Connecting Citizens to the State: Informal Local Governance Institutions in the Western Balkans

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Abstract There is a growing scholarly and policy awareness of the fact that informal institutions that lie wholly or partly outside formal state structures and that take on various governance-related functions have tremendous potential to strengthen citizen participation, encourage inclusive decision-making and promote improved service delivery at the local level. Local informal governance institutions that play an active role in promoting citizen participation in decision-making at the municipal level exist all over the Western Balkans. However, systematic empirical research on these is limited. This article is an initial analytical attempt at bringing together some of the existing literature and data on these institutions in four Western Balkan countries together with our own original research on the topic. Our analysis indicates an important role that these informal institutions play in the areas of citizen participation, inclusive decision-making and service provision.

1 Introduction

While investigating decentralisation and local governance in the Western Balkans, a common concern that we came across regularly within both official and donor groups was that citizens did not actively or readily participate in government decision-making processes despite efforts to increase their inclusion. The general perception was that the participation of citizens in local government processes was weakly institutionalised. This led us to question why. Was it that citizens did not want to engage with local government processes, or did the problem lie in a lack of participatory spaces? As we interviewed a wide set of actors within government at both the national and local levels, and within a host of research institutions and donor organisations, our attention was drawn quickly and repeatedly to the institution of the *mesni zajednicas*[1] (MZs). The more we investigated these, the more we realised that citizens were actively participating and engaging with the state, but that they were doing so outside formal state processes within informal institutions at the community level. Citizen participation in the Western Balkans, it seemed, was not weakly institutionalised, but rather, informally institutionalised (O'Donnell 1996).

There is a growing scholarly and policy awareness of the fact that in many parts of the world institutions and actors that lie wholly or partly outside formal state structures take on various governance-related functions that impact citizen participation, inclusive decision-making and effective service delivery at the local level. Such local informal governance institutions exist all over the Western Balkans. The MZs are a traditional form of sub-municipal, community-based self-government that are recognised and regulated by local government laws across many countries in the region, and are recognised as forums where citizens can come together to discuss issues, decide on strategies, and formulate proposals on issues of local significance. Our work on local governance in the region indicates an important political role that these informal institutions play, and the possibilities that they offer for citizen participation, for representative, inclusive decision-making, and for service provision. Yet, systematic empirical research on these is limited, as it is on similar informal institutions that organise citizen interaction with the formal state in many other parts of the world.

This article is an initial analytical attempt at bringing together some of the existing literature

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on these institutions in Bosnia and Herzegovina (BiH), Croatia, Macedonia and Serbia, in order to set the ground for more systematic and detailed future research. The main question that this article asks is, how do informal, sub-municipal governance institutions in the Western Balkans organise interaction and engagement between citizens and the state around service provision and other governance functions? To answer this, we ask two specific secondary questions. First, what exactly are these *mesni zajednicas* (MZs), how do they work, and what is their genesis and legal status? Second, how do they engage with the formal state at the local level?

The answers to these questions are based on a review of existing literature, and on some key respondent interviews with relevant actors in government and civil society organisations, with whom we spoke while conducting research on local government in Serbia, Bosnia and Herzegovina, and Macedonia in 2011–12.[2] Through this data we are able to provide the perspectives of local government officials on MZs in these countries. The study and the methodology used does not allow for a detailed analysis of variation in the nature and role of MZs, which no doubt exists both across the countries studied, as well as across different regions and units within each country. Such variation can arise from a number of contextual factors, including the consequences of the violent conflict that accompanied the break-up of Yugoslavia, the current inter-ethnic problems, the interventions of the international community or different levels of development in each country. A far more extensive study and ambitious methodology is required to analyse the impact of such variation, and we hope that such a study will follow this initial synthesis of existing material.

The article is organised as follows. Section 2 situates MZs within the general literature on informal institutions and how these impact state authority. Section 3 looks at the first question above, describes the nature and legal status of these local institutions, and analyses how these have changed over time. Section 4 then deals with the next question and analyses the engagement of MZs with the formal state in three particular aspects of local governance: (a) in providing spaces for citizen participation, (b) in decision-making around the delivery of public services, and (c) in the electoral process. Section 5 concludes.

