



The “pervasive” state: entrepreneurial identities, frustration, and gratitude

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Abstract

The state has taken center stage during the COVID-19 pandemic in unanticipated ways. Rescuing private companies with public money exemplifies this, highlighting substantial state interventionism amidst a fairly dominant discourse of our times: that of the “neoliberal state.” In this article, we focus on how owners of micro-businesses in Croatia constructed state practices during the COVID-19 pandemic and how interactions with the state prior to the pandemic contributed to these constructions. We reflect on the state as a historically embedded social relation that is understood, experienced, and felt. Drawing on interviews, we develop three themes that illustrate the layered and wrought relationship between business owners and the state, as they understand it to “exist”—state-mediated constructions of business owners: tycoons and heroes; frustrating state practices; contradictory images—the benevolent state. The pervasiveness of the state is reflected in how the post-socialist state has shaped professional identities in the business sector, in the overwhelmingly negative emotional landscape state practices seem to propel, but also in hints of state benevolence during the COVID-19 pandemic. The identified nexus of emotions in relation to state practices—exasperation, disappointment, indignation, gratitude—and their historical embeddedness are a strong indication of how present-day constructions of the state are an expression of “accumulated history.” Based on their experiences with state practices, our interlocutors construct the state as corrupt, incompetent, inefficient, uncaring, coercive, only on occasion benevolent, and in a highly affective register as “unnecessary,” while also expressing a desire for a state that “cares,” particularly in disaster settings.

Keywords State practices · Micro-business owners · COVID-19 pandemic · Affect · Legacy of post-socialist transition

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Andrej Plenković, Prime Minister of the Republic of Croatia

[What would have happened] if we had just stood on the side and said “That is the market, people will manage, companies should have had reserves...” where would we be now in terms of these percentages and unemployment when it comes to companies who had had no possibility of functioning. Which is why I say the role of the state is to show itself as firm, bold, decisive when there is a need for it, and that is how we are going to act.” (<https://hrti.hrt.hr/live/programme> (26:55) DNEVNIK 2 October 17, 2021)

Introduction: the State as relational, historically-embedded, and affective

State practices have taken center stage during the COVID-19 pandemic in unanticipated ways. Moisio (2020) noted, in relation to the Finnish context, that the pandemic made state power visible “in ways that many citizens had never experienced before” (2020, 600). He also observed that in Finland, political parties across the political spectrum, alongside other social actors, had agreed that it is the role of the state to “pull the nation through the crisis” (ibid.). This observation resonates with the Croatian Prime Minister’s quoted pandemic discourse of the necessity of “big government,” a “firm,” “bold,” and “decisive” state, which strikingly contrasts with a fairly dominant discourse of our times: that of the “neoliberal state.” Indeed, whereas for some the state is an imperative and a solution to many problems because it offers a framework through which control of activities can be directed toward the well-being of citizens (Weiss 2010), for others it is an inefficient and largely unnecessary organization that should refrain from interfering with the free functioning of the market (Saunders 2010). According to Harvey (2005), in theory, the neoliberal state frees the market from any interference, and individual success or failure is understood in terms of entrepreneurial virtues or personal failings rather than as a systemic property. With the COVID-19 pandemic, however, market failure can hardly be reduced to the individual. In addition, in many countries, the state certainly had an interventionist role to prevent both “individual hardship and macroeconomic slump” (Brulhart et al. 2020)¹. Rescuing private companies with public money has been one such intervention (Moisio 2020).

The “state” has frequently been described as an elusive concept. Fassin (2015), in the preface to the English edition of his book *At the Heart of the State*, asks, “What is a state?” and responds that answers to this question vary depending on whether they are provided by a historian, a legal scholar, a political scientist, or a political philosopher. Similarly, according to Mitchell (1991), there is no shortage of competing understandings of the state. For some authors, the state is a sovereign entity that reigns over a specific territory by means of a monopoly of violence and

¹ See, for example, Brulhart, Lalive, Lehmann, and Siegenthaler (2020) for an analysis of public support measures for small businesses in Switzerland during the COVID-19 pandemic.

