

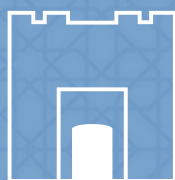
# REBUILDING SARAJEVO

GALEN LAMPHERE-ENGLUND

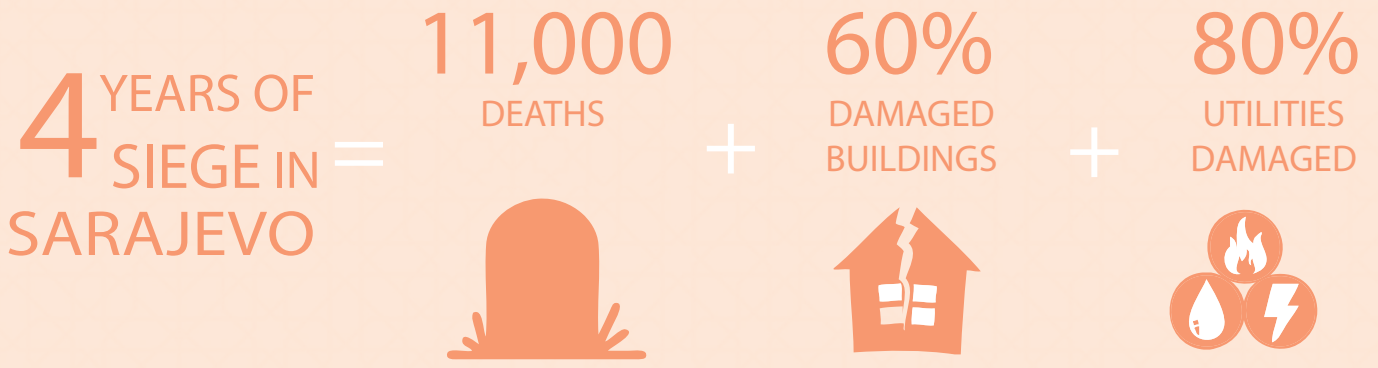
JULY 2015

"Sarajevo: Urban issues today might have been avoided by viewing reconstruction in more than just physical terms."

THE ALEPPO PROJECT

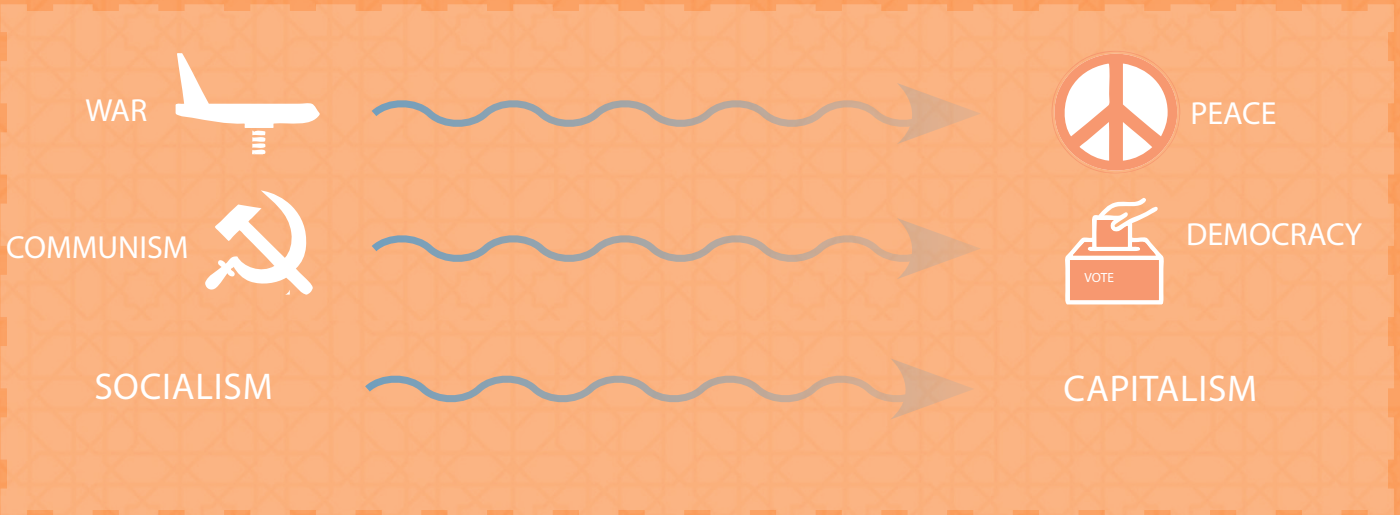


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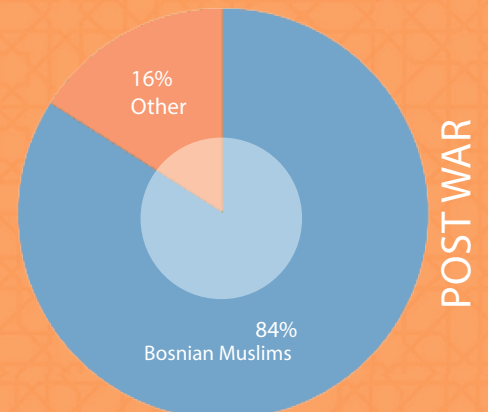
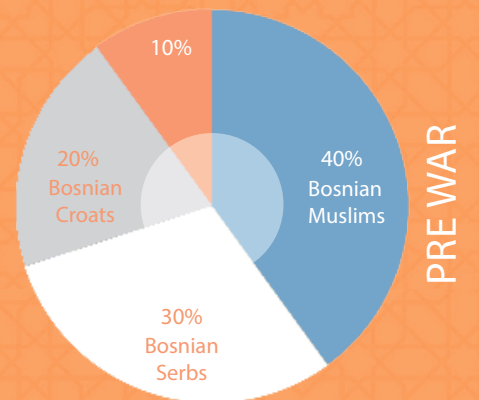
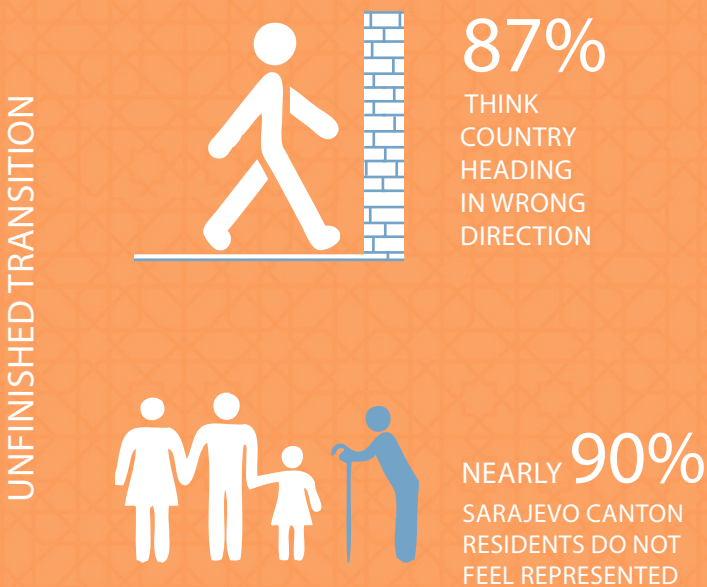


# DAYTON ACCORDS 1995

## TRIPLE TRANSITION



## ETHNIC COMPOSITION



The four-year siege of Sarajevo decimated the city. Some 11,000 civilians were killed, 60 per cent of buildings were damaged or destroyed, and 80 per cent of utilities were disabled. When the war ended in 1995, a “triple transition” occurred throughout Bosnia-Herzegovina (BiH): the simultaneous movements from war to peace, communism to democracy, and market socialism to a free-market economy. International attempts at physically rebuilding Sarajevo met with some success: the visible scars from the war are largely gone and violence no longer plagues the city. But reconstruction is incomplete and legacies of the war hang over the city.

