ISLAM IN BOSNIA: AN EMPIRICAL ANALYSIS OF MUSLIMS' DESIRE FOR GOVERNMENT CONTROL

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Abstract

This paper is an empirical analysis of the desire for government control in different segments of life in Bosnia and Herzegovina. The focus is on Bosnian Muslims and on the effect of intensity of religious practice. The data is based on a survey conducted by the author. The findings indicate that Bosnian Muslims generally prefer government intervention more than non-Muslims but as they practice their religion more intensively, their desire for government control declines and shifts towards the private sector.

Keywords

Market economy, Islam, Religion, Bosnia and Herzegovina.

I. Introduction

Bosnia and Herzegovina has officially about 40 percent unemployment. The GDP per capita is according to the 2013 World Bank data is with USD 4,556 the second lowest among the ex-Yugoslavian countries, and as a result one of the lowest in Europe as well. The reason for this dire situation should not be a surprise. Economic activity depends on economic freedom, and the Fraser Institute's latest Economic Freedom of the World Report for 2011 ranks Bosnia at 91 out of 152 countries while the more current Heritage's Index of Economic Freedom in 2014 ranks Bosnia at 101 out of 178 countries. Regionally it is ranked 38th out of 43 countries and is considered to be mostly unfree. It performs specifically bad in the area of size of government and business regulation. The solutions for these two areas are 1. Decrease in the size of government and 2. Deregulation of the economic activity. Yet, the change needs to be desired from the electorate given that politicians are responding to requests that will ensure their (re) election. The focus of this study, however, will not be the whole Bosnia and Herzegovina, but only one part of it, i.e. the Federation of Bosnia and Herzegovina, in which the Muslim population forms the majority. This is in order to specifically find out the influence of the Muslim population on the economic path the country is taking. Are Muslims looking to be free to pursue their dreams and goals, or are they looking for the government to intervene in their lives and living conditions? The study will provide a brief overview about the role of government in Islam and analyse the factors that might affect the Muslims' point of view regarding this issue. After that, the sample data will be described to lay down the foundation for the inferential study that is to be

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performed. Using the findings, a conclusion will be derived on the role of Muslims in Bosnia and Herzegovina (specifically in the Federation of Bosnia and Herzegovina).

II. Muslims and Government in Bosnia

What kind of economic environment is a Muslim in Bosnia looking for? What kind of role is a Muslim attaching to the government and what role is appropriate for it in the lives of Bosnian Muslims? How should a Muslim behave and what should his/her role be in the society? The answer is not simple and straight, and most of all it depends to whom you are referring. The Ottoman Muslim intellectual Namık Kemal noted that:

> *Being created free by God, man is naturally*
> *obliged to benefit from this divine gift.*
> *[Thus] state authority should be realized*
> *in the way which will least limit the freedom*
> *of the individual. . . .*
> *The right of the sultan in our country*
> *is to govern on the basis of the will of the*
> *people and the principles of freedom.*
> *His title is "one charged with kingship"*
> *[after all], not "owner of kingship."* [2]

But if one refers to Monzer Kahf, a Syrian American professor of Islamic economics and finance, one will find a different picture of the role of government. According to him, the function of the state is the establishment of religion, and he goes as far as to claim that "[the] role of the state may reach as far as the individual private practice of worship such as prayers and fasting (p. 6)." However, at least in the field of economics, this kind of opinion is rather marginal, for the majority maintains the opinion that the economic role of the Islamic state is to be minimal (Kuran, 1986), including Kahf himself. But as Kuran notes, and is also visible in the writings of Kahf, many authors would continue after the expression of economic freedom with a list of duties of the state that makes a high degree of economic freedom impossible. Those interferences are justified with two main arguments:

1. Private ownership is not absolute, since God is the absolute owner of everything
2. The needs of the society come before the interest of the individual

Given the diversity in understanding of the role of state in the society from the Islamic perspective, it is very interesting to look into the role the Bosnian Muslims are accepting for the state. Two factors will be taken into consideration in this research:

