern by the Bank to see this as important, although the confusion is compounded by reference to 'the government' when it should read 'governments', and the continued foreign domination of the process with INGOs beginning to develop a rhetoric of 'capacity building' as a sure way of retaining a place in the system. Indeed, already by this point, Save the Children (UK) had established advisor positions in the relevant parts of the Ministries of FB-H, RS, and Tuzla Canton, a move which was, in retrospect, far too early and based on inappropriate notions of 'importing' Western models and approaches, as was a UNICEF/University of Stockholm initiative which utilised crude 'psycho-social approaches' unsuited to Bosnian realities. Other agencies continued to simply establish parallel institutions, the best, or perhaps worst, example of which is the example of Norwegian People's Aid in Zenica which, because of problems in their negotiations with an existing children's institution, simply built another one, with better facilities and salaries and, certainly, a different model of care, 100 meters down the road. Now, of course, Zenica's two institutions need to be 'sustainable' and to be funded by the Municipality!

In the months after the World Bank meeting, the initiative for taking reform forward was given to CARE which had responsibility for organising an ECHO-funded conference which was held in December 1997 and subsequently published (Stubbs and Gregson eds, 1998). CARE devoted one member of staff to the organising of the conference, working with the author of this chapter (Stubbs). In retrospect, working with CARE provided an opportunity to break out of the policy vacuum in this area and to force supranational agencies, particularly the World Bank, to recognise the existence of in-country competence in social policy. However, it also illustrated the *ad hoc*, almost accidental, nature of the policy debate and, more importantly, of the question of which agencies would be centrally involved. By contributing small amounts of funding, both the World Bank and the International Federation of the Red Cross ensured themselves a stake in the conference format and in shaping future work whereas UNDP, for example, had no such role, simply because they had not offered funding rather than for any ideological reason. Moreover, once the conference was judged a success, the CARE staff member was seconded to the World Bank to establish a Social Policy Task

Force, funded by the same agencies plus the Canadian International Development Agency (CIDA). The Task Force despite, or perhaps because of, its strong local representation and ownership, has never really become a conduit for steering, planning and co-ordinating external social policy assistance. The fact that social policy questions are still not a priority of donors has to be set in the context of the low priorities that such questions are given within Governments in B-H, also.

The absence of a clear external lead agency in social policy reform, able to link with powerful Ministries, is very apparent. The World Bank has tended to work at arms length on a range of issues, although recent consultation processes on structural adjustment loans have been more focused on conditionalities in the social sector and a new Social Sector Technical Assistance Credit (SOTAC) does show that the Bank is in tune with some current thinking, although the linking of social policy with labour market issues remains problematic. The Office of the High Representative (OHR) has made occasional forays into the field, as in the mention of social protection at the Madrid Peace Implementation Council Meeting in December 1998 but, again, seconding foreign experts for one year who combine a wish to do good with a steep learning curve, is hardly an effective way to make policy. In any case, OHR remains more focused on modelling return scenarios and has a staff with little commitment to European approaches to social rights. The European Union, whose development programs were delayed whilst ECHO continued to operate within an emergency framework highly suspicious of any governmental structures, remains ill-focused, bureaucratic, and extraordinarily time-consuming in terms of delays from assessment to dispersal of grants and implementation of programs. In addition, in its latter phase, ECHO also supported a number of INGOs to build the capacity of CSWs which, after years of neglect, simply saw this as an opportunity to receive some funds and/or judged the interventions as misguided and further erosive of what little trust remained within the sector.

What is particularly important is that all of the projects noted above were designed by external consultants with little direct, meaningful, initial involvement of Bosnia scholars, consultants or practitioners. Later, of course, in the process of 'building capacity', a very small core group of the same local experts have been engaged by each and every program, in somewhat different ways, and according to different assumptions, external frameworks and models. This is extraordinarily disempowering of internal expertise and, perhaps, one of the major lessons which needs to be learnt.