rational bureaucracy, whereas for others it is a defender of the public good and provider of welfare (Thelen 2022, 6). What these approaches have in common is a tendency to “objectify” the state, or what Fassin (2015) has described as “an abstract representation from above” (2015, ix). In his own work, Fassin (2015) puts forward a more inductive, practice-oriented understanding of the workings of the state, one that is constructed empirically: “The state, we believe, is what its agents do under the multiple influences of the policies they implement, the habits they develop, the initiatives they take, and the responses they get from their publics” (2015, ix). Fassin (2015) argues that by taking this approach, the state emerges as a distinct, “situated” reality as opposed to being a distant and abstract bureaucratic entity. The same might be said for Mitchell’s (1991) influential concept of the “state effect,”² which strongly resonates with the imperative to historicize state forms, as advocated by Graeber and Wengrow (2022) and Fassin (2015), among others³.

Thelen et al. (2014) and Thelen (2022) have proposed a relational analytic approach for capturing how states emerge through interactions in order to overcome the dualism between images and practices that is endemic to the anthropology of the state. According to the authors, both state images and state practices are “negotiated, approved, and transformed in everyday interactions within webs of relations” (Thelen et al. 2014, 14). Their focus is on the state as processual rather than static and as existing within relations between actors. Accordingly, analyzing the state requires capturing how it is created by and experienced through different relational modalities (e.g., from adversarial to cooperative), boundary work (e.g., state-family and state-civil society), and the embeddedness of actors within state hierarchies. In terms of the latter, Thelen (2022) emphasizes the embeddedness of actors in particular socially and politically structured webs of relations. Stategraphy, as their approach is called, also examines the tension between what actors see state agents doing and what they think these actors should ideally be doing (ibid., 9).

Together with understanding of the state as a social relation that is historically embedded and “understood, experienced, and reproduced in everyday encounters” (Thelen et al. 2014, 9), our analytical approach also probes how the state “feels.” This has been informed by the work of authors such as Navaro-Yashin (2002, 2009, and 2012), who have interrogated the separation between the state’s objective forms and its subjective effects. Navaro-Yashin contends that fantasy, emotion, imagination, and materiality cannot be separated in the conceptualization of the state. For her, the fantasies and anxieties that orbit the state are state formations—the state is simultaneously affective and material. Conceptualizing the state as a social relation encapsulates this dynamic.

² Lynteris (2013), in reference to an anarchist perspective, questions the meaning of the state as such. For him, crisis events such as earthquakes, floods, or pandemics are ultimate validations of what he refers to as the “phantasmic reality of the ‘internal necessity’ and the ‘external totality’ of the state” (2013, 4). Similarly to Fassin (2015), and drawing on Taussig (1992), Lynteris constructs the state not as abstract and given but rather as a social relation that is reproduced and performed by and between humans daily. This perspective suggests that the state is not just constituted by “its agents,” but rather by the totality of those affected by it.

³ For a succinct overview of anthropological approaches to the state see Thelen (2022).

In the field

The central question animating the research reported in this article was how owners of micro-businesses in Croatia constructed the state during the COVID-19 pandemic and how previous interactions with the state shaped such constructions. Although we aspire to Thelen's (2022) stategraphy methodology, described as an "ethnography that requires participant observation and informal talks in order to elicit both these images and the everyday practices that co-produce the state" (54), participant observation was not feasible during the pandemic. Rather, the historically embedded simultaneity of the affective and material aspects of the workings of the state came through in semi-structured interviews we carried out with micro-business owners from February to October 2021 within the project "The social resilience of Croatian society in the midst and aftermath of the COVID-19 pandemic (SOCRES)," funded by the Croatian Science Foundation.

Unlike Fassin (2015), whose focus is on workers in state institutions, we interviewed twenty people whose work is affected by state institutions, including owners of restaurants, a fruit and vegetable store, a pastry shop and gym, travel agency, osteopathy center, and craft shop, to identify what the state means to them and "feels like" in a crisis context and how these meanings and feelings are a historical product. One of us interviewed a business owner who was rummaging through and frustratedly commenting on state-required paperwork during the interview. The scene poignantly captured both the material and affective dimensions of interactions with the state.