1. Is there a difference between Muslims and non-Muslims in determining the role of government?

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[2] Namık Kemal, in his journal Hürriyet (Liberty), July 20, 1868 (Akyol, 2011, p. 7)

2.   How does the intensity of religious practice affect the opinion?

The assessment of preference for government intervention and involvement was based on 4 categories: 1. Monetary sector, 2. Fiscal sector, 3. Education and 4. Private life. Each of the four factors has been put into a linear relation with the religious belonging (whereby atheism and agnosticism have been accepted as a separate non-Muslim alternatives):

(1) $seg = c + \beta_1\, isl + e$

Whereby *seg* stands for the different segments of government intervention, *c* for the intercept, *isl* for Islam as a religious affiliation in form of a dummy variable (1 for Islam and 0 for other affiliations) and *e* for the standard error. Given that there are different interpretations about the role of the state in Islam, it is difficult to form an expectation about the Muslim opinion on this matter. However, we wish to test is there a statistical prove that Muslims favour the market over government control. Hence, the null hypothesis is that Muslims in Bosnia favour government control, whereby the alternative hypothesis is that Muslims favour the market. To differentiate between formal and actual religious practice, we need to include an intensity measure of religious practice as well:

(2) $seg = c + \beta_1\, isl + \beta_2\, relprac + e$

To test for difference in effects of religious practise between Muslims and non-Muslims, we also will add a Muslim specific religious intensity measure as shown in equation 3.

(3) $seg = c + \beta_1\, isl + \beta_2\, relprac + \beta_3\, islrelprac + e$

Given that religion is not the only factor affecting the worldview, a couple of control variables have been included as well. Gender as a factor is included, because there might be a gender based tendency for more security in life. It might be that females favour more government control because they might be more interested in stability in life. Hence, it is expected that the gender variable will be positively related to government control in all four categories. Since the government controls the educational sector, years of education is included as well. It is our expectation that people who spent more years in education will favour government intervention and control, hence the parameter should be positive. Life outside of one's country changes the views a person has, hence a variable representing life outside of Bosnia and Herzegovina has been included as well. Most of Bosnians Muslims who stayed abroad did that in more free market friendly countries (mostly West European countries), hence a stay abroad is expected to result with a negative impact on the desire for government control. Because in literature, openness to experience has been linked to a more liberal mentality, it has been included in the study as a control factor as well. The last control

factor to be included is the subjective perception of the social class the surveyed people feel to belong to. It is expected that those who feel that they belong to the low social class will demand more government intervention as it is usually the case. Hence, the parameter should have a negative value. Including all the control variables, the final equation to be used for the inferential analysis using a linear model is:

$$(4) \quad seg = c + \beta_1\,isl + \beta_2\,relprac + \beta_3\,islrelprac + \beta_4\,sex + \\ \beta_5\,edu + \beta_6\,foreign + \beta_7\,open + \beta_8\,class + e$$

III. Methodology and Data

The study is based on a survey that has been conducted in February 2014 using a non-probability sampling technique, i.e. accidental sampling, given that that data was gathered using an online questionnaire that has been placed on the website of the Center for Advancement of Free Enterprise (making it accessible to people who are following the Center's activities) as well as distributed via personal channels (email distribution). The used technique makes it difficult to generalize the findings on the population, but given the budget restrictions this was a necessary choice. The collected data was analysed using descriptive and inferential statistical methods. The number of observations is 103. The questions on the role of government in the four different segments of life (monetary, fiscal, education and private life) are listed in Table 5 and the response was on the scale from 100% private (0% government) to 100% government (0% private) control. In order to relate the religious practice to the call for government control the intensity of religious practice has been measured based on the Religious commitment scale developed by Pfeifer and Waelty (1995). Openness to experience has been measured using the Big Five Inventory questions developed by John, O. P. & Srivastava, S. (1999) whereby only the statements related directly to openness to experience have been listed in the questionnaire. In the original, those statements were mixed among the others that were related to the other four personality traits. However, those other questions have not been included in order to keep the size of the questionnaire reasonable. Education has been measured in years of schooling and life in a foreign country has been identified with a "Yes" or "No" question. The summary statistics for all the data is shown in Table 6. Correlation coefficients between the variables are shown in Table 7 and they indicate no multicollinearity problem. Test for heteroskedasticity has been performed using the Breusch-Pagan / Cook-Weisberg test which indicates that the model has constant variance at (see Table 8). Regression analysis has been performed using STATA12 software.

