

CAPTURING RESOURCES: THE ROLE OF PROFESSIONAL COMMUNITIES AND MIDDLE CLASSES IN FOSTERING SOCIAL REFORMS WITHIN SERBIA

Zarobljavanje resursa: srednji slojevi i društvene reforme u Srbiji

ABSTRACT: *In this article, I analyze the role of professionals (as part of the middle classes) and their communities in fostering reforms within the fields of higher education and social protection, and working towards, and supporting, the development of civil society. The analysis is based on the series of studies that explored lawmaking and policy-making processes in the fields of law, employment, social protection, rural development, tax policies and civil society development. The analysis of the work of professional communities, and the course of changes in these fields, indicates that policy networks had a major impact on the public policy-making process. These networks bring together typical representatives of the middle class: professionals, government officials, professional associations, representatives of modern non-governmental organizations, etc. The interests, upon which these networks were based, can be classified into three groups: (1) control of conditions of reproduction of the profession, (2) control of public resources in a given system (which includes, but is not limited to, control of the funding channels) and (3) control of conditions of reproduction of a given system. All these interests have a clear redistributive character, are –in general – focused on the control of public resources and have created an alliance between the middle classes and the elite. Middle classes have participated in the process of making laws and public policies in a way that has deepened the political inequalities, and to phenomena which, by analogy with the process of state capture by the elite, can be recognized as the capture of resources by the middle classes. The analysis points to an important aspect of sluggish social reforms: the lack of enthusiasm among middle classes and professional elite in fostering deep social change which is due to their ideological and redistributive alliances and strategies of “resources capturing.”*

KEY WORDS: policymaking, lawmaking, middle classes, reforms, state capture, resource capture, Serbia.

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APSTRAKT: *U ovom tekstu analiziram ulogu stručnjaka (kao dela srednjih slojeva) i njihovih profesionalnih zajednica u reformama visokog obrazovanja, socijalne zaštite i sistema podrške razvoju građanskog društva (ili civilnog sektora). Analiza je zasnovana na nekoliko istraživanja o procesu kreiranja zakona i javnih politika u oblastima rada, zapošljavanja, socijalne zaštite, ruralnog razvoja, poreske politike i politike razvoja građanskog društva. Analizirajući delovanje profesionalnih zajednica i tok promena u ovim oblastima, izvodim sledeće zaključke: na sadržaj javnih politika i zakona veliki uticaj imaju mreže usmerene na kreiranje javnih politika (engl. policy networks). Ove mreže okupljaju tipične predstavnike srednjih slojeva: stručnjake, državne službenike, profesionalna udruženja, predstavnike modernih nevladinih organizacija. Interesi na osnovu kojih se uspostavljaju ove mreže mogu se svrstati u tri grupe: (1) kontrola uslova reprodukcije profesije, (2) kontrola javnih resursa u datom sistemu (što uključuje, ali se ne svodi na kontrolu tokova finansiranja) i (3) kontrola uslova reprodukcije datog sistema. Svi ovi interesi imaju jasan redistributivan karakter i, uopšteno govoreći, usmereni su ka kontroli javnih resursa, te su stvorili savezništvo između srednjih slojeva i elite. Srednji slojevi su učestvovali u procesima izrade zakona i javnih politika na način koji je produbljivao političke nejednakosti, te do fenomena koji, analogno s procesom zarobljavanja države od strane elite (engl. state capture), nazivam zarobljavanje resursa od strane srednjih slojeva (engl. resource capture). Analiza ukazuje na jedan važan aspekta usporenih društvenih reformi: manjak entuzijazma srednjih slojeva i profesionalnih elita za duboke društvene promene koji je posledica njihovih ideoloških i redistributivnih savezništava i strategija „zarobljavanja resursa“.*

KLJUČNE REČI: javne politike, zakoni, srednji slojevi, reforme, zarobljavanje države, zarobljavanje resursa, Srbija.

Introduction²

In modern democracies, lawmaking and policymaking processes are legitimized by democratic procedures and mechanisms of direct or indirect civic participation. Despite this, they are often closed to non-dominant socio-economic groups (Huber, Rueschemeyer and Stephens, 1997; Young, 2000). Analysis of policymaking and lawmaking processes in present day Serbia, conducted in the areas of higher education, social protection, employment policies, segments of tax policy, rural development and development of the system of state support to the non-governmental sector (Babović and Vuković, 2014; Mikuš, 2013; Vuković and Babović, 2014; Vuković 2013; Vuković, 2013b) has alluded to an imbalance in political influence between various social groups. More importantly, the analysis

2 This article is part of my work on the project “Identity Transformation of Serbia” which is funded by the University of Belgrade, Faculty of Law. I am grateful to Mariji Babović, Slobodan Vuković and Slobodan Cvejić who had all read the previous version and have given me valuable comments and suggestions. An earlier version of the article was presented at the “Work in Progress” conference of the Serbian Association for Legal and Social Philosophy which was held on June 12 2015 in Novi Sad. The participants gave me useful feedback, most of all Dragica Vujadinović. I thank everyone, including anonymous referees of *Sociologija* journal, and emphasize that all remaining shortcomings are my responsibility.

identify the significant influence of policy networks on the content of public policies and laws. These networks brought together typical representatives of the middle classes: professionals, government officials, and representatives of modern non-governmental organizations. Interests, upon which these networks were based, can be classified into three groups: (1) *control of the conditions of reproduction of professions* (for example, social workers and university teachers) and (2) *control of public resources in a given system* (which includes, but is not limited to, control of the flow of funding) and (3) *control of the conditions of reproduction of a given system* (social protection system, university education and the non-governmental sector). Professionals involved in these networks were either working within the public sector or were depending on public sources of funding (as is the case with many non-governmental organizations). Therefore, these interests have had a strong redistributive dimension as they aimed to establish favorable models of redistribution of public resources (i.e. funds, public authorities, privileged access to decision-making processes, etc.). In cases where such interests were not articulated, actors had not organized themselves and therefore had no influence on the laws and public policies (for example, in the areas of tax and employment policies –which have been subjects of the cited studies). Representatives of the social groups, with which these laws and policies have dealt, (workers, poor, persons with disabilities, recipients of social welfare, students and other groups of beneficiaries) had no –or limited– impact on their formulation.

