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Leading under frustration and unknown complexity

A case study of local government CEOs in Bosnia and Herzegovina

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ABBREVIATIONS

Assembly Municipal assembly

Association Association of municipalities and cities of the FBiH

Association of RS Association of municipalities and cities of the RS

BiH Bosnia and Herzegovina

CEO Chief Executive Officer

CPI Corruption Perceptions Index

EU European Union

FBiH Federation of Bosnia and Herzegovina

Law on principles of the local self-government in the FBiH

Law of the RS Law on local self-government in the RS

NATO North Atlantic Treaty Organization

RS Republic of Srpska

SFRY Socialist Federal Republic of Yugoslavia

VAT Value Added Tax

ABSTRACT

The subject of leadership is highly researched on. However, research on public leadership is mostly normative and fails in making distinction between different levels of government. For this reason this study deals with local governments and the highest formal positions of municipal administrative apparatuses, *Chief Executive Officers (CEOs)*. CEOs are interesting since they are leaders of basic units that form the fundament of the modern and democratic society and they function at the intersection between politics and administration. What makes issued subject even more intriguing is a research environment that is vulnerable, complex and contradictory such as a developing country. Hence, the purpose of this study is to explain how local government CEOs in a developing country work and succeed in their role. Awareness on the subject is significant in order to be able to question CEOs' work and strategies and change these in an appropriate manner. Thus, this thesis contributes to the research on public leadership by expanding our empirical understanding of how CEOs in a unexplored country with several political and administrative levels, among which the local level is the weakest one, succeed in their role. There is also a comparative approach to this study since the interviewed CEOs are compared with the internationally researched ones.

This research is realized within the scope of a case study of an exploratory nature where the issued case is the one of Bosnia and Herzegovina. In order to fulfill the purpose with the study interviews with fifteen CEOs, highest ranking administrative officials in municipalities in BiH are conducted. Chosen methodology does not make it achievable for me to generalize; I am rather looking out to bring out the characteristics of municipal leadership seen from the role holder's perspective.

In this thesis it appears that a typical CEO among the ones I have interviewed spends his time on diverse activities: substance related or formal, downward, outward, inward and informal activities. These are accomplished by applying different roles, as a leader, manager, advisor, politician, citizens' representative and a citizen, and other strategies: informality, dialog, diplomatic behavior, personal skills, hierarchical approach and trust. This means that the interviewed CEOs differ from the Western government CEOs in a way that the first mentioned has to take on further roles and apply further strategies in order to meet additional problems and interests.

Key words: public leadership, municipality, local government, CEO, developing country, BiH

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1 LOCAL DEMOCRACY AND LOCAL GOVERNMENT CEOS

This initial chapter includes a general introduction of the research subject consisting of a discussion on the position and function of CEOs and the significance of local democracy and local governments. There is also a presentation of the purpose of this thesis, research questions and further disposition.

1.1 Who are the local government CEOs?

This thesis deals with a part of our everyday life – the public administration. There seems to be great misinterpretations about the level of government where the actual and central work is done. Municipalities, in this thesis also termed as local communities or governments, are the ones closest to us citizens which explains my inquiry for globally increased observance when comes to these.

The subject of leadership is highly researched on. However, most studies on public leadership are normative and do not make distinction between different levels of government. Leadership in municipalities is particularly interesting since it combines democratic mechanism and bureaucratic excellence. The ones holding highest formal positions of the municipal administrative apparatuses, hereinafter termed *Chief Executive Officers* (*CEOs*)¹, are interesting since they function in exclusive and complex environments – at the intersection between politics and administration. On the one hand they are supposed to act as municipal managers, but on the other hand they are often expected to behave as anonymous subordinates silently and automatically implementing the decisions made by politicians. The CEOs share a wide understanding of the governmental process working to integrate its various parts².

Research on the subject of CEOs is somewhat limited but in some countries more extensive, including Sweden. There are even comparative studies suggesting similarities and differences across institutions internationally. These provide us with an understanding of how fundamental units in our society are lead and managed which affects us directly. However, many countries have not yet been explored from this perspective, for instance developing countries such as *Bosnia and Herzegovina* (*BiH*). Yet, countries differ both in legal and organizational manners; governments formed here compile diverse concerns and principles, they stipulate different roles for elected and appointed officials, they shape ability of political

¹ Klausen & Magnier (edit.) (1998); page 18

² Mouritzen & Svara (2002); page 287

and administrative leaders to efficiently interact and solve common problems and they even control distribution of power and influence among these. Institutions, including municipalities, are embedded in national and cultural values; differences in contexts imply for variations in the position and function of the CEOs.

1.2 The importance of local governments

Bosnia and Herzegovina is a developing country which is still marked by war though it ended 15 years ago. This is a country with several political and administrative levels among which the local level is the weakest. However, in the process of integration of BiH into the European Union municipalities have a significant role in achieving conditions that will allow accession of the country to the EU. These are primarily conditions that relate to the quality of services to citizens: level of employment, protection of human rights etc. In democratic states, municipalities represent a basic form of decentralization of the political system and the basic political-administrative units of a territorial organization. The extent of local autonomy can be considered as an indicator of how well-developed democracy is in every society as citizens in local communities have normative and real possibilities to influence conditions of their existence. It is on this level of political structure that citizens, through democratically elected representatives, exercise their rights and common interests. In fact, 95 percent of these interests and needs are met locally. Despite this, previous research has identified several shortcomings of autonomy and democracy at local level in BiH.³

"The size and variety of its activities makes municipal organization difficult to control and coordinate; the [political, administrative and professional] domains' different outlooks create communication issues; the objective-means dilemma and budgetary links make it difficult to measure and evaluate operations; among other things, politics gets in the way of consensus building and substantial professionalization increases the autonomy of employees at the lowest level in the managerial hierarchy."

Municipalities are particularly interesting organizations out of two reasons: first of all, these are based on a combination of politics and action which makes them complex and secondly, they are exposed to continuous changes. Consequently, these are extremely difficult to

³ Pejanovic & others (2006)

⁴ Cregård & Solli (2012); page 172

manage which makes them and those who actually manage and lead them interesting to study. CEOs are unique in the municipal administration but easy to recognize. They are not often subject for research, but they exist in almost all municipalities.⁵ They form a link between politics and administration allowing consensus to emerge. Similar to other public leaders CEOs function in a highly paradoxical environment where saving requires spending, simplifying requires complicating, learning requires forgetting and maintaining status quo requires changing.⁶

Classical literature in public administration on the subject of leadership seems to generally deal with informal leadership and small group theories rather than position determined leadership in formal organizations⁷. Furthermore, these studies have mostly not bothered to make a distinction between different levels of government. Regardless of the fact that CEOs hold the highest bureaucratic position in respective municipality, they have often even been neglected in national and comparative research regarding local governments. This is why they have been termed as *anonymous leaders*.⁸

"In the classic overviews previously mentioned, they appear only as dummy figures in a wide comparison between fused and dual systems and as a more or less influential element of the mechanism of internal coordination using a rough distinction between the national cases in which they are primus inter pares and in which they are 'the hierarchical superior of all, or most, of the department heads'".

Until recently, municipalities in Bosnia and Herzegovina had a restricted function as administrative units used for transmission and implementation of the ruling party's ambitions. These were for centuries neglected and overruled by higher political levels which are still struggling to keep control of peripheral systems. This can be identified as one of the grounds for lacking local democracy in BiH. With described problem area as a driving force, the international community accomplished to about a decade ago here introduce directly elected CEOs which hereby gained greater legitimacy. Within this short period of time, CEOs may have become the most important actors on the political arena and several municipalities have visibly developed. However, it appears that this development is different from the one in other

⁵ Solli & Källström (1995); page 5ff

⁶ Källström & Solli (1997); page 20

⁷ Hagström (1990); page 67

⁸ Klausen & Magnier (edit.) (1998); page 12ff

⁹ Ibid. page 18

European states, as increased authority has transformed the municipalities into "small states within states" and these have become more depersonalized and authoritarian instead of creating closer ties to the citizens as a public service. ¹⁰ Still, all supportive pillars of society and government are based on municipalities which makes non of them stable since the ground they are built on is uncertain.

1.3 Problem definition and purpose

It is essential to study local government CEOs' activities and roles as these figures are leaders of basic units that form the fundament of the modern and democratic society. Their function is based on the intersection between politics and administration. Holding this position requires an ability to manage stakeholders' often conflicting demands and interests but also to exercise leadership at different organizational levels. Hence, this phenomenon should become a vital aspect of research on complex subject of public leadership due to increasing importance of municipalities. What makes the chosen issue even more intriguing is a case study of a vulnerable, contradictory, complex and different environment which explains my selection of Bosnia and Herzegovina as the research field. This study is therefore in general limited to municipalities in BiH and in particular to the CEOs in those municipalities. Another restriction is that chosen issue is addressed only through the research subject's point of view. This means that CEOs' own perception of their function is a focal point. The knowledge generated through this study aims to increase the CEOs' understanding of their own role and to enhance others' understanding of opportunities and constraints that CEOs experience. This awareness is significant in order to be able to question the CEOs' work and strategies and change these in an appropriate manner. Thus, this thesis contributes to the research on public leadership by expanding our empirical understanding of how CEOs in a developing country with several political and administrative levels, among which the local level is the weakest one, succeed in their role. There is also a comparative feature to this research since the theoretical outline that is applied refers to the international community, in particular Sweden.

On this basis, the purpose of this study is to explain how the local government CEOs in a developing country work and act as leaders and manage existing difficulties. My research questions are therefore as follows:

• Which roles do the CEOs apply in their work?

¹⁰ Peianovic & others (2006)

- Which activities does their work include?
- Which strategies do they apply in their work?
- Why do they apply these roles, activities and strategies?

1.4 Disposition

In the *next chapter* I present existing research on the issue and sketch the theoretical framework for this study. Central concepts and terms are here defined which provides the reader with a basic understanding of the subject area. Lastly, there is an illustration and clarification of the analytical instrument for the performed research.

In *chapter three* I illustrate and argue for my research design and methodological approach. The research is presented in the course of planning, collecting data and processing the same. Furthermore, both secondary and primary material upon which I have based this study is described in this chapter.

The empirical case of CEOs in Bosnia and Herzegovina is further presented in *chapter four*. To begin with there is a precise presentation of the research field, of BiH in general and its municipalities in particular. Thenceforth, I reproduce the information gathered through the interviews.

The *fifth chapter* is devoted to analysis of the empirical findings. These are analyzed based on previously defined theoretical framework.

In the *last chapter* I elaborate on the conclusions by returning to the research questions and purpose. Eventually, I comment on the results of this study from a general perspective as well as give suggestions for future research.



Figur 1.1: A visualization of the report outline

2 WHAT DO WE KNOW ABOUT LEADERSHIP?

Initially in this chapter, which forms a theoretical framework, concepts of leadership and management are defined. Then there is a presentation of selected theories about public leadership which is followed up by theories about roles and activities of the local government CEOs. The chapter is concluded with an illustration and clarification of the analytical model for this research.

"Any organized activity requires leadership. The big question is what form of leadership." ¹¹

2.1 Leadership versus management

Leadership is a very diverse and highly observed concept which may be defined as a group phenomenon or an interpersonal process in which two or more individuals are involved, one of whom is the leader which intentionally exerts influence over the other one(s) – his/her followers¹². Hence, leadership is categorized as a relation which grows from below rather than a position which is assigned from above¹³. It aims to initiate and maintain change through vision, strategies, consensus, motivation and inspiration¹⁴. A leader's role comprises tasks such as to innovate, focus on people, instill confidence, take a long term perspective, question status quo and ask *what* and *why*. These tasks can be divided into three functions:

- 1. *an information function* which includes monitoring, dissemination of information to key people down the organization and communication upwardly and outwardly,
- 2. *a decision function* which comprises initiative, problem solution and resource allocation, and
- 3. *an interaction function* which embraces acting as a figure symbol, visionary, innovator and networker. ¹⁵

Management on the other hand refers to the formal position which is exercised by an individual in order to through planning, budgeting, organizing and controlling create

¹³ Ahltorp (1998); page 31

¹¹ Busch, Johnsen & Vanebo (1989); page 15

¹² Hagström (1990); page 50

¹⁴ Blomquist & Röding (2010); page 20ff

¹⁵ Maltén (2000); page 16ff

structure, discipline and predictability. This position provides an individual with subordinates who represent tools for fulfilling the role as a manager. ¹⁶ This role comprises tasks such as to administrate, imitate, focus on structures, control, take a short term perspective, accept status quo and ask *how* and *when* ¹⁷.

