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LEGAL CONSCIOUSNESS OF BUSINESSPEOPLE IN SERBIA: RELATIONAL, POLITICAL AND INCONSISTENT?

This exploratory study examines the legal consciousness of small business owners in Serbia during intense political crisis and institutional instability. We analyze perceptions of the law and how they are shaped, and the findings show that respondents view the law primarily as an instrument of the political elite rather than a safeguard of individual rights and freedoms, with selective enforcement and the elite's legal impunity being the most notable features of the Serbian legal system. We thus conclude that legal consciousness is (1) macro-relational and closely intertwined with perceptions of governance and the political elite, and (2) micro-relational and grounded in direct personal experience with legal institutions. In the Serbian context, featuring political ruptures and legal abuses, legal consciousness is less about the shared creation of legal meaning and more about perceptions of the political elite's behavior. The study proposes distinguishing between macro and micro relational levels of legal consciousness.

Key words: *Legal consciousness. – Relational legal consciousness. – Macro-relational. – Micro-relational. – Democratic backsliding.*

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1. INTRODUCTION***

Businesspeople in Serbia operate in an environment where formal rules often lack the authority and stability that would make them a reliable guide for everyday behavior. Laws are frequently perceived as flexible, negotiable, and selectively enforced, especially when political or economic elites are involved (Vuković, Spaić 2022; Pavlović 2020; Cvejić 2016). This perception is reinforced by a long history of weak institutional independence, pervasive clientelism, and the normalization of informal arrangements that bypass official procedures (Vuković, Stefanović 2024). In such contexts, compliance is less about adhering to universal principles and more about navigating personal networks, avoiding state interference, and adapting to shifting political winds. For small business owners, whose decisions often straddle the formal and informal spheres, these attitudes toward law shape how legality is understood, engaged with, and strategically avoided.

Since the early 1980s, the concept of legal consciousness has provided socio-legal scholars with important insights into the mutually constitutive relationships between law, individual experience, and broader social and cultural structures (Ewick, Silbey 1998; Hertogh 2004; Hertogh, Kurkchian 2016). This body of work has illuminated how people make sense of legality in their everyday lives, how law interacts with identity, and how it both reinforces and challenges social hierarchies and power dynamics. Legal consciousness has thus become a flexible and evolving paradigm, applied across diverse contexts and methodological orientations (Chua, Engel 2019).

Having this in mind, we present and analyze data drawn from qualitative research of legal consciousness of businesspeople in Serbia. The exploratory research, which consisted of nine in-depth interviews, was conducted during a period marked by deep political instability stemming from months-long anti-government protests. The protests were initially sparked by a tragic incident in which the collapse of a concrete canopy at a train station in Novi Sad claimed the lives of 16 people in November 2024. The accident

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served as a catalyst for public outrage, unifying citizens around demands for legal accountability. The protests led to widespread disruption: all state universities were shut down, classes and exams were suspended; elementary and high school teachers joined the strike en masse; the Serbian Bar Association entered a month-long strike, and agricultural workers blocked roads across the country. In February 2025, the entire government resigned under pressure, but the protests remained active throughout the summer.

The fieldwork part of the study was conducted during a politically tense time. However, this increased the relational and complex character of legal consciousness and enabled us to show that it is shaped not only by formal legal frameworks, lived experiences, and daily interactions with the state but also by political attitudes, values, and perceptions of procedural fairness and the impartiality of state authorities.

The article proceeds as follows. In the first section, we outline the theoretical background, focusing on the concepts of legal culture and relational legal consciousness. The second section discusses the socio-legal context in which the research was conducted, featuring selective law enforcement, widespread informality, and general distrust. After the methodology section, we present and analyze our findings. We highlight the complexity and relational nature of legal consciousness and its close ties to political attitudes and perceptions rather than personal experiences with the law. In the final section, we identify additional areas for future research.