Polls in BiH reveal a deep disgust with politics and institutions, and there are serious issues with unemployment, inequality, and social reconciliation. Nearly 90 per cent of the country believes it is headed in the wrong direction. The residents of Canton Sarajevo do not feel represented by institutions by a margin of 3 to 1, and a vast majority support political change. The triple transition has been fraught with difficulties. Ethnic divisions are wider than ever. While 88 per cent of the population support better interethnic relations, very little tangible has been achieved in the way of reconciliation. The economy is dominated by criminality and corruption, not by accountable open markets.

These problems stem from the narrow approach taken to reconstructing Sarajevo. By viewing the city largely in physical terms, international and national groups failed to restore institutions, curb corrupt practices, and counter nationalist political movements that benefited from the complex political structures created by the 1995 Dayton Accords. While each city and post-conflict situation is unique, assessing failures encountered while rebuilding Sarajevo offer five overarching lessons for future reconstruction.

- Reconstruction efforts must be planned strategically to include the many sectors and actors involved in the process. In Sarajevo, the lack of coordination between donors, local government, and residents of the city undermined successful rebuilding.
- Local institutional capacity must be strengthened before reconstruction begins. Many failures in Sarajevo could have been avoided by having the necessary urban planning, administrative, and governance structures organized during the earliest years.
- Oversight and anti-corruption measures must be implemented from the start. Recipients and donors must create solid control systems, be willing to hold local leaders accountable, and have trip-wires that trigger the withholding of salaries or aid for large-scale corruption issues.
- Urban reconstruction must be accompanied by economic growth. Sustaining returnees depends upon accessible jobs and economic growth. Policies should streamline business legislation and make starting an enterprise as easy as possible.
- Reconstruction must be recognized as an ecosystem. Functional reconstruction of merely physical aspects is insufficient to recreate a vibrant city. Policymakers should seek to also use educational, economic, and cultural initiatives to rekindle urban life.

**SARAJEVO**, a vibrant multi-ethnic city once celebrated for hosting the Winter Olympics, became a by-word for suffering and destruction during the four-year civil war that ripped apart Bosnia-Herzegovina (BiH).<sup>1</sup> The human toll was staggering with some 11,000 civilians killed and hundreds of thousands driven from their homes. Sixty per cent of the city's buildings were damaged or destroyed, and 80 per cent of its electricity and watermains were destroyed.<sup>2</sup> The war ended with the Dayton Peace Accords in 1995. What followed was a so-called triple transition throughout BiH: the simultaneous movements from war to peace, communism to democracy, and market socialism to a free-market economy. International attempts at physically rebuilding Sarajevo met with general success: the visible scars from the war are largely gone and violence on the scale once seen is no longer a threat. However, deep and persistent problems continue, many stemming from the approach to reconstruction taken in Sarajevo.

Opinion polls in BiH reveal public disgust with the country's politics and institutions, and there are serious issues with unemployment, inequality, and social reconciliation. In a poll held by the National Democratic Institute in 2010, 87 per cent said the country was going in the wrong direction, and only 12 per cent said their living had improved in the past four years.<sup>3</sup> A 2014 assessment via the Social Cohesion and Reconciliation Index (SCORE) report on social cohesion and reconciliation showed that residents of Canton Sarajevo did not feel represented by institutions in their city by a margin of 3 to 1, and a vast majority supported political change.<sup>4</sup>

The triple transition has been fraught with difficulties. Divisions between ethnic groups have become cemented by power-sharing arrangements in the Dayton Accords that were intended to be temporary. BiH has been split into three territorial entities: the Serb-dominated Republika Srpska in the north, the Federation in the south, and the independent city of Brcko. Divisions among ethnic groups have continued, and while 88 per cent of the population support trust-building measures, very little tangible has been achieved in the way of reconciliation or justice.<sup>5</sup> Democracy in BiH remains flawed and feckless. The market economy has been dominated by criminality and corruption, not by accountable open markets or mechanisms that might have moderated the worst impacts of neo-liberalism.

Sarajevo became divided along ethnic lines after the war. In 1991, the city had a mixed ethnic population of 540,000, consisting of around 40 per cent Bosnian Muslims (Bosnianks), 30 per cent Bosnian Serbs, and 20 per cent Bosnian Croats. Now most estimates suggest around 84 per cent of the city's residents are Bosnianks.<sup>6</sup> The city sits on the border with Republika Srpska, and is divided on its southeastern border by the Inter-Entity Boundary Line (IEBL). During a brief waiting period before the finalization of the conflict, a concerted and bloody campaign of intimidation resulted in an exodus of 62,000 Sarajevo Serbs.<sup>7</sup> Many fled to the section outside the IEBL line, Istočno Sarajevo, or Eastern Sarajevo, which today is populated mainly by Serbs. No longer a multi-ethnic city, Sarajevo today is firmly controlled by the Bosniak majority. Though no checkpoints or borders exist between the sections, the boundary separates interactions and largely determines ethnic settlement patterns inside the urban area.

Regardless of the new divisions, four phases of generally successful reconstruction have characterized the post-war reconstruction process in Sarajevo.

- Physical reconstruction and the containment of conflict from 1995-2000;
- An international protectorate created in reaction to nationalist obstructions, from 1997-2006;

- State-building from 2000-2006; and,
- Gradual withdrawal of international donors and regression in state reforms and reconstruction from 2006-present.

## PHYSICAL RECONSTRUCTION

The immediate priority following the cessation of conflict was restoring Sarajevo's basic infrastructure. The siege destroyed most of Sarajevo's telecommunications, electricity supply, roads, and water networks. Only a fifth of the city had water and power.<sup>8</sup> As the restoration of basic services began, the City Development Institute planning office prioritized "glassing," the replacement of glass in buildings around the city.<sup>9</sup> Efforts of the City Institute, funded by international donors, were bolstered by U.S. Agency for International Development (USAID)-funded non-governmental organizations (NGOs), including Catholic Relief Services and the International Rescue Committee.<sup>10</sup>

Network infrastructure, particularly water and power, were also rebuilt during this period. Through 1999, at least \$1.35 billion in commitments and \$713 million in disbursements by donors, alongside government and private investment, nearly completely restored basic network infrastructure across the country.<sup>11</sup> Restoration of water continued alongside the rehabilitation of electric grids. Around \$1.42 billion was allocated to water by donors through 1998.<sup>12</sup> However, the private sector moved away from utilities due to low payment rates and high maintenance costs. As a result, water supplies remain in poor shape throughout Sarajevo.<sup>13</sup> District heating programs, which served much of the city before the war, were badly damaged from corrosion and cracking from disuse during the siege. By the end of the war, functional heating in the city had dropped by two-thirds. By 1998, however, investments of around \$145 million had removed illegal connections to natural gas lines and resupplied 90 per cent of flats in Sarajevo with district heating.<sup>14</sup> Roads and telecommunications were gradually restored. Bringing in the private sector, particularly for telecommunications, was generally successful in the later years of the restoration process. Roads and transportation networks were also repaired within three years of the siege's end.

During the initial reconstruction of infrastructure, the city turned to repairing damaged and destroyed housing. Virtually no new buildings were built. Reconstruction instead occurred slowly across the city. Beyond the physical need for repairs, property restitution was fraught with challenges rooted in the transition from collective to individual property rights, and in the occupation by political elites and Bosniaks of housing owned by people who had left the city. Nationwide, an estimated \$1.02 billion was committed to housing through the end of 1998.<sup>15</sup> Though a lack of donor coordination led to significant overlap during this process, by the end of 1998, the majority of Sarajevo's housing had been restored to a semblance of normality.