Management and leadership, i.e. stability and change, may be defined as depending on each other in such way that the first mentioned concept is a foundation for the second mentioned and the second mentioned is an instrument for achieving the first mentioned. Hence, a successful leader is the one who in his/her formal position as a manager has a high proportion of enthusiastic followers among the subordinates. A successful manager on the other hand is the one who uses the above for achieving efficiency and exceptional results.¹⁸

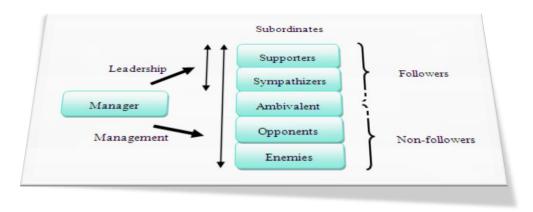


Figure 2.1: The distinction between leadership and management¹⁹

There are two types of leadership studies: some of them which deal with individuals who actually act as leaders and other which cope with individuals who due to their formal positions are expected to take the lead. In focus for this study is the last mentioned aspect (see *Figure 2.2*) where the managers in addition to their area of expertise are expected to exercise leadership. It is precisely this feature which makes the managerial position unique. There is also a tendency to emphasize leadership as one of the key functions for a manager to achieve good results as this creates commitment among subordinates.²⁰ In order to obtain complete and accurate understanding for the target group, it is considered necessary to include both management and leadership as complementary concepts in this study.

¹⁶ Blomquist & Röding (2010); page 20

¹⁷ Maltén (2000); page 16

¹⁸ Hagström (1990); page 11ff

¹⁹ Ibid. page 60

²⁰ Blom (1994); page 26ff

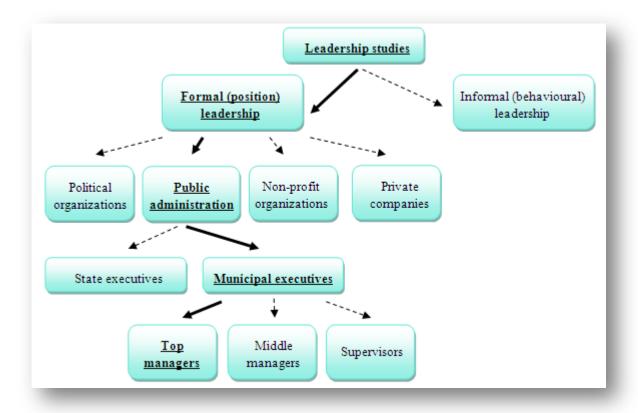


Figure 2.2: Division of the literature and selection of the research subject²¹

2.2 Public leadership

Perhaps the most important characteristic of public organizations that differentiate them from private companies is the relationship between political and administrative bodies²². Yet another significant difference is the fact that the public sector organizations, unlike private ones that have clear goals in terms of profit, must meet a variety of needs. The public sector is an arena where politicians, executives, administration, experts, media and users can be found in order to define problems, create meaning, make and evaluate decisions and more. Due to the complexity in this arena objectives are difficult to define and unclear. Overall, this is why leadership in public organizations is featured with considerable conflicts and an unclear division of roles.²³

Furthermore, leadership in the public sector seems permeated by a diligent zeal for reform. This can be justified as an instrument for the administration to obtain legitimacy.²⁴ This may also be due to the constant need for every organization to change, develop and adapt in the

²¹ Blom (1994); page 25

²² Busch & others (1989); page 89

²³ Holmberg & Henning (edit.) (2003); page 12ff

²⁴ Ibid. page 11f

light of and in step with external changes²⁵. Thus, managers of public administration are driven to invest more time and energy on adaption and development efforts, or in other words take on a leader role²⁶.

In order to identify which actors are interesting for public leaders, a stakeholder model may be developed for every organizational unit. The term stakeholder refers to the groups that believe they get more back from the organization than they invest in it. Hence, employees invest their labor, expertise and commitment in return for e.g. wages and welfare benefits. Similarly, political bodies grant resources but they also expect for objectives to get achieved.²⁷

The definition of leadership that is basis for this research makes it clear that leadership requires followers, which means that one of the most important relationships in an organization is the one between the leader and his/her subordinates. Hereby, it is essential for a manager to take into account subordinates' demands. It is his/her task to create motivation and a good climate for cooperation.²⁸ This relation seems to be most represented in the leadership literature. However, there are studies which suggest that managers spend half their time with others than subordinates, for instance other managers on various levels and professional colleagues. Furthermore, well-developed external contacts, i.e. this form of information channel, seem to have a direct impact on a manager's ability to influence. After all, an organization is highly dependent on the environment it exists in. A public manager's external network accordingly includes other levels of government and their administration, international bodies, other organizations, trade and industry, media and the public, i.e. citizens.²⁹

2.3 Local governments – Chief Executive Officers

2.3.1 The case of Sweden

Sweden has 290 well-established and independent municipalities whose internal organization is regulated by the state; these have from around 2 500 to 810 120 inhabitants, some of them being relatively large. These have comparatively high degree of autonomy being

²⁵ Pettersson (1994); page 11f

²⁶ Busch & others (1989); page 12

²⁷ Ibid. page 39

²⁸ Blom (1994); page 46f

²⁹ Hagström (1990); page 71ff

characterized by strong self-government and numerous tasks. 30 This level of government is closest to the citizens and hence responsible for health care, social benefits, schools, services for elderly, childcare and cultural activities, but also for the local economy, water supply and refuse disposal, land and city planning, streets and emergency services. Top administrators in Swedish municipalities are CEOs whose role is decided upon by respective municipality and who are the only municipal officials who cannot be directly elected. These are appointed by respective executive board and powerless unless decided differently by the elector. Nevertheless, the trend tends to make the position of CEOs' more marked and powerful.³¹

The main qualification for obtaining the position of CEOs in Sweden seems to be an extensive experience and also to have worked as a lawyer in respective municipality or to have a degree in economics³². These act as a link between politics and administration and hence as a kind of filter which makes their role extremely complex and the environment they operate in very contradictory. Their function includes therefore both political and administrative aspects, managing all areas of activities in their municipality and an extensive communication³³. Accordingly, CEOs have a diversity of relations or contacts: upward with politicians, downward with the subordinates, outward with inter alia media, the public and other organizations as well as inward which refers to their independent work. Activities, i.e. concrete actions and efforts, which occur within the context of these relations are distributed as follows:

- about 58 percent of time is consumed on substance related activities which include formal meetings, problem discussions with employees and politicians, monitoring formalities and informing others as well as other measures to take matters forward,
- about 22 percent of working hours are spent on *individual work* such as reflecting, administrating, collecting information and further education,
- external stakeholders, or representing the municipality outwards, occupy about 10 percent of undertakings, while
- employee related activities take about 9 percent of one's time, and
- remaining is handled for 1 percent of the time.³⁴

 ³⁰ Cregård & Solli (2012); page 173
 ³¹ Haglund (1998); page 141ff

³² Solli & Källström (1995); page 6ff

³³ Jonsson (2012); page 192f

³⁴ Källström & Solli (1997); page 20ff

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Mayor	1,25
Opposition leader	2,48
Other politicians in the municipality	2,76
Financial manager	1,51
Other department managers	1,83
Other employees	1,87
Citizens	2,47
Journalists	3,34

Figure 2.3: Swedish CEOs' perceptions on frequency of contact with actors in their municipality (index 1-5 \Rightarrow 1: daily, 2: 2-4 times/week, 3: 1 time/week, 4: 1-3 times/month, 5: seldom/never)³⁵

CEOs relation with politicians requires a constant balance between taking initiative and parrying. This includes initiating matters by providing good foundation, designing, braking and balancing issues but also diplomatically repairing and correcting failures. Issues are discussed briefly but frequently³⁶. In this relation CEOs have an inferior role since politicians are their electors³⁷. The relation with the organization downwards on the other hand consists of informing and being informed, interacting, supervising, preserving and protecting. This is achieved by maintaining close with department heads, getting them to spread the consensus and thus coordinating the organization, regulating in case of ambiguities and using power and influence. Formal and informal meetings with department heads, other employees, municipal councils and other similar actors are routine and having twenty meetings per week with these is typical³⁸. Contact with external stakeholders such as other municipalities and organizations is low priority and so is even contact with the public whose logic differentiate from the one agreed between politicians and officials. Even though these relations are essential in order to create acceptance, CEOs find them challenging since they experience difficulties with maintaining politically neutral. Meetings with external contacts are further perceived as demanding since they are out of ordinary and require extensive planning³⁹. However, CEOs are in touch with the citizens several times a week and a majority of these contact with the media at least weekly⁴⁰. The time available for individual work always seems to be insufficient which creates frustration among the target group. 41 They mean that they use

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³⁵ Cregård & Solli (2012); page 174

³⁶ Solli & Källström (1995); page 13

³⁷ Haglund (1998); page 153

³⁸ Cregård & Solli (2012); page 175

³⁹ Ibid. page 175

⁴⁰ Haglund (1998); page 155

⁴¹ Källström & Solli (1997); page 24ff

overtime hours for this purpose since regular working hours are spent on meetings, networking, presentations etc⁴².

CEOs perceive three major problems with their function:

- the role is interpreted as extremely vague since it is described as corresponding to a
 manager, an organizational kit, a business representative, a therapist, a service
 provider etc.,
- the function is fragmented in terms of tasks, how these occur as well as what skills are required, and
- the above mentioned results in poor conditions for these to meet the requirement for objectivity.⁴³

In order to cope with all relationships, activities and challenges, CEOs have numerous strategies, i.e. long-term comprehensive approaches⁴⁴. It is *the informality* accomplished by strong *dialog* that allows efficient exercise of the formal roles. CEOs have frequent formal and informal meetings with politicians and it is highly important for these to keep close relations with the mayors, chairmen of the executive boards, since in case of conflict politicians always win in the long run⁴⁵. The art of being powerful and yet objective is solved by *diplomatic behavior*. This requires balancing the duty as an officer and neutrality, which becomes easier with experience and competence. Some of the CEOs main features are *personal maturity* and *cooperative skills*. Furthermore, *generalist competence* and *intuition* are significant. Building *trust* is of utmost importance since actors are expected to follow established game rules. The lack of clarity that exists in the role of CEOs allows them to choose from a large *repertoire of roles*.⁴⁶

2.3.2 International comparison

There is a wide variation in population between municipalities in studied countries where a similarity is that this level of government is based on the principle of representative democracy⁴⁷. In some countries, for instance in Spain, very small municipalities with less than 1 000 inhabitants are frequent, while in other countries, for instance Great Britain, most

43 Källström & Solli (1997); page 51ff

⁴² Jonsson (2012); page 193

⁴⁴ Hagström (1990); page 123

⁴⁵ Solli & Källström (1995); page 15

⁴⁶ Källström & Solli (1997); page 63ff

⁴⁷ Mouritzen & Svara (2002); page 257

municipalities have more than 50 000 inhabitants. The countries are different even to the municipal geographical size whereat Sweden has some of the largest municipalities. 48

There are various titles for the highest ranking officers at the lowest tier of government which in this thesis are entitled CEOs. To the personal features, i.e. background factors, they form a somewhat homogenous group. The largest proportion of them are male in their late 40s coming from the middle class families. Economics and law are the most popular educations among and experience within the municipal system is repetitive; most of them are recruited from within the this. The strongest position hold CEOs in e.g. Austria, somewhat weaker in Sweden and yet weakest in Spain. Typical CEOs practice "nonpartisan community leadership with concern for helping the disadvantaged" which implicates a robust neutrality and commitment. According to these, it is up to politicians to define missions and set objectives, but also to defend decisions to the external actors.