The potential for social action, by professional communities and organizations in the observed areas, had been directed towards achieving redistributive gains and was directed towards a form of participation (in the process of drafting laws and public policies) that helped strengthen social inequalities and the phenomenon that, by analogy with the process of state capture by the elite, can be identified as *resources capture* by the middle classes. State capture is the process by which individuals, networks or firms influence –and use– state policies, laws, by-laws, decisions, etc., to work in their advantage by means of a non-transparent form of influence. The political elite can also capture the state by directing government decisions in its favor. State capture is thus recognized as a radical form of political corruption (Hellman and Kauffman, 2001).³

The capture of public resources, by parts of the middle classes, had a negative impact on the course of social changes in the observed areas, as did the state capture by the elite (however, due to space constraints, this will not be a subject of this paper). The actors involved in these processes successfully

3 Very often, state capture goes hand in hand with the widespread networks of clientelism. Clientelism relates to the forms of social organization that enable powerful individuals, groups or organizations to establish a monopoly over vital social, political and economic resources. These powerful individuals grant access to resources or allocate them to their clients under different conditions. Clientelism is present in every society but sometimes it can, and often does, become a dominant form of regulation of social relations and the allocation of resources (Eisenstadt and Roniger 1980, Kettering, 1988). When it becomes a dominant form of economic regulation and allocation of resources, it then undermines –in the long run– the capacity of the state apparatus to manage political, economic and social processes (for the case of Serbia, cf. Antonić et al. 1993 and Arandarenko 1995 and 2002; for an interesting and useful analysis of the concept of political capitalism, cf. Ganey, 2009).

put a stop to the changes that would have denied them the opportunity to use public resources to maintain –or improve – their social status. Such modes of participation in law-making and policy-making processes have strengthened the structural position of the middle classes, reduced the influence of non-dominant social groups and thus deepened social inequalities. In this article, an explanation of this process, relying on stratification models of Serbian society and the theories of transition, –i.e. post-socialist transformation– will be provided. As an empirical foundation a limited set of laws and public policies –that were the subject of my own interests– will be used: i.e. those in the fields of higher education, social protection, labor and employment, civil society development and –to some extent– taxation and rural policy. The research was conducted in the areas of employment and higher education (Babović and Vuković, 2014, Vuković and Babović, 2014), social protection, rural development and tax policy (Vuković, 2013 Vuković, 2013b) while other data, concerning law-making and policy-making in the field of support to the development of civil society, derives from other studies (Mikuš, 2013). Precise information on the data and research sources are presented in the next section. All generalizations are related to these areas and, in this sense, theoretical and empirical ambitions and achievements of this paper are inevitably limited.

The article consists of three parts. In the first part, the theoretical framework has been presented, in the second part, public policies and laws have been analyzed, while the last part has been devoted to concluding remarks.

Conceptual Framework

Elite in Serbia

The elite are social actors who exercise decisive influence on the processes of the design and implementation of laws and public policies. These are individuals who hold formal positions of the highest political, cultural and economic power, and who can influence the political and social processes in a systematic and meaningful way, including through the maintenance of given social relations and the emergence of new ones. The impact of the elite is based on the control of resources that are concentrated in large organizations (capital, authority, coercion, knowledge, mass media, etc.) as well as the ability of its members to act in a coordinated manner (Lazić, 2011: 65; Turner, ed., 2006: 162).

In the Serbian democratic capitalist system, which has been developing over the last decade and a half, significant segments of the elite, particularly economic elite, emerged from the ranks of either former nomenclature or evolved over their children's generation. This took place through the "conversion of resources:" members of the former socialist elite used their political capital and influence to increase their economic capital through privileged access to state funds, import licenses, „insider“ privatization, etc. In this way they formed a significant segment of the new economic elite. In Serbian scholarly literature, this period is referred to as the period of „adaptive reconstruction of the elite“ (Lazić, 2011)

while others more directly indicate that there is a “continuity of authority” between the former socialist and new post-1989 governments (Vuković, 1994).

After the political changes in 2000, there was a partial „generational change” in the political and economic elite. However, research data still indicates continuity: in 2003, two-thirds of the members of the economic elite were individuals who had previously been members of the political elite. Slightly less than a third of the economic elite reached high social positions after the post-socialist transformation had started. They derived from the ranks of entrepreneurs and professionals (Lazić, 2011: 163–165, 172–173).⁴

Today, twenty-five years after the start of the post-socialist transition, the process of conversion of public resources into private ones has not yet been completed –on the contrary, the scope of this process is still quite significant. The ability to dispose of various public resources, from privatization to the distribution of public resources such as land, franchises, natural resources, facilities, licenses, etc., is an important factor in understanding strategies of the political and economic elite due to (1) the size of state-owned capital which passes through different forms of ownership transformation (including illegal) and (2) the large role of the state in the economy and on the labor market.

Elite are important social actors who have the potential to act on, maintain or change the given social system, yet the middle classes are equally as important in understanding the internal dynamics of a social structure. Their position in the social structure is determined by their occupation and the market prospects that arise from it, their share of social power and prestige as well as by their role in the reproduction of a given social system. Interests of the middle class had, and through analysis, will indicate that they continue to have, an important role in shaping the political and legal system in Serbia.

Middle Classes in Serbia

The concept of the middle class is notoriously vague (*cf.* Saunders, 2001; Butler and Savage *eds.* 1995). For this reason and due to space limitations, I will not deal with the definition of the middle class, but I will (in line with others researchers of social structure, *cf.* e.g. Cvejić, 2012, Lazić, 2011) refer to it in terms of occupational structure. Thus, middle classes in Serbia are composed of professionals, managers and self-employed with higher education. For this analysis, professionals (experts) play a particularly important role. Cultural capital is their main resource, accompanied by organizational and positional capital. Experts have professional and technical knowledge, are more competent

4 Researchers recorded a trend of social closure of the elite from the period 1989 to 2012. Emerging elite became highly dependable on high class origin: in 1989 only 26% of the political and economic elite had fathers from middle classes or the elite (out of which 4% had fathers who were members of the elite) while in 2003 that share had risen to 42% (out of which 30% had fathers who were members of the elite). Finally, in 2012 this number had reached 66% (out of which 40% had fathers who were members of the elite). We need to keep in mind however that in the last survey this subsample was comprised only of the members of economic elite whose self-reproduction rate was higher than those of the political elite (Cvejić, 2012: 150ff).

in formulating goals (and turning them into social or political action), they provide media coverage, use laws and administrative rules to protect their interests, raise barriers for other members of society –those of whom tend to participate in the control of resources– and so on. Hence, they have higher action potential, though unevenly distributed between those with higher and lower social positions –i.e. the professional elite and ordinary professionals (cf. Butler and Savage *eds.*, 1995; Savage *et.al.*, 1992; Saunders, 2001).

Middle classes have a special role in the reproduction of social relations, that is, a given social system. This is achieved through everyday management or professional practice, and even through their direct “ideological work” –which is particularly important for *intelligentsia*– which maintains ideological hegemony (Antonić, 2012) or, speaking mildly, legitimizes and reproduces social order.

In the context of this analysis, a particularly important role is played by parts of the middle classes such as professionals (experts), prominent members of professional communities and their informal networks.⁵ These individuals and their networks have a certain share in the control of resources (cultural, political and economic) and larger potential for social action; hence they overlap with the political elite. For this reason, they will be identified as *sub-elites* (Mosca, 1939: 404 ff, Borgatta and Montgomery, 2001: 2623) which will allow for a fuller and more precise account of their role within social and political changes.⁶

Furthermore, Serbian middle classes are characterized by two features that are particularly relevant within this discussion: (1) they are largely dependent on the state rather than the market as they are more frequently employed in the public sector than in the private sector, and (2) there is an overlap between the middle classes and political elite; all of this will be discussed in the following sections. Although they have a significant impact on certain social and political processes, middle classes in Serbia are relatively few in numbers. Sociological studies estimate that the middle classes make up between one-tenth and one-fifth of the Serbian population,⁷ which is far less than in developed capitalist societies.