2 Informal institutions and the state

Our general view of politics, governance and state–citizen relations assumes a direct relationship between state officials, offices or institutions on the one hand, and individual citizens – in the form of voters, petitioners, recipients of state services, applicants, complainants and defendants – on the other hand. In much of the world, however, and especially in newer democracies, the relationship between the state and its citizens is rarely individual and direct. Instead, very often citizens approach the state collectively through various intermediaries that lie outside the formal structure of the state and in which 'rules and procedures… are created, communicated and enforced outside the officially sanctioned channels' (Helmke and Levitsky 2006: 1). These 'informal' collectivities, however, often have a fairly institutionalised way of doing business, selecting their leaders, recruiting and representing members, mediating relationships between members, and most importantly, in working with the state. In other words, they work as institutions.

In many parts of the world local informal institutions undertake significant portions of what we understand as governance – service delivery, dispute resolution, representation and electoral politics. Such institutions have considerable influence over how poorer groups and rural citizens interact with governance processes, local governments and donor projects, what information they access, how they vote in elections, and even to what extent they participate in deliberative forums. There is a great variation in the types of informal institutions found across the world, and the variation extends to their reason for being. In some cases informal institutions stem from state failure and are created because of an absence or 'scarcity' of the state (Corbridge *et al.* 2005). In other cases, they compensate not for an absence of the state but for a lack of state capacity even in areas where the state is physically present. In yet other cases, state capacity may exist but the will to rule, or most often to deliver services, may be lacking and it comes down to informal institutions to negotiate and secure public service delivery. Finally, informal institutions

may exist despite the presence of the state, and its capacity and will to deliver. In these cases the institutions are a by-product of state policies that consciously accept the co-existence and parallel functioning of these institutions. The MZs of the Western Balkans studied in this article fall largely within this last category.

According to Helmke and Levitsky (2006), informal institutions also vary in their relationship and interaction with formal state institutions. Where the state functions effectively, informal institutions may 'complement' the working of state institutions if they have convergent outcomes, or they may 'accommodate' one another where they have divergent outcomes. On the other hand, where formal state institutions are ineffective, informal institutions actively 'substitute' for the state in cases where their goals are convergent, and actively 'compete' with the state in cases where their goals diverge. Given that in the four countries considered in this article the state is reasonably effective in its ability to implement its authority and deliver services, and that MZs largely function to facilitate citizen access to the state so that their aims are convergent, we can think of these informal institutions as 'complementary' to the state's general objectives.

3 MZs, informality and political change in the Western Balkans

MZs appear to lie on a blurred boundary between the state and its citizens in the Western Balkans. Their structure and functions are defined by formal state regulations, but they exist within a realm populated by the informal organisation of citizens' interests. They are, however, not entirely organic. MZs are institutions that were formally instituted under Yugoslav law to facilitate citizen participation in local governance and decision-making, but then moved out of the realm of formality as their role changed in response to political changes in Serbia, Bosnia and Herzegovina, Croatia and Macedonia.

3.1 From formality to informality…

MZs were first introduced in the 1963 constitution of former Yugoslavia but they were assigned their most expansive role under the 1974 constitution. In each of the Yugoslav republics – Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia[3] and Slovenia – municipalities were the basic unit of socio-political organisation, but the 1974 constitution made MZs the basic territorial unit of citizen collectivity, an obligatory form of local self-governance and a constitutive element in the municipality. They had financial autonomy, the authority to collect taxes or fees for specific services, the right to have property, offices and employed staff, and were thus equipped for important functions in local development and planning. Citizens could fulfil a number of community needs through the MZs, primarily related to health, social protection, education, culture and sports. MZs were also the site for municipal administrative offices at the sub-municipal level and were used to bring some municipal services closer to citizens, such as registration of births and deaths, and other registry and licensing services.

Citizens could participate in MZ decision-making both directly and indirectly. Direct participation occurred through citizen assembly meetings to which community residents were invited. In addition, citizens could participate in decision-making on specific issues through referenda and other forms of direct participation organised in the MZ area. Referenda at MZ level were organised at the time of the establishment of an MZ, to deliberate on changes in the MZ area or on MZ statutes. Citizens also participated indirectly through elected delegates in the MZ assemblies, councils and other MZ bodies. These delegates had direct influence on the work of municipal governments. Leonardson and Mircev (1979) point out, however, that despite these extensive functions and forums of citizen participation, in practice this form of direct self-management was not used often.