There are differences between the CEOs in different countries which may be explained as a result of various forms of governments and diverse cultural characteristics. In general, these represent both centralization, vis-á-vis the state, and decentralization, within the municipality. They differ from other high-ranking administrators mainly in three ways: their interaction with elected representatives happens directly - without mediation, they have actual control over at least part of the governmental organization and their networks are noticeably wide. Their function may be divided into three roles, i.e. three systematic sets of behaviors which are a consequence of different expectations⁵¹:

- *the policy innovator* who is responsible for formulating visions, promoting projects, attracting resources, keeping informed and increasing efficiency,
- the advisor to elected officials whose tasks are giving the mayor political, legal and fiscal advise, influencing decision making and developing norms for the relation between elected officials and administrators, and
- *the classical administrator* who is in charge of guiding subordinates, developing new routines, monitoring and managing fiscal affairs.⁵²

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⁴⁸ Klausen & Magnier (edit.) (1998); page 265

⁴⁹ Ibid. page 269ff

⁵⁰ Mouritzen & Svara (2002); page 258

⁵¹ Mintzberg (1973); page 54

⁵² Ibid. page 110f

The CEOs share similar networks, i.e. sets of contacts that are created and used in order to increase an individual's resources and efficiency, having to cooperate with individuals, internal and external groups and interest organizations. Despite these resemblances, CEOs may rather liberally decide on the extent of communication with most actors and how much importance they assign these contacts. ⁵³

"The appointed CEO stands at the interface of the political and administrative spheres in government. He or she interacts closely with top politicians, staff, the media, and the public in shaping the municipal agenda and assuring that approved policies and programs are carried out appropriately. He or she is concerned about the interactions with higher-level governments as well as other local governments, particularly in the surrounding area." 54

CEOs function in an environment produced by the institutional system and mayoral leadership⁵⁵. Thus, the most critical relation is the one with respective mayor while relation with the higher levels of government is perceived as rather difficult⁵⁶. Their position logically indicates an extensive interaction with elected and other officials. CEOs avoid relationships with actors that are considered as unimportant and unhelpful rather than with those that cause conflicts since conflicts are relatively uncommon – the fewer actors are considered as important, the smaller are their networks. However, contact with the mayor and department heads is not determined by the CEO's attitude, but by the formal structure of local government. The importance of external actors is somewhat lower than the aforementioned, but citizens and other local government executives have highest rankings among these.⁵⁷

⁵⁵ Ibid. page 80

⁵³ Mouritzen & Svara (2002); page 9ff

⁵⁴ Ibid. page 9

⁵⁶ Klausen & Magnier (edit.) (1998); page 267ff

⁵⁷ Mouritzen & Svara (2002); page 94ff

	Importance	Frequency of contact	Cooperation
Mayor	91	87	85
Opposition	49	34	68
Council	57	47	74
Department heads	87	87	87
Other CEOs	50	38	76
State officials	39	23	66
National officials	36	18	63
Citizens	55	64	67
Journalists	34	33	62
Business	44	30	67
Other actors	37	24	65

Figure 2.4: CEOs' perception on importance, frequency of contact and cooperation with actors in city politics (index 0-100 \Rightarrow 0-50: negative, 50: neutral, 50-100: positive)⁵⁸

Overall, mayors appear to be most influential figures, although CEOs rank first in some countries. The differences among countries may exist due to diversity in government structures. However, even in the countries where CEOs level of influence is as lowest they have reasonable influence on budgeting and limited influence on economic development.⁵⁹

2.4 Analytical framework

The analytical instrument for this research is a table (see *Figure 2.4*) consisting of three columns: *roles, activities* and *strategies*. Firstly mentioned column, *roles*, is in the fifth chapter filled in with termed roles that are typical for the CEOs in BiH in their work and towards their networks. Second column, *activities*, is in the same chapter completed with activities which are included in the everyday of Bosnian CEOs. The final column, *strategies*, is in the analysis filled in with strategies that CEOs use in order to achieve wanted development and set objectives. Terms later used in this analytical model are partly theoretical, i.e. defined earlier in the current chapter, and to small part defined by me due to the uniqueness of the research subject. Worth mentioning is that the following table is not supposed to be read horizontally, meaning that the columns are independent from each other. For instance, the first row role does not necessarily relate to the first row activity nor strategy; possible and interesting relations are distinctly discussed.

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⁵⁸ Mouritzen & Svara (2002); page 95

⁵⁹ Ibid. page 219

Roles	Activities	Strategies

Figure 2.5: The analytical instrument

3 IMPLEMENTATION OF THIS STUDY

In the following chapter, firstly the design for this study is presented and motivated. Secondly, there is a presentation of the methodological choices and the material that forms the basis for this research. Finally, the credibility of this study is discussed.

3.1 Choice of design

This research is realized within the scope of a case study of an exploratory nature where the issued case is the one of Bosnia and Herzegovina; this is a country with several political and administrative levels which is still troubled with difficulties that the Balkan wars brought. The choice of research design is based on the fact that this topic is extensive while implementation of the study is time limited. This way I manage to dig deep into the confined case and find out why things relate in the way they do, i.e. to get an understanding of individuals and their actions and interactions in relevant situations and environments. 60 There is also a comparative approach to this study as the selected case occasionally gets compared with other countries. This is due to the lack of literature in the case of BiH, which compels me to apply a theoretical outline relating to other cases, mainly Sweden.

The research process which is applied for this study and which is frequent in case studies is termed abduction. A process designed in this way allows shifts between theory and empirical data which results in a progressively increasing understanding of the issue. 61 In other words, I am allowed to implement my study within a defined theoretical framework together with working inductively to obtain new reflections and conclusions instead of seeking for the truth.

3.2 Choice of method

Due to the sensitivity of this research to the context within which it is produced, the qualitative research approach is identified as adequate⁶². Applied approach is compatible with the purpose of this study which is to get a detailed insight in CEOs' work, i.e. to get a deeper understanding for their aims and strategies. Quantification is not as interesting since I am looking for answers to questions how and why. Also, taking into account the context of the

 ⁶⁰ Bryman (2008); page 52ff
 ⁶¹ Alvesson & Sköldberg (2008); page 55ff

⁶² Bryman (2008); page 533

subject reactions, feelings and thoughts are considered and expectantly a good sense of reality is obtained.⁶³

Primary to this study is to try understanding some of the key aspects of the municipal leadership. Interpretation of the material is therefore made in such way that focuses on what is being said instead of what is hidden which means that this analysis is based on the role holder's perspective. Because of the limited time frame it is not achievable for me to generalize; I am rather looking to bring out characteristics of the municipal leadership. The conclusions in this thesis should for these reasons only be comprehended as aspects on how study participants interpret their own work and their relevance is, consequently, determined by reader himself/herself. This means that my purpose is to generate so called special theories⁶⁴ which may, depending on the function and acceptance, over time grow to be general. It is primarily intended for this study to be useful for understanding the CEOs in a developing country. Secondly, there is an optimism and desire for this analysis to at least for some be found as useful to better understand the CEOs, or even diverse public leaders, in other developing countries. Thus, my quest is to fulfill the requirement of usability of a theory, but also for it to be developable in a way that it will stimulate further knowledge building.

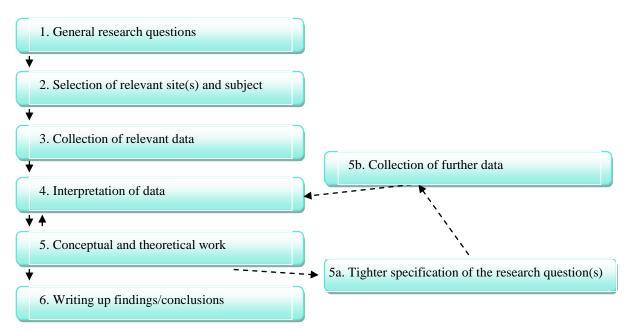


Figure 3.1: An outline of the main steps in this research⁶⁵

⁶³ Bryman (2008); page 366ff

⁶⁴ Brunsson & Jönsson (1979); page 145

⁶⁵ Bryman (2008); page 370

3.3 Choice of material

3.3.1 Secondary material

This study begins by collecting secondary data. My two objectives with this process are as follows: 1. familiarizing myself with BiH's political and administrative structures, and 2. conducting a discourse analysis of municipal managers as a subject of research.

In order to obtain necessary information regarding my first objective the first step is visiting websites. All of these belong to state agencies, some to Swedish ones, as *SIDA*, and others to Bosnian organizations, like *Ministry of Foreign Affairs*. Although these websites in my opinion have an element of subjectivity, these represent relevant and up-to-date information sources. I find that the information available on Swedish sites is often more updated than the other one that in contrast contains more preferable fundamental and historical information. From here I download publications and reports on the political and administrative structure of the Bosnian state.

The discourse analysis on the other hand includes academic literature and research related to the work of CEOs. The literature used in this study is frequently and widely referenced in the field. Even though much of the literature is dated, I still consider it to be correct and relevant.

3.3.2 Primary material

My primary data consists of interviews with CEOs, the highest ranking administrative officials in municipalities, in BiH. A research interview is a conversation about the human living which is obtained in the form of verbal discourse that is transformed into texts to be interpreted⁶⁶.

The first step is selecting participating municipalities as I want the sample to include units that are different from each other, mainly in size and structure. There are naturally delimiting factors like availability and prerequisite to obtain an interview with an executive leader. I am strategic in the selection and take advantage of the personal contacts that I have. Another reason for this is that I believe that an informal relationship which may exist between me or my contact in field and respective respondent may increase the reliability of the interviews. Hence, this study includes 15 municipalities since this volume fits within the limited time frame. These municipalities are distributed over six different cantons (out of ten existing), which means that they belong to Federation of Bosnia and Herzegovina (FBiH – one of the

⁶⁶ Kvale (1997); page 49

entities), all but two belonging to Republic of Srpska (RS – the second entity). The smallest participating municipality extends over less than 30 square kilometers, while the largest municipality among has an area of more than 1000 square kilometers. These also differ to the population size as the interval is between around 17 000 and 130 000 inhabitants. This implies a population density of about 20 to 700 inhabitants per square kilometer. I am also interested in municipalities' size in terms of budget and number of employees; however, transparency in BiH is lacking as this information is rather impossible to obtain, at least for the majority of local governments.

Interviews with 15 respondents are personal and take place in respective municipality. These are performed in Bosnian, one of the official languages in BiH. Respondents reproduce a subjective reflection of circumstances in question which is, based on the purpose, a prerequisite for this study. This method results in a comprehensive illustration of reality based on various perceptions which enables a characterization of the concept of municipal leadership.⁶⁷ When booking interviews, the theme of the research is briefly presented and confidentiality is assured. The latter indicates that personal data which may reveal interviewees' identities is not published; hereby, neither the name of the respective municipality or the respondent nor any other information that may compromise the anonymity is declared⁶⁸. Confidentiality is assured for two reasons: first of all, it is for me not interesting to examine how the CEO in a particular municipality works, but which the typical strategies are for managers in this country, and second, I want the respondents to be as realistic and straightforward as possible. When reproducing the material the quotes are adapted in a way that does not jeopardize the confidentiality or the purpose.

All interviews are semi-structured and based on previously composed question template (see *Appendix 2*) which allows crucial follow-up questions. Hereby, it is central to obtain essential information without openly inquiring for it which is the reason for avoiding leading questions. The interviews start with introductory questions which also are general and brief. Thenceforth, exploratory and interpretive questions are expected which are used in order to obtain clarification to mentioned phenomenon and which accordingly verify the respondents view. Silence is applied as an important technique which gives interviewees room to reflect

⁶⁷ Kvale (1997); page 49

⁶⁸ Ibid. page 109

⁶⁹ Bryman (2008); page 196

and proceed on already given answers. 70 My further intention is to pursue a neutral approach while interviewing that hopefully reduces the risk of interviewer effect⁷¹.