We selected owners of micro-businesses (businesses with less than 10 employees), a type of business that comprises almost 90% of all businesses in Croatia (Financial Agency 2022). Our assumption when selecting our interlocutors was that their service provision had been negatively affected by the pandemic and that, unlike with larger companies, they would be financially more vulnerable. We conducted interviews in a large urban center and a small island community in Croatia. On the one hand, this choice was pragmatically informed by where we were based during the height of the pandemic, but we were also interested in whether there was a "community effect" on the constructions of the state. We found, however, that experiences cross-cut localities. We interviewed both women and men in their homes and companies, as well as via online platforms. All of them were above the age of 40 and had experienced the transition to capitalism, though most had not worked in both economic contexts. We also interviewed two representatives of micro-business owners (a union member and a member of an employer's association) in order to get a broader take on the role of the state during the pandemic.

In this article, we develop three themes that illustrate the complex, wrought relationship between micro-business owners and the state, as they understand it to "exist"—state-mediated constructions of business owners: tycoons and heroes; frustrating state practices; contradictory images—the benevolent state. Ultimately, we use the interview material to reflect on how the state as an emotionally charged social relation "exists" and "persists" for our interlocutors.

The pervasiveness of the state is reflected in how the post-socialist state has shaped professional identities in the business sector, in the largely negative emotional landscape state practices seem to propel, but also in hints of state benevolence during the COVID-19 pandemic.

State-mediated constructions of business owners: tycoons and heroes

In order to unpack how the state “exists” for business owners, particularly during the COVID-19 pandemic, we begin with a reflection on the relationship between the state and entrepreneurial identities over time. The business owners we interviewed made a distinction between dominant constructions of business owners: tycoons, heroes, and “regular” business owners. Moreover, they drew a sharp line between the first category and the latter two. With regard to “tycoons,” our interlocutors described the negative identity of a group of business owners who benefited from clientelistic political sponsorship in the 1990s, when the transition from socialism to capitalism began. This negative image of entrepreneurs in Croatia was shaped by the privatization process of social ownership led by the governments of the Croatian Democratic Union (HDZ), the center-right party which won the first democratic election and which has formed the government in Croatia more or less continuously for 30 years. The privatization of state-owned companies was frequently marked by criminal activities and resulted in the formation of a relatively small capitalist class. This new capitalist class, so-called tycoons, in many cases lead their companies to bankruptcy and significant worker layoffs⁴. The result was that through the privatization of socially-owned factories in all sectors of the economy, a vital part of the Yugoslav economy disintegrated under the pretext of better market or social governance (Malenica 2007; Sekulić and Šporer 2000; Čengić 1995). According to one of our interlocutors, the whole process was “a criminal activity in the full sense of the word,” which took place outside a transparent legal framework. Our interviewees distanced themselves from “those” entrepreneurs as “not real entrepreneurs,” but as “thieves and undercover political players close to the governing political party, who cashed in their party membership card,” “criminals,” and “mafia.” These characterizations illustrate the thoroughly mythologized image of the problematic emergence of a Croatian elite entrepreneurial class. According to one of our interviewees:

The relation toward entrepreneurship was a priori bad because there was no culture of entrepreneurship in Croatia since there was socialism, there were no entrepreneurs. And then in the 90s there was that story about 200 families and privatization and a story was created that Kutle, Gucić, Luka Rajić, that these were entrepreneurs. These are not entrepreneurs. On the

⁴ This negative image of the privatization processes is shared by respondents to Horaček and Nikolić’s (2021) survey: an overwhelming majority of the respondents agreed with the statement that “several families had created “business empires suspiciously” and that “people from powerful parties” were the ones who most benefited from privatization.

one hand these are guys who were politically eligible, on the other they may have been just a smokescreen for some real owners, and thirdly these were people who had no connection to entrepreneurialism and most of them what they touched they destroyed. After that a term was coined “controversial entrepreneur” which the media used for criminals because they couldn’t write someone was a criminal if he hadn’t been convicted because he would sue them and they would have to pay fines. Anyway, entrepreneurship was a priori considered something bad...so it has been very important to impose the theme that entrepreneurship is something good and to affirm entrepreneurship as something positive which benefits societal development.