Significant issues remained with property restitution and ownership owing to a weak legal system and poor implementation. The Dayton Accords established the Commission for Real Property Claims of Displaced Persons and Refugees (CRPC) to handle property claims, but only three per cent of its decisions resulted in restitution. Local authorities stymied returns, often because the very officials tasked with enforcing the CRPC orders were occupying contested properties. The Property Law Implementation Plan (PLIP), launched four years after the end of the war, successfully dealt with most of these issues. Rather than emphasize the importance of returns, the PLIP focused on individual property rights and the rule of law, effectively shifting the discourse around property return. The PLIP effectively stopped efforts by local authorities to use ethnic or political means to derail the process. When the PLIP was launched, only 12 per cent of claims had been resolved. By 2005, 93 per cent had been resolved.<sup>16</sup> The success of property return, however, obscures an unfortunate reality: often previous owners reclaimed their property only to sell their land to the current occupants and leave.<sup>17</sup> No organization or government agency tracked

those who reclaimed their property only to sell or relocate elsewhere, so reliable figures on actual, physical returns are not available.

The housing issue overlaps considerably with the return of refugees and internally displaced persons (IDPs) to Sarajevo. Over the course of the war, one to two million people were displaced inside BiH, and an additional 1.2 million fled the country.<sup>18</sup> Postwar Bosnia became extraordinarily segregated: in 1997 94.8 per cent of residents inside the Federation identified as Bosniak or Croat, while 96.8 per cent inside Republika Srpska identified as Serb.<sup>19</sup> Returnees to the city, overwhelmingly Bosniak, included former residents of the city, those who remained but shifted homes during the siege, and newcomers, often from villages to which they could no longer return. Internal stereotyping of these new arrivals to Sarajevo stigmatized them as villagers ill-suited to the capital's cosmopolitan life. These biases did nothing to deter immigration. General rates of minority returns to Sarajevo accelerated in 1998 to peak in the early 2000s, but the sustainability of these returns is tenuous: a lack of urban planning and guided, economically supported programs undermine the livelihoods of those who have returned.

Many of Sarajevo's public buildings were also destroyed during the siege. Government offices, the hospital complex, and other public facilities were heavily damaged: 35-50 per cent of all health care facilities across Bosnia were damaged.<sup>20</sup> Post-war, government offices received priority during the initial installation of glass across the city. No new schools or hospitals were built, however, as state funding and international investment went towards other areas deemed more essential first.<sup>21</sup>

Apart from public buildings, the economic revitalization of Sarajevo depended upon the rebuilding of businesses and industrial production facilities. International aid targeted a rapid transition to a market economy, and provided massive credit lines to create a modern banking sector and facilitate the change-over. Compared to the post-war situation of 1995, the socio-economic situation in Bosnia considerably improved each of the following years. These gains, however, have been unequally distributed.<sup>22</sup> Real wages increased 44 per cent from 2000 to 2007, and real GDP rose 1.3 per cent in 2011, only to sink back into recession along with the rest of Europe in 2012.<sup>23</sup> The general consensus among diplomats, locals, and financial officials suggests the economy is dominated by a massive, corrupt system of patronage.<sup>24</sup> The correlation between the economy and corruption does not come as a surprise to the Bosnian public: National Democratic Institute opinion polls in 2013 placed corruption as the largest issue facing BiH, followed by the state of the economy.<sup>25</sup> Bosnia is also home to a substantial grey and black sector informal economy. Taking the official GDP of BiH in 2013, \$17.85 billion, and a conservative estimate of the informal sector as 38 per cent of official GDP, then nearly \$7 billion annually circulates in Bosnia-Herzegovina outside formal, taxable economic structures.<sup>26</sup> In place of holistic economic programs or production facilities, Sarajevo has become home to a series of massive shopping malls stocked with expensive imported goods, while markets on the outskirts cater to the informal portion of the economy.

Significant funds were invested into new religious buildings in Sarajevo and across the country. Outside donors, particularly Saudi Arabia, Malaysia and Indonesia, built a series of new mosques and renovated ones damaged during the war. Shortly after the war, many international Islamic organizations that provided relief to BiH incorporated religious elements, but the Bosnian state began oversight of the finances of religious organizations around 2000, effectively controlling international religious influences.<sup>27</sup> The increased presence of Islamic structures, from schools and mosques to Islamic-bank funded shopping centers such as the BBI Centar, contribute to the so-called "greening" or Islamization of Sarajevo.

## BEYOND THE PHYSICAL ASPECTS OF RECONSTRUCTION

Rebuilding cities should include efforts to improve local administration, government bodies and urban planning capacity. Unfortunately, inside Sarajevo, such issues never took priority in the early years of reconstruction. By focusing on rebuilding physical elements and not revamping institutions in a way that could avoid recreating the dysfunctional arrangements from before the war, many well-intentioned plans were waylaid by political obstructionism and improper planning and coordination strategies. Interviews with leaders in the international community highlight that stronger and earlier insistence on political party development by allowing a longer period for parties to mature could have changed the political course of the city. Post-war urban planning in Sarajevo has been marked by a lack of vision and urban programming. No single master plan for the city's reconstruction was created, representing a split with the modernization plans of the previous century.<sup>28</sup> An excessive level of urbanization and the destruction of public spaces has been overseen by incompetent leaders.<sup>29</sup> Licenses have been granted for large buildings and shopping centers without justification. Early funding and institutional development at the local level could have resulted in better planning, coordination, and alleviated the issues currently holding Sarajevo back.

Culture defines social life, shaping groups, building social capital and creating identity for cities. Post-Dayton reconstruction policies, unfortunately, suffered from an utter lack of awareness of culture.<sup>30</sup> Physical cultural spaces such as theaters, museums, and the Zetra Olympic complex were rebuilt in Sarajevo, but paltry funding for the arts and a deliberate policy of cultural exclusion have led to the closing of many museums and musical groups in the city.

Memorialization of the war has also played a large role in reshaping Sarajevo. Monument designs around the city have been used to renationalize and emphasize “dividing memories, values, and practices.”<sup>31</sup> This post-war division of monuments and heritage preservation adds to the geographic separation already existing between the Federation, Republika Srpska, and in the segregated municipalities.<sup>32</sup>

While the physical reconstruction of schools in Sarajevo was largely finished by 1998, divisions and poor quality undermine the educational system. The Post-Dayton system left educational policy to be set by each of the country's 10 cantons, further fragmenting curriculum and educational standards. A majority of citizens polled in 2010 found educational system reform lacking and in need of improvement.<sup>33</sup> Though overall educational attainment and graduation rates are high, BiH's overall educational system suffers from rigid systems, ethnic idealization, and unequal access.<sup>34</sup> A different future could have been possible by prioritizing the unification of education policymaking, curriculum development, and teaching quality in the initial phase of reconstruction after the siege.

Of all the issues facing BiH, an overwhelming majority, some 90 per cent of all ethnicities, identified corruption as the definitive problem holding the country back.<sup>35</sup> The massive influx of international funds following the war attempted to quickly deliver aid and change. However, despite an overall awareness among donors of malfeasance, corrupt groups still often managed to misdirect reconstruction aid to other causes. Power brokers, frequently wartime figures, could easily divert project bids towards their own companies. NGOs often were similarly co-opted into local power games.<sup>36</sup> U.S. General Accounting Office estimates from 2003 found that anywhere between \$1.7 million to \$522 million had been misappropriated.<sup>37</sup> Aid obscured larger losses to government finances through customs and tax evasion, which were estimated to cost around \$966 million—more than 150 per cent of the entire state budget.<sup>38</sup> Corrupt practices in BiH are widespread and present at many different levels. General rule of law remains weak, and the legal framework susceptible to corruption due to complicated legislation and a judiciary subject to political pressure. As such, corrupt activities inside BiH continue with almost complete impunity.