2. SITUATING LEGAL CONSCIOUSNESS: RELATIONALITY, POLITICS AND BROADER SOCIAL ATTITUDES

Legal consciousness is generally understood as a “cognitive image of law that is constructed through the life experience of people,” while “[c]ollective legal consciousness consists of a pattern of thinking among people about what law is and how they relate to it” (Hertogh, Kurkchian 2016, 404, 405). It is often considered central, if not synonymous, with the study of legal culture (Fekete, Szilágyi 2017, 326). Hertogh (2004) makes a key distinction between American and European traditions: the former focuses on how people perceive official law, while the latter examines what people perceive as law, emphasizing informal, everyday understandings. Ewick and Silbey’s (1998) typology – *before the law*, *with the law*, and *against the law* – illustrates different ways individuals position themselves in relation to legality based on their lived experiences.

Building on this, Hertogh (2018) introduces the concept of *legal alienation* – a subjective sense of detachment from law, marked by confusion, distrust, or misalignment with legal values. He identifies four dimensions of this alienation: legal meaninglessness, powerlessness, cynicism, and value-isolation. These give rise to four normative profiles: legalists, loyalists, cynics, and outsiders, offering a framework for understanding how people engage with or disengage from law. This typology provides a conceptual bridge to the next generation of legal consciousness scholarship, which increasingly emphasizes its relational and co-constitutive nature.

In their influential reassessment of the field, Chua and Engel (2019, 335–353) categorized the rich tradition of legal consciousness research into three interpretive “schools”: the *Identity* school, which emphasizes the role of legality in shaping the self; the *Hegemony* school, focused on reproducing power through law; and the *Mobilization* school, which explores how legal meanings support or inhibit collective action. While each of these schools maintains a distinct analytical orientation, Chua and Engel argue that they have all progressively shifted away from individualistic models of legal reasoning toward a relational paradigm, one that views legal consciousness as fundamentally shaped through social interactions, networks, and institutional contexts. They emphasize that legal consciousness should not be viewed merely as a property of individual cognition, but rather as a relational and co-constitutive phenomenon, produced in and through interactions with others, including family members, clients, bureaucrats, and state officials. Chua and Engel (2019, 335–353) suggest that future research should take up the challenge of studying relational legal consciousness in a more systematic and theoretically grounded way, particularly in settings where institutional instability or authoritarian drift reshape legal meaning and practice.

Hertogh and Kurkchiyan (2016, 404–419) provide a significant empirical contribution to the relational legal consciousness framework by highlighting its collective and politically embedded nature. In their comparative study of the UK, Poland, and Bulgaria, they argue that legal consciousness is inseparable from broader political perceptions, particularly those concerning the legitimacy, credibility, and responsiveness of state institutions. Rather than viewing law as an abstract set of norms, they show that collective legal consciousness is shaped by how people interpret political authority, both domestically and at the EU level. Their analysis reveals that law is not perceived in isolation but is entangled with prevailing narratives about governance, trust, and power, resulting in national patterns of legal meaning rooted in political experience. Perceptions of the law are not shaped only by first-hand personal experience of the law or the relevance of the law to personal interests, but also by a broader interpretation of the political

process, and – even more so – by the degree of trust that they have in the foundations of their political system (Hertogh, Kurkchian 2016, 414–419). This understanding deepens the relational perspective by underscoring that legal consciousness is not merely produced through social ties or encounters with legal institutions, but also through shared orientations toward the political system. Such insights provide an essential backdrop for more recent studies, such as Kubal (2024, 41–65), which examine how political crisis and authoritarian drift can further reshape relational legal meaning.

Kubal (2024) develops the concept of relational legal consciousness to explain how judges in Poland reoriented their understanding and use of the law amid a period of deep political and institutional crisis. Drawing on Chua and Engel's (2019) paradigm, Kubal conceptualizes relational legal consciousness as a legal understanding that emerges not in isolation but through relationships and interactions with lawyers, NGOs, judicial associations, civil society, and transnational institutions, such as the European Court of Human Rights. Rather than viewing law as a stable, autonomous system, this perspective emphasizes that legal meaning is co-produced through social ties, collective identity, and political context (Kubal 2024, 41–65).

In Serbia, where democratic backsliding and legal inconsistencies are salient features of public life, relational legal consciousness offers a particularly fruitful framework. It allows for an analysis of how legal meaning is produced through personal experience with law, as well as through informal networks, politics, and broader social values and attitudes.