5 Professions are occupations that are based on specific knowledge of a field, study or skill –something of which is not accessible to everyone. Moreover, the elite controls the market as well as the entrance of other individuals and groups into that market or profession. Many authors argue that autonomy and self-regulation are important elements of the profession (Turner, *ed.*, 2006:475) although there are conflicting opinions (Dingwall, 2006:12). Professions are fragmented and the elite within each profession have a higher degree of autonomy and elite members perform less routine-based work than others (Turner, *ed.*, 2006: 475).

6 Their cultural and political capital allows them to articulate and introduce socially acceptable frameworks for legitimization (and they, in turn, contain the system of rewards or benefits for those who participate in this legitimization). Law making and policy-making processes in the analyzed areas can be seen, *inter alia*, as the process that creates this legitimization framework and system of rewards.

7 Lazić claims they represent roughly a tenth of the population (Lazić, 2005: 137). According to other research, this percentage ranges between 14% (Research on Societies in Southeast Europe, 2003–2004, Faculty of Philosophy in Belgrade, database) and 22% (Household Strategies, Institute for Sociological Research of the Faculty of Philosophy in Belgrade, 2007, database).

The Role of the State in the Reproduction of the Middle Classes and Elite

Throughout the entire modern history of Serbia, the state has played an important role in the creation and reproduction of the elite and middle classes. During socialism, the state had a decisive role in all areas of social life. In the absence of market and open political competition, the state and its resources were therefore a key condition for the formation and reproduction of the middle classes and elite. In a similar way, the elite and middle classes were linked to the state and its resources in pre-war Serbia and Yugoslavia. In the Kingdom of Yugoslavia, the class of capitalist owners was underdeveloped, as was the case with the market and the economy (*cf.* Čalić 2004: 150, 415; Djurović, 1986: 285–286). Consequently, industrial workers were also fewer in numbers. Just before the Second World War, three-quarters of employees in Serbia worked in agriculture. As the economy was underdeveloped, the elite had been oriented towards the state and its resources, as a way to provide privileges, and not to the market –in order to accumulate resources for further economic development (Lazić, 2009: 15, 21).⁸ The middle classes were equally focused on state resources, and this was particularly true of free professions (lawyers, doctors, engineers, etc.). Dubravka Stojanović's study of free professions in pre-war Belgrade testifies to the growth of this class with its growing power and influence. However, she emphasizes that pre-war Yugoslavia was characterized by undifferentiated scientific, cultural and political elite. Prominent writers, scientists, university professors, lawyers and doctors played an active role in the political life of the Kingdom of Yugoslavia (the same as in the Kingdom of Serbia) and worked as government officials, ambassadors, MPs and ministers (Stojanović, 2008: 180– 193). They merged with bureaucracy and political elite and together they accounted for a privileged social stratum.

In present day Serbia, the role of the state is changing because of the emerging free market but it still retains a significant role in the economy. Today, 40% of the Serbian GDP is produced by the state, i.e. public sector.⁹ This is far more than in more successful transition countries where it ranges from 20% (Slovakia, Hungary) to 30% (Slovenia, Croatia). The country is also a major employer: the state and public sector employ 30% of the workforce (RSO, 2015: 66) which is more than in Germany (10.4%), Czech Republic (12.9%) or France (21.9%).¹⁰ Furthermore, the state has a significant role in the restructuring of the economy, the distribution of state resources, the subsidizing of new businesses

8 Historians point out that the Kingdom of Yugoslavia was characterized by a complete absence of economic development strategies. According to Branka Prpa, the Yugoslav political elite showed an incomprehensible indifference, in relation to the economy, due to constant political crisis with the internal structure of the state and the distribution of power between ethnic elite and interethnic relations in general (Prpa, 2003: 107). Industrial growth, in this period, was attributed to the arming and state procurement in preparation for war (Čalić 2004: 381 ff).

9 EBRD data: <http://www.ebrd.com/downloads/research/economics/macrodatab/sci.xls>

10 OECD data: <http://www.oecd-ilibrary.org/sites/9789264075061-en/icons/excel-table.gif>

and new employments as well as the implementation of active measures in the labor market, etc.¹¹

Under the conditions of an underdeveloped capitalist economy, and a considerable role of the state in the economy and society, it is not surprising that surveys have indicated that a large proportion of the middle classes are being employed by the state. According to the Household Strategies Survey from 2007, middle classes in Serbia (operationalized by the occupation and consisting of professionals, managers and self-employed university graduates) were working in the public sector (public administration and services, public and mixed enterprises with dominant state ownership) in more than two-thirds of such cases. Research on the social structure of Serbian society –which was conducted by the Institute for Sociological Research in 2012– gives a slightly different set of data: 44% of middle class individuals and 60% of professionals were employed in the public or state sector.

Redistribution of Public Resources: A Perpetual Process

Similarly, as in pre-war Yugoslavia, post-socialist Serbia is characterized by the overlapping and networking of middle class professionals with the political elite due to: (a) the technical and administrative weaknesses of the government, (b) the arrival of the new political elite that had different social bases compared to the old ones and (c) an ideological consensus that had been established between significant segments of the middle classes and political elite, especially in regards to liberalization and European integration. The first and most visible dimension of overlapping can be seen in the higher ranks of the political elite: some of the key state positions are occupied by professionals from the middle classes. Another dimension of this process is the networking of the middle classes and political elite. This process is less visible but perhaps even more important as it is carried out through co-optation of professionals into commissions, working groups and bodies, councils, administrative boards, etc. Through this kind of public engagement, professionals increase their economical as well as political, capital. Although knowledge might appear as the most important resource that professionals carry in these engagements, these mechanisms also serve to legitimize the social and political system and lead to co-optation and pacification of the segments of the middle classes which have the potential to publicly criticize the system. Such a poor, critical public sphere had been an advantage to the elite in their effort to slow down or block social and political changes.

In recent decades, the relationship of the elite and middle classes with the state has taken a very different shape that can be described as a history of subversion and the grabbing of public resources. During socialism, there were limitations to private entrepreneurship initiatives and thus limits on the accumulation of wealth and capital. Therefore, members of the upper social

11 As an illustration, state aid in Serbia amounts to 1.9% of the GDP in 2007 and its share in GDP is higher than in European countries. Total state aid, excluding the transport sector, agriculture and fisheries, as a percentage of GDP in Serbia in 2007, was 4.4 times greater than in Slovenia and 16.7 times higher than in Bulgaria (MF 2009).

classes, those who controlled the state apparatus and the economy, appropriated “surplus value” through privileges. From a present-day point-of-view, these privileges seem quite modest: better apartments, cottages, easier access to public services and better jobs for family members, etc. (for details *cf.* Vuković, 1994). The elite tend to usurp the state resources and, in turn, tolerate the ambitions of other segments of society to appropriate state property, though to a far lesser extent, without considerable legal or moral responsibility. State assets were truly perceived as belonging to nobody and everybody –a resource disposable to parties’ various needs and ambitions. Thus, workers, clerks, doctors and teachers could secure additional revenue by stealing materials and tools from factories, doing private work with state resources, partaking in illegal construction as well as making free use of the equipment or facilities –for which would otherwise be paid, etc. The list of smaller or larger benefits was endless and it was a widespread practice that reunited higher and lower social strata in a tacit social and political pact. Higher social classes provided political support from the “base” by tolerating irresponsibility, a series of petty crimes as well as waste and theft of state property. On the other hand, lower social strata legitimized the order and abstained from any participation in protests (Vuković, 2005).