IV. Findings

The sample data has 50 or 48.54% male respondents and 35 or 33.98% answered that one part of their life they stayed in a foreign country. The response shows that the surveyed individuals generally prefer government intervention in all spheres of life (see Figure 1). Thus, 0 representing none and 1 representing full government intervention and control, for all four segments, the surveyed sample favours more than 50%

government control in all segments of life. It is very interesting to note that the highest demand for government intervention is in the segment of education and the lowest in that of fiscal economics. The sampling results show that the majority feels to belong to the middle class (see Figure 2) and see themselves as rather open to experiences (see Figure 3). Mean of years of education is 16, being an equivalent of a finished 4 years bachelor degree (8 years of primary school, 4 years of secondary school and 4 years of university education) (see Figure 4). The regression results as shown in Table 1 below, indicate the contribution of the individual factors as per equation 5 on the desire for government control in the monetary sector (for a more detailed view of the regression results, see Table 9):

Table 1: Regression results for the monetary segment

	c	β's of independent variables							
		isl	relprac	islrelprac	sex	edu	foreign	open	class
Monetary	0.221	0.305[a]	0.087[c]	-0.095[b]	0.100[b]	0.018[b]	-0.163[a]	.032	-0.062
t-statistics	1.03	2.65	1.99	-2.07	2.19	2.05	-3.52	0.59	-1.09
R^2 (%)	24.86								
F statistics	3.89								

[a] - Significant at 1% critical value
[b] - Significant at 5% critical value
[c] - Significant at 10% critical value

According to the regression results, Muslims in general prefer more government control in the monetary sector than non-Muslims. Religious practice generaly increases the desire for government intervention, but it is interesting to note that Muslims who practice their religion more intensive desire less government intervention in the monetary segment. Females and education have a positive impact on desire for government control, while exposure to life in a foreign country decreases this desire. Even though the varialbe „Openess to expirience" shows an unexpected positive relation, it is considered statistically insignificant and hence its interpretation is irrelevant. Same is the case for social class. It is also important to note that the R^2 shows that only ca. 25% of the variation in the desire for government control is explained by the listed variables, and that other forces are in play that are affecting the view of the sampled individuals about the role of government. Still, the F statistics indicate that the model is statistically significant in explaining the variations in the dependent variable.

The view about government intervention in the segment of fiscal economics is similar as for the monetary segment. The regression results as shown in Table 2 indicate that it is again those Muslims who practice their religion more intensive who are looking for relatively less government intervention in the fiscal segment. Females are more open for government control and exposure to life in a foreign country decreases the desire for government intervention (for a more detailed view of the regression results, see Table 10):

Table 2: Regression results for the fiscal segment

	c	β's of independent variables							
		isl	relprac	islrelprac	sex	edu	foreign	open	class
Fiscal	0.325	0.214	0.124[b]	-0.124[b]	0.156[a]	0.001	-0.122[b]	-0.019	-0.018
t-statistics	1.34	1.64	2.47	-2.37	3.00	0.19	-2.32	-0.32	0.29
R^2 (%)	21.54								
F statistics	3.23								

[a] - Significant at 1% critical value
[b] - Significant at 5% critical value

As in the previous two segments, individuals who expressed their affiliation with Islam generally tend to favour more government intervention than their non-Muslim counterparts. Yet, intensified religious practice decreases this desire for government control. Females continued to prefer government intervention more than males in the segment of education as well.