The issue of the role of the World Bank within the broader configuration of the Stability Pact also needs to be noted here. The Working Table on Economic Restructuring, Development and Co-operation appears unduly influenced by macro-economic considerations based on an agenda produced by the World Bank. This risks aggravating the conditions of vulnerable people in the region by urging too great a haste in reform, including budgetary restrictions, removal of subsidies, and rapid enterprise restructuring and trade liberalisation, and it suggests a very restricted notion of social rights in terms of welfare safety nets (World Bank, 2000). The Bank may be more able to emphasise economic growth per se, as opposed to pro-poor growth, in a region where there is greater instability and insecurity as evidenced by a quote from a senior Bank official at the conference held in Sarajevo in December 1997 who stated that "the extent to which the old system has been destroyed might provide a unique opportunity for fundamental reform" (World Bank, 1998). The need for much greater accountability and transparency in the operations of the World Bank and IMF are clear – saccharine-flavoured internal case study reports are not enough, but, again, the difficulty of developing a critical perspective when, often, the Bank can buy its way in to key academic and research structures is a real problem.

6. New Approaches: Towards Welfare Governance?

One initiative supported by the Government of Finland, and implemented by UNDP and the Independent Bureau for Humanitarian Issues (IBHI), following a programme planning

mission of which the author was a member, sought to initiate a fundamental shift in social policy programming in B-H, towards a greater focus on regulating and reforming the governance of welfare regimes. The nature of this programme and a proposed initiative by the British Government Department for International development (DFID) are of interest, both in terms of the new directions they open up, but also the continued need for 'personal influence' and the almost accidental nature of social policy making, and the problems of the balance of power in new project specific approaches.

The Government of Finland expressed its intention to fund a project in the social sector in B-H as early as July 1997, with an initial assessment mission in B-H in November-December 1997. The multiplicity of links and influences between the current author, with a research base in Finland, and key personnel in IBHI and UNDP, led to successful lobbying in favour of including Travnik as well as Prijedor in the programme, and to a focus on reform of social protection based on work already undertaken by IBHI which was far more concerned with governance and new forms of partnerships, thus:

"Centres for Social Work must become a basic segment of the institutional network, with NGOs and other types of local initiatives for the provision of social protection. Their 'internal' transition (transformation) allows them to be open to co-operation, and prepared to implement projects in every sector together with other organisations. They should also be enabled to undertake project management, and to prepare and implement their own projects financed by international organisations and other donors. The main co-operator of the Centres in the 'network' of various forms of social protection activities should be, crucially, local NGOs." (Papic, 1998; 258).

The project in Phase I will have operated for two years with a total budget of some 4m. DEM, combining social welfare reform, the establishment of new Municipal Social Welfare Management Boards, capacity building; strengthening of physical and human resources; seed money for special focus projects with involvement of local NGOs; and training and research components. One key aim of the project is to increase the capacity of local people to plan and prioritise in situations when measures need to be taken even though resources are limited.

The project represents a shift in the balance of power from international to local personnel and institutions, although the sheer number of discrete tasks, and complex management arrangements, mitigate against a wider strategic intervention. In addition, the difficulty of supporting existing social protection practices whilst encouraging new partnerships, can lead to a relative neglect of community-based approaches and user involvement. There is also a real problem about how to link micro-level changes with a still relatively weak, macro-level reform agenda. In addition, whilst UNDP globally and regionally have been important in challenging neo-liberal agendas in favour of a more balanced, human development oriented approach, the office in B-H has had considerable problems in responding strategically in the midst of a need to operate a wide range of diverse and disparate projects and programmes. The project certainly raised the profile of IBHI which has become recognised as a major social policy resource but, again, how far this is based on clear lines of accountability and structures is complex, and could be seen as an example of a shift in the balance of power away from academia and government towards private advice and implementation agencies.