Whereas the proximity of “tycoons” to political elites can serve as an illustration of how whether or not an actor is part of the state is not always unambiguous (Thelen et al. 2014), boundaries between the state and the private sector stand out more strongly when it comes to the super-successful entrepreneurial “hero” who has managed to surmount what many of our interviewees describe as an “anti-entrepreneurial” climate in Croatia. As opposed to the negative image of business owners as “tycoons,” a state-mediated construction that still haunts the image of the entrepreneur in Croatia today, the entrepreneur-heroes of the Croatian economy are seen as having overcome state dysfunction and as managing to follow their entrepreneurial vision against the odds. The dominant image of these heroes is that they are primarily younger men, innovators and drivers of new industries, and job creators for highly educated workers in the IT sector. Unlike the tycoons of the 1990s, they are described by our interlocutors as not having benefitted from exclusive political support, and their success is framed as the outcome of individual resourcefulness and initiative. One such prominent example in the media is Mate Rimac, who was awarded the State Order of the Croatian Danica by the President of the Republic of Croatia in 2014 for special merits in innovation and encouraging economic and social development. He was twenty-four years old at the time and owned a small electric car factory. Three years after the state award, in 2017, Forbes ranked him among the Top 30 entrepreneurs under the age of 30. A photo published in the Croatian daily newspaper *Večernji list* (Večernji list 2021) shows Rimac demonstrating his electric car to Ursula von der Leyen, President of the European Commission, in the company of Croatian Prime Minister Andrej Plenković. Such examples of, in Thelen’s (2014, 2022) sense, a relational modality of state recognition, are received with skepticism by our interlocutors. For some of them, politicians promote themselves through the triumphs of Croatian entrepreneurship, which has succeeded despite insufficient state support and the lack of developmental ideas and strategies. In their view, the success of entrepreneurs is being instrumentalized and coopted by political power.

When you have someone as successful as Rimac or Infobip, politicians will fight amongst themselves in order to have their photo taken with them and to somehow offer support, but only once he has succeeded. And that then that part of someone else’s success spills over on to them and their political points.

For our interlocutors, most entrepreneurs in Croatia, including themselves, are neither “corrupt tycoons” nor “self-made heroes,” but rather “regular” business owners (and, in terms of micro-businesses, frequently also workers) trying to earn a wage and nurture self-realization. In public representations, however, the stigma of the “tycoon” frequently looms large over them. The entrepreneurs we interviewed distance themselves from this image, as they do from the “state.” One of our interlocutors, the owner of an osteopathy center, said she had opened her own business after becoming disillusioned with work in a state institution. Another, an interlocutor, who opened his company in the late 1990s, years after returning from the Homeland War, said that this was an existential necessity. He had previously been employed in a company that, during Yugoslav socialism, was one of the most profitable state-owned enterprises. However, the company went bankrupt and was financially blocked for 30 years after it was privatized in the early 1990s, only to have been “saved two years ago.” Our interlocutor, who had lost his job in the privatization process, used available state financial incentives to fund his business. Although financial “necessity” was not the only trigger for his decision to start a business in the private sector—he also noted his desire for self-realization and finding new business opportunities—today he “remains in the business out of necessity.” He says he experiences every slightest “glitch” in the local and global market and continuously battles declining earnings, high uncertainty, high state taxes, and poor administration, but is also aware that his workers and their families depend on him.

Socio-political and economic reality and historical discontinuity are reflected in the fact that at the dusk of socialism, many entrepreneurs started smaller crafts and companies in various sectors of the economy, such as tourism, services, and construction. For some, this was out of financial necessity, but also an avenue for self-realization and a better life with more “freedom and money.” However, they found that this opportunity was more complex than they expected because the political context in which they worked valued political eligibility as a ground for business development rather than entrepreneurial ability. Assigning the status of “politically eligible” to some businesses and their owners illustrates how businesses are differentially positioned within the workings of the state.