The nature and functions of MZs changed significantly with the break-up of Yugoslavia. Each of the former Yugoslav republics developed as an independent state with new constitutional and legal frameworks, and the institution of the MZ evolved in these states in slightly different ways during the complex transition processes. In the early 1990s, a phase of impulsive centralisation characterised the initial stage of building new states. MZs were neglected as the lowest level of citizen organisation and their powers – jurisdictions and property – were transferred to municipalities. Legally, citizens' right to decide on important communal issues and services at the local level suddenly and significantly decreased. In

Serbia, for example, the movement of MZs from the formal to the informal realm was the result of a deliberate attempt by the Miloševic government in the 1990s to move from a participatory system of local governance to a system of local administration accompanied by growing centralisation, through which 'communal self-government gradually lost its political significance and democratic potential' (Krizanic 2008: 138). The other countries too saw varying levels of concentration of political power and decision-making at the centre, with municipalities left only with basic administrative roles.

By the mid-1990s, decentralisation and a growing focus on the principle of subsidiarity emerged as part of the conditions for EU accession. Mirroring European models of decentralisation, states increased the number of municipalities, which decreased the average municipal territory and population size. This process further pushed MZs out of the formal realm as an obligatory form of sub-municipal governance for three main reasons: first, MZs were not part of the European models and, therefore, not a condition for further decentralisation and EU accession; second, in smaller municipalities authorities became closer to citizens and the lower level of governance was considered redundant; and third, the eradication of institutions considered to be socialist remnants, and the introduction of new democracy, became a popular motto and gave politicians the opportunity to redistribute power concentrated in MZs to a higher level of government – the municipalities.

As political change occurred in the region, MZs and their role changed. This change was not always uniform and varied to some extent across the four countries. However, despite this variation, the *de facto* situation across the region is that MZs lie neither wholly in the public, formal realm, nor fully in the informal. On the one hand, municipal statutes lay out their form in all four countries, their relationship with the municipality, the tasks delegated to the president of the MZ, and resources needed for their functioning. They are legally recognised as forums where citizens can come together to discuss issues, decide on strategies, and formulate proposals on issues of local significance. They also have presidents that are elected by citizens for four-year terms, can elect an MZ council, and can have resources allocated to them for certain tasks delegated by the mayor. On the other hand, MZs are not integrated into the structure and work of municipalities, and their elected leaders no longer participate in local government assemblies. While it is recommended that municipal governments use MZs to better engage with their citizenry, municipalities do not face legal sanctions when they do not incorporate them into their work. Furthermore, they are 'not territorial units', are not part of the 'territorial organisation of the state', and they work essentially outside the local government system as 'autonomous forms of citizen self-representation' (Krizanic 2008: 140). MZs now remain active and effective if they have independent access to funds or are close to political parties for whom they can mobilise the vote and through whom they can develop closer links with municipal governments.

3.2 *…and back again*

Despite their weaker legal position, MZs still address a variety of their original functions in all four states. Surveys in Macedonia (OSCE 2006) and BiH (CCI 2009, 2010, 2011, 2012) indicate that MZs play an important role in communicating citizens' concerns to municipal authorities, particularly in rural areas, and carry out a variety of initiatives linked to infrastructure improvement and maintenance, mainly on a voluntary basis and even through residents' financial contributions. In addition to communal issues, such as the maintenance of public space, assessment of infrastructural needs and economic activities in the area, MZs meet priority social needs: humanitarian actions for persons on social aid, childcare, care for old and disabled persons; health and veterinary services; and culture and sport. Facilitation of citizen participation through public meetings or referenda at MZ level also remains one of the most prominent of the original MZ functions.

