SELL OUT, TUNE OUT, GET OUT, OR FREAK OUT?

Understanding Corruption, State Capture, Radicalization, Pacification, Resilience, and Emigration in Bosnia and Herzegovina and North Macedonia

EXECUTIVE SUMMARY AND RECOMMENDATIONS

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Executive Summary and Recommendations

This initiative was inspired by a simple question: can the ideas presented in Sarah Chayes' book *Thieves of State: Why Corruption Threatens Global Security*, help in understanding the social, political, and economic dynamics of Bosnia and Herzegovina (BiH) and North Macedonia in 2020?

Chayes made the contention, based on her deep and multifaceted experience on the ground in Afghanistan and her study of other countries, that systemic corruption and self-dealing as practiced by governments (commonly referred to as state capture) fuels popular resentment that feeds into radicalization, including (but not limited to) violent extremism. This research project is an exploratory proof of concept to determine whether or not the state capture model/extremism nexus developed by Chayes is applicable to countries in the Western Balkans. A mixed methodology approach including a historical document review, highly localized field research, an extensive media/social media review, and an online poll generated a vast range of data for study and triangulation. Following nearly nine months of desk research, theoretical study, and fieldwork, the answer is "Yes." The fundamental analytical linkage between corruption, state (and party) capture and radicalization is sound. However, for the two Western Balkan countries studied, additional explanations and nuances provide a fuller description of the social processes underway, while also providing a foundation for prescription.

This process began with an analysis of the Chayes framework and model, providing a conceptual framework for further consideration and application. Then, nine municipalities in BiH were selected, ensuring a diverse mix of ethno-national, geographic, and internal administrative/political characteristics.[1] This selection includes municipalities from both entities, Brčko District, four cantons and two geographic regions (Krajina and the north east). The team specifically excluded large cities that have been the focus of much past research and programmatic engagement (Sarajevo, Banja Luka, Mostar, Tuzla). Nine communities in eight municipalities in North Macedonia were selected for geographic, ethnic, and linguistic diversity.[2]

In BiH, an extensive media tracking spreadsheet was developed, consisting of 3,020 items related to corruption, state capture, extremism, and polarization. Traditional and online media were monitored, including a preliminary survey of approximately 25,000 posts from BiH users on 4Chan during the project period. In North Macedonia, the more complex and complicated media environment included a wide survey and comparison of sources in both the Macedonian and Albanian language, a review of dozens of portals, Facebook pages/groups, YouTube, and Twitter feeds.

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[1] Bihać, Bosanski Petrovac, Brčko, Glamoč, Maglaj, Mrkonjić Grad, Petrovo, Srebrenik, and Žepče.
[2] Chair, Gazi Baba, Gostivar, Kumanovo, Shtip, Struga, Strumica, Tetovo, and Veles.

Certain elements of the extensive planned fieldwork were affected by COVID-19 and related travel restrictions. However, in BiH two full rounds of fieldwork were conducted (one before and one after the pandemic emerged), with a remote outreach round in between. In North Macedonia, several target communities were visited before the pandemic, with the remaining field outreach commencing once restrictions were lifted. Nearly 200 individuals participated in interviews and focus groups; in North Macedonia this notably included a number of retired police officers, and members/leaders of local patriotic originations considered as extremist, or potentially extremist.

An indicative online poll was not initially foreseen, but was conducted to compensate for the pandemic's (limited) impact on planned travel. Over 1,700 responses were collected in the two countries. Following the completion of data collection, findings were prepared to plainly outline key trends, anecdotes, examples, and outliers. The field element of the research was so rich that in addition to summarizing data highlights in thematically organized Findings chapters, a granular, ethnographic, descriptive summary of each of the communities researched was prepared, to in effect provide an anthropological look at the impact of recent history on these places and their inhabitants. These snapshots are intended to provide a living narrative of these communities over three decades since the end of Yugoslavia, as they react and respond to regional and global change. This substantial body of data was reviewed to understand each case study country on its own and comparatively, to understand similarities and differences. *The findings and analysis confirm that extremism is a function of malgovernance as manifest through state capture, corruption, and the lack of justice. Taken together, these characteristics deprive citizens of a sense of dignity, purpose, and meaning.*

Inspired by the models presented by Chayes,[3] and together with local expertise and the empirical findings of this study, three conceptual models were developed to describe a) the problem set; b) citizen response options; and c) options to effect systemic change. Each of these models was inspired by and is applicable to both BiH and North Macedonia.