State-mediated constructions of entrepreneurs are quite telling with regard to what the state has meant to our interlocutors in pre-pandemic times. State officials are charged with the responsibility for privatization processes that were unjust and detrimental to many workers. The state is also held responsible for nurturing an anti-entrepreneurial climate and criticized for giving importance to private businesses only once they succeed against the odds (the state being largely responsible for shaping these “odds”). Finally, it is called out for privileging political connections over entrepreneurial ability. Accordingly, the state, for our interlocutors, is not so much a distant, institutionalized entity but rather a pervasive, identity-shaping, and negatively framed “situated reality.”

Frustrating state practices

Navaro-Yashin (2002) argues that the affective “faces of the state” are inseparable from its material and bureaucratic forms. Among our interlocutors, emotions including sadness, anger, fury, dissatisfaction, despair, disappointment, and

resignation, but also hints of gratitude and appreciation, mark the different relational modalities with the state. Phrases that define this predominantly negative emotional landscape include “it is so sad to see”; “personally, I was very hurt by that”; “of course, I was angry and furious”; “how can I be satisfied”; “I am not furious but I feel tricked.” These emotional reactions signal a close interaction, even intimacy, with the state over a prolonged period. The prominent presence of the state is also reflected in its construction as an “associated family member.” Referring to times past as well as the role of the state during the COVID-19 pandemic, one of our interlocutors said: “Even before and especially now, small entrepreneurs did not have a relationship with the state as a mother, more like a stepmother who demands more of them than listens to and gives to them.”

Grievances with the state are manifold and illustrate how the state manifests itself as a material-emotional nexus. To begin with, our interlocutors are critical toward “incompetent” and corrupt state officials: “On the one hand, they are incompetent; on the other, the majority of them are thieves.” One of our interlocutors asserts that people who work in government services “should not even be there.”

We have people in high executive positions who are totally incompetent, and when it comes to people who are in positions of middle management and operational functioning in ministries and public services, they are catastrophically incompetent because they are not part of some quality selection, but rather a result of selection by connections, they came through political party quotas. In principle the majority of these people who came due to political party membership do not have the capacity to do such things. And then we have people who are not capable of even writing certain things down, or defining, understanding, and so we have it as we have it.

Public sector employees are constructed as a “protected state caste” and as beneficiaries of political nepotism: “I saw that they were in fact too young, too inexperienced, and I can say crude people, who got such positions in who knows what way, and that spoils everything else. I do not know what they do.” According to another interlocutor, “it is sad when you see that in this country there are hardworking, smart, and capable people and that it is being governed by people who are incompetent and thieves.” This description is used as an explanation for why young people decide to move abroad.

Our interviewees also expressed frustration over what they understand to be excessive state taxes. These, coupled with other parafiscal levies, were portrayed as the state “exhausting” entrepreneurs financially, while politicians, as a frowned-upon elite class, increase their salaries and have high benefits: “we are a small local business, and I paid 35,000 kunas (approx. 4600 EUR) in value-added tax last month. It would have been much better to leave at least half of that money in the company and invest in something, or at least invest in another employee.” One interviewee referred to a system of “aggressive taxation.” According to another:

You don't have to help us, just don't harass us and don't squeeze out of us everything that comes to mind just so that you can leave an impression that you are doing something. Because 80% of the things that public administration and bureaucracy do are unnecessary.

Adding to the list of grievances is a sense that state inspections are absurd. In this context, the state was described as an oppressor which over-inspects. Inspections were described as “trampling, harassing, and repression,” an experience that was sharpened especially in the context of the pandemic. The following excerpt illustrates the angry, irritable structure of feeling that undergirds entrepreneurs’ relationship to state inspections.

And she says “Do you have menus on the tables?” Of course, we show her, we have everything. Outside of course, we don't need them inside because no one ever sits inside during the summer. “And inside?” We say to her, look, you can see how hot it is, no one has been sitting inside, no one. And she says that will be 4000 HRK, I am sorry...and then she said “You are angry now” and I said of course I am angry. But that's how it goes. From the beginning they get you used to things being like that and that you have to pay particular fines.