Possibly because of a recognition of this, after various rounds of local government reforms in each of the four countries over the last two decades, the focus is now slowly shifting back to the role that MZs can play in connecting the state to its citizens. The latest version of the law in Macedonia now includes stipulations for MZs and recognises them as a formal entity. Serbia's newest Law on Local Self-Government, adopted in September 2013, defines a more integrated role for MZs and has made them obligatory in

rural areas. In Croatia there are indications that a new law on MZs may be introduced in addition to the Law on Local Self-Government that explicitly states that MZs are legal entities. In Bosnia and Herzegovina amendments to the Law on Local Self-Government in 2013 in both political entities (Federation of BiH and Republika Srpska)[4] led to a greater detailing of the rules governing the establishment and role of MZs. However, while these are considered to be legal entities in the Federation of BiH, they do not have legal status in Republika Srpska.

The shift is based in part also on the implications of the MZ's current informality. A major shortcoming of the current set of laws is the lack of sanctions that municipalities can apply against these institutions if they behave in contravention of the law, or if they misspend funds that are allocated to them. These arguments have greater resonance in light of research that shows that citizens are increasingly dissatisfied with the lack of transparency in MZs – one study quoted that, 'in some MZs only 10 percent of the money collected for the agreed purpose was used for that purpose' (Krizanic 2008: 147) – and that they were becoming more and more disengaged from the determination and representation of citizens' needs, because of their capture by political parties. According to a municipal officer in Serbia, the only way that they can be better regulated and brought in accordance with the general working of the local government is by integrating them into the system. Similar arguments for integration to improve the capacity and professionalism of MZs were made in Macedonia and BiH (and in the literature on Croatia).

Such recognition does not, however, mean that municipalities have an incentive to strengthen these local community organisations. In fact, very often they view such integration as a direct limitation of their own powers and functions. As one municipal official in Serbia put it, 'municipalities are fighting for further devolution from the centre, but when it comes to further devolving to MZs, we are unwilling to do so and try to keep all the power within the municipality'. A researcher explained, 'devolving functions to MZs means that some bureaucrats will lose their jobs. The logic of bureaucracy is what kills local participation'. A donor project working in this area in BiH found that while MZ leaders were interested in a clearer definition of their role within municipal statutes, municipal authorities had few incentives, and thus little interest, in considering acts that were prepared by the MZs.

4 MZs, citizen participation and local government in the Western Balkans

In this section, we look at three specific areas of engagement of MZs with the formal state. First, we look at the role that MZs play in providing a space for citizen participation in decision-making processes. Second, we look at their current and potential role in the provision of public services. Finally, we consider their role in electoral politics.

4.1 Citizen participation and MZs

There is growing recognition of the fact that citizen participation in local governance processes is very low in the Western Balkans. This has happened because of three related but distinct reasons. First, MZs, the traditional forum for citizen participation, are no longer a formal, integrated part of the system, and forums for participation introduced more recently have limited usage by local governments. Second, MZs' informality and lack of integration means that regular channels of communication between them and municipal decision-making processes have also been disrupted. Under earlier systems of local governance in the region, members of the municipal assemblies (councillors) regularly attended MZ council meetings in their constituency, and MZ leaders also participated in the deliberations of local government assemblies. This is no longer the case. Finally, the move from a majoritarian to party list proportional representation (PR) electoral system has broken links of direct interaction between council members and citizens. This is discussed in more detail in Section 4.3.

Direct participation by citizens can take multiple forms. It can happen through referenda, or it can take the form of organising community level meetings in both rural and urban areas to discuss service delivery and local priorities, especially around the time that municipal budgets are made. It can also take the form of provisions built into municipal statutes that require mayors to ensure that major local government decisions are discussed with citizens through different forums, including public debates, before they can be passed. Though all of these provisions have been built into the law in

countries of the Western Balkans – for instance the 2006 Constitution of the Republic of Serbia states that 'sovereignty is vested in citizens who exercise it through referendum, people's initiative and freely elected representatives' (quoted in Blanuša and Grbic 2011: 567) – their use has been limited, leading scholars to conclude that citizen participation in local governance is at a very low level within the Balkan region (Stojanovic and Bajrovic 2008; Vukelic 2009; Mišic-Mihajlovic and Jusic 2010). As one municipal official in Serbia put it, 'I cannot remember the last referendum we had on any issue'. Municipalities have no well-developed strategy to raise public awareness on the importance of referenda. Furthermore, while the law on citizen initiatives provides a very good enabling space within which civil society organisations (CSOs) can organise around special demands, public debates are attended largely by urban, educated groups.