3. RULE OF LAW, POLITICAL CAPITALISM, AND GENERALIZED DISTRUST

Over the past three decades, Serbia has oscillated between phases of competitive authoritarianism and periods of democratic opening, only to return to an increasingly authoritarian mode of governance (Ilić 2021; Vladisavljević 2020). These authoritarian tendencies have been more explicit in recent years: the ruling elite routinely violates formal laws, corruption is widespread, and public scandals frequently go unpunished. This is made possible through the systematic capture of key institutions – such as the judiciary, media, regulatory agencies, and public administration – by party-based clientelist networks (Cvejić 2019; Vuković 2022; Vuković, Stefanović 2024). These networks effectively parasitize and exploit formal institutions for private and political gains, and selectively enforce laws.

Serbian party clientelist networks are stable, centralized, and, as elsewhere, based on norms of loyalty, reciprocity, and obligation (Lawson, Green 2014; Auyero 2000; Cvejić, 2016; Vuković, Stefanović 2024). In such systems, formal state institutions and laws end up serving to sustain informal clientelist networks, creating *institutional* and *normative dualism* or *parallelism* (Vuković, Spaić 2023).¹ Laws are enforced selectively: while ordinary citizens live in a legally ordered world where laws regulate contracts, property is relatively secure, public services function to a certain degree, and basic rights are often protected – members of the political and economic elites enjoy a level of legal impunity.

To enable such selective enforcement of laws, party networks capture formal institutions, such as courts, inspections, and public prosecutors, through party patronage. If they achieve this, they effectively parasitize these formal institutions (Lauth 2015), diverting their functioning to serve the interests of the network and its members. Public trust in the state and its institutions becomes eroded because these networks challenge the core principles of democracy and rule of law: fair procedures and equality before the law (Kitschelt, Wilkinson 2007, 339).

Clientelist networks are the backbone of endemic and deeply institutionalized systemic corruption,² which is regularly reported in public opinion surveys as one of the most critical social and political issues that Serbian society faces (CRTA 2024). Despite a widespread belief that Serbian society is thoroughly corrupt, only a small share of up to 15% of respondents report that they or their family members had a direct exposure to bribery (Quality of Government Institute 2015, calculation by author). This reveals that pervasive corruption is not related to these personal experiences: Serbian citizens perceive corruption as prevalent, even if they have not personally experienced it, while respondents from Finland, the Netherlands, and Germany believe their nations are free from corruption, even when they have encountered instances of bribery (Charron 2016, 11). It appears that exposure to corruption-related information encourages a belief that corruption is widespread, framing it as a major social and political

¹ Here, we are building on the idea of the “dual state”, first introduced by Ernst Fraenkel in his analysis of Nazi Germany (Fraenkel, Meierhenrich 2018), and later applied to the analysis of legal orders in various contexts, including the Soviet Union (Sharlet 1977; Sakwa 2010), contemporary Russia (Sakwa 2010; Hendley 2011), Latin America (O’Donnell 2004), and southern Italy (Catino 2015).

² The 2024 Transparency International’s Corruption Perceptions Index gave Serbia its lowest score since 2012, at 35 out of 100 (ranked 105 of 180 countries), signaling broad distrust in public institutions and escalating impunity among elites (Transparency International 2024).

issue (Flinders 2012; Palau, Davesa 2013; Masters, Graycar 2015; Zhu, Lu, Shi 2013) or even leading to a generalized perception of how pervasive corruption is. The insight that perceptions of corruption are shaped at two levels – personal experiences and the general perception of society, politics, and the behavior of political and economic elites – will be key in our analysis of legal consciousness. It also provides inspiration for the two-tier concept of relationality: the micro level, which includes personal interactions with the law, institutions, and other people, and the macro level, which involves perceptions of the state, politics, and the legal system.

In addition, in public opinion surveys, corruption, as a proxy for impartial law enforcement, is also prominent in business surveys: 91% of Serbian businesses believe that corruption is widespread in their country, compared to the EU average of 65%. Similarly, nepotism and favoritism in public administration are seen as a major problem by 91% of respondents in Serbia, compared to the EU average of 55%. When asked about clientelist networks, particularly the idea that only those with political connections succeed, 95% of Serbian businesses agreed that they are a problem, a striking contrast to the EU average of 52% (European Commission 2025). Serbian businesspeople are skeptical about their ability to challenge government decisions or regulations legally: only 8% believe it is possible, 16% are unsure, and nearly three-quarters believe they cannot contest government decisions. As a consequence, only 7% of respondents were confident in the fairness of government officials (World Economic Forum 2017, calculation by author).