## LESSONS FROM SARAJEVO (RECOMMENDATIONS)

All of the above issues stem from the narrow approach to reconstruction taken in Sarajevo. The incredible influx of donor funds to Sarajevo after the siege created a situation both admirable and fraught with failures. Internationally-sponsored development reshaped Sarajevo and returned much of the city to physical normalcy. By viewing reconstruction largely in physical terms, however, international and national groups failed to restore institutions, curb corrupt practices, and counter nationalist political movements that benefited from the complex political structures created by the Dayton Accords. While each city and post-conflict situation is unique, assessing the failures encountered while rebuilding Sarajevo offer five overarching lessons for future reconstruction.

- First, reconstruction efforts must be planned strategically to include the many sectors and actors involved in the process. In Sarajevo, the lack of coordination between donors, local government, and residents of the city undermined efforts. While international funding quickly reached the city, donor coordination was poor and led to duplication and gaps in funding. Facilitating between many agencies will require a strong hand and resources. Creating a temporary single directorate to oversee reconstruction efforts could enable this to happen.
- Second, local institutional capacity must be developed and strengthened before reconstruction begins. Among the shortcomings, perhaps the most harmful was the lack of attention paid to local institutions during the early years of reconstruction. Decisions taken in the early years will set precedents that can “shape long-term urban and political development, either to the benefit or detriment of subsequent democratic development.”<sup>39</sup> Many failures in Sarajevo could have been avoided by having the necessary urban construction permitting, planning, and administrative structures organized during the earliest years.
- Third, oversight and anti-corruption measures must be implemented from the start. Recipients and donors must create solid control systems, be willing to hold local leaders accountable, and have trip-wires that trigger the withholding of salaries or aid when large-scale corruption is uncovered. These regulatory frameworks must be backed by public support built through outreach, education, and media support for anti-corruption efforts. Accompanying legal frameworks must also be developed as swiftly as possible.
- Fourth, urban reconstruction must be accompanied by economic growth. Sustainable returns of residents depend upon accessible jobs and economic growth. Post-war reconstruction should target small and medium enterprise (SME) development by encouraging relevant government bodies to streamline business legislation and make starting a business as easy as possible. Likewise, construction permits should be granted in a transparent and accessible manner. This necessitates the development of urban authorities and institutions with the capacity to handle efficiently permitting requests.
- Lastly, urban reconstruction should be recognized as an ecosystem. Functional reconstruction of merely physical aspects is insufficient to recreate a vibrant city. In Sarajevo, reconstruction policies largely ignored cultural, artistic, and social elements. Such policies should seek to also utilize educational, economic, and cultural initiatives. Building a city from the remains of the old requires the reshaping of many facets, but like cutting a diamond, the final cut can be both resilient and beautiful. Sarajevo, while still a rough cut, gives a template of what can be avoided in future reconstruction efforts.



**Historical** divisions mark each section of Sarajevo: from the Ottoman old town, to the Austro-Hungarian section bordering it, the Socialist blocks beyond, and the scrappy new houses on the hills bordering all. Many books have been written on the history of Bosnia, and at least one recent volume chronicles the history of Sarajevo.<sup>40</sup> Originally a small settlement in the medieval Bosnian kingdom, the city was shaped into its present form along the banks of the redirected Miljacka River during Ottoman rule from the 15th century. The Austro-Hungarian Empire took over the city in 1878 and added significant infrastructure, including tram lines, electricity, and sewage.<sup>41</sup> The expansion by the Austro-Hungarians also left distinctive Catholic churches, theaters, and the City Hall (Vijecnica). In 1914, the Balkans exploded in Sarajevo with the assassination of the heir apparent to the Austrian throne, starting World War I.

The inter-war period was relatively insignificant in the development of the city, but the end of World War II marked the beginning of Yugoslavia and socialism under Marshall Tito. Two comprehensive development plans began a massive transformation of the urban space of Sarajevo, including the iconic Socialist apartment blocks, new sports facilities, further public transportation systems, and new schools.<sup>42</sup> The first plan slowly grew the city, while the second, implemented during the 1960s, was a massive enlargement that developed industrial areas on the city outskirts and a corresponding increase in population. The 60,000-90,000 inhabitants after WWII grew to around 500,000 by 1991.<sup>43</sup> A substantial military industry grew in Sarajevo, amalgamated inside UNIS (United Armaments Industries Sarajevo), which occupied an iconic pair of block towers in the center of Sarajevo.<sup>44</sup> The high point in the city's history—agreed on almost universally by its current and former residents—was in 1984, when Sarajevo hosted the Winter Olympics. Elaborate hotels, stadiums, and housing were built and infrastructure updated. But the euphoria of the Games and the international attention they brought was short lived. During the 1980s stress lines had started to show under the veneer of communist unity. Tito's death in 1980, combined with the economic decline of Yugoslavia and ethno-political strife that had previously been held in check, began undermining Yugoslav unity.

Serb nationalism in the Yugoslav Republics of Montenegro and Serbia, coupled with Croat nationalism flared in the late 1980s. First the Republic of Slovenia left after a short and relatively bloodless conflict, and then Croatia erupted in a violent war of secession. Inside Bosnia, nationalist parties aligned with Croat, Serb, and Bosnian Muslim (Bosniak) identities vied for social, political, and economic control of the country. For a fleeting moment in 1992, Sarajevo's citizens halted the advance of nationalist parties through peaceful protest, but the encirclement of the city by nationalist Serb forces had already begun. On April 6<sup>th</sup>, 1992, gunmen opened fire on protesters and artillery in the surrounding hills controlled by the Yugoslav National Army (JNA) began bombarding the city.<sup>45</sup>

The siege of Sarajevo resulted in massive losses. 1,395 days of assault killed 11,000 residents, including 1,600 children, and devastated around 60 per cent of the city's buildings, along with 70,000 apartments.<sup>46</sup> Snipers became a daily reality, and most of the city retreated either underground or into interior spaces in apartments. Almost all windows were shattered by shock waves from artillery and had to be replaced with plastic sheeting distributed by the UN High Commissioner for Refugees (UNHCR). Across Bosnia and Herzegovina (BiH), between 97,000 and 250,000 were killed, one-two million became internally displaced, and 1.1 million were forced to flee the country.<sup>47</sup> The war eviscerated the Bosnian economy and is estimated to have cost at least \$50-60 billion during the conflict, and as much as \$100 billion when

long-term effects are considered.<sup>48</sup> Output fell to 10-30 per cent of pre-war levels.<sup>49</sup> During the siege, criminal syndicates controlled much of the flow of both civilian goods and arms into the city. These enterprises were often developed in collusion with leaders on both sides of the conflict, as well as members of international organizations.<sup>50</sup>

The war officially ended with the signing of the Dayton Peace Agreement in December 1995. Bosnia split into three territorial entities: the Serb-dominated Republika Srpska, the Federation in the south, and the independent city of Brcko, administered to this day by the Organization for Security and Co-operation in Europe (OSCE). The separate governments of each entity were further divided in the Federation into region-based administrative units called cantons. This created layers of entangled and often corrupt bureaucracy. Above the political system, controlling the highest law in the land, was the Office of the High Representative (OHR). With the ability to create laws and remove government officials, the OHR

“You wouldn’t know what to do, not even where to go to work. Losing an arm or a leg was a very real reality....People often considered how they could feel motivated about working under such conditions.