The political economies of BiH and North Macedonia are described in Model 1:

[3] For Afghanistan, Egypt, Tunisia, Uzbekistan, and Nigeria.

Model 1
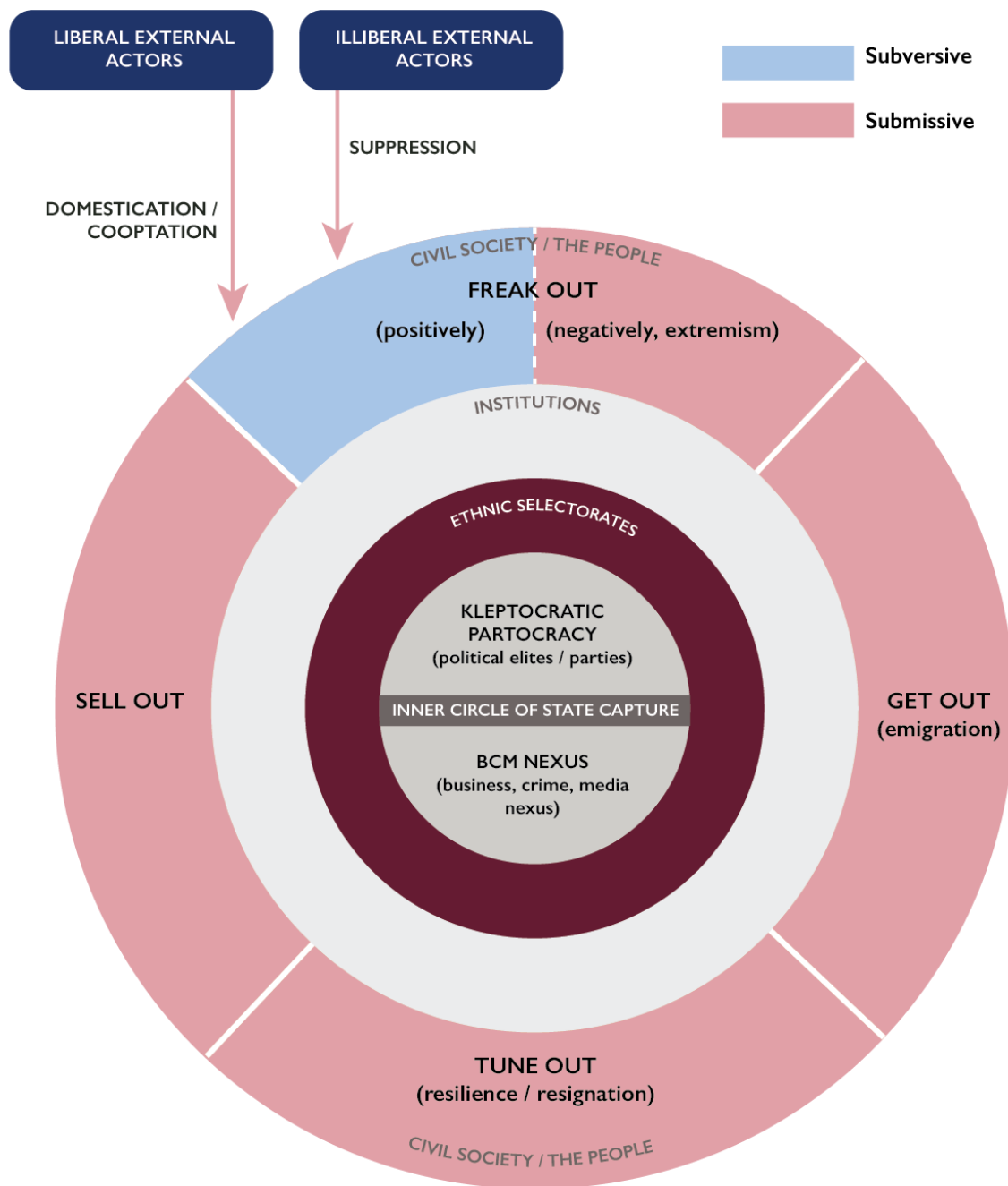
The model represents a tripartite inner core of state capture consisting of a kleptocratic partitocracy and business/criminal/media nexus, the ethnic selectorate that keeps them in power, and the institutions that both facilitate and maintain the capture. The outer circle represents non-aligned and unserved citizens. The captured three inner layers are funded from domestic and external sources, with the former coming from taxes, fees, concessions, and tenders, and the latter from external forms (financial, material, and moral) of support from liberal or illiberal actors.