Businesspeople are critical of how the legal system functions; they feel powerless against the corrupt state and inefficient judiciary (Vuković 2022; Spaić, Đorđević 2022; Spaić, Đorđević 2024); they do not view the legal system as a way to challenge government decisions and tend to accept the rules of the market in Serbia, favoring adaptation strategies over confrontation with authorities. However, quantitative studies consistently show that they support the rule of law and are least likely to justify breaking the law either out of self-interest or because they believe the laws are unjust (Vuković, Cvejić 2019). Part of the explanation for these complex and seemingly contradictory attitudes lies in the nature of the Serbian economic system.

Serbia has a long history of the state dominating the economy, from the early 19th century to socialism and post-socialist transformation, which has resulted in a specific form of *political capitalism* that has remained to the present (Antonić 2002; Arandarenko 1995; Bartlett 2020; Lazić 2011;

Weber 1976).³ It features close links between the state and the economy – between the political and economic elites – and a system of privileges derived from membership in clientelist networks. Decision-making and resource distribution mechanisms are personalized, mirroring the personalized relationships within clientelist networks, while the autonomy of the economy in relation to the state is limited. Connections between capitalist and democratic institutions are, at best, weak – even the wealth of powerful businesspeople depends on influential political patrons and networks (Bartlett 2020, 292). Widespread corruption, the impunity of the elite and the duality between the visible presence of legal order in daily life and the deep political instrumentalization of the law at the top have resulted in a fragmented legal consciousness. Serbian external legal culture, as operationalized by Gibson and Caldeira (1996) and measured in two waves (2012 and 2018), features strong support for legal compliance. Roughly speaking, half of the sample are legalists, a third of the sample are legal pragmatists (those who justify bending but not breaking the law), with a relatively small share (up to 15%) of legal skeptics or nihilists (Vuković, Cvejić 2019). The respondents do not believe in the neutrality of the law, and almost two-thirds feel alienated from it. Two critical insights are relevant for our analysis: support depends on socioeconomic status, as those who improved their socioeconomic position during the transition are more likely to support the rule of law and recognize the legitimacy of the legal system;⁴ equally important, attitudes toward the law appear to be part of a broader set of pro-democratic beliefs and values.⁵

4. METHODOLOGY

This paper is based on a small-scale qualitative study that explores how businesspeople in Belgrade perceive and engage with the law in their everyday business practices. The research draws on nine semi-structured

³ Max Weber defines political capitalism as a system where profit is gained by leveraging political power, using politically motivated groups or individuals, financing labor or revolutions, or supporting party leaders (Weber 1976, 130).

⁴ This has also been confirmed in a pan-European study in 1996, which revealed that individuals who profit from existing socio-economic system tend to view law as a beneficent institution (Gibson, Caldeira 1996).

⁵ Analyses of Russian legal culture show a similar pattern. Positive attitudes toward the rule of law are linked to better education and favorable views of democratic institutions, indicating that attitudes toward the rule of law are an integral part of the democratic belief system (Gibson 2003; Hendley 2012).

interviews conducted during May and June 2025, a period marked by significant anti-government protests across Serbia. This broader socio-political context likely influenced participant responses, particularly their perceptions of legal authority, trust in institutions, and experiences of (in) justice.

All participants were owners or managers of small businesses with fewer than 50 employees, operating across various sectors in Belgrade. The sample was gathered through personal networks and snowball sampling with two entry points. The majority of participants were male (seven out of nine), between the ages of 35 and 60, and held higher education degrees. Semi-structured interviews were conducted using an interview guide that covered five aspects: (1) perceptions of the law, including how the respondents understand the concept of law, the associations, images, and emotions it evokes, and whether these perceptions have changed over time; (2) the role of law in everyday private and professional life; (3) attitudes toward the state and institutions, including reliance on (in)formal mechanisms to protect private and business interests; (4) the functioning of institutions that enact and enforce the law, focusing on their responsiveness, efficiency, impartiality, and accessibility; and (5) views on the rule of law in general and in Serbia.