With the collapse of socialism, the ruling strata engaged in a much more ambitious project –the conversion of privileges, related to the management and use of state assets, into political power and ownership over economic resources. This process was carried out through the illegal appropriation of state property and the capture of the state, i.e. legal changes that enabled the conversion of public resources into private ones. At the same time, the political elite also tolerated a range of illegal economic activities carried out by the lower and middle classes (informal labor, street vending, illegal construction, etc.) or minor conversion of public resources into private ones (*cf.* Vuković, 2005: 44; Vuković, 1996: 92). Such practices helped to maintain the income and living standards of the middle classes, especially in the nineties when the Serbian population experienced a sharp decline in living standards, as well as in the first years after the fall of the regime of Slobodan Milosevic (Cvejić, 2002). Finally, and this point is of particular importance for our argument, the practices of seizure of public resources had lasted for a very long time as they were widely accepted by society itself and thus evolved into a sort of tacit social norm that would shape the strategies, expectations and attitudes of individuals in the future.

Post-Socialist transformation and Strategies of Social Classes

As we have seen, post-socialist transformation is characterized by the transformation of former communist nomenclature into a new political and economic elite. In this respect, privatization played a particularly important role as it represented the biggest project of converting public resources into private ones during which the elite actually „disposed of“ such resources. The privatization had „extended“ the systematic social and economic foundations of the Serbian elite, that were rooted in the disposal of state resources, and therefore became marked by corruption, misuse of public resources and plunder (for a brief

overview of some cases *cf.* Antonić, 2006; Vuković, 2011). In such circumstances, a new “predatory elite” had emerged (Krastev et.al, 2004; Krastev, 2004; *cf.* Hoff and Stiglitz, 2003). The state was, simultaneously, an important economic actor given its enormous resources and its role as prey to both local and international political and economic elite. The last two decades have been sharply marked by privatization and state capture (Antonić *et al.* 1993; Arandarenko, 1995). The elite have had a decisive role in the formulation of this course of transition as well as having reaped the greatest benefit of it. However, they could not have achieved this without a certain social support provided by the middle classes.

In the first decade of the 21st century, middle classes supported (liberal-democratic) governments and, in turn, many public policies were designed precisely to meet the interests of the middle class. Arandarenko argues that there was a “redistributive coalition” that included the elite, middle classes and pensioners that kept the governments in power from 2000 to 2012. By analyzing taxes, monetary and other public policies, Arandarenko has shown that the state built redistributive mechanisms in favor of the middle classes including the regressive tax policy (this is the taxing of higher pay grades with lower tax rates which met the interests of the middle classes rather than the workers); privatization policy (which met the needs of the elite and technocrats as it allowed the conversion of cultural and political capital into economic); exchange rate policy (which met the needs of importers and the middle classes, whose lifestyles were more dependent on the possibilities of buying imported goods and travel), etc. (Arandarenko, 2010). The analyses of social policies also show that the reforms were designed with the interests and consumption patterns of the middle classes in mind. These public policies were characterized, for example, by restrictive labor, employment and social protection policies (which brought benefits to those on the primary labor marker, i.e. middle classes and were accompanied by subsidized prices of utilities, electricity, etc., and that benefited all social groups equally and not just the poor).¹² On the other side, were investments in tertiary education and secondary and tertiary health care – all of which were more often used by middle class individuals.¹³ Through their professional, administrative and political engagement, members of the middle classes in Serbia tended to justify some of the key concepts of the new

12 *Cf.* UNDP, 2004

13 For example, due to privatization, better –and more accessible– services are available but mainly for the middle and higher classes who are more frequent users. According to the 2007 Living Standards Measurement Survey, only 6% of the population had used private health services. Their share in the urban population was higher than in rural (7% versus 4%) and, not surprisingly, the highest in the fifth (14%) and the fourth consumption quintile (6%) (Vukmirović and Govoni, 2008: 90). Significant differences exist in budget allocations for tertiary health care versus primary and preventive (63% vs. 33% and 3% respectively) (RS Government, 2011: 183) thus reinforcing inequalities between richer urban and poorer rural populations. Similar inequalities exist, in terms of access to private health care services, as individuals with higher educational and economic statuses tend to use them more frequently (Janković, Simić and Marinkovic, 2009: 393). Finally, the data show that the children of parents with an above-average educational status, are more inclined to study at universities (Equi-ed, 2012: 24).

social system.¹⁴ Relatively few in numbers, middle classes had entered this redistributive coalition with their cultural capital and the ability to articulate and promote ideological justifications of a given system while, in turn, securing various „redistributive gains“ for themselves.

Methodology

Throughout the process of preparing laws and public policies, professional communities aimed, and often managed, to achieve three groups of interests: (1) to control the conditions of the reproduction of the profession, (2) to control public resources in a given system and (3) to control the conditions of the reproduction of the system. However, there are some clarifications in regards to these hypothesis: (1) These are ideal-typical formulations of the interests; boundaries between them are not always clear and these interests can be identified with varying degrees of clarity (so, for example, control of the profession is more clearly identified in social protection, control of resources in the field of support to civil society and the control of the system in the area of higher education). (2) Information is not available on the ways the benefits (from these strategies) were distributed within professional communities, although there is reason to believe that influential members, or the sub-elite of the professional community, had benefited the most.

These hypotheses will be tested using empirical findings of several surveys that were carried out from the period 2011 to 2014 and which dealt specifically with the law-making and policy-making process in the areas of social protection, higher education, employment, etc. The first among them is the study of laws and public policies –in the field of social protection– (Vuković, 2013; Vuković and Babović, 2013) while the second is the analysis of higher education (Babović and Vuković, 2014). In speaking about higher education, parallels will be made with health care reforms, based on the structural similarities of the changes in these two sectors (*cf.* Perišić, 2011; Vuković, 2012: 152–156). These studies were carried out using two data-collecting methods: (1) content analysis of legislation and public policies and (2) semi-structured, in-depth interviews with key stakeholders who were involved in the lawmaking and policymaking processes (*cf.* Babović and Vuković, 2014: 18ff; Vuković, 2013: 28ff). These studies were carried out using a policy network approach and the reputational and positional methods were used for the selection of respondents. Both the approach and methods were useful in understanding the processes of creating laws and public policies as well as the influence that networks of professionals, those composed of powerful and influential individuals, can exercise (for a discussion of professional communities *cf.* John, 2000; Haas, 1992; Fischer, *et al. eds.*, 2007). Policy networks were seen as structures that restricted or encouraged actors in their actions. We started from the assumption that structural inequalities

14 Illustrations of these processes can be found in Antonić, 2012; Babović and Vuković, 2014; Mikuš, 2013; Vuković, 2012; Vuković and Babović, 2014; Vuković, 2013. Slobodan Antonić supports the neoliberal ideology by which segments of the middle classes can be explained as “middle class panic” in that they engage in such ideological work in order to maintain their socio-economic status (Antonić, 2012: 31 *ff.*)

between groups are reflected in their ability to access government structures through these networks (Babović and Vuković, 2013).