Table 3: Regression results for the education segment

	c	β's of independent variables							
		isl	relprac	islrelprac	sex	edu	foreign	open	class
Education	0.220	0.345[b]	0.087[c]	-0.096[c]	0.117[b]	0.009	-0.042	-0.037	0.012
t-statistics	0.89	2.61	1.71	-1.81	2.23	0.87	-0.80	-0.59	0.19
R^2 (%)	15.39								
F statistics	2.14								

[b] - Significant at 5% critical value
[c] - Significant at 10% critical value

The regression results for the private life segment still indicate that Muslim who practice their religion more intensive are looking for less government control, but given that the coefficient is statistically insignificant, it's interpretation is irrelevant. Yet, Muslims in general prefer the control of private life issues by government.

Table 4: Regression results for the private life segment

	C	β's of independent variables							
		isl	relprac	islrelprac	sex	edu	foreign	open	class
Private life	0.148	0.330[a]	0.058	-0.073	0.125[b]	0.009	-0.155[a]	0.073	-0.009
t-statistics	0.65	2.70	1.23	-1.50	2.57	0.99	-3.15	1.27	-0.16
R^2 (%)	20.54								
F statistics	3.04								

[a] - Significant at 1% critical value
[b] - Significant at 5% critical value

IV. Conclusion

The results of this research have shown that government is being looked at favourably in Bosnia and Herzegovina. This is surprising given the fact that the survey was taken in light of the anti-government demonstrations that took place all over the country. This

corresponds to the chants on the streets, not against the government as the control mechanism, but against the politicians who abused their positions. This trust and dependence on the State is most probably the result of the socialist history that Bosnia and Herzegovina went through during the time of Yugoslavia and the era of the 'benevolent authoritarian' Josip Broz Tito. This is very similar to the case mentioned and interpreted by Lane in regard to Moses and Jews. After Moses rescued them, that is, after he got them out of Egypt, the Jews started complaining after a short while that Moses "… brought us forth into this wilderness to kill us with hunger." [3] Lane's interpretation is very interesting regarding this event. According to her, this was the result of a maintained slave mentality, a mentality in which the slave complains about the slave master, but maintains his/her dependency on the master for his/her sustenance instead of thinking and acting in such a manner as to create a state of independence. Hence, instead of thinking about ways to solve their matters, the Jews were calling for a 'master' who will provide food for them. Relating this case to that of Bosnia and Herzegovina, the population complains about the State and the politicians, but still ask both to handle their life matters. And similar to the Jewish people, it is Muslims who favor government relativelly more that others. Yet, what is encouraging is the indication that it is those Muslims who practice their religion intensivelly who are less in favor of government control and more in favor of private initiatives. Such a reality would make Muslims who practice their religion a desirable ally in the promotion of limited government and private initiative.

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[3] The Bible, Exodus 16:3 (New International Version): The Israelites said to them, "If only we had died by the LORD's hand in Egypt! There we sat around pots of meat and ate all the food we wanted, but you have brought us out into this desert to starve this entire assembly to death."