Interviewees also mentioned that they feel that the state does not appreciate their contribution and role in society. A sign of this is a perceived lack of communication and dialogue with the state, a point that was also highlighted in relation to the pandemic. Frustration was also expressed in the context of laws that discourage entrepreneurship. According to some of our interviewees, the laws are changing too fast: “you never know when some law will change; you can never rely on a certain stability in this legal sense.” A recurring grievance is with the administrative workload (frequently described as insufficiently digitalized) weighing on the relation between the state and businesses. Finally, interlocutors mentioned that state restrictions with regard to which business sectors can remain open and which cannot during the pandemic were unfair.

It seemed discriminatory to me. It doesn't seem fair, because if you have the required space, however many square meters and it is known how—distance measure are prescribed, measures to do with maintaining the epidemiological situation, so you are washing your hands, disinfecting, you have masks, bla, bla...I don't see why a fitness center or a café or something, anything, couldn't work, if in a hairdressing salon you have less than half as many square meters, three women are sitting on chairs and three women are working. So, that's six people on 10 square meters, and there you cannot have 10 people on 100 square meters. That's not fair.

Overall, our interlocutors gave a scathing critique of the state as an unfair and “inefficient parasite.” Their reflections were permeated with heightened emotional responses to practices deemed problematic. The following quote, calling for minimal state intervention, summarizes quite well the many grievances expressed:

Get off our backs, reduce the number of “uhljeb” [a term used to describe public sector employees who were hired because of their social capital], reduce the number of unnecessary ministries, agencies, reduce the number of rides in cars with sirens, this really, really annoys people, reduce your demands for all sorts of reports, reduce tax, reduce duties, let us do our work.

According to one of our interlocutors, the COVID-19 pandemic and the state’s initial approach to the private sector in this context, coupled with mounting grievances against the state over time, was a trigger for founding an emergent group called the Voice of Entrepreneurs Organization. This civil society organization, which was founded in March 2020 and gathers together micro, small, and mid-level entrepreneurs, is currently the largest association of entrepreneurs in Croatia. According to the organization’s official page, it was initiated through a Facebook group, where over 45,000 members gathered within 14 days. The four principles they put forward reflect the grievances discussed above: the state should not discourage work through taxation, legal regulations, and other policies; the state cannot request documents from entrepreneurs that it issued itself—public administration needs to be digitalized; the state does not have to give anything to entrepreneurs, but it should take less from them; and the judiciary needs to become efficient. According to one of our interlocutors, “it is only when such a massive threat [the COVID-19 pandemic] comes along then people gather to protect themselves from a system that, mildly put, does not respect them and, more sharply put, oppresses and harrases them.” After several months of discussions between state representatives and entrepreneurs, the Voice of Entrepreneurs Organization, at a press conference, announced a lawsuit against the state. Describing the situation, the president of the association expressed their frustration that their voice was not taken into account by the government. According to him:

After almost a year and a half of negotiating, offering solutions, talking to the government, we entrepreneurs, especially those from at-risk sectors such as those entrepreneurs in the event industry, transport, travel agencies, hospital-ity industry...we are being put in front of a wall...we are Croatian entrepreneurs who are being ruined, who are facing bankruptcy, but not because we did not work well, not because of our bad business decisions are we facing a wall. Well gentlemen, the 12 billion you invested in our employees, to start off with you didn’t invest in them we did. We fill the Croatian state budget. We are your employers if we are to divide ourselves as employers and employees.

The quote captures exasperation with state officials as well as boundary reinforcement (“we” and “you”). Our interviews are replete with negative emotions toward different relational modalities of the state, including interactions with incompetent and corrupt yet “politically eligible” officials, taxation, inspections, administrative workload, lack of communication, and legal instability. However, our interview material suggests that business owners are not just subordinated to state practices but also find different ways to resist them. The negative relationship with the state was bolded in the context of the pandemic by the new ubiquity of state-mediated opportunities, obligations, and restrictions, but also acts of

resistance. As an illustration, one of our interlocutors said, “in our sector, people had to work illegally (“radili na crno”) because they had been cornered.”