The individuals who choose to "sell out" often do so for purely transactional reasons – not on the basis of a deeply help ideology or belief system. Similarly, some may join in the hope that they can have a positive impact "from within," only to find the obstacles to change are too substantial. This suggests that they are potentially open to new systems, particularly if and when they believe to feel that the system to which they have sold out is no longer valuing them or offering them anything. In practice, support is leased or rented, not bought in perpetuity. While the inner circle (Model 1) relies on gaming the structure, this dynamic works from the bottom-up as well, with individuals also exploiting systemic incentives.

Understanding these options fed exploration of the kinds of resilience extant and needed in the case study countries. Analysis of the response options available to citizens in this kind of system led to development of Model 2:
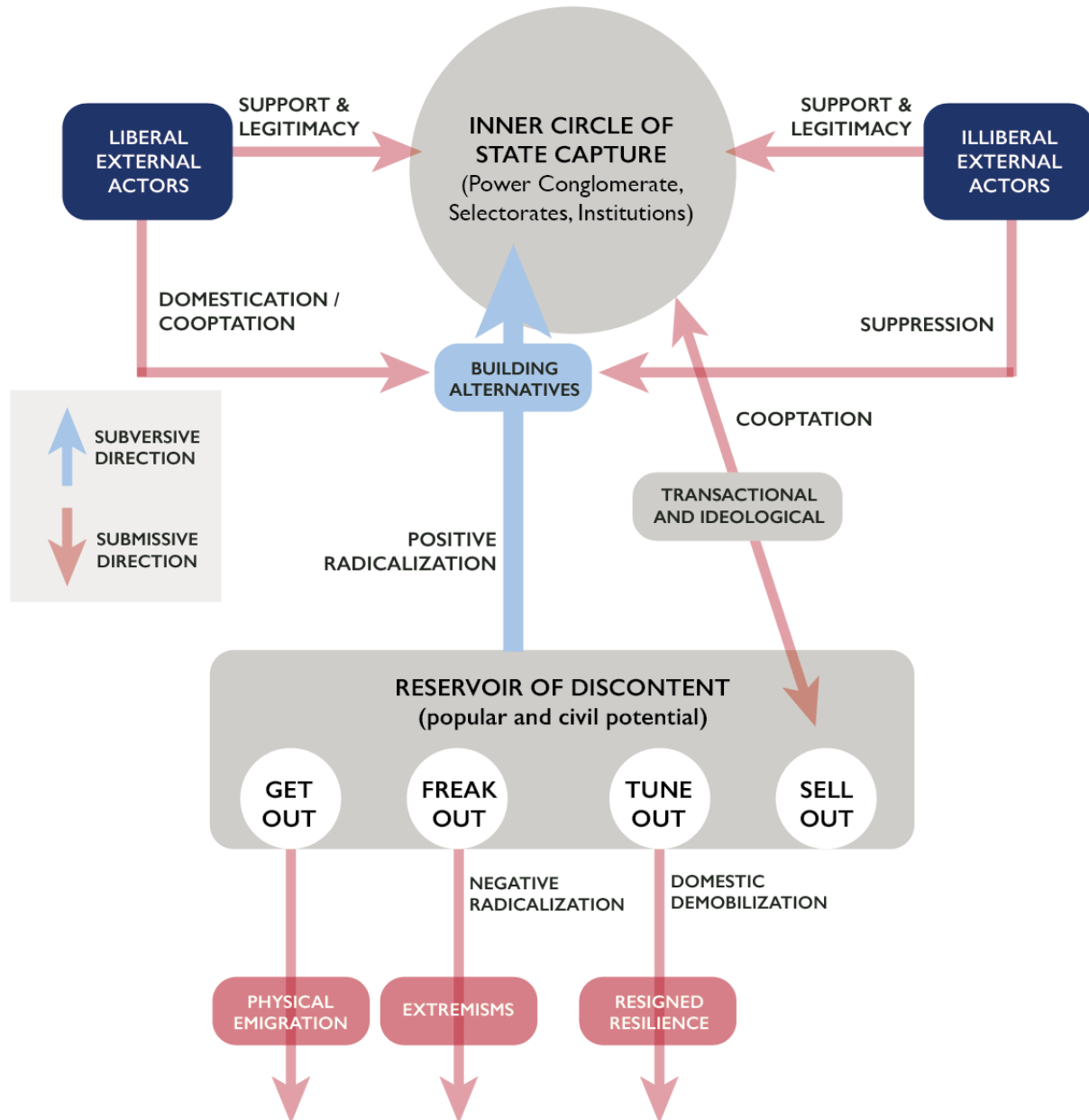
Model 2
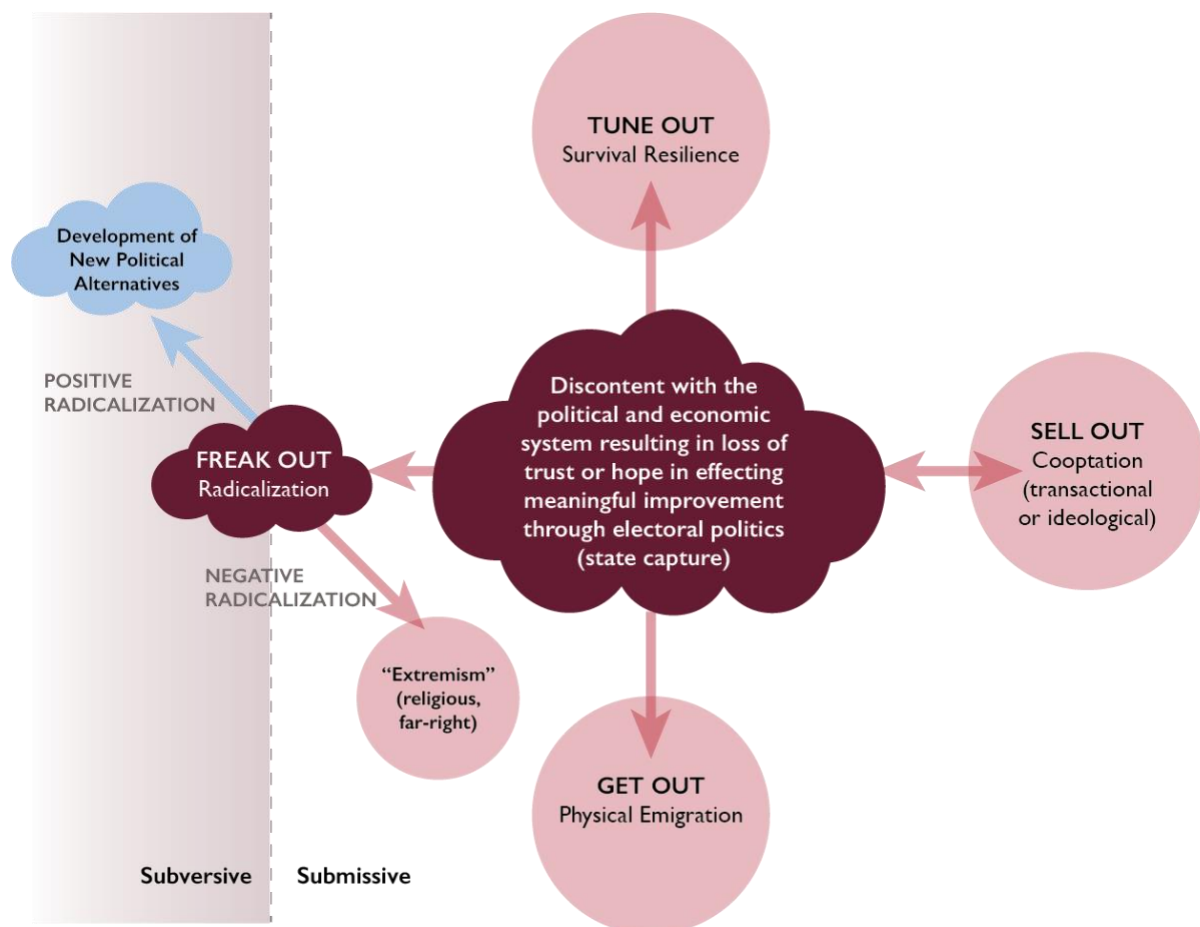
While Chayes' focus was on the emergence of violent extremism as a consequential output of such social, structural conditions, this study identified five potential response options available to citizens in these structures. ***Citizens may tune out, get out, or sell out; or they may radicalize (freak out) in a submissive or in a subversive way.*** This radicalization can be undertaken through non-violent means, but also potentially through violence.