At one point walking was the only option to get around, but it was the scariest possibility, I would have to try and dodge possibly dangerous situation. The safest way to travel was through buildings from one to another.

The staff realized that going to work every day, or every other day was nearly impossible. Some died after being shot by snipers. There were plenty of them. Some musicians, who lived in the city, retired from the orchestra. The first year was very silent and there was no orchestra, but I still played in some other small groups.

It was like a nightmare that wouldn’t stop. We just waited and waited.”

**-Gorana, music teacher in Sarajevo (2011 Interview).**

has played a large role in shaping BiH in the post-Dayton years. The years following the war have been marked by a general absence of violence, but also by ongoing political struggles for independence between the various ethnically dominated regions. Additionally, the end of the war has been marked by a process of triple transition across BiH, namely:

- A transition from war to peace;
- From communist to democratic government; and,
- From market socialism to a free-market economy.

Each of these transitions has been replete with difficulties. Deep divisions between ethnic groups have continued and, while 88 per cent of the population support trust-building measures, very little tangible has been achieved in the way of reconciliation or justice.<sup>51</sup> Democracy in BiH remains flawed and feckless. The market economy has been dominated by criminality and corruption, not by accountable open markets or mechanisms that might have moderated the worst impacts of neo-liberalism.

Sarajevo became divided along ethnic lines after the war. Radovan Karadžić, a Bosnian Serb politician now on trial for war crimes, foretold that “Sarajevo will be divided and become two cities... Everything that is Serb we will retain.”<sup>52</sup> In 1991, the city had a mixed ethnic population of 540,000 consisting of around 40 per cent Bosniak, 30 per cent Bosnian Serbs, and 20 per cent Bosnian Croats. Now most estimates suggest that the city is around 84 per cent Bosniak.<sup>53</sup> A brief attempt was made in 1993 to preserve Sarajevo as a multi-ethnic city by giving it special status as a U.N. protectorate, but by the Dayton Accords in 1995 the idea had lost traction. The city now sits on the border with Republika Srpska, and is divided on its southeastern border by the Inter-Entity Boundary Line (IEBL). During a brief waiting period before the finalization of the conflict, a concerted and bloody campaign of intimidation resulted in an exodus of 62,000 Sarajevo Serbs.<sup>54</sup> Many fled to the section outside the IEBL line, Istočno Sarajevo, or

# POLITICAL MAP OF BOSNIA HERZEGOVINA

- Cantons of the Federation**
- 1 UNA-SANA
  - 2 Zapadna Hercegovacka
  - 3 Zapadna Bosna
  - 4 Hercegovacka I Neretva
  - 5 Sarajevo
  - 6 Goražde
  - 7 Srednja Bosna
  - 8 Zenica-Doboj
  - 9 Tuzla
  - 10 Posavina

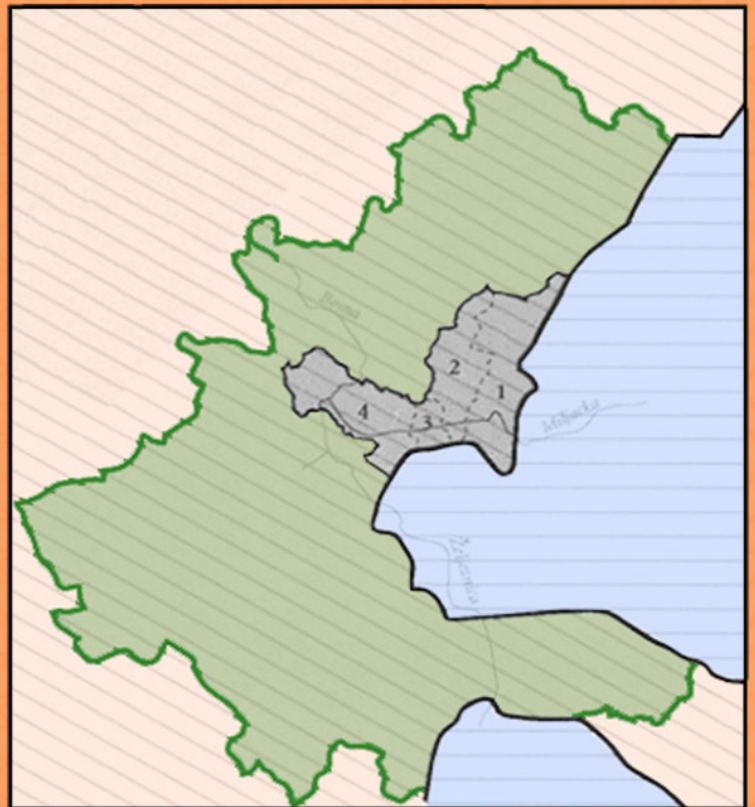
- National Capital (380,000 in 2003)
- over 150,000
- Chief town of canton



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# MAP OF PRESENT DAY SARAJEVO MUNICIPALITIES

-  Republica Srpska
-  Federation of Bosnia & Herzegovina
-  City of Sarajevo
-  Sarajevo Canton
-  Boundary Between Federation of Bosnia & Herzegovina and Republica Srpska



from Robert J. Donia, Sarajevo: A Biography (London: C. Hurst & Co., 2006).




## Municipalities

- 1 Stari grad
- 2 Centar
- 3 Novo Sarajevo
- 4 Novi grad

# MAP OF POST-WAR SARAJEVO



Adopted from Gül, Murat, & John Dee. "Sarajevo – A City Profile." Cities 43 (2015): 152–66

-  Federation of Bosnia & Herzegovina
-  Republica Srpska
-  Boundary Between Federation of Bosnia & Herzegovina and Republica Srpska

Eastern Sarajevo, which today is populated mainly by Serbs. No longer a multi-ethnic city, Sarajevo is now firmly controlled by the Bosniak majority. Though no checkpoints or borders exist between the sections, the boundary separates interactions and largely determines ethnic settlement patterns inside the urban area.

## PHYSICAL RECONSTRUCTION STAGES

In the twenty years since the Dayton Accords were signed, Sarajevo has been slowly rebuilt, at least physically. Buildings have been repaired, streets repaved, and the center seems largely free of wartime scars. Still, the underlying social fabric of the city remains intensely damaged, and many residents despair over the future of Sarajevo. An early optimism present during initial reconstruction has largely faded. Ethnic divisions have allowed for Sarajevo to rebuild without haggling between groups, but have also constrained and deteriorated the multi-cultural soul of the city present before the war. Reconstruction moves slowly, and nationalist actors from all sides often undermine what incremental progress has been made. The process leading up to the current state of affairs can be separated into four phases:<sup>55</sup>

- Physical reconstruction and the containment of conflict from 1995-2000;
- An international protectorate created in reaction to nationalist obstructions, from 1997-2006;
- State-building improvements from 2000-2006; and,
- Gradual withdrawal of international donors and regression in state reforms and reconstruction from 2006-present.

Though the processes inside each stage overlap, they provide a framework to view the changes inside both Sarajevo and Bosnia-Herzegovina. The first stage of reconstruction and containment included the deployment of the 60,000 strong NATO Implementation Force (IFOR), which had a large deployment in a base near Sarajevo. That stage also utilized the bulk of donor funds dedicated towards economic recovery and reconstruction. Following the Dayton Accords at the end of the war, the World Bank, European Commission, the European Bank for Reconstruction and Development (EBRD), and the U.S. Agency for International Development (USAID) launched a \$7.1 billion (in 2014 dollars) Priority Reconstruction Program to repair infrastructure and key elements of the economy.<sup>56</sup> However, insufficient tracking of donor aid and a lack of cohesive fiscal oversight between the numerous groups attempting to rebuild BiH render precise reconstruction expenditures difficult, if not impossible, to ascertain. Though no comprehensive reports of post-war aid exist, conservative estimates of the total reconstruction assistance granted from 1995-2000 alone range from \$13.7-16.4 billion.<sup>57</sup> Some individual donors have, however, reported their expenditures. For example, the European Commission and EU member states from the end of the war through 2013 provided aid totaling at least \$17 billion.<sup>58</sup> More inclusive estimates that go beyond direct reconstruction aid to encompass peacekeeping costs, economic assistance programs, humanitarian aid, and indirect forms of assistance, suggest that between \$97 and 111 billion were spent from 1995 to 2000.<sup>59</sup> The largest aid givers to Sarajevo from the end of the war until present day are the World Bank, the European Union, USAID, and Sweden's aid agency Sida.