The shift to welfare governance at all levels is even more explicit in DFID's ambitious four-year, 9 m DEM, programme explicitly seeking to connect different levels of the social welfare regime through an explicit focus on partnerships to reduce poverty, inequality and social exclusion. It aims to influence structural relationships at three levels: the macro-level in terms of entity systems; the meso-level in terms of municipal social policy management and service delivery; and the micro-level in terms of community action projects and partnerships between municipalities and civil society actors. The programme will be implemented in four municipalities and is currently being tendered for by UK-registered private consultancy and training consortia. This move to private contractors, who must put together the best possible team, whilst combined with ownership in terms of a key DFID appointment, and a local reference group, is certainly an advance on programming through INGOs, but has perhaps not been explained

sufficiently in-country, and risks a further privatisation, and therefore arbitrariness, of the steering of welfare governance.

What is particularly interesting in the DFID programme is the extensive assessment and consultation process, with an initial 45-day Scoping Mission (undertaken by the author of this chapter) and a 23-day Project Planning Mission undertaken by a team of three, including participatory project planning workshops in the pilot municipalities. A number of problematic issues remain, notably the failure to utilise Bosnian personnel as experts in what was a relatively expensive programme planning process and, secondly, the lack of wider public availability, and therefore ability to challenge, the reports. There are indications that both the Governments of Finland and Britain may be able to take the lead in initiating best practices, not only in terms of the content of programmes designed but, perhaps even more importantly, the process of programme design.

7. Conclusions and Recommendations

This chapter has sought to address something of the complexity of social sector reform in B-H and, whilst critical of international assistance efforts, has sought to go beyond a crude caricature of these interventions fostering a 'dependency culture'. In a sense, the interactions between existing and new actors in a welfare regime which is local, entity-based, regional and global, are so complex that they can be misread as only structural or only inter-personal when, in fact, they are both. In addition, the complex legacy of pre-war structures and cultures, and the memories of those, within individuals and institutions, is crucial. Perhaps most importantly, the inability of a technical project-based culture to deal with the most important inter-connections between social, political and economic questions, in a society in which local conditions absorb and adapt initiatives to further clientelistic ends, is a key message.

In this complexity, there are no clear agendas about what should be done, although a combination of three key issues can be put forward as tentative recommendations.

7.1.   Promote genuine local capacity, expertise and analyses. The main message of this chapter has been the failure to utilise local expertise in ways which genuinely and fundamentally transform local-international power relationships in international assistance. This should involve commissioning Bosnian experts to analyse existing institutional structures and recommend how these can be strengthened and built upon; to take part in programme assessment and design missions; and in programme and sector-wide evaluations and lessons learnt studies. This would need to be combined with structures for dissemination and ensuring that these initiatives were understood and recognised by international agencies. In a sense, the establishment of a strong action-research oriented Social Policy Institute, with core funding for 5 years, allowing any short-term project funds to be seen as additional and not, themselves, the core, would be of immense importance.

7.2.   Develop transparent structures which are explicit about the value base of interventions and which strive for value consensus in social policy. This is even more complex and difficult, going beyond the often-stated need for improved co-ordination, to respect the need for new kinds of dialogue about the difference between a (primarily European) social rights position recognising the human dimension of social policy challenging poverty, inequality and social exclusion and a (primarily United States) neo-liberal position which focuses on economic growth. In a sense, whilst 'Bosnians must determine their own social policy', the importance of international transfers are such that wider debates here are rarely held, with key agencies such as the Open Society Institute absent from the debates completely. In addition, explicitness about the need to challenge clientelistic relationships needs to be made much stronger.

7.3.   Create funding structures which are longer-term and which build partnerships and trust. There is a need to recognise that, in the context of the global social system, B-H is not particularly poor and that high levels of external assistance have been predominantly based on

its geo-political significance and the importance of promoting Western expertise and interests, rather than based on needs. Promoting partnerships should involve flexible co-financing by external and internal sources, and promoting genuine links between governmental, civil society, and grassroots actors. Only then can a new social policy which itself builds peace and social justice be implemented.

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