- ***Get out***: emigration, to a country that functions "normally" and is seen as free from the pervasive broken politics that have typified life in the region for more than a generation.

- ***Sell out***: join a political party or otherwise effectively become part of the system and patronage machine.

- ***Tune out***: remain, but seek to live to the extent possible outside of or away from the structures and politics perceived to be repellent and unjust.

- ***Freak out***: radicalize to seek substantial change in a system you reject:

  - <u>Positive radicalization</u>: join with like-minded radicalized individuals into a peaceful and progressive yet subversive posture, adhering to and propagating liberal values based on accountable and participatory government, and potentially seeking to expand support for your ideological worldview to ultimate challenge the system.
  - <u>Negative radicalization</u>: join with like-minded radicalized individuals into a submissive and regressive posture, adhering to and propagating illiberal values and potentially seeking to expand support for your ideological worldview to ultimately challenge the system, potentially using non-violent or violent means.

Further research aimed at studying the factors that may lead individuals or groups to gravitate towards one of these five options or another would be fruitful in terms of model testing.

The question of what can be done to affect change or progress in such an entrenched system led to Model 3:

Model 3

This model demonstrates how the inner circle seeks to maintain power through cooptation not only of a portion of its own population, but also through savvy cooperation with liberal and illiberal external actors. Those local citizen elements seeking to affect change on the inner circle can potentially be positively radicalized to find peaceful ways to demand reform. Their effectiveness can be helped or hindered by the posture or actions of external actors.

Each of these models is described in full, and linked to the research findings, in the Analysis chapter.

A number of meta-conclusions have been drawn:

- **These countries were born captured**: While Dayton BiH and Ohrid (North) Macedonia are viewed by some as post-Cold War successes in conflict management, the actual positive impact of these peacebuilding initiatives were ultimately limited due to an inadequate appreciation of the depth of the advantages conferred upon those who most effectively engaged in economic activities related to economic "transition" (and in BiH, who learned to profit in the wartime economy). This, together with governing structures influenced by war/violent conflict, set the stage for a political economy in each country that has been remarkably resistant to change.
- **Resilience**: Communities in BiH and North Macedonia show a great deal of resilience. The problem is that not all forms of resilience are created equal in terms of providing the foundation for a society that is able to thrive.
- **The resource curse**: The international community constitutes these countries' resource curse, manifest through financing and loans, as well as the status and legitimacy bequeathed through the EU accession process. Resources exploited solely for the sake of a party or individual/family in power – in the absence of accountable checks and balances – further tips the balance in favor of the status quo. Blaming citizens for "voting for these guys" is simplistic and hastens all of the noted response options *except for* positive radicalization.
- **There is effectively no autonomous, constructive local governance in BiH**: This will be seen as controversial, as some of the findings and conclusions suggest that the municipal level of government is the most reliable current and potential partner. However, while there are institutions and activities at the municipal level, there is little genuine local agency, because all of the *real* decision-making and influence comes from the middle layers of government – that is, the entities and cantons – that have from the start been captured by the dominant parties of each ethno-national group. This is reinforced by the reality that while there are more local media sources than anticipated, local news does not probe deeply into local political coverage, investigations, etc.
- **North Macedonia's almost completely distinct social and infospheres** speak to growing and hardening inter-group social distance. There are two distinct media environments for Macedonian and Albanian speakers, as there are two parallel worlds of daily co-existence. Whether this means the future could more resemble the bilingual example of Canada or the island of Cyprus remains an open question.
- **Reciprocal radicalization** is not just a phenomenon, but is a top-down policy goal with drivers in both countries. The most extreme examples are evident in the media space, where tit-for-tat scapegoating and othering is omnipresent. This is aided and abetted in the real world by political polarization, and the politicization of everything from the media to education to access to basic public services.

Read as a whole, while this research succeeded in dissecting and applying Chayes' model, it went beyond a simple theory-testing exercise. It also inspired theory-building, offering new thoughts on resilience and a more nuanced description of positive and negative radicalization, and it begins to outline an action research path for support of liberal democratic development in the region through a fundamental rethinking of liberal populism. It also provides an in-depth, ethnographic view of the now generational impact of the post-Yugoslav transitions of these countries, and of the impact of a failed or stillborn "transition" in which the ethos of capitalism

was unleashed while the transparency and rule of law that must accompany it were not. 2020 represents the end of a 30-year cycle that included the end of the Cold War; the emergence of a unipolar world and a presumption that democracy had irreversibly prevailed as the natural future global political option; 9/11; the global financial crisis; the rise of ISIS; the global migration crisis; and the rise of the far-right in consolidated democracies – from both the top-down and bottom-up. In this context radicalization and cognitive or behavioral extremism should be viewed not as an individual pathology, but as *a structural reaction to political, economic, and social organization* linked to a two-century long tradition of contemporary political violence.

Recommendations

The following recommendations are written for both countries – and in fact, apply to others in the region. While some are easily actionable given the will, they are largely aimed at *philosophical* shifts in approaches to the promotion of accountable democracy, and the incremental (re)construction of a more stable international order based on the belief that accountable, rights-based democratic systems grounded in the rule of law provide the best basis for comprehensive human security with dignity.

For the liberal international community:

- The basic understanding of "transition" requires new thinking and formulation to shift away from assuming that "transition" implies a more or less linear progression towards an inevitable "western" model of liberal democratic governance. Instead, long-lasting "transition" phases in these two case study countries (and elsewhere) suggest a new and distinct governance model that neither meets nor even aspires to accepted models of democratic good practice. The increasing use of political economy analysis models by analysts and democratization agencies offer a platform to recalibrate understanding of these dynamics, and findings that arise from such analysis should feed into new post-transition modelling that can better inform both policy and programming decisions.
- Further research on the impact of electoral models on the quality of accountable democracies is needed, grounded in case studies from the past 30 years and aimed at citizens who need their faith in democratic systems to be rekindled.
- P/CVE projects have already begun to shift towards long-running challenges such as youth engagement and reconciliation. These efforts should shift to challenge participants to envision the systems they would like to see, and build their capacity to press such ideas forward.
- P/CVE youth projects should have longer timeframes (5-10 years) to allow for strategic engagement on bridge-building cultural tourism opportunities, regional environmental protection efforts, and economic rejuvenation schemes. However, there should be integrated and regular staff turnover to seed experience more broadly, nurture new talent, and avoid sclerosis. Positive political alternatives developing out of these efforts should be encouraged.
- This report should be used to prompt discussions in policy and academic circles, to contribute to the growing literature on extremism and its drivers.
- The international community, primarily the EU and the US, must carefully decide who they proclaim and engage as *values-based allies*. This refers to political parties, NGOs, media,