The third type of research, upon which this analysis is based, dealt with the process of the adoption of four laws in the fields of employment, migration, rural development and tax policy (Vuković, 2013b).¹⁵ The focus of the analysis was on the law-making process, that is, the preparation of the legislative proposals in the line ministries and the role of the National Assembly of the Republic of Serbia in their final design. The research techniques used in these studies included content analysis of the texts of laws, analysis of the voting process in the National Assembly, content analysis of transcripts of parliamentary debates and media coverage as well as in-depth interviews with MPs and representatives of the executive boards (for details, *cf.* Vuković, 2013b: 9 *ff.*).

The present analysis is also based on empirical data collected by Slovakian anthropologist Marek Mikuš. His work deals with law-making and policy-making in the field of creating a support system for civil society. Unlike previous studies, which were based on sociological qualitative methods, this is an ethnographic study that includes the analysis of documents, observations with participation, in-depth interviews and other techniques (Mikuš, 2013: 56 *ff.*). These studies provide insights about professional communities as typical representatives of middle classes¹⁶ while Mikuš's research deals with non-governmental organizations which are, themselves, rooted in the middle classes. Therefore, his study will be used as another source of empirical data for the analysis of strategies of the middle classes during the post-socialist transformation.

Due to constraints in space, and the fact that detailed findings of these studies have already been published, the presentation of researched results will be kept at a relatively high level of abstraction.

Capturing Resources As a Strategy

The Actors

In the field of social protection, a relatively stable network had a key role in formulating changes in laws and public policies. The network was composed of representatives of state institutions and professionals from the academic and non-

15 The first analysis was carried out in 2012 which focused on the Law on Employment and Unemployment Insurance and the Law on Agriculture and Rural Development. The second study was conducted in late 2012 and early 2013 and focused on the Law on Migration Management and the Law on Amendments to the Law on Corporate Tax.

16 According to the research conducted by the Institute for Sociological Research of the Faculty of Philosophy in Belgrade in 2012, about 15% of respondents were active members of civic associations. The level of activism is far greater among higher social classes: 48% of respondents from higher social classes are active members. Among small entrepreneurs, managers and larger farmers, there are 23% who are active members, and among professionals and those self-employed with a university degree – 37%. The share of active members is 19% among clerks, technicians, managers and those self-employed without a university degree, 15% among workers and only 8% among small farmers. A 2005 World Value Survey and Lazić's analysis (Lazić, 2005) have indicated similar results: 15% of respondents are members of an organization (political parties not included).

governmental sector with a major presence, and influence, of international actors (international development agencies, NGOs and consultancy). A significant part of the network, in fact, consisted of representatives of non-governmental organizations. However, these were not organizations that brought together specific vulnerable groups or beneficiaries of certain welfare measures but rather organizations that brought together professionals. For these reasons, the interests of beneficiaries have remained underrepresented in the network, especially the marginalized and vulnerable groups that remain without organizational capacity. On the other hand, social work professionals, public sector employees, NGOs, consultancies or academia were strongly represented (Vuković, 2012: 35–36). The network was homogeneous and, although the members of the network had changed their professional and institutional affiliations, the network, itself, has survived and its composition has not changed significantly. Some of its members started their careers in the academic community, continued in public administration or within the consulting sector, with many of them later returning to a scientific institute or university. Others, however, began their careers in NGOs and later were transferred to public administration. Under the complex circumstances that accompanied the long law-making process, such a composition and professional history of the network –combined with the institutional environment– led to the fact that the Law on Social Protection seemed to deal more with the interests of professional networks and narrowly-defined social protection issues rather than with a broader set of social inclusion-based issues.

In the field of higher education, the reforms were led by university professors who gathered around the former Serbian government. Participation of international organizations was important and went beyond mere funding. Interviewees that participated in the research have testified that at the beginning of the process, only the international actors supported the reforms of higher education. Moreover, after the change of government in 2004, international actors applied decisive pressure on the new ministry to continue with reforms (Branković, 2010). However, the course of the reform was determined by the two groups of professionals who gathered around two institutions: The Ministry of Education and the universities. The main engine of change was a professional network that gathered around the former ministry, several non-governmental organizations and international development partners. The network formed by the opponents of changes was much more efficient as it included representatives of faculties and universities, both public and private and –to a certain extent– the students themselves. Resistance to policy changes was motivated by the fear that the professors would have to work more and that their external sources of income would be endangered and, furthermore, the power of faculties would decrease as the majority of decisions would be made at the level of the university. In addition, opponents of reforms thought it paid little attention to traditional values and concepts of education. Bologna reform was associated with a new type of mass education which aspired to change the old, well-rooted and prestigious Humboldtian universities that educated the elite (Popovic and Đorić,

2011). The long process of negotiation between these two groups resulted in the birth of a new law that retained a decisive influence over faculties and professors in the management of faculties and universities, quality control of work and promotion, accreditation, etc.

A network –of influential non-governmental organizations, international actors and parts of the government’s administrative apparatus –all of which were established as a project unit– played a particularly crucial role in designing the systems of support for civil society organizations (the Social Inclusion and Poverty Reduction Unit within the Office of the Deputy Prime Minister). Representatives of NGOs, who were dealing with the development of civil society, were involved in drafting the law (e.g. Civic Initiatives, Yucom, Centre for Development of the Non-Profit Sector) while the European Center for Non-Profit Law from Budapest also played an important role in the drafting of these laws. In parallel with the Law on Associations, the Law on Endowments and Foundations was under preparation as were the changes being made to tax laws (Mikuš, 2013: 84). These actors have constantly been the most important participants in the process of preparation of the laws and public policies, and have participated in the establishment of the two most important mechanisms of the new system of support for the non-governmental sector: The Office for Cooperation with Civil Society and the creation of a new framework for the financing of non-governmental organizations (Mikuš, 2013: 139 ff, 158). Although Mikuš’ study did not aim to map the network, the data has indicated that this group of actors did jointly work for a long period of time and also showed that their careers were interwoven as they shared many of the same values and interests. With this in mind, reference to this particular group of actors will be made using the word “network” which can be understood more in a colloquial sense than in the technical.