Contradictory images—the benevolent state

Our interviewees predominantly constructed the Croatian state as emotionally frustrating, distant, corrupt, and repressive, characterized by the stereotype of a “stepmother” rather than a caring parent. However, alongside the grievances discussed in the previous section and resulting calls for less state intervention (“get off my back”), there was one mostly positive assessment of a state intervention in the market which contributes to contradictory images of the state. The government undertook “benevolent” financial measures in order to support businesses during lockdown and its aftermath, when losses due to government-imposed restrictions were significant. According to our interlocutors, salaries for workers and covering fixed costs, enabled by the Croatian state with the help of European Union funds, were key to the survival of many companies in Croatia. Covering costs in a large proportion of businesses, as some other European countries also managed to do, had seemed like an unattainable and unrealistic model for entrepreneurs in Croatia. Many of our interlocutors greeted the measures with approval because frequently this ensured that their businesses remained afloat. Some interviewees said that they were “pleasantly surprised” that such government action had been taken.

State support for workers, I would really be unfair to say something bad about that. That is, if you ask me, one thing that none of us expected, and yet we got it and we still get it...This is one thing, we won't look at it as bad, why would we look at it as bad? I see it as the Government managing well in the given situation.

I think our state handled this whole situation quite well. We have to admit the fact that it would be difficult for any politician to do what was done in Brussels—to ensure such funds for Croatia—that's the first thing. Lay thinking, but I have a good opinion about that whole situation. Secondly, it's been a year that measures have been going without any problems—sometimes they are a little late...but the state ensured 4000 kuna to workers many of whom stayed at home. A great thing, a big deal, are these write offs of fixed costs that the state decided to cover during lockdown because for the first time after all these months I don't have a problem with landlords.

The government portrayed aid as an economic and diplomatic success, and several of our interlocutors complimented it. However, for some entrepreneurs, this specific financial assistance was insufficient to cover all business costs, including loan instalments and utility costs. Some entrepreneurs also thought that a one-size-fits-all approach to financial support was unjust since businesses had different needs. For example, whereas some were housed in premises they owned, others had to pay rent. State support was also described by one interviewee as trying to put out a big fire with drops of water.

I was quite hurt that in all news you could hear “Help to entrepreneurs, the state is allocating money, the state is allocating money”...yes, at the level of the state these are really big sums probably and taking into account the economic crisis before the pandemic this was not easy to allocate. But I think that truthfully that’s just, there is a forest fire, and you are sprinkling it with drops of water. No, it didn’ help. It didn’t help too much. Especially in total lockdown. Imagine a firm whose basic costs are, I don’t know, a few hundred, a few hundred thousand kunas, and you get, I don’t know 40000 kuna. I mean, it was a bit insulting for me. Don’t give us anything and leave us alone. Who survives will survive, who doesn’t doesn’t. Like this it seems: “we gave to you, we gave to you, we gave to you” but actually you can’t do anything with that. We spent the assistance on rent and utilities.

We are not a rich state and expectations that the state would give huge amounts of money to someone are not realistic. But I think that it should have been allocated differently, that more attention should have been paid to who does what, in what way and what are the needs of a certain company to survive. Just to survive. Because if you are not earning, and you are not earning over a longer period of time, and you have costs, then you have to go bust. There is no way you can get out of that.

As illustrated by the previous quotes, rescuing private companies with state funds received mixed responses. Some of our interlocutors expressed gratitude for state support, which is a rare instance in our interviews in which the state is portrayed as being benevolent toward entrepreneurs. However, many others criticized the support as insufficient.

On a more general level, and drawing on the grievances discussed above, the state can hardly be constructed as benevolent from the perspective of our interviewees. There are countries in which the state can be considered benevolent to entrepreneurs, but for them, this does not include Croatia either in present or past times. However, one of our interlocutors singled out Ireland and Estonia as being “benevolent states.”

Politics created this kind of framework in Ireland about 20 or 30 years ago and a very successful economy developed. Politics created a framework 15 years ago in Estonia and a successful economy was created, but politics is not here to open new job positions. And that brings us back to—politics is responsible for everything.

Dzenovska (2018) has written about satisfied workers from Baltic countries in distant Scotland who have found old socialist values far from the socialist times and spaces of Eastern Europe. As a socialist state, Yugoslavia opened many functional companies that provided workers with a dignified life. As a result, in our interviews, we find fading memories of sustainable state-owned companies created according to socialist models. However, some of our interlocutors recount that both countries, Croatia and Yugoslavia, did not achieve positive economic outcomes. Romanticized memories of the socialist period are seen by some as blind nostalgia.