This study was exploratory and interpretive in nature, without claims to statistical representativeness. Instead, it sought to shed light on how businesspeople articulate legal consciousness in a specific local context, particularly during times of heightened political tension. Thematic analysis of the interview material focused on key areas, including perceptions of legal fairness, interactions with state institutions, and broader reflections on the role of law in business life. The findings are discussed in relation to existing socio-legal literature and theories of legal consciousness, especially in the contexts of political uncertainty and institutional fragility.

5. ANALYSIS AND DISCUSSION

5.1. Selective Enforcement and “Nonexistent Law”

Common associations with the term “law” include order, structure, and security. These views appeared repeatedly across various segments of the interviews. One quote⁶ particularly illustrates this understanding,

6 All quotes are translations, by the author.

“Because I believe laws exist to create order, to establish rules, for the system to function, to provide guidelines and tracks to follow in our work and behavior, to define our boundaries, our limits – something like that. Security, yes. I believe that if laws are good and respected, they provide a sense of security for people” (owner, retail trade).

However, these positive associations with the law are almost entirely overshadowed by negative perceptions. As a consequence, the law is inextricably linked to notions of legal loopholes and inconsistent enforcement. Interviewees see the search for loopholes and the creativity in circumventing laws as cultural patterns specific to Serbia and the broader Balkan region.

“We grew up in the Balkans. For a typical person in Serbia, the first association with the word ‘law’ is ‘loophole” (owner, consulting).

“A good number of people enjoy looking for loopholes [...] Whether that’s considered a violation or simply adapting to a situation, I don’t know. I think we’re quite creative in that sense – figuring out ways to circumvent the rules. And yes, I think a lot of that is done consciously, especially in recent years” (co-owner, retail trade).

Skepticism toward laws and their implementation is widespread. Respondents state that while laws are generally important – providing order, security, personal dignity, and general behavioral guidelines – there remains a vast difference between laws as written and laws as applied. In various domains of life – such as work, property issues, or education – laws are often not enforced.

Personal adherence to legal norms is framed as part of one’s upbringing and values, but also as a reflection of a broader Balkan culture that discourages compliance. Citizens lack sufficient education and self-awareness, leading to a lack of respect for the law. In some cases, education is implicitly linked to power, with respondents noting that less educated individuals view authority “submissively”, “fearfully”, “timidly” and are not prepared to “seek justice”. When most people respect the law, it encourages others to follow suit. Conversely, when the predominant environment ignores the law, it heavily discourages compliance.

“So, when you go abroad, you adhere to the law; here, you don’t. Some people are self-aware, through education or simply because they see others doing it [...] so they do it too – whether that comes from schooling or home upbringing, I don’t know”
(entrepreneur, consulting).

All explanations point to a deeply ingrained cultural belief: the law is not respected in Serbia because non-compliance is culturally accepted. Respondents believe they operate in an environment where laws are often ignored, which sets a precedent that encourages more disobedience. Ultimately, non-compliance and selective enforcement are seen as systemic features of institutions perceived as captured and incompetent. Respondents distance themselves from cultural norms that accept or promote legal violations, yet often admit to occasional circumvention.

The gap between legislation and reality, along with broader dissatisfaction with the state of politics and society, shapes the perception that laws are generally not enforced. This is expressed in various ways – from outright claims that laws “do not exist” to more cautious statements suggesting selective or politically motivated enforcement. The underlying argument is simple: for laws to be considered real, they must be enforced nonselectively. Some respondents go so far as to claim they are not even sure laws exist, precisely because they are not enforced impartially.

“I’m not sure laws are enforced. I mean, laws exist, that’s certain. I believe they are well-written, but do they govern? No. There’s a difference between what’s written and what’s enforced”
(co-owner, retail trade).

“There are no laws. They exist on paper, but they’re just empty words – unapplicable” (owner, education and training).

“I don’t believe in laws. A law is something that’s written, not only in Serbia but across the Balkans, and it’s applied only when it suits someone. So, in reality, there are no laws – unfortunately”
(owner, education and training).

However, what matters most is how inconsistently institutions apply the law – respondents are nearly unanimous on this issue. Inconsistency and arbitrariness in enforcement are seen as core features of the Serbian legal order.

“Personally, I think that laws do exist and that they are clearly defined, but I also think they are not respected. Well, maybe not entirely, but in many cases, they are not followed. From my experience – through my job and as a parent – I can say that many people break the law and are never sanctioned for it” (owner, hospitality and tourism).