All interviews are with authorization recorded whereon relevant sections are transcribed and later interpreted. Transcribing entire interviews would be too time consuming which is why I choose to create categories adequate for my research problem. Relevant information is sorted into these categories and then further classified. This way for instance (less) typical behaviors and priorities are distinguished. When reproducing collected data and throughout this thesis, the respondents are named *Interviewee X* (where X is a number from one to fifteen).

Empirical findings are explored on the basis of previously reproduced analytical instrument which means that these are categorized and analyzed in light of my theoretical framework. However, the analysis is completed with own terms and definitions.

3.4 Research credibility

Since this study is characterized by a qualitative approach, credibility might be problematic to achieve. To assure this to the highest extent possible, these are the applied measures:

- accurate description of the research design and method that is given above makes the requirement of replication satisfied to the extent made possible by variations in the social environment⁷²,
- methods applied at the interview occasions are used to verify and develop respondents' opinions and thoughts and thus increase the legitimacy of the interviews⁷³,
- credibility of this thesis is strengthened by using relevant theories and presenting grounds and reasoning for drawn conclusions⁷⁴, and
- choices made during the research period are precisely reported in order to achieve transparency for the reader, allowing him/her to create their own interpretations.

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 ⁷⁰ Kvale (1997); page 124f
 ⁷¹ Patel & Tebelius (1987); page 76

⁷² Bryman (2008); page 376

⁷³ Kvale (1997); page 214

⁷⁴ Bryman (2008); page 376

4 THE CASE OF BOSNIA AND HERZEGOVINA

The forthcoming chapter includes both a comprehensive description of the research field and also a presentation of the primary material. The latter is based on information obtained through interviews with fifteen CEOs in Bosnia and Herzegovina.

4.1 Background on BiH

4.1.1 A historical overview

Socialist Federal Republic of Yugoslavia (SFRY) comprised six constituent republics: Bosnia and Herzegovina (BiH), Serbia, Croatia, Montenegro, Macedonia and Slovenia. SFRY was under rule of the communist leader and dictator Josip Broz Tito characterized by a clear federal structure and a relatively high social welfare. Tito was recognized as he united different ethnicities and created a state where religion was not the fundamental attribute. However, his death in 1980 caused an increased desire for independency in constituent countries. In 1991 Slovenia and Croatia proclaimed their independency as did BiH a year later and then even Macedonia. Montenegro on the other hand became independent only six years ago. This entire process, however, caused eruptions of war and violence.

Key facts

Official name: Bosnia and Herzegovina

Capital: Sarajevo

Official languages: Bosnian,

Serbian, Croatian

Ethnic groups: Bosniacs, Serbs,

Croats, others

Area: 51 564 km²

Population: 3 800 000

Government: Federal democratic

republic

Thus, it was in 1992 that Bosnia and Herzegovina finally proclaimed its independence despite the fact that Bosnian Serbs fought against. Immediate recognition that an independent BiH got internationally led to strong protests from the previously mentioned ethnic group which eventually resulted in war. After hundreds of thousands of killed and about a million escaped the war came to an end with the peace agreement signed in Dayton in 1995.⁷⁶

4.1.2 Constitution of Bosnia and Herzegovina

The Dayton Accords was orchestrated by the international community which decided on the constitution of Bosnia and Herzegovina, located in the Southern Europe. This state was in the heart of SFRY as reflected in the ethnical composition: 48 percent Bosniacs (mainly

26

http://www.regeringen.se/sb/d/5472/a/43787 ; 2012-03-04 22:49
 http://www.regeringen.se/sb/d/5472/a/43787 ; 2012-03-04 23:39

Muslims), 37 percent Serbs (Christian-orthodox) and 14 percent Croats form three constituent groups in BiH⁷⁷. Existing ethnical mixture was highly influential in the formation of the Dayton Accords, when decentralization was considered as necessary in order to separate opponents of the civil war.⁷⁸

Consequently, BiH is a compound state with several levels of political structuring (see *Appendix 1*). Directly elected *Presidency of Bosnia and Herzegovina* acts as the collective head of the state and includes three members, one from each constituent ethnic group. These are elected for a period of four years and the chairmanship is rotated every eight months. Governmental function is performed by the *Council of Ministers of BiH* and the country has nine ministers which all hold a four year mandate and have deputies. ⁷⁹ *Parliamentary Assembly* is the highest legislative authority in BiH which consists of *House of Representatives* (42 members) and *House of Peoples* (15 members). Both organs comprise two-thirds Bosniacs and Croats and one-third Serbs. ⁸⁰

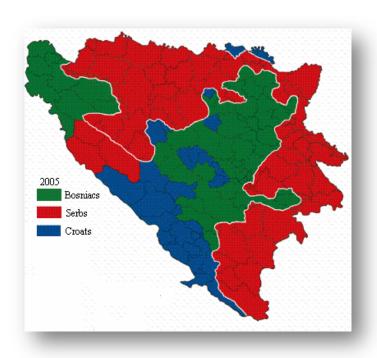


Figure 4.1: Entities and ethnic composition in BiH⁸¹

⁷⁷ https://www.cia.gov/library/publications/the-world-factbook/geos/bk.html#top; 2012-03-12 15:09

⁷⁸ U.S. Department of State (1996); Annex 4

⁷⁹ http://www.mfa.ba/dobro_dosli_u_bih/drzavno_uredjenje/izvrsna_vlast/default.aspx?id=274 ; 2012-03-04 23:58

⁸⁰ http://www.mfa.ba/dobro_dosli_u_bih/drzavno_uredjenje/zakonodavna_vlast/default.aspx?id=270 ; 2012-03-05 00:01

⁸¹ http://www.sharedhumanity.org/LibraryArticle.php?heading=Bosnia,%20Gross%20Human%20Rights%20Violations%20in; 2012-03-12 18:18

The most significant administrative-territorial and political division in BiH is the one between two entities; the *Federation of Bosnia and Herzegovina (FBiH)* occupies 51 % of the territory and is dominated by Bosniacs and Croats, while *Republic of Srpska (RS)* occupies remaining territory and is dominated by Serbs (see *Figure 4.1 & 4.2*). In addition to these there is a local, self-governing *Brcko District*. The two entities have their own constitutions which are formed in accordance with the *Constitution of Bosnia and Herzegovina*. FBiH is divided into ten cantons and furthermore into 78 municipalities and two cities. On the contrary, RS is not divided into cantons but 63 municipalities. In addition there is a government, a president and a parliament for each of the entities. There are also governments and people's assemblies for the ten cantons and 141 municipalities.

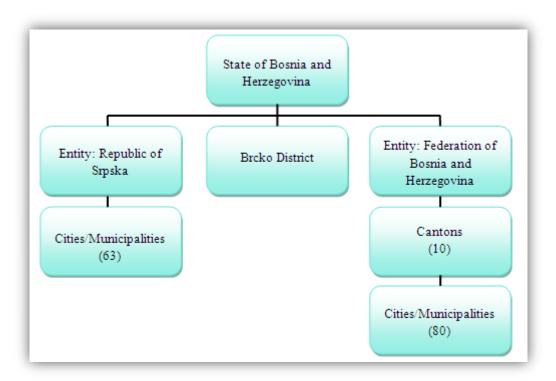


Figure 4.2: Governmental structure in BiH

As previously stated, the Dayton Accords resulted in a complex and decentralized constitution in Bosnia and Herzegovina. A structure this complex is not only very expensive but it is one of the biggest obstacles for the country's development and the establishment of closer relations with the European Union⁸⁵. The peace agreement did end the Balkan wars, but it failed to establish a functional government in BiH with ability to undertake vital reforms. The

⁸²http://www.mfa.ba/dobro dosli u bih/drzavno uredjenje/administrativno teritorijalno uredjenje/default.aspx?id=267; 2012-03-04 23:54

⁸³ Association of municipalities and cities of Federation of BiH (2011); page 3

⁸⁴ Sveriges Ambassad (2011); page 4

⁸⁵ Government Offices of Sweden (2010); page 11

extensive autonomy of the entities, which was meant to protect the interests of the constituent groups, resulted in a weak national political level, often too weak to push through needed reforms. However, closer ties with the EU appear to be the only road to stability and development for a country that is still marked by war though it ended 15 years ago⁸⁶. In 2008, BiH signed an agreement with the EU that different types of reforms must be implemented⁸⁷. The significance of this is confirmed by the fact that BiH is classified as only partly free with a freedom score of 3,5⁸⁸ which indicates that not all the fundamental political rights and civil liberties are protected enough (as they are supposed to be in agreement with the Dayton Accords). There are ongoing problems in terms of free press, freedom of religion, discrimination based on ethnicity, gender etc.⁸⁹ Also corruption is nothing less problematic; the public sector in BiH is perceived as very corrupt with a CPI score of 3,2 (where 0 means highly corrupt and 10 means very clean) ⁹⁰. Thus, reforms are essential and not only at the central level of the government, but also at the lower levels. Past experience shows that changes at the municipal level lead to better results and affect the citizen to a greater extent.⁹¹

4.1.3 Municipal context in the Federation of Bosnia and Herzegovina

Municipalities belonging to the federation are voluntary affiliated within *Association of municipalities and cities of the FBiH* (hereinafter *Association*). Association is an independent, nonprofit organization established in 2002 in order to contribute to the development of the local communities and enhancement and protection of their common interests. ⁹²

Comparative facts

Smallest/biggest municipality (area): $ca\ 10\ /\ 1\ 170\ km^2$

Smallest/biggest municipality (population): ca 650 / 131 440

Municipalities are legally defined as units of local governments. These are entitled to deal with all matters which are of local importance and are not excluded from their jurisdiction or included in the jurisdiction of other levels of government. When comes to these questions, municipalities are independent in the decision making. The jurisdiction of the local governments includes such as following:

⁸⁶ Government Offices of Sweden (2010); page 11

⁸⁷ Sveriges Ambassad (2011); page 5

⁸⁸ http://www.democracyweb.org/new-map/; 2012-03-13 13:03

⁸⁹ http://www.freedomhouse.org/report/freedom-world/2011/bosnia-and-herzegovina; 2012-03-13 13:37

⁹⁰ Transparency International (2011)

⁹¹ Government Offices of Sweden (2010); page 7ff

⁹² http://www.sogfbih.ba/index.php?lang=ba&sel=4; 2012-04-27 11:52

- establishing budget, programs and plans for (economic) development of local governments,
- identifying and implementing spatial planning and practicing environmental protection,
- stipulating a policy for managing natural resources of local governments and allocating funds based on their actual use,
- managing, financing and promoting activities and facilities of the local infrastructural utilities: water supply, public sanitation, city cemetery, local roads and bridges, parks and street lightening,
- organizing and improving local public transport,
- taking care of the entire aspect on child care, pre-school education and primary education,
- planning and financing improvement of the health care, social care, education, culture and sport,
- regulating taxes, fees and contributions according to the jurisdiction of local governments, and
- organizing an efficient local government and administration.⁹³

Bodies of the local self-government are municipal assembly (hereinafter *assembly*), the legislative body, and CEO, the executive body. Both councils and CEO are directly elected by the citizens. CEO's jurisdiction includes for instance:

- representing the unit of local government,
- establishing regulations,
- preparing and submitting budget, economic and development plans and different types
 of planning and regulatory documents regarding use and management of land and
 proposing decisions to the assembly,
- implementing policies, ensuring implementation of decisions and acts and executing the budget according to the decisions made by the assembly,
- enforcing laws and regulations,
- deciding on the structure of the administration and its internal organization,
- realizing the cooperation of the local government with external stakeholders such as other municipalities, cities and international organizations, and

 $^{^{93}\} http://www.fbihvlada.gov.ba/bosanski/zakoni/2006/zakoni/34bos.htm ; 2012-04-27 13:57$

• reporting to the assembly on the implementation of policies of the local government and its activities.⁹⁴

Local governments may freely allocate and use their properties and adequate resources as well as funds for tasks delegated or transferred from the framework of rights and duties of the higher authorities. Local governments are entitled to own resources, such as local taxes and fees, penalties and interest rates, income from the use and sale of property, income from business, donations and gifts, revenues from budget users and other resources such as tax revenue distribution, transfers and grants from higher levels of governments and debt. When discussing the latter, the base amount comes from VAT which is distributed according to the following coefficient: FBiH ca 63 percent, RS 33 percent and Brcko District four percent from the resources that FBiH disposes of are allocated as follows: ca 36 percent is consumed by financing FBiH's functions, 51 percent is for financing cantons' functions and only about eight percent is for financing the functions of the local units.