The second and third stages were characterized by international frustration with a lack of action by the national governments, and culminated with the OHR taking a series of extraordinary measures to set BiH on a different path. In 1997, the Peace Implementation Conference – consisting of several international countries and organizations tasked with overseeing the peace process – expanded the role of the OHR by granting it sweeping powers.<sup>60</sup> From the removal of obstinate and corrupt politicians, to the passing of 100 economic reform measures in 150 days, the OHR then accelerated the reform process inside BiH.<sup>61</sup> The appointment of Wolfgang Petritsch as High Representative in 1999 saw an even harder line taken towards obstructive elements. During his tenure, the Property Law Implementation Plan (PLIP) resulted in an increase of property returns as well as general adherence to the law. Though the presence of an inter-

national governor was seen as problematic in academic and policy circles, Bosnians generally responded favorably to the reform agenda. Greater movement towards state-building, voting, and the formation of an actual constitution continued until 2006. That year, immense U.S. and international pressure led to a vote on a new constitution that would have entailed sweeping political changes. It failed, and the credibility of many international institutions fell with it.<sup>62</sup>

The last and most recent stage came into effect after the failure of the 2006 constitutional reform. International donors, though still publicly supportive of reform efforts, have become increasingly pessimistic about the future of Bosnia. EU and USAID funding has diminished greatly.<sup>63</sup> This has been accelerated by donor fatigue, numerous global humanitarian crises, and challenges to the democratic legitimacy of international bodies in Bosnia like the OHR. Many challenges in rebuilding Sarajevo and the country have been overcome, but more remain. Widespread demonstrations in 2014 were cautiously interpreted as a sign of democratic progress, but no substantial political changes occurred during elections that fall. Simultaneously, chronically poor regulation and poor governance exacerbated intense flooding in May that same year.<sup>64</sup> Reflecting on the latest failures, while keeping in mind the successes from the stages before, allows Sarajevo to offer lessons from both its commendable and resilient reconstruction of much of the urban environment, while providing cautionary notes for future post-conflict reconstruction efforts.

## BASIC INFRASTRUCTURE

The immediate priority after the conflict was restoring basic infrastructure. Most of Sarajevo's telecommunications, electricity supply, roads, and water networks were destroyed. Only a fifth of the city had water and power.<sup>65</sup> As the restoration of basic services began, the City Development Institute planning office prioritized "glassing," the replacement of glass in buildings around the city.<sup>66</sup> Government and offices received service first, but residential buildings followed shortly. Efforts of the City Institute, funded by international donors, were bolstered by USAID-funded non-governmental organizations (NGOs), including Catholic Relief Services and the International Rescue Committee.<sup>67</sup>

Network infrastructure, particularly water and power, were also rebuilt during this period. Through 1999, at least \$1.35 billion in commitments and \$713 million in disbursements by donors, alongside governmental and private investment, nearly completely restored basic network infrastructure across the country.<sup>68</sup> Prior to the war, the energy sector of BiH was divided between hydroelectric and thermal coal plants, but output plummeted to half of pre-war levels by 1995. Within three years' time, generation had returned to 87 per cent of grid capacity and Sarajevo had been effectively repowered.<sup>69</sup> While other parts of the country continued to experience issues, Sarajevo's own utility company managed to restore services inside the city with relative ease.

Restoration of water continued alongside the rehabilitation of electric grids. Around \$1.42 billion was allocated to the water sector by donors through 1998.<sup>70</sup> However, the utility sector dis-invested massively due to low payment rates and high maintenance costs. As a result, water supplies remain in poor shape throughout Sarajevo.<sup>71</sup> Municipal water in Sarajevo, plagued by neglect and wartime destruction, loses much of its capacity to leakage. While service was restored to the city's residents, a lack of consistent upkeep has led to water shortages across the city until as recently as 2013.

District heating programs, which served much of the city before the war, were badly damaged from corrosion and cracking from disuse during the siege. By the end of the war, functional heating in the city had dropped by two-thirds. By 1998, however, investments of around \$145 million had removed illegal

connections to natural gas lines and resupplied 90 per cent of flats in Sarajevo with district heating.<sup>72</sup> Through self-help programs, by which citizens would receive either cash or materials to repair their own heating systems, restoration was completed rapidly.

Roads and telecommunications were gradually restored. Bringing in private sector involvement, particularly for telecommunications, was generally successful in the later years of the restoration process. Cellular companies emerged and local internet firms began to compete with the dominant state service. Local telecommunications were initially dominated by formerly state-run and often corrupt firms.<sup>73</sup> The legacy of state monopolies, namely BiH Telekom, allowed single firms to dominate the market. International telecom companies entered into Bosnia following market liberalization during the early 2000s. Cell phone adoption rates surged with new competition and now stand at 80 per cent or higher across the country. Roads and transportation networks were also repaired within three years following the end of the siege. The Sarajevo airport reopened to commercial traffic, and main railway lines were rebuilt and operational by 1999. Tramlines inside Sarajevo, reopened in the early stages of reconstruction, were only fully upgraded and reworked in 2013.<sup>74</sup> Road networks, even to this day, remain of mixed quality.

## SHELTER AND PROPERTY RESTITUTION

During the initial reconstruction of infrastructure, the city turned to repairing damaged and destroyed housing stock. Few new buildings were built. Reconstruction instead occurred slowly across the city. Beyond the physical need for repairs, property restitution was fraught with challenges rooted in the transition from collective to individual property rights, and in the occupation by political elites and Bosniaks alike of housing owned by people who had left the city.

Housing reconstruction was mainly guided and funded by a variety of international organizations, most notably the OSCE, Sida, and Catholic Relief Services. Nationwide, an estimated \$1.02 billion was committed towards housing through the end of 1998.<sup>75</sup> A lack of donor coordination led to significant overlap during this process. A variety of approaches of varying efficacy were pursued. As a comprehensive Sida audit put it, “lacking any overall strategy, the international housing interventions were implemented according to presumptions... [and misguided] perceptions.”<sup>76</sup> Additionally, without the development of a strategic plan for settlements and reconstruction, numerous forms of illegal housing developed on the hills surrounding Sarajevo.

Initially, concerns over the quality of housing led the OSCE to commit to providing limited funds and materials for individuals to rebuild their own spaces, but the space repaired was capped at only 7 m<sup>2</sup> per person due to limited funding.<sup>77</sup> Funding from USAID and the EBRD also contributed to housing repairs, including new roofs and elevators for many apartment complexes in Sarajevo.<sup>78</sup> By the end of 1998, the majority of Sarajevo’s housing stock had been restored to a semblance of normalcy, even while significant issues remained with property restitution and ownership.