5.2. Everyday Business Practice

However, there are aspects of life and business where laws are respected, and public institutions responsible for law enforcement “do their job”. When respondents need to enforce claims, they turn to courts and enforcement officers, often emphasizing that this “part of the system” works well. Those involved in import activities report positive experiences with customs authorities. Some micro-entrepreneurs and small business owners also share good interactions with the Tax Administration. Many openly stated that they try to follow the law and avoid legal disputes. Under such circumstances, government agencies, from inspectors and customs officials to tax authorities, tend to act professionally, and respondents generally speak positively of them. However, they emphasize that this relationship is mutual: businesses respect the law and institutions reciprocate by doing their job, resulting in a modest but real level of satisfaction.

The participants in the study emphasized that personal connections and informal practices influence how laws are understood and applied; they would first try to resolve problems through informal means before resorting to legal remedies. When faced with everyday business challenges – such as customer debts, supplier delays, or employee disputes – they prefer direct communication (calls, meetings, or personal contact) over formal legal channels, such as lawsuits. Sometimes they themselves initiate such relationships; other times, they receive helpful advice, legal solutions, or insider information from others through informal networks. These relationships often involve friendly or collegial ties with employees in state institutions, banks, etc. However, the most powerful informal networks are those connected to politics; and according to our respondents political ties and party-based clientelist networks make the crucial difference.

As we enter the gray areas of selective enforcement, we hear reports that market inspectors sometimes issue arbitrary or illogical requirements and that competitors do not follow the law – at all or only partially or only in certain areas – and that by doing so, they gain an unfair advantage. This

forces law-abiding businesses to adopt their own “creative interpretations” or workarounds to stay competitive; in other words, we uncover aspects of a relational attitude toward the law.

“If you follow the rules to the letter, your product ends up costing [gesture indicating high price], while someone else sells it for less simply because they skip a step. So, you have to adapt – even reluctantly. I wouldn’t say it’s necessarily illegal, but you avoid doing something that technically should be done” (owner, manufacturing industry).

“A guy who does occupational safety told me that in one firm, they were supposed to install a water separator. But the cost was so high that they figured it would be cheaper to not install it at all – just pay the occasional fine. The penalty was negligible in comparison” (owner, manufacturing industry).

Businesspeople typically aim to follow the law, but when they spot an opportunity to skirt a regulation without facing serious consequences, they view this as part of their business strategy. Despite predominantly positive personal experiences, there is a widespread belief that institutions fail to do their job, either by not enforcing laws or by applying them selectively. This behavior then creates space for businesspeople to ignore legal norms. As one participant noted

“A new regulation was introduced and we were instructed on what was happening and what we should implement. We started applying it, but after a while nothing came of it, and eventually we stopped implementing it” (co-owner, retail trade).

Respondents often feel they have no influence over the law and are left with the choice of either complying or finding ways to circumvent its negative effects.

5.3. The Almighty State and Powerless Business

Despite legal loopholes and selective enforcement, the state is perceived as capable of protecting its interests and enforcing the law, particularly when there is a conflict with business. As one respondent put it, “I feel like you could never win against the state.” The state has more resources than any business – and the most powerful one is political influence. Politicians can always sway institutions, such as courts or inspectorates, in their favor.

“Then you end up in a situation where they arbitrarily send you an estimated tax difference, for which you’re not actually liable. It’s all calculated roughly. So, we filed complaints and appeals... But it’s no use. It always works out in their favor” (co-owner, retail trade).

“I think you’re more likely to win against a private individual than a government body” (owner, hospitality and tourism).

The respondents frequently criticized the state for not backing businesspeople. Instead of aiding the growth of companies, they see it as a burden. One interview provided a nice example of interplay between the state, the business, and informal norms. The respondent explained how market inspectors may fine a hospitality venue for having “excess” cash on the premises. Inspectors know this money is tips that employees share later, yet they still penalize the business. The respondent even wrote to the Ministry of Finance and contacted acquaintances there to push for changes in relevant regulations so employees could receive tips legally. However, he reported that his efforts were met with indifference.