4.1.4 Municipal context in the Republic of Srpska

Comparative facts

Smallest/biggest municipality (area): ca 30 / 1 110 km²

Smallest/biggest municipality (population): ca 60 / 109 210

Municipalities included in RS are united in Association of local authorities of the RS (hereinafter Association of RS) which was established in 1998 for the sake of mutual cooperation, exchange of experiences and joint appearances and actions. Association of RS is a national associational unit of local government

which represents its members' interests before the central government. 98

Municipalities are even in the RS legally defined as basic units of local self-government. The internal structure in these municipalities is similar to the one in FBiH; bodies of the local self-government are assembly and CEO as legislative respective executive body. However, municipalities in RS have somewhat more extensive jurisdiction as a result of the absence of cantons. In terms of education municipalities in RS have more genuine authority of the preschool and also adult education. There are also differences in terms of culture where the

⁹⁴ http://www.fbihvlada.gov.ba/bosanski/zakoni/2006/zakoni/34bos.htm; 2012-04-27 13:57

⁹⁵ **Thi**d

⁹⁶ http://www.uino.gov.ba/b/Poslovne_usluge/Jedinstveni_racun.html; 2012-04-27 15:30

⁹⁷ http://www.bihgap.ba/dokument_new/policy%20publikacije/Zakon%20o%20pripadnosti%20javnih%20prihoda%20FBiH.pdf; 2012-04-29 00:10

⁹⁸ http://www.alvrs.com/v1/index.php/sr/o-sogrs/o-nama; 2012-04-27 16:19

municipalities in RS have a far more extensive authority over all instances such as museum, theaters, libraries, sports clubs etc. In terms of public services such as electric power, water supply, public sanitation and heating, these municipalities have jurisdiction over all instances except the electric power. Within the federation, cantons have taken over variety of services, damaging the municipalities' budget since these are quite engaged but a small percentage of funds gets back to them through their budgets.⁹⁹

Furthermore, municipalities in RS are in better fiscal position considering that revenues from the VAT mentioned in the previous section are divided along these lines: ca 72 percent goes to the budget of the RS and around 24 percent is part of the municipal budget ¹⁰⁰.

4.2 The uncertain setting of local political-administrative systems in BiH viewed from role holders' perspective

4.2.1 Municipal context in practice

"Life happens here [municipalities]. It is here that life goes on in the literal sense. That is how it is in Bosnia today. And this is because the system is not functional. I unfortunately have to say this. It [the system] does not function to the extent that would make it possible to meet the needs of citizens." ¹⁰¹

In order to comprehend which are the CEOs' tasks and how they meet these, what they describe as the real municipal jurisdictions must be addressed first. The respondents are in general, i.e. all fifteen of them, extremely unsatisfied with the circumstances and position of the local governments. One of them explains that there is an overwhelming ignorance and misapprehension of the local government. According to him, the Constitution of BiH recognizes the local government, while the Constitution of FBiH identifies it in terms of principles – hence the *Law on principles of the local self-government in the FBiH* (hereinafter *Law*). However, cantons still do not recognize the local government; for instance municipalities, particularly the CEOs, fought for a law which statutes that cantons have to consult with the local governments in decision making concerning local communities.

⁹⁹ http://www.bihgap.ba/dokument_new/policy%20publikacije/Zakon%20o%20lokalnoj%20samoupravi%20Republike%20Srpske.pdf;

http://www.bihgap.ba/dokument_new/policy%20publikacije/Zakon%20o%20budzetskom%20sistemu%20%20RS.pdf; 2012-04-29 00:19

¹⁰¹ Interviewee 6, 2012-02-24

Nevertheless, about 60 new laws emerged since which in fact concern the local communities and which were decided upon without a dialogue with the local governments. He explicates on his disappointment with the detail that all municipalities in FBiH are jointly assigned only around five percent of the funds from VAT, although everything that has been produced in this country has been accomplished through the activities of the municipalities. Another CEO expresses displeasure in a similar way; he states that cantons are a large excess which only spend money without producing any and that this is the central cause for the stagnation in the country.

One of the interviewees clarifies that the Law which regulates municipalities' core activities is yet not being fully implemented though it was settled six years ago. He refers to a case that relates to primary education which is supposed to be a municipal responsibility but it is cantons that still operate it and get resources for this. In his opinion, everything culminates in a struggle between the state, entities, cantons and municipalities on who will obtain the largest piece of the pie, i.e. VAT. This naturally results in an impact for the municipalities: although municipalities are expected to satisfy about 95 percent of the citizens' needs, as much as 70 percent of the total quantity of municipalities in BiH experience difficulties in meeting their minimum jurisdictions. Nevertheless, new laws are established all the time which force municipalities to undertake further responsibilities even though additional resources are not allocated to them.

During one of the interviews, the following metaphor emerges: if BiH can be described as a being, then the state is its head and municipalities are its legs or its foundation. Hence, everything is built on the municipalities as the ground. Everything that is in between, the stomach, may or may not exist. However, this being's stomach is so bloated that no one is able to see neither the head nor the foundation. The CEO explains that this means that entities and cantons incorrectly posses all the political and financial power in BiH.

"According to me, the local government must within some future period grow to be the bearer of the fundamental development of life, of the entire life aspect throughout Bosnia and Herzegovina. This is the level of government which is closest to citizens and most certainly the level that best recognizes all their problems. But, since both entities and cantons, but also the state, are rather centralized, they hold the money available to them under control, which implicates that we [municipalities] often do not have possibilities to tackle the most obvious problems which are supposed

to be addressed first. We are far too dependent on which political options rule on different levels of government and my belief is [...] that a lot more responsibilities, resources, opportunities and liabilities should be transferred to the local communities. In addition, all the other levels of government must transform into service oriented. Accordingly, this is when we will have an immediate relation with the citizens and the higher authorities in BiH. ¹⁰²

One respondent is explicit with the fact that even though the Law applies to all municipalities in FBiH, these have different jurisdictions depending on cantons they belong to. Furthermore, it shows from this interview that even municipalities in RS in practice have different jurisdictions than what is regulated by the *law on local self-government in the RS* (hereinafter *Law of the RS*). However, municipalities are constructed in the manner of the respective law, i.e. there are two authorities: assembly and CEO. Municipalities are territorially divided into municipal districts.

4.2.2 Backgrounds and beginnings of Bosnian CEOs

When it comes to some background factors, the fifteen CEOs that participate in this study create a fairly homogenous group. All of them are male in their middle age, from the late 40s till the early 60s. The average age for the entire group is 54 years, and the average age when CEOs obtained the position is 48 years. All of them come from municipalities they now govern or smaller municipalities or villages nearby. They originate from working middle- or lower class families, some of them having a harder childhood than others.

Furthermore, they all have university degrees, but they differ in the choice of education and qualifications. Thus, five of them have degrees in economics, three of them law degrees, four of them have degrees in different kinds of engineering, while remaining three have other degrees. Among these it is not unusual to have or to be researching in order to get a doctor's degree. Five of participating CEOs, all of them differencing in educational background, have experience working on various levels of government, including the local level. On the other hand, three of them have never worked for higher authorities, but they have an extensive experience working for their current municipality on various positions. Two CEOs have some experience working on the local level of government, four of them have never worked for the government and only one of them has experience working for higher, accordingly not local,

¹⁰² Interviewee 14, 2012-02-03-26

levels of government. It is not uncommon among respondents to have experience from the educational system and/or the private sector.

Candidates for the position of CEOs may be members of a political party which in that case may, but not necessarily, suggest them to the position. Then they participate in local elections where citizens choose an individual for the position. A majority of participating CEOs come from one of the biggest ruling parties in FBiH. Remaining six CEOs belong to six different parties, whereof three of them are Bosnian, two are Serbian and one is Croatian. The involved CEOs have been in possession of this position for various periods of time: median value is two mandates for four years each. However, there are cases among where the CEOs obtained this position only a year ago or far more than eight years ago.

When speaking of the CEOs' candidacy, it is not uncommon to be told that they had no intention ending up on this position. The three most frequent motives for candidacy among the respondents are: change, political party and law. Firstly, in their mean municipalities are, unlike other levels of government, a field where changes actually are achievable. They wanted to contribute to the public good and progress, a better setting for their children or to simply do more and better than their forerunners.

"I have worked in administration for a long time. I saw what my forerunners did well or not that well, that was my motive. It seemed to me that I could do more. Second, I wanted to directly renovate what bothered me as a citizen. Third, I love this city and my mission was to regenerate it. [...] Thus, I had it all in my head and it was irritating not to be able to achieve that, although I knew I was capable to and I waited for an opportunity. And that was my motive to be a CEO, to show people that it is possible. Also, I wanted satisfaction as the originator." 103

Secondly, around half of the interviewed CEOs distinguish the other members of their political party as one of the main reasons or as the only reason for their candidacy. They feel that they could not refuse due to the difficult times or that they began to think of the candidacy as a new challenge. Last but not least, some of the respondents explain that they would not even consider a candidacy if not for the new law which entered into force in 2004 and which statutes directly elected CEOs.

¹⁰³ Interviewee 5, 2012-02-24

"If it wasn't for the new law on directly elected CEOs, if the assembly was still electing the CEOs, I would not candidate. On the other hand, another motive that drove me to this is that I actually thought that the only segment that can function in the reactive and muddled Bosnia are municipalities. And the third thing is that I thought that there are plenty of areas where many things can change. What is the main problem in Bosnia? All the resistance, all the convulsion, all the effort, all the energy is invested in discontinuing the movement and being able to say 'this is it'. Everything is against change. When, in fact, the basis to any progress should be our enthusiasm to change. You cannot change much at the federal level nor at the cantonal, not to speak of the state. Municipalities are where the changes occur." 104

There are evidently other factors that are mentioned: one of the CEOs distinguishes friendship with his forerunner as the main reason for his candidacy, while another CEO explains that he was a candidate because he loves this job and it provides him with people's love and respect.

4.2.3 A political aspect on the work of CEOs

"It's hard to be a CEO, but is even harder not to." 105

A common interpretation of the position of CEOs among the respondents is that they hold the entire executive power in respective municipality since there is no executive committee. One of them describes himself as the most responsible figure in his municipality, especially in the case of a crisis. According to him, a CEO is the supreme authority that rules a region and the primary duty is to be the CEO of all citizens and not only those who belong to his political party or nationality. He expresses that holding the position of a CEO implicates no superiors; the CEOs are equal to the assemblies since the latter does not have the authority to appoint nor replace an individual to or from the position of a CEO. When comes to decision making, in some cases he may make decisions himself, while other questions require him to make a proposal to the assembly which thereon decides. His colleague CEO, both of them coming from RS, introduces his function by explaining that he works in accordance with the legal rights which are assigned to him by the national assembly of the RS. His legal obligation is to cooperate with the assembly that often has the authority to approve or disapprove of what has

¹⁰⁴ Interviewee 2, 2012-02-20

¹⁰⁵ Interviewee 4, 2012-02-23

been planned or done since the CEO reports to this body. This communication is continuous, from the beginning of the year when the CEO presents a work plan throughout the year until the year-end report. Another interviewee adds to this that the assembly is the one adopting the budget, which is the supreme legislative document for every level of government and every organization. Further meaning on the subject is that the assembly provides the CEO with a framework and limitations for his work, this way creating directions for the development of the municipality in question.