Wartime laws on abandoned property required the previous owners, many of whom had fled for their lives, to file claims within 7-15 days of leaving. This impossible requirement, coupled with the subsequent occupation of homes, created an insufficient legal and practical system for returning property. The Dayton Accords established the Commission for Real Property Claims of Displaced Persons and Refugees (CRPC), which had a staff of around 300 and field offices around the country.<sup>79</sup> However, while the CRPC issued decisions granting housing returns, implementation of its decisions was near impossible: only three per cent of all its decisions resulted in restitution. Titles were difficult to acquire due to lost records during the war and dysfunctional land registries. Local authorities stymied returns, often because



the very officials tasked with enforcing the CRPC orders were occupying properties. By 1998, rammed through by international pressure, a legal framework was erected for the return of property, but four main obstacles hindered restitution:

- Political obstacles
- Institutional problems
- Housing problems
- Timeliness

The PLIP, launched four years after the end of the war, successfully dealt with most of these issues. Rather than emphasize the importance of returns, it focused on individual property rights and the rule of law, effectively shifting the discourse around property return. The PLIP represented a joint international effort between the previously mentioned CRPC commission, the OHR, the OSCE, United Nations Mission in BiH, and the UNHCR. The OHR, as the highest power in Bosnia, took a particularly heavy-handed approach by using its sweeping Bonn powers, endowed upon it by the international community a year prior, to facilitate property returns.<sup>80</sup> The plan depoliticized the property issue by institutionalizing returns through legal and administrative standardization, rather than ad-hoc local processes often dominated by a single ethnic group. Tangibly, the PLIP harmonized legal codes requiring property return across the two entities and coerced the 140 municipalities tasked with implementing the laws into compliance. Through the OSCE, UNHCR, and OHR field offices, the PLIP monitored implementation of the property laws and developed strong oversight of local police agencies responsible for evictions and enforcement. Further, the plan demanded respect for property law by public officials: police, elected officials, and judges were required to vacate illegally occupied property, or face dismissal by the OHR.

The PLIP effectively stopped efforts by local authorities to use ethnic or political means to derail the process. Prior to the plan, many housing units had been occupied by political or military elite whose interests were protected by local administrations. Afterwards, however, the PLIP allowed the OHR to remove from office any figure obstructing property returns. Though admittedly non-local in legitimacy, the PLIP was highly successful and remains well regarded by almost all Bosnians.<sup>81</sup> The project accelerated from 2000 onward, led by a more active High Representative, Wolfgang Petritsch, who pushed issuing basic documents and permits for housing. Thus, the international community, headed by the OHR, successfully broke the property return impasse and largely resolved the primary issue confronting Sarajevo in the post-conflict period. However, the process has been criticized for being driven by international, not local, efforts.

In 1999, after the launch of the PLIP, only 12 per cent of claims had been resolved. By 2005, 93 per cent had been resolved.<sup>82</sup> The success of property return, however, obscures an unfortunate reality: “the selling of repossessed units ... is cementing the ethnic sorting of post-war Sarajevo.”<sup>83</sup> The process, which was often linked to the return of previous owners, led to fictive returns when former owners would sell their property to the current occupants,<sup>84</sup> leading to a gap between actual returns and the relatively high rate of property issues settled (93 per cent by 2005). Because no organization or government agency tracks those who reclaim their property only to sell or relocate elsewhere, reliable figures on actual, physical returns are not available. Unfortunately, Sarajevo has the highest rate of unresolved property claims and the lowest rate of the property law implementation (87.6 per cent) in Bosnia.<sup>85</sup> Entrenched and politically dominated local administration, coupled with high property values, hinder claim resolution inside the capital.

## REFUGEE AND IDP RESETTLEMENT

The housing issue overlaps with the return of refugees and internally displaced persons (IDPs) to Sarajevo. Over the course of the war, one to two million people were displaced inside BiH, and an additional 1.2 million fled the country.<sup>86</sup> Postwar Bosnia became extraordinarily segregated: in 1997 94.8 per cent of residents inside the Federation identified as Bosniak or Croat, while 96.8 per cent inside Republika Srpska identified as Serb.<sup>87</sup> In 1991, only twenty per cent of Bosnia's municipalities had one ethnicity make up more than 50 per cent their residents. By 2006, however, only two communities had ten per cent or more of minorities.<sup>88</sup> Those who returned to Sarajevo were overwhelmingly Bosniak. Returnees to the city included former residents of the city, those who remained but shifted homes during the siege, and newcomers, often from villages they could no longer return to. Internal stereotyping of the new arrivals to Sarajevo stigmatized them as villagers, ill-suited to the cosmopolitan life of the capital. Nevertheless, those biases did nothing to deter immigration.

By 1997, those previously living in other parts of BiH made up some 40 per cent of Sarajevo's total post-war population influx.<sup>89</sup> The urban setting of Sarajevo and the presence of a comparatively strong economy buoyed by international support drew internally displaced persons from across Bosnia to Sarajevo. Such a trend continued in recent years, driven mainly by economic motives. Public opinion polls in 2010 and 2013 both reflect a high degree of concern about the economy, while also indicating that 72 per cent of citizens in Central Bosnia have seen their quality of life deteriorate in recent years.<sup>90</sup> People in rural regions, in particular, perceive the country to be worsening, likely driving further migration to Sarajevo. Interviews inside Sarajevo note a cultural cap between newcomers, derogatively called *papak* or *sejak*, both terms roughly translatable to "peasant," who are often seen to be either uncultured or lacking the skills for urban life. Outsiders from Sarajevo have long been perceived negatively, possibly owing to a provincial pride and particular exceptionalism among those native to the capital.<sup>91</sup>

Until 1997, refugee return focused on the easiest targets: those, mostly Bosniaks, who had gone abroad and sought to return, and those who had been internally displaced. While Sarajevo's Bosniak population nearly doubled, almost the entire Serb population left. Many had remained during the war, or lived in other sections of Sarajevo, but some 62,000 Serbs were driven out following the Dayton Accords. A 15-day deadline to reintegrate municipalities was extended to three months, allowing the time for a massive campaign of intimidation against minorities.<sup>92</sup>

Concern over the lack of minority returns led to the Sarajevo Declaration of 1998, which sought to position the city as a model for multi-ethnic return and made further aid conditional on the return of 20,000 minorities that year. The target was not reached and local authorities were highly uncooperative, refusing to evict people who had received flats as political favors, blocking restitution claims, and turning a blind eye to discrimination against returnees.<sup>93</sup> General rates of minority returns to Sarajevo accelerated in the years following, peaking in the early 2000s, but sustaining these returns is tenuous: a lack of urban planning and guided, economically supported programs undermine their livelihoods. The figures below, provided by the UNHCR and Canton Sarajevo administration, also inflate returnee figures. Many 'returning' minorities only did so to re-acquire and then sell their properties and assets and move to their own ethnic enclaves or abroad. Thus, property restitution did not result in the actual return of many refugees and IDPs.

Table 1: Ethnic Composition of Sarajevo by Year<sup>94</sup>

	1991		1997		2002	
Bosniaks	252,000	50 per cent	303,000	87 per cent	319,245	79.6 per cent
Serbs	139,000	28 per cent	18,000	5 per cent	44,865	11.2 per cent
Croats	35,000	7 per cent	21,000	6 per cent	26,890	6.7 per cent
Others	75,000	15 per cent	7,000	2 per cent	10,118	2.5 per cent
<b>Total</b>	500,000		349,000		401,118	

After such a violent, ethnically charged conflict, the assumption that different groups would return to Sarajevo seems in retrospect naïve, and a restoration of the 1991 levels of inter-ethnic mixing unrealistic. Rather, the partition of Sarajevo into a Bosniak majority core and a divided Serbian section in Eastern Sarajevo will likely continue, hampering interactions between the ethnic groups well into the next generation. Overall, while an estimated 30 per cent of refugees and IDPs had returned to their homes by 2004 across BiH, significant changes in the demographics of Sarajevo have altered the composition of the city for the foreseeable future.