Reproduction of the Profession

In these three areas, the control of the reproduction of the profession has been achieved in different ways but some structural similarities are visible in: 1) the level barriers entering into the profession, 2) the way the professional development of individuals –and the professional communities as a whole– were conceptualized and 3) control of the legitimization mechanisms, etc. In all three cases, the profession is dependent on public resources and not the market so that the control of the reproduction of the profession entails the control of public resources (as opposed to control of the entry to a particular market). In this sense, social workers have made the greatest progress. Before the policy and institutional changes were analyzed, they did not have the market for their services through which they would be able to strengthen their profession –as was the case with, for example, medical doctors. Therefore, the professional interests were guarded through the establishment of monopolies on existing public resources and markets for public services and by the establishment of the rules for entering and remaining in the professional community (and here the interests of the two segments of the profession, for managers and scientists, overlap, cf. Howe, 1994). The new Law on Social Protection had established the

Chamber of Social Protection as an independent, professional organization of employees in social protection (Law on Social Protection, art.153). The majority of the Chamber's members are experts from the public sector. The Chamber is in charge of carrying out exams for obtaining the license, issuance, renewal and revocation of licenses, and a series of activities related to the ethical code of practice (art.159). In addition, the Chamber represents, and protects, the professional interests of its members (art.160). The license for the individual social worker is issued by the Chamber while a license for an organization is issued by the line ministry (art.178). Individuals can obtain a license if they have completed an adequate study of education (in social work, psychology, pedagogy, adult education, special education and special pedagogy or law), passed accredited training programs and have gained relevant work experience (Rulebook on the licensing of professional workers in social protection, art.5).

The experts who wrote the law –and created public policies– also participated in the process of the writing and accreditation of training programs and, at the end, in the licensing of institutions and individuals who planned to provide social services. This control of the reproduction of the professional community was later converted into the controlled access of public funds since, only those individuals and organizations with appropriate licenses, could apply for public funding. In this way, the key educational and administrative resources were put into the hands of a network of managers and scientists-researchers in the profession of social work (Vuković, 2013: 39–40). At the same time, new legislation opened the door to the marketization of the sector through the outsourcing, or contracting-out, of public services.

In the field of higher education, the course of changes was determined by the two competing policy networks and the wider institutional structures and their history. Public universities in Serbia are, however, a weak confederation of faculties. Although the law gives universities considerable powers in deciding on curricula, quality control, selection of teachers and career advancements, etc., in reality, the majority of these decisions is made by the faculties and confirmed by the university decision-making bodies. Moreover, faculties and their teaching staff decide on the selection criteria for the new and existing teaching staff (although the minimum standards are set by the law), assess the quality of the candidates and finally appoint candidates to teaching positions. Thus, the entire process of the reproduction of the professional community is under the control of university teachers although the decisions are formally made by the university (which are based upon the proposals of the faculties) (the Law on Higher Education, art. 65). Although legislative changes were motivated by the idea of improving the quality and competitiveness of Serbian universities, all legal solutions that aimed at increasing competitiveness –with regards to the selection and career advancements of university professors, as well as their scientific and teaching achievements– were eventually rejected (Babović and Vuković, 2014: 37; cf. Branković, 2010). Quite the contrary, the existing system enables teaching staff to use their position capital –which is essentially a public service– as a way to improve their socio-economic status. These solutions had negative effects

on human resources at the state universities and faculties¹⁷ and had a decisive impact on the employment and advancement of university staff –that is, the reproduction of the professional community helped them to retain a measure of professional autonomy although they were controlled and financed by the state (as opposed to other solutions, such as in France, where university teachers approximated in their status to civil servants). This is just one dimension of university autonomy which, according to the results of our analysis, the former government was against terminating because it had been faced not only with resistance from faculties and professors but also with the shaping of a negative image, similar to that of which the former government of Slobodan Milosevic gained after an attempt to violate university autonomy (Babović and Vuković, 2014: 36).

In the area of support to civil society, as has been seen, the network of organizations –and the number of people involved in the drafting of laws and regulations– was quite narrow and not a single actor from the non-governmental sector had been delegated through the transparent democratic process. On the contrary, these were individuals and organizations that had been engaged in various projects with the government and managed to transform their positional capital (belonging to networks of associates and partners) into political capital (membership in the working groups and privileged access to decision-making centers). In this field, no explicit control-based mechanisms for entry into professions exist because NGO activists and experts appear to not represent a proper professional community.¹⁸ However, a particular restriction on access to decision-making processes had been applied for all actors –apart from NGOs– who were part of wider networks of associates and partners (Mikuš, 2013: 150, 161). This strategy is primarily aimed at limiting access to political and economic resources but it also aims to (de)legitimize actors. The strategy to deny legitimacy to certain groups of actors and narrow the domain of “real” NGOs (in a way that does not include athletic associations, old associations of persons with disabilities, etc.) is analogous to the process of setting up entry barriers for a specific professional community.

In order to explain how de-legitimization takes place, there will be a brief outline on the ways in which old organizations of persons with disabilities were denied legitimacy. These are traditional federations of associations of persons with disabilities who have had widespread membership with roots in socialist Yugoslavia. Although there was a tradition of civil activism in this field, the new

17 An analysis of Serbian higher education within social sciences summarizes its present status in the following way: “The current system is supported by [...] (mostly) researchers and university professors who are not proficient in foreign languages, who do not published in leading foreign publishing houses and journals, who rarely attend international conferences (except those in close geographical proximity) and who teach students in theories that were up to date back when they were teaching assistants (Urošević i Pavlović, 2010: 107).

18 Although they do not represent the professional community, they form a social group with clear objectives, a common identity as well as an internal differentiation of influential members and membership associations –all of whom fight for their common interests (for example, the Federation of NGOs, association of NGOs, resource centers, etc.).

network of policy makers has promoted new modern organizations that deal with disability issues. Instead of the old associations that gather people with specific disabilities (for example, associations for the blind or deaf), these NGOs deal with broader issues of disability. Old organizations were de-legitimized for two main reasons: (1) Their activities were seen as inadequate given that they often focused on cultural and athletic-based events as rare opportunities for persons with disabilities to be involved in the wider community or even integrate with other persons with disabilities, as opposed to social services and human rights-based events or activism; (2) They lacked professional capacity, measured by the ability to write and implement projects, which had been perceived as the most important activity of NGOs (Mikuš, 2013: 171 ff). These attitudes prevailed within the realms of dominant public and “policy” discourse. Eventually, the new Law on Associations also reflected this viewpoint in its design of the new system of financing civil society actors (art. 38). As will be shown later, the key resource of new organizations –i.e. the ability to write and implement projects– had been turned into a definitional criterion for the funding of NGOs.

Control of Public Resources

Through our research and observations, we saw that the state had played an important role in the development of the segments of Serbian middle classes, and that state resources represented an important basis for their reproduction (i.e. maintenance of socio-economic status, political influence, etc.). Sections of middle classes also show an obvious interest in the controlling of various public resources –funds, legal and administrative authorities, privileged access to decision-making, etc.

In social protection, control of the (re)distribution of public resources occurs as a result of the control of the social workers’ professional community. The Ministry and the Chamber of Social Protection control the licensing of social workers and organizations. Once the project-based system of financing social protection is in place, only those organizations that have a license will be able to apply for funds (Law on Social Protection, 2011, art. 64). In that way, the professional community will fully establish control over the financial resources that are necessary for the work of the public and non-governmental sector (however this control is partial, due to a lower level of professional autonomy over, for example, university professors). This adds up to the already-achieved symbolic power that stemmed from control of the modes of ideological or conceptual legitimization of the system (working groups in charge of drafting policies and legislation, professional guidelines, etc.).