"Politics places us. The CEO is devoted to certain politics and an operational organ. Sometimes I would perhaps like to have some more dictation than I do. Only times when I get dictation is when I get somewhat too close to the framework that I operate within. I may freely move within this framework, in accordance with my conscience. But politics create this framework which I cannot leave by myself." 106

Thus, political parties are extremely influential which results in very small possibilities for the CEOs to act and work freely – this is by most of them perceived as inadequate from a democracy and quality aspect. The politics that CEOs stand for determines a lot; this is often the main factor behind the difficulties and advantages that they experience. As one them states, he finds himself lucky to work with an assembly composing of a majority of councils from his political party since this enables him to realize his ideas and projects even when the times are particularly hard. Only three of the interviewed CEOs complain regarding respective assembly and causes for their criticism are various: non-educated councils and ones who continuously provoke them, councils who assault them for not violating the law when "needed" and councils who due to their personal and political views do not adopt the budget for months. However, one of the CEOs explains that even though there were times when the assembly only to 25 percent consisted of councils from his party, he always managed to go through with his ideas due to the nature of his politics.

4.2.4 The everyday turbulence

"Being a CEO in the current situation, in this country, that is the most complex function, the hardest and I would say the most responsible. Why is that? Because we are a part of a system that is extremely compound

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¹⁰⁶ Interviewee 3, 2012-02-23

here in Bosnia. The citizens, the nation is in conflict with the state, even though we all have to live here together. Instances are further from the people and their faiths. Consequently, every problem, every misstep in politics, by the state, the system, in the legal regulative is reflected and expressed here, at this level. It is very tough for us. Although, formally and legally, according to the Constitution and the Law, we do not have extensive authorities or possibilities. We have got a budget that is exclusively oriented to financing the public institutions of the state apparatus, partly to social policy, partly to the veteran population, what is determined by our additional rights and of course the infrastructure." 107

All respondents reproduce their positions as exceptionally composite and as most difficult positions in BiH. It is explained that their function is specific in a way that they need to act as the prime minister, chief minister, minister for all departments, CEO etc. Accordingly, this function requires intelligence and general knowledge about for instance health, culture and sports, but also sense of more difficult issues such as morals and ethics. One of the interviewees means that they have little authority but are responsible for all the problems, while satisfaction for results is at higher levels of government. However, they are all openly positive to the change of law on the election of CEOs and believe that this has produced progress in the right direction; now it is individuals with visions and knowledge, individuals who have followers, i.e. leaders, who get elected to the position. Hence, one of the respondents means that they have a range of roles: they have to act as politicians, managers and leaders all at once.

"A mining operation" that is what one of the interviewed CEOs compares his work with. It is anchored in trying to increase the little base that he has, by all means, and trying to bring every investor to his municipality, each with different measures. Another CEO puts his dissatisfaction as follows: his function is about solving other people's problems without resources and methods. It is his responsibility to stabilize the budget and implement the planned budget. Yet another respondent expresses that holding this position is a great sacrifice.

According to one of the interviewees, the main task of a CEO is to by all means create a prestigious environment for the life of each citizen, this way particularly making sure that young people have the right conditions to stay in the respective municipality. He means that

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¹⁰⁷ Interviewee 6, 2012- 02-24

¹⁰⁸ Interviewee 2, 2012-02-20

one of the most important aspects on his work is acting preventive to as much as possible. Other responding CEOs define their elemental activities somewhat differently and more specific: to manage and coordinate the administration, i.e. the budget users consisting of numerous services and public institutions such as community service, civil protection, finance, inspection, water supply, heating, transport and communications, cemetery, theatre, pre-school, elementary and primary education, social care, libraries and museums. The number, nature and extent of these differ between municipalities depending on for instance the canton affiliation, municipal structure and size. Furthermore, the CEOs manage municipal districts and their interests. There is a standard among these to have sittings with the district governments and ordinary people settled here at least twice annually. Only one of the CEOs is straightforwardly and exceptionally engaged in achieving good cooperation with neighboring municipalities, while all of them are open about the importance of cooperation with the wider environment.

> "If I am responsible as the person in charge, it is not possible for me to entrust something to my employees without monitoring. So, there is a misconception that the system is ruling. But it does not, the system only helps an individual to govern. The aircraft system, a perfect system for flying, but if I act as a pilot, you will see that it is not that perfect. Thus, the pilot is central.",109

Simplifying the administration and making it more efficient is a fundamental task similar to planning for the assembly meetings and planning municipal development. All CEOs are taking this opportunity to point out what improvements they have made in terms of administration since they got the position. One of them explains that he was tough through the process and it was not rare that the employees were warned together with their respective department head. A majority of the respondents had as priority to create new organizational structures, for instance in terms of a new municipal building and many have already succeeded in this. There are also cases of re-organization in terms of hiring trainees and volunteers which appear to have created some concern among the employees which in turn had a positive influence on their efficiency. However, there are still some signs of dissatisfaction among the respondents since many of them believe that the workforce could be reduced drastically but it has to stay intact as state employees cannot simply be fired.

¹⁰⁹ Interviewee 5, 2012-02-24

"Everyone has to work and behave as I do. Every law that is valid for the CEO applies to every employee. And everything that happens here, it is done for the citizens and not for me or the employees. Being employed in the local government is a privilege. [...] I am trying to eliminate everything that is wrong and every aggravating circumstance and everything that is provoking so that we can work as simply as possible and so that bureaucracy does not impede our prosperity and our work and so that the money loss on unnecessary things is as small as possible." 10

The CEOs have weekly meetings with the top management, chair of the assembly and department heads, although they are in contact with the latter daily. It is in this way that assembly meetings are planned, problems are discussed and priorities are defined. The department heads also report to the CEO continuously. One interviewee emphasizes that he never makes a decision without the consensus among all department heads since this approach guarantees more accurate decisions. Communication with the rest of the employees in the local government occurs either through these or straightforwardly. Only a couple of the respondents are extremely fond of the hierarchical structure and consequently do not communicate with the employees directly when comes to work related issues.

The function of the CEOs naturally includes representing the municipality outwardly in all contexts. This is for instance in terms of external investors and partners and some of those that are mentioned during the interviews are factory and business managers, ambassadors and organizations such as SIDA and USAID. However, the local governments need to be represented towards the higher authorities as well. This occurs in case of visits or in case of disagreements which often lead to court and it is becoming more widespread.

"Sometimes, CEOs, who represent the government at this level of the state, are in a situation where we have to take legal actions towards that same state in order to achieve greater benefits for our citizens. That is a handicap." 111

Being a local authority, the fundamental aspect of the CEOs' work are ordinary people and their problems. Interviewed CEOs use different methods when it comes to citizens: around half of them have a definite weekday when they have direct contact with citizens in form of

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¹¹⁰ Interviewee 12, 2012-03-16

¹¹¹ Interviewee 1, 2012-02-20

personal meetings, while other half make appointments with citizens any day of the week. Whichever method they apply, almost every day there are more meetings with the citizens (but even other actors) than what was planned. Two respondents emphasize that they were applying the first mentioned method but soon realized that it did not serve the purpose: one of them had to travel on that particular day a few times which led to complains from citizens, while the other one thought that his office started turning into an employment agency because most of the people were asking for help with finding jobs. All of the CEOs state that the most of the citizens who visit them are in need of social care, but they are usually not legally qualified for it. However, they feel obligated to help them which may be one of the most difficult tasks of a CEO. The interviewees say that they have visits from all kinds of actors, as one of them puts it, everyone from beggars to directors and the highest institutions, all of that in the interests of the citizens. As an additional way to communicate with citizens, a CEO discerns his open mail which he describes as rare among his colleagues. However, a couple of the interviewed CEOs experience a paradox when comes to the citizens: the latter want their CEOs to be available and common, but when this is the case then the CEOs are not significant enough and they are not making a show which makes them also less topical. A large proportion of the respondents distinguish the ill, the youth and the Roman population as priorities. Considerable resources have been invested in recent years on the two latter mentioned for instance in form of scholarships. The respondents repeatedly describe themselves as advisors for various actors, including the citizens.

Another way of informing the public is unsurprisingly through media. The CEOs included in this study have somewhat diverse relations to media. Some of them enjoy being in the spotlight while others refer to this as an unpleasant characteristic to this position. The latter mean that they are the local level of the government which makes everything they do and work with even so visible for the public. However, all CEOs assert that their relations to media are correct and that they by sharing information or participating in broadcasts are accessible to the public.

Four of the involved CEOs speak of having acknowledgments as for instance the best CEOs of diverse areas. One of them explains this in terms of having no fear of risking and not settling for the average but confronting it. In addition to regular activities, the CEOs' work description includes planning, deciding on and implementing projects regarding for instance museums, city arenas, sports centers, playgrounds, retirement homes, industrial areas, religious institutions, housing and clinics. Besides the aforementioned elementary goals that

these projects should contribute to, another ambition is to create good preconditions for entrepreneurs and expansion of tourism. One of the CEOs believes that this objective, i.e. the need for additional resources, is one of the motives to invest in good relations with the higher authorities. Nonetheless, one of the current projects whose implementation is a municipal responsibility and which has angered many of the interviewees is the construction of asylums for stray dogs. There are two reasons for this resentment: the first is lack of resources, while the second is the fact that there is a huge amount of people who are not disposed and now great resources are supposed to get invested in the good of animals. How serious the situation is illustrates the mere fact that one of the CEOs who says that he refuses to implement this project also notes that dogs are eatable animals.

All respondents agree that their position entails long working hours, up to 16 hours a day, and weekends that are rarely vacant. The function of CEOs requires keeping up a continuous dynamics. Hence, most of the spare time is dedicated to capturing information that could not be assimilated during working hours and fulfilling functions that would not fit within the working day. The CEOs describe their evenings and weekends in terms of dinners, events, gatherings, funerals, sports, visiting the ill, socializing with the young etc. There are also other types of informal meetings with diverse stakeholders such as citizens, business directors, colleague CEOs and other government officials.

4.2.5 CEOs' perceptions on change

During all of the interviews, the subject of change is central: diverse types, levels and means. There is a variety of opinions among the CEOs on this subject. However, a common feature is an eagerness and aspiration towards change.

"I am not familiar with stagnation, it implicates failure." 112

First and foremost, the responding CEOs are keen on speaking of changes on the local level. This includes previously mentioned work for increased efficiency in the administration and improvements of the general quality of life. All kinds of projects contribute to this, but only two of the interviewees speak of developmental budget which for them is the most interesting and significant percentage of the budget. The CEOs are not satisfied with their positions, they gain hope for a setting where the CEO is someone who is able to take the time to step back

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¹¹² Interviewee 7, 2012-02-24

and look over the situation, to communicate and not only serve for lowest ranking tasks. Nevertheless, there seems to be an overall opinion that there is an unwillingness against changes in BiH. One of the CEOs expresses this as the largest portion of the population recognizes progress, but they are very quiet. Then there are those few percent that are against all kinds of progress, that are awfully loud and will do everything to discontinue it.

Furthermore, there is according to the respondents an enormous need for fundamental changes in the state of BiH. The state seems to be on its knees because of its inaccurate interpretation of democracy and the multiparty system. The CEOs are agreed that there is no steady development and common visions. Laws are abused at all levels of government in order to win elections and the obedient are often appointed instead of the experts. The higher the level, the less responsibility as a result of the lack of contact with the citizens.

"As for the local communities, out of all levels, I think that this is the only segment that is ready for the European Union, that corresponds to their standards, their manners, their determination. We continuously visit their municipalities, compare ourselves with them. We perform the same work as them, the only difference is that they are in possession of a lot more rights and resources." ¹¹³

There is some disagreement among the interviewed CEOs regarding the EU. However, everybody agrees on the fact that the local governments meet all requirements and in order to develop towards the EU these need to obtain more extensive rights and resources. Corruption is lowest on this level while the interest in democracy is as highest – there is no democracy without the local democracy. One of the CEOs explains that even the ethnic tensions are at minimum at this level of government. The respondents are in accord stating that the primal necessity for BiH is to join the NATO pact; when there is a guarantor of safety and stability in the country, then the investors are going to be interested in the country which will lead to real progress. Anyhow, according to some of the interviewees, after joining the NATO pact, BiH needs to join the EU in order for citizens to relativize the limits and boundaries in their heads but also to settle on explicit territorial boundaries. At this time the citizens will be able to live normal lives and the country will develop regularly. On the other hand, there is some bitterness among the CEOs on the subject of EU which is directed towards the international community. Reasons for this are various: the first one refers to countries that are in a worse

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¹¹³ Interviewee 13, 2012-03-19

position than BiH but have still made it to the EU (a frequent case in point is Romania), the second one refers to the countries that are candidates to join the EU which were direct aggressors on BiH during the Balkan wars (meaning Serbia and Croatia) and the last one is aimed at the Dayton Accords.