A compounding factor is that, 'cities and municipalities in Serbia with average population of 50,000 are amongst the largest in Europe and, being such, can be quite remote from their citizens' (USAID 2004). This is true of Bosnia and Herzegovina, Croatia, and Macedonia as well, where municipalities vary on average between 25,000 in BiH and 50,000 in Macedonia.[5] This means that many citizens in municipalities with a dispersed rural population will have limited or no contact with municipal offices. This 'can potentially mean a democratic deficit in terms of the possibilities for citizens to organise themselves in smaller areas to resolve the issues of their immediate community' (Nešic and Beba Kuka 2012: 175). While on average about 610 square kilometres fall within the jurisdiction of a single municipality in Serbia, the same area can have, on average, about 28 MZs. The argument, therefore, is that by integrating MZs formally into local governments, the state will not only be able to expand the territorial reach of the municipal government, but also bring it significantly closer to its rural and remote citizens (Krizanic 2008).

The lack of citizen participation and discussions on the unwieldy size of Balkan municipalities has brought some attention to the fact that MZs can play a role in bringing the state closer to its citizens. In Serbia, for example, the valid Law on Local Self-Government has made MZs obligatory in rural areas. Macedonian law acknowledges the role of MZs as 'a forum for citizen participation and as a representative of citizen interests (through [their] right… to conduct civil initiative and citizen gatherings)' (OSCE 2006: 10). Similar stipulations also exist in Croatia and BiH.

Recent surveys conducted in Macedonia and BiH show that not only are MZs spread widely and evenly through the region, but also that they are familiar to citizens. In Macedonia, 'a great number of citizens trust the Neighbourhood Self-Government Units (NSGU) and see them as institutions that protect their interests and solve their problems' (*ibid.*).

> Figures collected in the survey lead to the conclusion that municipalities generally consider NSGUs to be a valuable intermediary, an 'opinion carrier', able to provide prompt feedback from the population on particular aspects of municipal policy. The frequency shown by most municipalities in meeting with their NSGU indicates a readiness to listen to citizen input, although few municipalities have thus far considered the possibility for direct involvement of NSGUs in the decision making process (OSCE 2006: 12).

In BiH, 80 per cent of interviewed citizens consider MZs to be the most efficient citizen participation mechanism, but only 28 per cent of interviewed municipal officers expressed the same opinion (CCI 2010). Evidence from our work in Macedonia also supports these findings. Many of our respondents within the state and in research institutions pointed out that these community groups are considered by citizens a natural focal point for the expression and representation of collective interests. We found that some mayors were dismissive of participatory forums introduced through donor initiatives because they saw them as unnecessary additions to a system that already has inbuilt modalities for citizen participation. As the mayor of a major town that had participated in one such initiative pointed out, 'We will continue to include citizens, but we will do so through the community leaders in the MZs. Through these we are in touch with the needs of our citizens.'

4.2 *Role of MZs in local service provision*

MZs also appear to operate as an organic system of mediation between citizens and municipal

governments. Municipal staff pointed out that MZ have the ability to exercise local power, potentially as an extended part of the local government, and at the same time they play an invaluable role of 'communicating citizens' concerns to municipal authorities – particularly in rural areas' (OSCE 2006: 11). According to a survey in Macedonia, MZs are far more important and valued in this role by rural citizens that live far away from municipal headquarters than urban citizens who have proximate access to government officials (OSCE 2006).

Besides their role in allowing citizens to participate and communicate their needs to municipal governments, MZs also have the potential to play a direct role in service provision. The law in the four countries included in this analysis provides for a service provision role for MZs by stipulating that municipalities can delegate certain activities to these local institutions. This is based, however, on municipal statutes and is open to interpretation within individual municipalities. MZs can play a more active role across a number of services, such as the maintenance of neighbourhoods, settlements and local parks, local infrastructure development, environmental protection, and very importantly, the provision, processing and registration of government forms and documents. Various reports have documented the fact that even without a formal delegation of functions MZs already provide some of these services on a voluntary basis or through voluntary citizen contributions (USAID 2004; OSCE 2006; Krizanic 2008; Péteri 2008).