Appendix

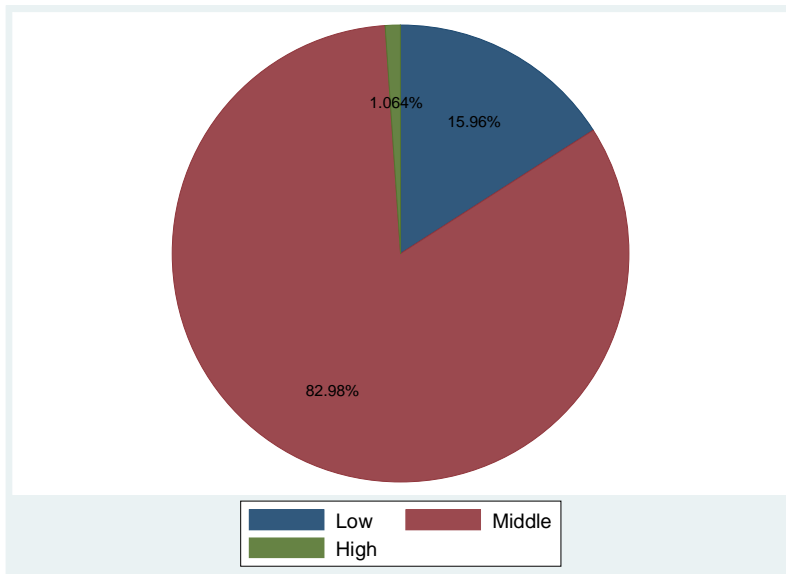Figure 1: The desired % of government control for different segments of life
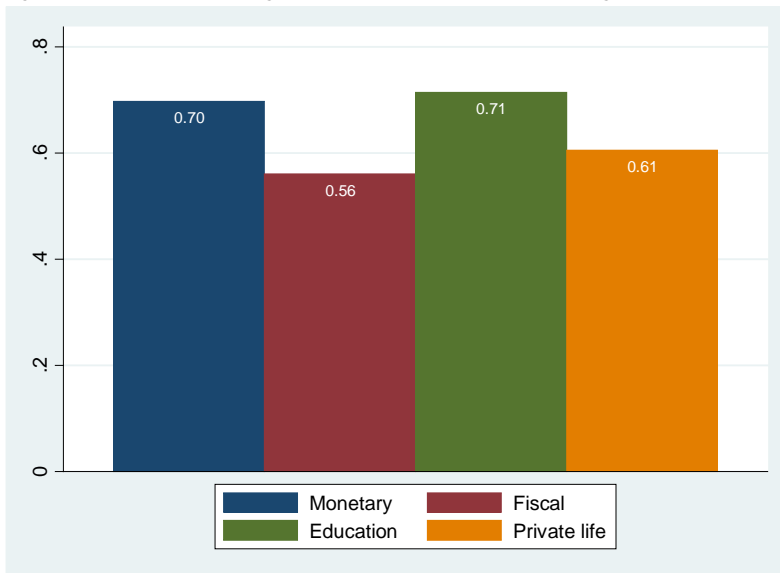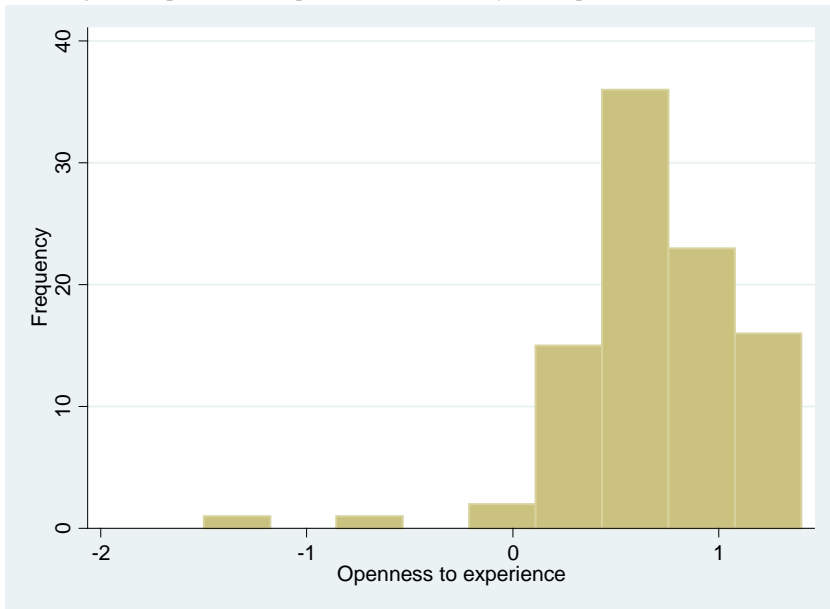
Figure 2: Social class structure of the surveyed individuals