"We need to adapt our laws. In such a compound country, that goes very slowly or not at all, because it is not possible to come to an agreement at the state level even when comes to basic things, where the sun rises, not to speak of anything else. It took a year to form the state government. The international community has a responsibility and they are escaping from that responsibility. It was the international community that through the Dayton Accords created a non-functional state. And now they tell us to come to an agreement. Two brothers cannot even agree on the issue of inheritance and they go to court, a dead head falls. Then how could we agree at the state level, where if one party does not want to concur, there is no institution that can cross that and decide on how it will be. The international community plays a game that is no less than unfair. They cannot escape from their responsibility, because they participated in creating this state, through the Washington and Dayton Accords. They need to help us produce a state such as Sweden." 114

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¹¹⁴ Interviewee 10, 2012-03-09

5 WHAT DO WE NOW KNOW ABOUT THE CEOS IN BOSNIA AND HERZEGOVINA?

This chapter provides an analysis of the function and position of interviewed CEOs on the basis of my previous theoretical reasoning.

5.1 Environments and backgrounds

Municipalities in Bosnia and Herzegovina differ widely regarding both population and to the territorial size; these have between 60 and 130 000 citizens on an area of between 10 and 110 000 square kilometers. The local governments are rather denied and weak in relation to higher authorities even as they actually have extensive responsibilities. Although there, by law, often are clear and more reasonable regulations, these are not being followed (particularly by cantons) which makes it even tougher for the local authorities in terms of resources and jurisdictions. However, respondents in this study are distinct when pointing out that the local governments are the only segment in BiH that is ready for the EU in regard to standards and requirements.

Similar to the internationally compared group of CEOs, even those interviewed in BiH are men in their middle age, all between their late 40s and early 60s, coming from working families. All of them have university degrees and even among these economics and law are popular educations, however, there is a greater variation. In contrast to the earlier mentioned group, it is not as common among the participants in this study to have been recruited to the position from within the municipal system. Nevertheless, a majority of these have extensive working experience, particularly working for the local governments and higher levels of government.

Unlike Swedish CEOs and those in most other European countries, these top managers in BiH are generally propound to the position by their political party and directly elected by citizens. Since law which regulates this entered into force, the trend tends to make them the most interesting and marking actors on the local political scene, although not always most powerful. It is due to this law that some of the CEOs even started considering candidacy for their current position. However, most of them simply wanted change and felt that they were appropriate and competent to lead it.

5.2 Roles

The interviewed CEOs question the current situation regarding various issues: firstly, this attitude relates to the position of the local governments in BiH and secondly, to their own positions (*role I*, see *Figure 5.1*). When it comes to the former, it is mainly about the local governments' position in relation to higher levels of government. It is common for all the respondents to consider the cantons in FBiH as an excess, the entities as too dominant and the local governments as far too denied. These request more extensive jurisdiction and resources since this is the level of government closest to citizens, their needs and problems. Even when it comes to their own positions there is a common attitude among the interviewees. Many of them consider themselves as having too much responsibility in relation to their powers and capabilities. Either way, they accept the current settings in means that they choose to fulfill the function as CEOs. Furthermore, it is up to the CEOs to create consensus between the politics and administration (*role II*). Typical for these seems to be fulfilling following functions:

- they monitor the work of department heads and disseminate information downward the organization through these, but also communicate with the assembly and higher levels of government, citizens and other external stakeholders making sure they remain informed and involved (*role I & II*),
- they initiate projects and issues, ensure problem solving and make some of the decisions themselves, while when comes to other decisions and allocating the resources consensus with the assembly is needed which means that they influence and advise the same (*role I & III*),
- they get elected for their visions and hence act as visionaries, but also as networkers making sure that they attract additional resources and promote their own municipality and its projects (*role I*).

However, they also have further formal managerial duties and rights (*role II*). Thus, when the respondents take over the position as CEOs, most of them introduce themselves by adapting the organizational structure and discipline. They create new routines and control the work of administrational employees through department heads and their reports. Their task is to manage and coordinate the administration. It is the formal responsibility of a CEO to prepare the municipal budget which then is decided upon by the assembly.

Since the CEOs in BiH are directly elected by the citizens and all of the respondents are members of political parties which they were elected from, they also have two more functions to fulfill: represent their politics and citizens (*role IV & V*). Political parties in BiH are extremely influential and their politics determine the course of CEOs' initiatives and work. Satisfying citizens is the second function and this is partly achieved by implementing the politics that the CEOs were elected for and partly by keeping good relations with the public. For many of them this particularly implies looking out for the ill and youth but also acting as advisors and supporters for the citizens. This is also an important role in conflicts with the higher authorities. However, the CEOs sometimes must act as ordinary citizens when meeting the public (*role VI*). This role is fulfilled when in touch with other citizens often in informal contexts and includes conversations and activities on everyday and personal basis.

Roles	Activities	Strategies
I Leader / Policy innovator		
II Manager / Classical administrator		
III Advisor to elected officials		
IV Politician		
V Citizens' representative		
VI Citizen		

Figure 5.1: The analytical instrument - Roles

5.3 Networks and activities

Similar to the CEOs in Sweden and other internationally compared countries, the interviewed CEOs in BiH have wide networks. Accordingly, these have relations upward with the higher authorities, downward mostly with department heads but some of them occasionally also with other subordinates, outward with other organizations, citizens and media and also inward meaning that they work independently. However, relation with the assembly may be classified as collateral since the assembly is not the CEO's superior, but a parallel body.

A large proportion of a CEO's time is spent on formal meetings (*activity I*, see *Figure 5.2*), whereof a good deal is with politicians. This is mainly with the assembly, particularly with the

chair of the assembly, in weekly meetings when problems are discussed and priorities are identified. These meetings also concern planning for assembly meetings where the CEOs initiate matters, present problems and projects, advice a budget and assist in decision making. Less frequent, however existing are meetings with politicians belonging to higher levels of government (activity II). Relation with the higher authorities is, in accordance with the international comparison, perceived as rather difficult and unfair. The most important relation for the respondents in this study, unlike the Swedish and other international CEOs, are not relations with the mayors. Since there are no executive committees in local governments in BiH, there are either no mayors per earlier definition. The most important relation for the interviewed CEOs may instead be with the chair of the assembly or with the councils in general. On the other hand, the closest political relation may be with the councils belonging to the same political parties as themselves. In their relations with the assembly, CEOs cannot be identified as inferior since they are not elected by the assembly. Nevertheless, they are not independent but work parallel with the assembly which makes this political relation critical for their success.

The Bosnian CEOs seem to have meetings with department heads almost daily; this way they communicate down the organization and coordinate it (activity I). It is not very usual to communicate directly with the rest of the subordinates, at least not often nor work related. This direct contact typically takes place in case of ambiguity (activity III); however, the middle managers are not sidestepped then either. Meetings with the department heads are about informing and keeping informed, planning and discussing. Department heads report to the CEOs on their respective department's activities and problems. Weekly meetings result in weekly defined priorities and strategies for their work. Furthermore, the interviewed CEOs meet with the key people in municipal districts at least twice a year where the capital projects are introduced but also projects for each district are discussed and planned.

The interviewed CEOs' outward networks include other municipalities and organizations, media and the public (activity II). A majority of respondents do not mention neighboring local governments as exceptional to them, although these are interpreted as significant. Other organizations are in contrast illustrated as remarkably important. The CEOs and their local governments cooperate with international investors and organizations, for instance international municipalities and cities but also private organizations. This takes a lot of their time in form of meetings, visits and travels. The reason for dedicating that much attention to other organizations and investors is due to the insufficient budget and resources. Thus, these

are perceived as utterly significant for the local development, both in form of additional resources but also in form of investing and developing business. The interviewed CEOs use media as an instrument for communicating with the public. All of them have reasonable relations with the media but to different extent. This actor is not considered as essential for the function of CEOs since they work so close to citizens, though useful. In view of the fact that the CEOs in BiH are directly elected representatives of the citizens, they must establish and preserve a continuous communication with these. They have meetings with the citizens almost daily when their, i.e. individuals', problems and claims are discussed.

When it comes to the last theoretical aspect of the CEOs' work, the individual work (*activity V*), there is a lot of frustration among the respondents, just like the Swedish research suggests. They seem to spend way too little time on this aspect and hope for a transformation of their function so that they gain more space for individual reflections and evaluations.

Similar to the internationally compared CEOs, respondents in this study aim to avoid contact with insignificant and unhelpful actors. However, there is a contrast between the two groups: conflicts are somewhat more frequent in BiH's local governments and these occur between the CEO and the opposition in the assembly. This, i.e. extensive influence of politics, is perceived as a problem among, next to the two problems that are common with the Swedish CEOs: their role is interpreted as extremely vague and complex and their function as utterly fragmented.

Some of the working hours and most of the overtime hours are by Bosnian CEOs spent on informal activities such as meetings and gatherings (*activity IV*). These may be with the citizens in festivities gathering information, in form of visiting the ill or socializing with the youth. Another repetitive example is informal gatherings with investors which many times result in making deals. There are also other examples such as informal dinners with councils etc.

There may as well be an activity termed change since it is so central for the respondents in this study which can be interpreted as natural considering their leader role; however, change is interpreted as existing within all five existing activities. Thus, interviewed CEOs discuss, initiate and promote different kinds of changes in most of their formal and informal meetings with the assembly and other politicians. When comes to department heads changes are discussed, planned and implemented together with these. Changes referring to other employees may be the ones for increased efficiency among. Most of the interaction with the

external stakeholders is as earlier mentioned change oriented. However, there are also activities that are change oriented and imply conflicts with higher authorities. Also the inward activities, i.e. individual work, may refer to change since this includes planning for and reflecting over it.

Roles	Activities	Strategies
I Leader / Policy innovator	I Formal (substance related)	
II Manager /	activities	
Classical administrator	II Outward activities	
III Advisor to elected officials	III Downward activities	
IV Politician	IV Informal activities	
V Citizens' representative		
VI Citizen	V Inward activities	

Figure 5.2: The analytical instrument - Activities

5.4 Strategies

Informal meetings mentioned above are interpreted as more frequent for Bosnian CEOs than Swedish and occur casually during and after working hours and on weekends (*strategy I*, see *Figure 5.3*). The dialog that takes place in these situations is intended for capturing information, creating and strengthening relations (*strategy II*). The informality occurs with various actors such as citizens, government officials, colleague CEOs and business directors. This way municipal development is discussed, projects are presented and designed and investments are settled. In contrast to the international community where the most important informal dialog is the one with the mayor, in BiH that may be the one with politicians in general but also with the investors. However, contact with citizens is also maintained which is central for the Bosnian CEOs which are directly elected to the position.

The interviewed CEOs benefit from acting diplomatically in their everyday life (*strategy III*). This is particularly significant when comes to the assembly and citizens. However, for the Bosnian CEOs, this type of behavior is not based on the requirement for neutrality. This is in regard to the assembly rather a strategy to meet and influence different political standings. A constant balancing between insisting and parrying is needed in order for the CEOs to get their

ideas and proposals through. Also speaking of the higher authorities, this strategy is used by respondents in order to obtain additional resources. Regarding the citizens, diplomatic approach is relevant when meeting diverse opinions and criticisms, at least if there is an intention for a re-election. This is relevant given that the CEOs are held responsible for most of the problems that usually are not even within their jurisdiction.