We also found that mayors appear to work closely, but informally, with MZs. They consider the elected leaders of these institutions to be important local actors through whom they get information on the needs of communities. An OSCE survey in Macedonia shows that out of a total of 84 municipalities:

> 63 mayors stated that they summon [MZ][6] representatives every three months and 37 indicated they do so on a monthly basis. Municipal councils are also shown to be relatively available to [MZs], as 48 of them meet [MZ] members at least quarterly. 65 municipalities have appointed an officer in charge of keeping contact with [MZs] (OSCE 2006).

As a municipal official in Macedonia explained:

> *If we could work more formally with these institutions we could use them to negotiate with communities [such as on paying taxes], raise awareness on issues [such as health issues and environmental protection], facilitate the implementation of projects [such as waste management], and help the municipality manage inter-community relations.*

A researcher added an important dimension to their service delivery role by pointing out that, 'MZs can play an important role in the budgeting process in which municipalities often have to consolidate the needs of between 20–50 villages'. The mayor of a major Macedonian city referred to their role repeatedly with regard to communicating and negotiating with business groups in the city. He also pointed out that many complaints and critiques of the local government are brought to him through these community organisations, and that he regularly discusses the functions and future of public companies with them.

In Serbia too there are examples of municipalities moving forward on utilising MZs to reduce the transaction costs of accessing municipal procedures for citizens in rural areas. In one municipality official documents and forms were made available to citizens through MZ offices so that people would not have to travel to the municipal headquarters to access these. About 150 different forms exist for municipal processes that citizens need to access at different points, and various respondents reiterated that MZs can not only ease this process for all citizens, but be particularly useful for those that are illiterate or have no access to computers. There are also instances of MZs being used to ensure that municipal funds are not spent according to the priorities of better connected, more vocal groups. Local politicians in one municipality decided to improve street lighting, but when this was discussed through MZs, citizens pointed out that they rarely ventured out at night and would much rather have the money put towards improving their schools.

Although no formal delegation of water and sanitation functions has been made from municipalities to MZs in BiH, MZs are commonly found to manage community-based water schemes in rural areas. Based on loose

contractual relations MZ representatives maintain water facilities, deliver water to households and public institutions in villages and collect fees. An MZ representative in charge of managing a water supply system that covers more than 300 households in one village of Republika Srpska, complained that MZs, being non-legal entities, cannot issue fiscal water bills. Yet citizens consider MZs as reliable and accountable water service providers. Numerous MZs in Croatia also implement activities from the municipal social programmes (such as improving quality of life of disabled people), health programmes (for example, conducting simple health tests for free, or raising health awareness), and culture and sport policies.[7]

Such collaboration with MZs is, however, currently only suggested, rather than required, by law. Municipalities do not face sanctions for not discussing budget priorities publicly, or for doing so only in the most minimal fashions. There are also no incentives built into the formal system to compel greater integration between local governments and MZs on a consistent basis. Respondents rightly pointed out that the service provision potential of MZs will remain limited until their work is formally budgeted. Interestingly, a few mayors referred back to the 1974 constitution – in which MZs were formally included as a tier of service provision, had access to their own revenues, made local expenditures, and managed their own land – as the most effective model of decentralisation. One added, 'This worked well, as far as I am concerned, and citizens were included'. Nevertheless, as stated earlier, 'municipalities seem still rather reluctant to devolve competencies to [MZs]: the overwhelming majority [in a survey] reported that no authority was hitherto delegated to [MZ] councils or presidents' (OSCE 2006).

4.3 MZs and electoral politics

MZs have an important role to play within the particular political system of the countries of the Western Balkans. This is a consequence of the closed list proportional representation system of election in most of these countries,[8] which has resulted in reduced individual accountability of local politicians to citizens. Mayors are not directly elected in Serbia. Instead, citizens vote for party lists in municipal elections to form municipal assemblies. These assemblies then elect the mayor. This means that mayors are aware of the fact that their ability to be elected and to remain in their position depends far more on the political party to which they belong than on citizen votes directly. In other words, mayors are far more accountable upwards to the centre and the political party than downwards to the people.