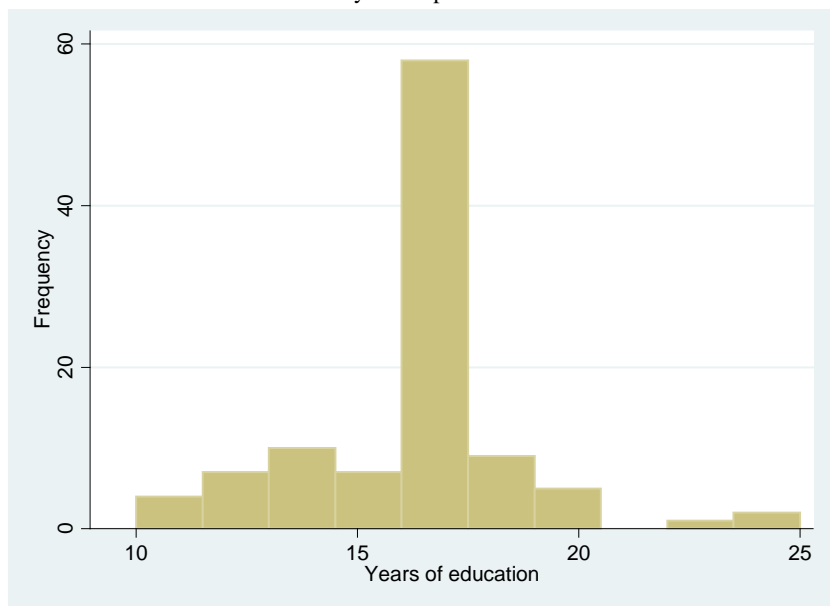Figure 3: Degree of openness to experience of the surveyed sample

Figure 4: Years of education of the surveyed sample

Table 5: Questions used to assess the desire for government involvement in life

Segment:	Questions:
Monetary sector	Who should control the flows of money?
	Who should supply money?
	Who should control the flow of capital?
	Who should control the terms of loans?
Fiscal sector	Who should invest in prospective companies?
	Who should ensure employment?
	Who should decide about the living standard?
	Who should determine the wage level?
Education	Who should control education?
	Who should determined the syllabi?
	Who sould determine the quality standards in education?
	Who should create scholarship funds?
Private life	Who should set-up the moral standard?
	Who should control the family life?
	Who should manage the pension funds?
	Who should manage the healthcare funds?

Table 6: Summary statistics for the survey data

Variable	Obs	Mean	Std. Dev.	Min	Max
isl	103	.9126214	.28377	0	1
relprac	103	4.291262	1.836816	0	6
islrelprac	103	4.196602	1.959032	0	6
sex	103	.5145631	.5022318	0	1
edu	103	16.00971	2.459456	10	25
foreign	103	.3398058	.4759593	0	1
open	103	.6961165	.4144267	-1.5	1.4
class	103	1.883495	.4034404	1	3

Table 7: Correlation coefficients of the independent variables

	isl	relprac	islrel~c	sex	edu	foreign	open	class
isl	1.0000							
relprac	0.5430	1.0000						
islrelprac	0.6661	0.9551	1.0000					
sex	-0.0254	0.1760	0.1254	1.0000				
edu	0.0012	0.0721	0.0723	-0.1390	1.0000			
foreign	-0.0684	-0.1087	-0.1065	0.0406	0.1563	1.0000		
open	-0.2030	-0.1241	-0.1521	-0.1834	-0.0529	0.0018	1.0000	
class	-0.2611	-0.2481	-0.2560	0.0085	0.1395	0.0040	-0.0438	1.0000

Table 8: Test for heteroskedasticity

Model for segment	chi2(8)	Prob > chi2
Monetary	13.36	0.1000
Fiscal	15.25	0.0545
Education	10.14	0.2555
Private life	12.21	0.1422

Note: Breusch-Pagan / Cook-Weisberg test for heteroskedasticity; Ho: Constant variance

Table 9: Regression results for the monetary segment (ecm)

```
      Source |       SS       df       MS              Number of obs =     103
-------------+------------------------------           F(  8,    94) =    3.89
       Model | 1.47364957       8  .184206197          Prob > F      =  0.0005
    Residual | 4.45353488      94  .047378031          R-squared     =  0.2486
-------------+------------------------------           Adj R-squared =  0.1847
       Total | 5.92718446     102  .058109652          Root MSE      =  .21766
```

```
         ecm |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         isl |   .3054674   .1152385     2.65   0.009     .0766587    .5342762
     relprac |   .0879854   .0443099     1.99   0.050     7.08e-06    .1759637
   islrelprac|  -.0958392   .0462726    -2.07   0.041    -.1877146   -.0039639
         sex |   .1008912   .0460021     2.19   0.031     .0095529    .1922295
         edu |    .018878   .0092251     2.05   0.044     .0005614    .0371947
     foreign |  -.1633111   .0464576    -3.52   0.001    -.2555537   -.0710684
        open |   .0323295   .0545946     0.59   0.555    -.0760693    .1407283
       class |  -.0620675   .0569713    -1.09   0.279    -.1751854    .0510504
       _cons |   .2212122    .214785     1.03   0.306    -.2052484    .6476728
```