Personal skills that respondents in this study perceive as significant when exercising the position of CEOs are many (*strategy IV*). Due to the complexity of this function, CEOs have to have generalist competence since the organization they govern includes diverse activities. There is also a need for moral and a sense of ethics since this position should not be used for personal gain but to help people improve their lives. The cooperative skills that were found important for the Swedish CEOs are even in this case characterized as significant, since there is a permanent dependence between the CEOs and assemblies in BiH. Another strategy that is noticeable among respondents in relation to subordinates is use of the hierarchical structure (*strategy V*). By setting themselves hierarchically towards subordinates, there are predispositions for an ambient to emerge where rules and procedures must be followed. Towards the assembly on the other hand, it is about building trust whenever possible instead of trying to overrule it (*strategy VI*). However, in order to achieve development in wanted direction they have to have the courage to take risks and be ahead.

As earlier stated, the complexity and ambiguity that exist when comes to the function of the CEOs enables them to make use of a repertoire of roles (*strategy VII*); this also applies to CEOs in BiH. In their everyday work, there is a great require for adaptability since they contact with various actors in diverse settings (see *Chapter 5.2*). When speaking of visions and change, they may benefit from acting as outright leaders or policy innovators. However, in case of ambiguities among the subordinates, they may play a role of a manager, i.e a classical administrator. They may also act as politicians when in contact with the political party or councils, as well as advisors to these if that is more relevant in the context. A further role is acting as a representative for the citizens or an advisor to these. In order to gain their trust, they once again act as leaders speaking of visions and change, focusing on the people instead of structures etc.

Even here there could be an additional item termed change or anti-stagnation, but this is once again interpreted as existing in all seven defined strategies. All of these are in one way or another change oriented since they are connected to activities whose purpose is change.

Hence, change is exercised for instance in order to create or split relations, improve efficiency, make contacts or simply to influence on something or someone.

Roles	Activities	Strategies
I Leader / Policy innovator	I Formal (substance related)	I Informality
II Manager / Classical	activities	II Dialog
administrator	II Outward activities	III Diplomatic behavior
III Advisor to elected officials	III Downward activities	IV Personal skills
IV Politician	IV Informal activities	V Hierarchal approach
V Citizens' representative		VI Trust
VI Citizen	V Inward activities	VII Repertoire of roles

Figure 5.3: The analytical instrument - Strategies

6 LEADING UNDER FRUSTRATION AND UNKNOWN COMPLEXITY

This final chapter begins by returning to the purpose of this study which results in an answer to the research questions. The first step towards this is drawing conclusions in regard to the issued case and the second step is discussing relevance of these findings in general. Finally, suggestions for further research are presented.

6.1 Bosnia and Herzegovina

Bosnian CEOs govern municipalities which differ to the size and structure also meaning that they have different jurisdictions although same law is valid for all municipalities in an entity. The CEOs distinguish their level as the only segment of government which is ready for the European Union. Even so, there is a lot of frustration towards higher authorities which in their opinion victimize the local level, this way creating a distance to the citizens and resentment towards development. There is also an unusual complexity illustrated from this aspect since the local governments never seem to be aware of what may occur as legislative regulations are not followed and new laws are made without discussing their content and meaning with the local governments. Thus, there is a tendency among the CEOs to inquire for more impact and higher status together with better cooperation and more directives.

A typical CEO among the ones that I have interviewed is a middle aged man who has a university degree and extensive working experience. It is probably the broad network made in this way which is the reason for him getting elected to the position of a CEO and the main reason for his candidacy is a desire for influence and change.

Roles	Activities	Strategies
I Leader / Policy innovator	I Formal (substance related)	I Informality
II Manager / Classical	activities	II Dialog
administrator	II Outward activities	III Diplomatic behavior
III Advisor to elected officials	III Downward activities	IV Personal skills
IV Politician	IV Informal activities	V Hierarchal approach
V Citizens' representative		VI Trust
VI Citizen	V Inward activities	VII Repertoire of roles

Figure 6.1: The analytical instrument – Distinction between theoretical and empirical terms

Which roles does he apply in his work and why (see Figure 6.1)? First and foremost, he acts as a leader or a policy innovator meaning that he questions current structures and situation, creates visions, fulfills an information function, initiates issues, works with problem solving (among which many problems do not fit within his jurisdiction) and attracts additional resources to his municipality. He is also a manager or a classical administrator since he possesses a formal position which implicates that he manages and coordinates his administration, monitors and establishes new routines and organizational structures. He also acts as an advisor to other elected officials when comes to budget and topical issues. His role as a politician comes with the political party affiliation and as a citizens' representative since he is directly elected to the position by these. Finally, sometimes in informal contexts he needs to act as an ordinary citizen interacting with other citizens on a personal level.

Which activities are included in his work and why (see Figure 6.1)? The typical CEO's work consists to a large part of substance related activities which involve formal meetings mostly with the department heads and the chair of assembly, but also other councils and district governments, concerning different issues and plans. He also has activities downward the organization which occur in case of ambiguity among employees and are relatively rare. In contrast, the outward activities are perceived as frequent and extremely significant. These involve higher authorities, media, citizens, other organizations and investors and aim primarily to attract additional resources to his municipality. Another frequent aspect to the CEO's work are the informal activities with politicians, investors and citizens in form of meetings and gatherings. Lastly, there are the inward activities, i.e. individual work, which are the subject of frustration in a way that insufficient time is spent on reflecting and researching.

Which strategies does he apply in his work and why (see Figure 6.1)? In order to accomplish all the activities stated above and objectives with these, the typical CEO applies a repertoire of roles described earlier in this chapter. Nevertheless, essentially all activities and situations require him to act in accordance with numerous roles at once; for instance, a formal weekly meeting with the chair of assembly and department heads may require him to promote a certain change and hence act as a leader, to coordinate the work of diverse departments in this issue, to advise the chair of assembly in the same, to promote this in accordance with his politics but also to represent the citizens and speak of what is beneficial for the public. Another significant strategy for the typical Bosnian CEO is informality which repeatedly results in plans and agreements on central issues. Diplomatic behavior is needed in order to

have an impact on decisions made by the assembly or in situations where the CEO is subject of (misdirected) criticism; this strategy is based on a balance between initiating and parrying. He also needs to have numerous *personal skills*, such as generalist competence, moral and cooperative skills, which enables him to perform his function more efficiently. Building *trust* may be usable for the typical CEO when strengthening his relation to the councils, while a *hierarchical approach* may be in his favor in relation to the employees, i.e. when comes to the downward activities. At last, a *strong dialog* is significant in all contexts for the information flow and in order to create or strengthen relationships.

The purpose of this study is to create an understanding of how local government CEOs in a developing country work, succeed in their role and manage existing difficulties. In case of Bosnia and Herzegovina, this occurs through numerous activities which are accomplished by applying diverse roles and strategies. These differ from Swedish and other internationally compared CEOs to some extent: informal and outward activities are interpreted as more significant for Bosnian CEOs and, due to the fact that they are directly elected to the position, there are additional roles, as a politician, citizens' representative and citizen, which are essential for their position and function.

6.2 General discussion

As countries differ both in organizational and legal manners and institutions are embedded in different national and cultural values, it is not unexpected that there are differences in the work of leaders of the fundamental units in our modern society. Them choosing to emphasize some activities, roles and strategies results in a profile of this target group which reflects their cultural and structural setting but also their personal characteristics and circumstances. Developing countries share more extensive difficulties in form of deficient resources, structural complexities and lack of clarity in terms of responsibilities. This implicates a need for further activities, roles and strategies in order for the CEOs in developing countries to succeed in their obscure role and contribute to the weak local development. Particularly in countries where the CEOs represent certain politics but also citizens, there are more pressures from diverse directions which seems to create certain frustration and exhaustion among. Dissatisfaction existing among the citizens is one way or another channeled to the CEOs which do not possess real possibilities to have an impact on the issues in question. The CEOs may be considered as more powerful and influential than they are in reality. Obscurity and confusion existing in developing countries in general and at the local level in particular may

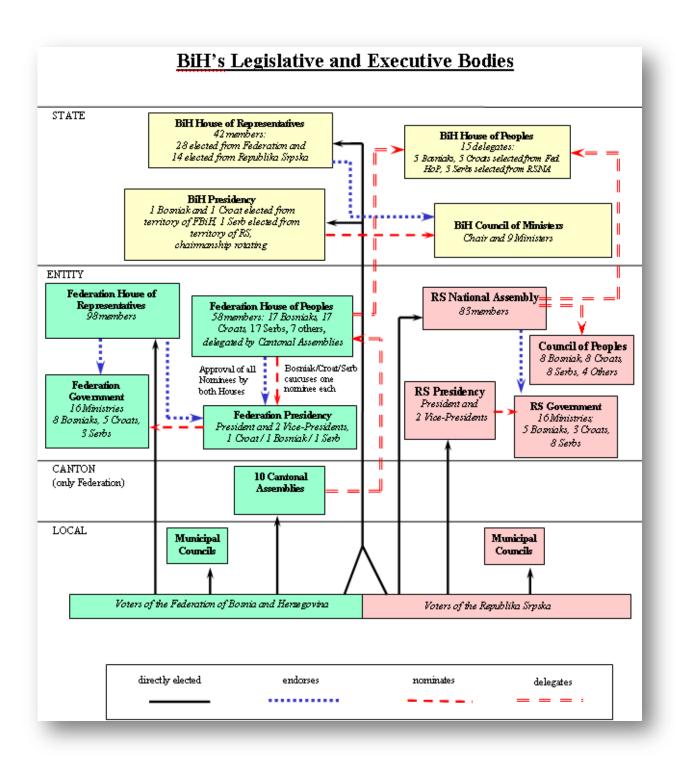
be distinguished as the main reason for inefficiency and it may lead to worse relation between the CEOs and citizens as there is no awareness among the latter on the real jurisdiction and authority of the CEOs. The work of CEOs is determined by their relations to different actors and hence their power as they both represent democracy but are also responsible for efficiency.

Nevertheless, this study contributes to the research on the subject of public leadership by explaining that there are tendencies for the local government CEOs in unexplored countries to differ from the previously researched group. As local governments are in an inferior position in relation to the higher authorities, all of them existing within extremely complex structures where every level and every instance struggles for their own existence instead of functioning as a whole, the CEOs may experience more difficulties in functioning at the intersection between politics and administration. Thus, they may apply additional roles and strategies throughout their wide activities. All of these three components differ to the character in comparison with researched Western local governments as a result of differentiation in the nature and extent of their relations. Another actuality that though this study became evident is that CEOs who are directly elected seem to work under more pressure having to meet additional stakeholders and interests.

6.3 Further research

An interesting potential research approach on the subject of local government CEOs would be a comparative study of an explanatory character of the CEOs' work in a developing country differing from Bosnia and Herzegovina to prominent structural and political circumstances. A different approach, if the case of interest is Bosnia and Herzegovina, may be analyzing how the position and function of CEOs is perceived by different actors in relation to how they perceive their own work and themselves. Another perspective that caught my attention along the course of this study is leadership in change among the CEOs in BiH or any developing country; as there are many reforms needed for the development of these countries, there are also theories that the leadership needs to change at the same pace.

APPENDIX 1: BIH'S POLITICAL STRUCTURE 115



 $^{^{115}}$ http://www.ohr.int/ohr-info/charts/ ; 2012-03-12 $\,18:29$

APPENDIX 2: INTERVIEW QUESTION TEMPLATE

- 1. What is your background? (age, education, experience etc.)
- 2. How were you elected to the position of a CEO? For how long have you had this position?
- 3. How is your municipality organized and which functions does it have?
 - Who do you report to and how?
 - Who are your subordinates and how do they report to you?
- 4. What are your overall duties?
 - Would you describe your function as CEO as change oriented? In what way? By which standards?
- 5. Please describe your schedule from past week in detail.

Follow up questions for each item in the schedule:

- Why did you do this?
- How did you solve this?
- With whom did you do this?
- What happened next?

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