In BiH, Croatia and Macedonia, mayors are directly elected by a majority, but municipal assembly members are elected through the list PR system, as in Serbia, with the entire municipality as a single constituency. The election of council members in such a way means that they do not in effect have a constituency of their own. To take the example of one municipality in Serbia, the 78 members of the municipal assembly are elected by the entire population of the municipality, and thus they each represent the 130,000 residents of that territory as one large constituency. Under the old Yugoslav regime until the 1990s – and in Serbia until 2002, in BiH until 2004 and in Croatia until 2009 – members of the municipal assemblies were elected by majority and villages formed the constituency for their election. Each member of the assembly thus had a close connection with a particular constituency. Now, as in the case of the Serbian municipality above, all 78 deputies of the assembly are from the municipal headquarters, and not a single one of these lives outside the city. The potential for capture within such a system is also recorded by Krizanic (2008), who points out that 'there is a real danger that the largest settlement unit may dominate the decision-making process' and reports that in one part of Serbia, they found that 'approximately 80 percent of the councillors came from the administrative seat/largest settlement of the municipality, and a large number of the villages and settlements at the periphery were not represented at all' (Krizanic 2008: 141).

Many of our respondents believe that this considerably lessens direct links of representation and accountability between local politicians and citizens. Assembly members do not have a specific citizen group or constituency with which they have a consistent link, to which they are directly responsible, or which can hold them accountable for campaign promises and delivery. While this may usually be a good thing, in the sense that it considerably weakens systems of individual patronage, it also means that

people are unable to connect with particular assembly members for their needs and demands. The consequent gap is a space that MZs can fill quite comfortably, by allowing an alternative channel through which citizens can connect with municipal governments.

Through our work in Serbia, Macedonia and BiH, we found that the political connection between mayors and MZs is indeed quite close, though, of course, entirely informal. As a respondent in Macedonia explained, the relationship between municipal mayors and community leaders is usually a very close one because they are both elected by the same people. They, therefore, co-habit and work through one another. Also, the influence and authority of the community leader affects the electoral vote bank of the mayor – or of political parties in the case of indirect elections. Political parties in BiH see MZs as their strongest political bases, and over time MZ leadership has come to reflect the composition of political party votes in a particular MZ area (Stojanovic and Bajrovic 2008). This has generally been interpreted as the capture of MZs by political parties that use them as an extended part of their party machine. At the same time, affecting, and possibly regulating, the vote bank of a political party is also one way for MZs to remain relevant and important in a political system that has sought to marginalise them.

5 Conclusion

This article is an analytical attempt at mapping out informal local governance institutions in four countries in the Western Balkans and analysing their interaction with the state. A central concern of the article is that the legal framework related to MZ functions in all four countries studied here has left their status unclear and their functions open to interpretation. MZs act as an organic system of citizen participation and mediation between citizens and municipal governments, but they are not integrated within the working of municipalities and they work essentially outside the local government system. These institutions are, however, receiving more policy attention now, and there is an expectation that they will once again come to play a strengthened role in citizen participation and as service providers.

The evidence collected in these countries regarding the role of MZs in citizen participation, service delivery and electoral politics strongly suggests that they should be taken into account in the design and development of future local governance reforms and development initiatives in the region. However, a much more detailed and systematic analysis of these institutions, and of the variation across them, is required before any specific recommendations can be made in terms of their role in strengthening citizen participation and inclusive decision-making, and in improving service delivery.

Notes

1 Spelt in different ways across the region: called *bashkesia locale* in Albanian and *mjesni odbor* in Croatian.
2 Material on Croatia comes almost entirely from secondary sources.
3 In addition, Serbia consisted of two autonomous provinces: Vojvodina, and Kosovo and Metohija.
4 BiH is made up of two political entities, the Federation of Bosnia and Herzegovina and Republika Srpska.
5 Authors' calculations.
6 The survey calls these NSGUs (Neighbourhood Self-Government Units). These have been changed to MZ here to maintain consistency.
7 Excellent examples of service delivery can be found in MZs of the City of Rijeka (www.rijeka.hr).
8 Serbia and BiH have a pure list PR system at the national and local levels, while Macedonia follows a mixed system at the national level in which 85 members are elected through majority from 85 constituencies, while 35 members are elected through the list PR system for which the whole country is one constituency. At the local level the mayor is directly elected while assembly members are elected through the list PR system.

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