Table 10: Regression results for the fiscal segment (ecf)

```
      Source |       SS       df       MS              Number of obs =     103
-------------+------------------------------           F(  8,    94) =    3.23
       Model | 1.57518296       8   .19689787          Prob > F      =  0.0028
    Residual | 5.73633944      94  .061024888          R-squared     =  0.2154
-------------+------------------------------           Adj R-squared =  0.1487
       Total |  7.3115224     102  .071681592          Root MSE      =  .24703
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```
         ecf |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         isl |    .214128   .1307864     1.64   0.105    -.0455515    .4738075
     relprac |   .1241024   .0502881     2.47   0.015     .0242541    .2239507
   islrelprac|  -.1244988   .0525157    -2.37   0.020    -.2287699   -.0202278
         sex |   .1567001   .0522087     3.00   0.003     .0530385    .2603617
         edu |   .0019722   .0104697     0.19   0.851    -.0188157    .0227601
     foreign |  -.1225254   .0527256    -2.32   0.022    -.2272134   -.0178375
        open |  -.0196448   .0619604    -0.32   0.752    -.1426687    .1033791
       class |  -.0189905   .0646579    -0.29   0.770    -.1473702    .1093892
       _cons |   .3255546   .2437636     1.34   0.185    -.1584438     .809553
```

Table 11: Regression results for the education segment (ple)

Source	SS	df	MS		Number of obs =	103
					F(8, 94) =	2.14
Model	1.07180232	8	.13397529		Prob > F =	0.0396
Residual	5.8929023	94	.06269045		R-squared =	0.1539
					Adj R-squared =	0.0819
Total	6.96470463	102	.068281418		Root MSE =	.25038

ple	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
isl	.3453954	.1325592	2.61	0.011	.0821961	.6085948
relprac	.0870374	.0509698	1.71	0.091	-.0141643	.1882391
islrelprac	-.0963258	.0532275	-1.81	0.074	-.2020102	.0093587
sex	.1179745	.0529164	2.23	0.028	.0129078	.2230412
edu	.0091891	.0106117	0.87	0.389	-.0118806	.0302588
foreign	-.0428096	.0534403	-0.80	0.425	-.1489166	.0632974
open	-.0371909	.0628003	-0.59	0.555	-.1618823	.0875006
class	.0123575	.0655343	0.19	0.851	-.1177623	.1424774
_cons	.2206589	.2470678	0.89	0.374	-.2698999	.7112178

Table 12: Regression results for the private life segment (pll)

Source	SS	df	MS		Number of obs =	103
					F(8, 94) =	3.04
Model	1.29892651	8	.162365814		Prob > F =	0.0044
Residual	5.02415873	94	.053448497		R-squared =	0.2054
					Adj R-squared =	0.1378
Total	6.32308524	102	.061991032		Root MSE =	.23119

pll	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
isl	.3301681	.1223987	2.70	0.008	.0871426	.5731937
relprac	.0580134	.047063	1.23	0.221	-.0354313	.1514582
islrelprac	-.0737633	.0491477	-1.50	0.137	-.1713472	.0238206
sex	.1257182	.0488604	2.57	0.012	.0287047	.2227317
edu	.009674	.0097983	0.99	0.326	-.0097807	.0291288
foreign	-.1552552	.0493442	-3.15	0.002	-.2532292	-.0572812
open	.0738497	.0579867	1.27	0.206	-.0412843	.1889838
class	-.009618	.0605112	-0.16	0.874	-.1297644	.1105283
_cons	.1481783	.2281304	0.65	0.518	-.30478	.6011365