One of the *leitmotifs* of social welfare reform was to liberalize the social services-oriented market. However, in the existing system, public institutions retain privileged access to public funds, beneficiaries and the market. The Law on Social Protection envisages that licensed NGOs provide services that public service providers (established by the Republic of Serbia, autonomous province or local government units) cannot adequately provide. Their activities are financed on a short-term project basis or through public-procurement schemes

(Law on Social Protection, art. 64). Here, interests of the members of policy networks –those in charge of drafting laws and policies– had obviously prevailed over the ideological concept of reforms (for details *cf.* Vuković, 2012; Vuković, 2013). Although deinstitutionalization, i.e., the transformation of residential institutions, was higher on the list of priorities in all previous documents (*cf.* VRS, 2005), this law does not pay particular attention to the question of closing large residential institutions and the referral of current and future beneficiaries to community-based services (Vuković, 2012: 31). This further strengthens the public sector while, at the same time, ambitiously reducing the power –and downsizing the role– of NGOs as the providers of alternative and gate-keeping services.

At the beginning of the period, the control of public resources was also maintained through mechanisms of controlled –but deregulated– marketization through which the positional capital of social workers had been transformed into economic. Marketization has been limited to projects that are financed by the Ministry, and the donations and spillover of resources occurred among employees of the Centers for Social Welfare and residential institutions which were engaged in various projects and provided services that were often within their regular activities. It is here that we need to keep in mind that there is a limited scope of free market within social services. In fact, it exists only in the field of elderly care –home care and the residential placement of the elderly. Home care is mainly in the area of the informal economy while residential placement remains terminally unregulated. For this reason –as well as a result of the high investments required– this topic is of little consequence or relevance to the members of the professional community.

The system of control of public resources in higher education is more indirect and blurred by current legislation which, in turn, point towards two dimensions: governance structure and overlapping careers. First, the structure of governance at state universities is such that the most important role is played by university professors. In this way, the professional community participates in the management of the processes that have important financial implications which range from students' enrollment to the setting up of tuition fees –all in a manner that allows open access to state funds for the further development of science. Second, the overlapping of professional and political careers is widespread. This phenomenon may be due to the objective need for expertise but also to the fact that the professional community decided not to establish a system that would make such a transfer of resources difficult or impossible. By leaving a space open that allows for the simultaneous roleplaying of university professor and public officials, the professional community has thus provided yet another channel of privileged access to both public and private funds and decision-making. Therefore, both their knowledge and positioning capital are further commercialized while, at the same time, the professional community is left unexposed to real market competition.

Finally, education (as well as social protection and health) is characterized by the overflow of resources from the public to private sector. As part of a general

liberalization, marketization and privatization were carried out in these sectors (that is, principles of the functioning of the private sector were introduced in public, including service charges, private service providers, etc.). However, they were not motivated by the idea of opening up space for new actors in the free market nor to substantially improve performances of the system. On the contrary, they were primarily focused on diverting public resources: professors and doctors were working in, or even setting up, privately-owned institutions and patients were forwarded to private practices which quietly weakened the reputation and effectiveness of the public health system; social workers and NGO activists were working for the state and for local and foreign NGOs, and public resources were transformed into private ones, through the use of numerous other strategies (*cf.* Pavlović, 2006 for “tunneling” in business sector). At the beginning of the post-socialist transformation, these strategies were made possible because of a lack of adequate regulation while, later on, inconsistent regulation was enacted by representatives of the professional communities, i.e. the sub-elite.

The most immediate result of privatization is the emergence of low quality private universities with low investments in research and development –all of which are reflected in their poor rankings (Babović and Vuković, 2014: 24). On the other hand, marketization is reflected in the large percentage of self-financing students (i.e. they now make up 48% of students at state faculties while 57% of the total student population in Serbia pays out-of-pocket for their own schooling; tuition fees cover about 22% of the budget of higher education (Equied, 2012: 67, 74).

In the area of building a support system for civil society, a group of NGOs and experts from government- and international-based organizations fought to establish a mechanism of cooperation between state and non-governmental organizations. The aim was to establish a new institutional structure (which had been achieved by establishing the Office for Cooperation with Civil Society of the Government of the Republic of Serbia) and to introduce transparent funding mechanisms (which were achieved by enacting the NGO Act of 2009 and which introduced a financing model through public competitions). At the same time, they lobbied to establish a system of subcontracting NGOs as a way of providing various public services (Mikuš, 2013: 148 *ff*). Throughout these processes, one of the burning issues was the funding of sports-affiliated associations, churches and parties from budgetary funds that were reserved for NGOs. Namely, NGO stakeholders strived to exclude the latter from the domain of organizations that could receive funds from budget line number 481 which were intended for NGOs (Mikuš, 2013: 153 *ff*). The importance of budget financing was even more important given that Serbia was economically developing and politically stabilizing (as a way of consolidating its democratic system). Under such circumstances, donors withdrew funds and domestic sources of financing gained value and interest. Between 2005 and 2009, the share of NGOs funded by the national government increased from 17% to 44% as well as those funded by the local government (36% to 55%); and even domestic donors (34% to 49%) (GI, 2010). The total amount of government funding in 2010 was over EUR 100 million and EU aid amounted to about EUR 6 million per year (Vuković, 2013c).

Hence, a technocratic- and meritocratic-based system of financing was established based on the project objectives, indicators and results. For example, the regulation on the Resources for Financing and the Co-financing of Programs of Public Interest Implemented by Associations and passed by the Government of the Republic of Serbia in 2012, lists four principle criteria for the allocation of funds: 1) The references of the program (filed, duration, number of participants, sustainability), 2) The objectives to be achieved (the extent to which the public interest will be realized), 3) The co-financing of the program from other sources and 4) The legality and effectiveness of the use of resources and the sustainability of past programs (art. 4). These are all technical or management-oriented criteria and their fulfillment does not substantially depend, for example, on the links between the applicant and the community, as well as among the people with whom they intend to deal. As research shows, new Serbian NGOs are precisely of this kind –barely rooted in the community or with their citizens.

Changes in government policies aimed to: 1) achieve transparency in the funding of civil society organizations, 2) promote program financing and 3) reduce the discretionary power of civil servants. At the same time, legislation and public policies, promoting cooperation of the state and civil society (through joint project implementation, regular consultations and subcontracting), were – in fact– only further ideologically strengthening a narrow circle of privileged CSOs. These policy changes were fueled by the interest of new NGOs who were eager to set up a system of financing that would favor precisely their own resources –i.e. better management and professional capacities, ability to prepare and implement projects as well as the reliance on, and involvement in, social and political networks (*cf.* Mikuš, 2013: 156– 157, 166). In contrast, some obvious resources in this domain (for example, embeddedness in the community and wide membership base) received almost no attention.

Changes in government policies in this area are justified by the need to introduce more order and transparency in the funding of civil society organizations, the desire to promote the program or project-based financing and the urge to reduce the discretionary power of civil servants. At the same time, policies aimed at promoting the collaborative work of the state and civil society, through joint project implementation, regular consultations and subcontracting, only managed to further strengthen the ideological position of the narrow circle of privileged CSOs. The background of these changes was of particular interest to newly-established NGOs which desired to set up a financing system that would favor their strengths –i.e. better management and professional resources, the capacity to make project proposals or implement projects as well as to build social and political networks (*cf.* Mikuš, 2013: 156– 157, 166). In contrast, some CSO resources were ignored such as community rootedness, large membership bases, etc.