At the same time, many interviewees expressed a spirit of *etatism* – the belief that the state should support business more actively. From the perspective of micro and small enterprises, the state is expected to act as a partner, not a hindrance. However, in practice, the state enforces a range of policies and regulations that respondents find overly complex, illogical, or unfair, making it more difficult to do business.

“I wanted to grow my business more, but I’ll be honest – I’m afraid. More growth brings more problems, and I don’t know how to deal with them because I don’t have a state behind me to support me” (owner, hospitality and tourism).

“Speaking from my experience as a small business owner, we are not protected by the state. Honestly, we are on our own.” (owner, education and training).

Respondents clearly recognize the dual nature of the legal system and the elite’s ability to alter the meaning of laws, to apply them selectively or merely formally, to circumvent or distort them, and ultimately to secure immunity from legal consequences. Laws are perceived as being enacted by the state, coming from a distant and abstract source. Respondents do not feel they can influence the content of law, nor do they believe that the law directly protects their rights and interests. As one respondent put it, the law

increasingly “serves to protect the state, not the people.” Another stated that “they write laws to protect themselves, not the common people – regardless of whether it’s about the environment or education.”

5.4. Laws as an Instrument of the Political Elite

The idea of selective law enforcement is deeply ingrained in the respondents’ perception of the law. They repeatedly emphasized that political connections and ties to ruling parties make a crucial difference.

“Laws govern selectively. They exist to be applied selectively. We live in a country where the citizens are not treated equally. To use the term ‘connections’ – this is how our system works. Laws may exist, but they are not consistently applied” (owner, education and training).

The closer a person or issue is to the centers of political power, the less the law applies. Several respondents illustrated this idea.

“In our system, things work up to a certain level. Let’s say there are ten levels – up to level seven, laws are followed. But from level eight onward, the protected individuals we mentioned earlier are exempt” (owner, hospitality and tourism).

Respondents believe that politicians and political parties have captured the legal system. They enforce the law when and how it benefits them. At the same time, they hold a core belief that laws should be just and universally applicable. If they are not, then, in their view, they cease to be law.

“The law is only enforced when those in power want to show their strength by punishing someone who doesn’t support them. That’s not the rule of law. Here, whoever comes into power makes new rules” (owner, education and training)

“Here, the law is tightly linked to politics, and politics are run by criminals. So, there is no law. The law will be applied to me if I break a rule – because I’m not one of them. That’s not law, that’s criminality” (owner, education and training).

Businesspeople and managers interviewed in the study believe that laws are closely connected to politics and that this relationship is complex. Laws are, to some extent, influenced by political agendas and the interests of

political actors or social groups. Ordinary citizens – whom respondents see themselves as representing – have no say over the content or enforcement of laws, while politicians do. At the same time, politics function as a kind of passport for a world where legal constraints do not apply. Politics exempt individuals from the effects of the law, give them the power to manipulate institutions and the legal system, and enable selective enforcement as a tool to pressure businesspeople or punish political opponents.

“If you want to play the game, you have to play by its rules. If you don’t, then don’t play at all. It’s the same with politics and with state-owned companies. The value systems are clear [...] if you can follow them, fine. If not [...] you’ll be pushed out” (entrepreneur, consulting).

In areas close to political power, laws are often not enforced or are applied selectively. Instead of following legal rules, actors in these areas operate based on political norms of loyalty, subordination, reciprocity, and trade. Some respondents openly refuse to participate in public tenders or work on public projects as (sub)contractors because they understand such engagements bring expectations and pressures to get involved in party clientelist networks. They are concerned they will not be able to resist these pressures or follow the unwritten rules that govern such spaces. These include inflating prices, paying a fee to the party, employing party cadres, and subcontracting party companies.

Politicians have the power to decide whether laws will be enforced. They can stop enforcement or selectively enforce laws. Their influence over institutions is so strong that laws often no longer apply to them.

“If someone holds a high-ranking position – this is just my opinion – if they can influence a prosecutor, judge, whoever, and if they are powerful enough, I believe they can’t be convicted in this country” (owner, hospitality and tourism).

The de facto legal impunity of the state, public institutions, politicians, and party clientelist networks is seen as the result of institutional capture by political parties. Although many respondents recognize these patterns as legacies of the 1990s or the communist era, they consistently stressed that the situation has worsened significantly in recent years.