The state, entrepreneurship, and affect: concluding thoughts

The political and economic context of Croatia, marked by years of troublesome post-socialist transition, is what frames the everyday realm of our interlocutors. And at the center of this framing lies the “pervasive” state. For our interlocutors, the state has had a key role in shaping the constructions of the entrepreneur, whether in its problematic support of “tycoons” in the 1990s or entrepreneur “heroes” in more recent times. Although tainted by the stigma of the “tycoon” entrepreneur, our interviewees described themselves as just “regular” entrepreneurs who see the state as an inadequate employer (financially, in terms of their particular professional interest, and is closed to those who are not political party members). Their identity seems to incorporate a hybrid structure of frequently incompatible categories of workers and employers: they own their businesses but frequently also carry out nonmanagerial, even manual work. For this group of business owners, the COVID-19 pandemic brought significant financial insecurity, and many were forced to rely on state aid for survival—the same state that has been a cause of long-term frustration for them.

Parallelisms abound in our interviews with micro-business owners: while acknowledging the role of the state as a protective entity during the COVID-19 pandemic, for many of our interlocutors it also continued to exist as just the opposite: discriminatory, authoritarian, and restrictive. Expressed feelings of gratitude but also frustration suggest varied and contradictory relational modalities with the state (Thelen 2022), though frustration dominated.

When it comes to small entrepreneurs, I agree that their relationship to the state is emotionally charged. This isn't a surprise because of the reasons you mentioned, we are over-regulated, the repressive aspect of the state comes to the fore significantly, even though the state has pledged for years that this would decrease in the sense that they will first educate, then admonish, and only then charge. But we still can't feel that. In fact, they don't have stability. The state is not credible, there isn't that feeling that it in the first place thinks about its citizens and entrepreneurs, but more frequently the impression is that it is dealing with itself, even now when the situation is so uncertain, and not just here but more broadly. A frequent impression in the public sphere is that we spend more time dealing with trivial, political themes and respective political party or institutional arguments than the real life and needs of citizens and entrepreneurs.

Inspired by Thelen's (2022) and Thelen et al.'s (2014) stategraphy approach, we have reflected on how the state is constructed and reconstructed relationally in “normal” and “crisis” times. In particular, and leaning on Navaro-Yashin's work (2002, 2009, and 2012), we approached this relation as inseparable from affect. The triggers for frustration, anger, and resentment abound: the state failing to penalize economic crime and to promote workers' rights, employing people based on their political affiliation rather than competence, absurd inspections, the difficulty of communicating with the state, restrictive state laws and regulations, administrative workload, and state-imposed COVID-19 restrictions. Emotions expressed in heart-pounding, crying, uncontrollable laughter, and an urge for change capture the relation between state

activity and individual reflexivity. This nexus of emotions in relation to (at times subverted) state power—exasperation, disappointment, indignation—is a strong indication of the pervasiveness of the state in Croatia today. In tandem with Fassin (2015), we understand these affective relations as historically-mediated—in particular, the wrought transition from Yugoslav socialism to post-Yugoslav Croatian capitalism in the 1990s saturates these relations. Importantly, narratives of professionally coping with the pandemic in the private sector not only contain reflections on the problems that necessarily arise from restrictive working conditions during the pandemic. They also speak of phenomena arising from long-term experiences and processes in which the state has a crucial role.

On a final note, stategraphy (Thelen 2022) examines the tension between what actors see state agents doing and what they think these actors should ideally be doing. Some of our interlocutors desire a state that merely creates an environment for fair competition, whereas some a state that “cares.” According to one interviewee, “I want the state to know my name, like when you walk into my fruit shop, there is always something for a neighbor; that is how I want her [the state] when I need something to have something for me to help me.” However, there is an underlying paradox in the responses of our interlocutors who, in crisis times, desire a state that effectively intervenes in the market in order to save businesses, but in “normal” times merely creates an entrepreneurial climate. Their responses illustrate how the state as a social relation is embedded in the broader political, economic, and social context and disasters are a particularly chilling framework for such shifting meanings.

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