We have also seen –as part of further attempts to control the system of financing– modern NGOs that tend to delegitimize old-types of NGOs, such as associations and federations of associations of persons with disabilities, with part of this strategy being rooted in the introduction of a new funding

system. Although the law stipulates a rigid system of funding, based on certain competition and transparency rules, the reality seems to diverge from it. The data show that ministries and local governments continue to provide financial support to traditional associations of persons with disabilities just as their activities are now formally adapted to the new regulatory framework. It is more likely that they will continue to support them due to a wider social significance of large organizations of persons with disabilities as well as their widespread membership and ability to mobilize (Mikuš, 2013: 180 ff).

Reproduction of the System

The Reproduction of the system (of social protection, higher education or the system of funding for, and supporting of, the civil sector) refers to a set of mechanisms (laws, regulations, public policies and institutions) whereby the professional community strives to establish control over a given system –i.e.to achieve or maintain privileged access to the management of resources and to control the entry of new actors into a given system.

As part of social protection, the first step of controlling the system was to establish (1) a mechanism for licensing service providers and (2) assigning the Chamber of Social Protection as a guardian of professional interest. Secondly, the policy network –involved in law-making and policy-making– played an important role in the reproduction of a system in which social workers held a prominent role. Still, political elite held a decisive influence while the professional community only had an indirect influence through its members in the state apparatus.

In the field of higher education, university professors hold the most prominent role in the management of the system of higher education. Faculties are managed by the councils, in which teachers have the majority, while deans and vice-deans are elected by professors within their own ranks (Law on Higher Education, art.52). The councils pass the financial plans and adopt financial reports, manage assets of the Faculty and so on (art. 53). Higher education institutions are funded from the budget, scholarships, grants, research projects, commercial projects, etc. (art. 57). The law allows faculties and universities to diversify their sources of income –an action which appears to have little objection by the state. . Finally, higher education institutions may also independently dispose of their income (art. 60).

The National Council for Higher Education is the body that sets the strategic goals of higher education: it monitors the development of higher education, proposes policies to the line ministry, gives opinions on the enrollment policies, proposes norms and standards of work to the Government, sets up criteria for the quality assessment of higher education institutions, establishes standards for the accreditation of institutions and study programs, decides on appeals in the accreditation process and establishes the minimum requirements for the appointment of university professors. Ultimately, the National Council sets up the higher education policies. It has a decisive influence on the process of the accreditation of faculties, universities and study programs and sets up the

conditions for the reproduction of the profession. The majority of its members are academics elected by the National Assembly of the Republic of Serbia. Out of 21 members, 12 are proposed by the Conference of Universities, 2 by the Conference of the Higher Education Institutions for Applied Studies and 7 are nominated by the Government (the Higher Education Act, art. 10).

In the early stages of higher education reforms, the idea that the Government may appoint the body and that the students and state could choose their own members, was heavily considered but never accepted. The academic community had insisted, from the outset, that members of the National Council were distinguished professors as a way of ensuring the autonomy of universities and to make certain that the National Council would make decisions in accordance with the interests of the university. Therefore, the initial idea of designating the line ministry, to deny universities the right to self-manage, had failed (Branković, 2010: 61–62).

As for the system of support to NGOs, control of the reproduction of the system had been achieved by establishing (1) mechanisms for the financing and cooperation of state and the non-governmental sector and (2) a policy network of closely-connected individuals who have changed their professional positions and thus undulate between the NGO and public sectors. The most important financing mechanisms are the public tenders and the Office for Cooperation with Civil Society. The access to decision-making processes (for example, the legislative and the European integration process) as well as earlier mechanisms –such as the so-called Civil Society Contact Organizations– should not be neglected as they served the needs and capacities of developed NGOs (rather than informal civic initiatives, broad movements, traditional associations, etc.). Furthermore, they were closed off from various external actors and granted privileged access –for political and economic resources– to insiders who participated in their creation. The entire project of establishing a system of support for civil society rests on the narrow concept of civil society. This concept is limited to only one specific type of NGOs –those that have emerged during the post-socialist transformations or during the nineties either as a response to the presence of a dense network of donors or as a shield against the regime of Slobodan Milošević. Traditional associations of citizens, for example: persons with disabilities, the Red Cross, local cultural and athletic associations and informal citizens' initiatives, as well as a number of institutions, practices and activities that promote civic activism, were all excluded from the dominant understanding of civil society.¹⁹

Research data for the second mechanism, “the network of associates,” show that key positions had been occupied by people who were generationally and professionally very close and by those whose identity characteristics belonged to “NGO persons” (Mikuš, 2013: 141 *ff*). Such a narrowly-defined network of actors led to the much narrower focus of legislative changes. As in the case of

19 Good examples of this were the initiatives taken and practices made in schools during socialism: visiting elderly members of the community, collecting recyclable materials, etc. Today, the emphasis is on civic education, without civic practice or activism, as if one exists without the other.

social protection, public policies are focused on the immediate problems in the field and the actors that define that area. Less attention is given to the broader context of the development of civil society. Despite strong ideological and political movements for more participation, other actors (other types of CSOs, parents and schools, etc.) did not participate in the decision-making process. The mechanisms of cooperation between the state and NGOs cemented the present situation in which actors are permanently excluded from the process of collaboration and participation.

Conclusion

This analysis aimed to show that the ideological and redistributive alliance between elite and middle classes –and their symbiosis with the state and its resources– determined the course of the legal and political changes we had analyzed. A significant share of economic elite had been created by the conversion of state or public resources which thus led to the phrase “state-capturing.” If the post-Milosevic elite can be said to have captured the state, then middle classes were in the process of capturing public resources. In terms of the limited market and low purchasing power, the elite and sub-elite decided to dispose of the resources available to them: public or state resources (public funds, premises and equipment, institutions, etc.) as well as their positional capital (which, in turn, stemmed from the control of public resources). Both groups had similar patterns of using privileged access to public resources (the middle classes have been adjusted to its much smaller political capital): achieving control of public resources by controlling the reproduction of the system or the profession, controlling the access of other actors to the system, outflow of public financial resources, canceling the pluralism of actors in a given system, introducing deregulated marketization that suits the interests of „insiders“ and so on. Therefore, the redistributive strategy of the middle class served to ultimately capture public resources. The elite and segments of middle classes actually continue the same practices that were used during socialism and which have, so far, been shaped as social norms: building a socio-economic position, based on the ability to dispose public resources, and then using this position to increase economic and political power. The combining of professional and political careers was, in this respect, a very important strategy as it has granted privileged political and economic access to individuals and networks.

The public policy outcomes that have been analyzed here not only show efficient capture of resources by the middle classes but also indicate that this strategy has had far-reaching negative effects on the efficiency and fairness of these systems; in the same way as the capture of the state by the political and economic elite did at the society level. If this analysis is correct and applicable in other areas, it could also shed some light on an important aspect of the impeded reforms: a lack of enthusiasm for thorough social changes among middle classes and professional elites which is, I believe, the result of their ideological and redistributive alliances, and strategies „to capture resources.“

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