“This happened in 2007–2008; a legal entity filed a lawsuit against a public institution – let’s say the city – for breaching a contract. The contract was unilaterally terminated, the lawsuit

was filed, and the court ruled in our favor. The judgment was enforced. That kind of thing just doesn't happen anymore" (owner, hospitality and tourism).

Some even express nostalgia for earlier eras, despite acknowledging that those periods were far from lawful or just. One respondent, for example, highlighted the professionalism and integrity of public servants under the regime in the former Yugoslavia.

"Back in the 1990s, prosecutors and judges were educated in the old Yugoslav system. They possessed knowledge, dignity, integrity, and morality" (owner, retail trade).

In some recollections, laws and institutions take on almost mythical qualities. Describing football matches in Prishtina (Kosovo and Metohija) when Serbia still had de facto control of the province, one respondent remarked,

"You want to see what law looked like under that awful communist regime? Two cops would show up at the stadium in a 'Fića' [Fiat 600 car], and no one dared make a sound. Today, you have dozens of undercover police just to manage 30 hooligans, criminals, and drug dealers. Back then, two cops in a little car, and that was all it took. That was law enforcement" (entrepreneur, retail and wholesale trade).

6. CONCLUSION: INTERPLAY OF LAW AND POLITICS

Our findings show that legal consciousness in Serbia is contextual, political, and shaped simultaneously through macro-relational orientation (perceptions of political elites, institutional trust, and the legitimacy of state authority) and micro-relational interaction (informal networks, interpersonal problem-solving, positive encounters with institutions).

At the macro-relational level, legal consciousness among Serbian businesspeople is shaped by the political context, their interpretation of government policies, and the role of the law within this framework. The interviewees describe selective enforcement of laws as the main feature of legal life in Serbia. Non-compliance and selective enforcement are viewed as systemic features, rooted in institutional capture, widespread clientelism, and political interference. The law is perceived as a tool of the powerful, used to reward loyalty and punish dissent, rather than as a shared

normative order that is equally binding to all members of society. The sense of powerlessness and lack of recourse permeates the interviewees' views, reinforcing the belief that ordinary people cannot hold the state or political elites accountable.

At the micro-relational level, respondents often share positive experiences and emphasize the importance of law and institutions in everyday business. The courts, enforcement officers, tax officials, and bailiffs are praised as elements of the system that function well. The respondents try to abide by the law and avoid legal disputes, and highlight that, in such circumstances, institutions reciprocate by working in accordance with the law. However, these positive micro-level encounters do not accumulate into broader institutional trust; they remain overshadowed by persistent macro-level perceptions of selective enforcement and political capture.

This duality shows that relational legal consciousness involves everyday interpersonal interactions with law, as well as structural-relational processes through which people interpret the larger political and institutional environment, and that these two levels can contradict each other. Respondents engage with the law at multiple levels: they may experience the law as functional and necessary in everyday business, while simultaneously perceiving the broader legal system as being selectively enforced, politically instrumentalized, and effectively nonexistent. These tensions reflect a fragmented and ambivalent legal consciousness, in which legal institutions may function formally yet lack normative legitimacy in the eyes of those regulated by them.

The study results indicate a weak link between actual (often positive) experiences of and before the law and widespread perceptions of its ineffectiveness. This is reminiscent of the weak link between perceptions of corruption and actual experiences of it. Exposure to media reports and political discourse that emphasize the pervasiveness of corruption, selective law enforcement, and the elite's legal impunity creates a generalized perception of legal ineffectiveness or even irrelevance.

Furthermore, the strong role of macro-political narratives in shaping legal meaning – often powerful enough to neutralize or reinterpret positive personal experiences – demonstrates the importance of analytically distinguishing micro-relational from macro-relational dynamics within the relational framework. Under conditions of democratic backsliding and

institutional erosion, perceptions of systemic dysfunction appear to carry more weight than direct interactions with legal institutions, reinforcing a polarized and ambivalent understanding of law. This study contributes to that differentiation by showing how legal consciousness can be co-produced through interpersonal networks while simultaneously grounded in pervasive distrust toward the political and institutional order. As this research is exploratory, the findings should be considered preliminary. Future studies may further refine how relational legal consciousness operates across different relational scales, especially in political contexts marked by low institutional trust and perceived high selective enforcement of the law.

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