and other actors. The "declarative democrats," i.e., the mainstream political parties in both countries, which have contributed to the deterioration of society, need to be seen as the reason money and attention invested in these (and other) countries have failed to lead to visible positive change. They may require engagement, but do not necessarily deserve the moral endorsement or legitimation they aim to secure to help to secure their hold on the various levers of influence. Not every relationship is one between allies.

- Public appearances and statements confer approval on the individuals involved. Less time and validation should be given to those representing the anti-democratic inner core, and more to the outer ring of citizens and the embattled individuals within the institutional ring struggling to ensure independent action. The word "partner" should be reserved for the outer ring.
- Anti-corruption efforts should continue and be redoubled, with a focus on the top. In both countries the Priebe reports should be a daily reference and foundation for further high-profile efforts – a launchpad for mobilization by civic actors. Whistleblowers need protection. Local prosecution should be supported. Support to investigative journalism should be massively increased. Global Magnitsky sanctions should become a standard instrument.
- Election fairness and probity must be strengthened through independent observation (domestic and ODIHR-centered) and meaningful sanctions for malfeasance.
- There is transformative potential in improving education, health care, and the environment. Programmatic activities should be aimed in this direction, with supportive policies from liberal external actors from the top-down.
- Physical presence by international organizations (EU), development bodies (USAID, SIDA, etc.), foundations (Heinrich Boell, etc.), and NGOs is needed in smaller cities and towns. As COVID-19 is hampering the "normal" functioning of large capital-based offices, the time is right to reconfigure, hiring diverse staff throughout a country who are more plugged in to local needs, dynamics, and opportunities, collaborating via Zoom, etc. These people will be better placed to identify a new generation of forward-looking partners and ideas.

For CSOs

- CSOs in large cities continue to ignore actions and activists in smaller places. More efforts are needed to connect and reinforce both layers.
- CSOs are viewed with suspicion by many who are not involved and do not know anyone. A significant priority should be placed on making these places open and welcoming, and not another closed circle.
- Seek to change the way donors think about programming. Make a realistic assessment of what is impeding success. Don't be afraid to suggest ideas that may seem positively "radical."
- CSOs should make the case to donors that a period of cathartic, group-therapy-style conversations is essential before effective citizen actions can really produce change.

For local governments (in partnership with local citizens)

- Begin a series of future visioning activities with young people, business leaders, activists. Aim to ensure that more local funds can be invested in local priorities, without higher-level political distortion or transaction costs. Set up local constituency service centers – not

political party offices – that citizens can use to bring ideas and complaints to elected officials.

- Organize public discussion fora that will be ready to prevent and react to polarizing or violent incidents involving people of different ethnic or religious background. Integrate locally-respected religious and civic leaders. Support coordinated learning with other similar peaceful movements emerging against the far-right worldwide.

For citizens

- In 2020, it is clear that no external saviors will single-handedly fix the problems of a generation. Citizens' shared aspirations for justice and dignity are powerful and universal. Local level environmental protection victories are important; the dots can be connected to higher level structural impediments that constrain further local development. Citizens need to understand that they will be supported in this.
- While international actors alone will not solve any community's problems, they can be used to create pressure. Just as elected officials and party leaders seek to ensure their voices are heard by the international community, so should citizens be ensured a regular forum. Regularly and explicitly engaging with international actors to create top-down pressure in support of their bottom-up action will not only increase the likelihood of success, but serve as a barometer of the health of power alliances that need to be tackled.