VIJECNICA AND THE MILJACKA RIVER, 2013. PHOTO: GALEN LAMPHERE-ENGLUND



## PUBLIC BUILDINGS AND HEALTH FACILITIES

Beyond homes and apartments, many of Sarajevo's other buildings were destroyed during the siege. Bosnia's capital building, an iconic modernist tower, burned along with the rest of the city. So too did Vijećnica, the city hall and library where thousands of irreplaceable books were destroyed.<sup>95</sup> Government offices, the hospital complex, and other public facilities were heavily damaged: 35-50 per cent of all health care facilities across Bosnia were damaged.<sup>96</sup> Post-war, government offices received priority during the initial installation of glass across the city. No new schools or hospitals were built, as state funding and international investment went towards other areas deemed more essential first.<sup>97</sup> Schools inside Sarajevo were mostly rebuilt physically by the end of 1998, but serious internal issues with the education system remain to this day and are covered later in this report.

By 1998, BiH paid more attention to hospitals and diverted around \$320 million (in 2014 dollars) from international donors to renovate and re-equip hospitals on an emergency basis.<sup>98</sup> Later, by 2003, the government of BiH increased annual healthcare funding to \$728 million, but a lack of control mechanisms left the majority of funding subject to systemic corruption and the health care system remains in a general state of crisis.<sup>99</sup> A lack of qualified doctors, many of whom left the country to pursue better paid work elsewhere, also holds back the health care sector. Interestingly, though interviews and anecdotes confirm the above, no statistics track the exact decrease in doctors since 1996.<sup>100</sup> New private clinics in Sarajevo provide a higher grade of care, but are prohibitively expensive for most residents. There



BBI CENTAR IN SARAJEVO, 2013. PHOTO: GALEN LAMPHERE-ENGLUND

were numerous public health projects in BiH, but quality control was insufficient and few resulted in evidence-based gains for the country.<sup>101</sup> Perception of health care quality in public opinion polls is also quite low, with less than half of respondents in Sarajevo reporting quality care.<sup>102</sup>

### *CASE STUDY: RECONSTRUCTING VIJEĆNICA (CITY HALL)*

Vijećnica, a Moorish-style complex building during Austro-Hungarian rule, housed the National Library before the war. Shelling during the siege of Sarajevo destroyed more than 90 per cent of its collection. Rebuilding Vijećnica lasted from 1996-2014 and cost 12 million euro, even though the original building took only two years to complete. Reconstruction occurred in four phases due to funding constraints.

The City of Sarajevo ran a promotional campaign for Vijećnica and successfully solicited from the libraries of Budapest, Prague and Spain, along with EU Structural Funds. Periodic reports to donors documented the use of funds and charted the rebuilding process. As the building was nearly completely destroyed, the fortunate discovery of original plans in Zagreb and Vienna facilitated a close reconstruction to the original form.

However, following the completion of the building in 2014, an ongoing political dispute characteristic of the general reconstruction of Sarajevo ensued. Before the war the entire building was a public library, and the library retains legal title to the building. However, the municipal administration is now attempting to take over almost all the building for city offices, including opulent mayor's quarters. Furthermore, an enlarged city council room now seats 68, compared to the original 30. As of February, 2015, the building was partially unoccupied pending a resolution of the dispute.

## INDUSTRY AND BUSINESS

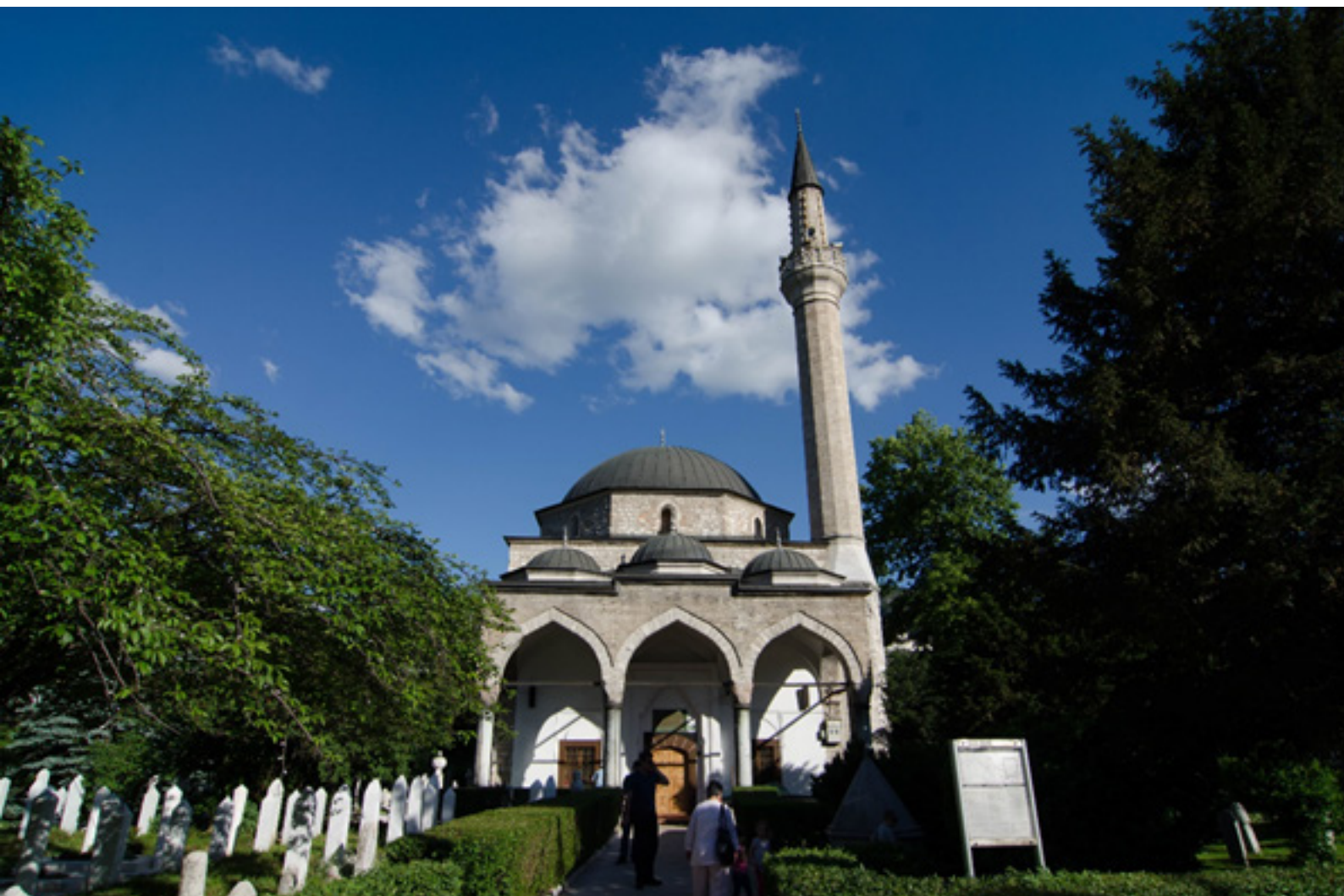
Apart from public buildings, the economic revitalization of Sarajevo depended upon the rebuilding of businesses and industrial production facilities. The first years following the siege were marked by a dire economic situation across the country. The conflict largely destroyed Bosnia's former state-controlled enterprises and industrial capacity that focused on heavy industry and skilled production. Bureaucracies and political power holders controlled resources, while organized criminal syndicates that emerged during the war continued their operations afterwards.

International aid targeted a rapid transition to a market economy, and provided massive credit to create a modern banking sector and facilitate the changeover. Compared to the post-war situation in 1995, the socio-economic situation in Bosnia improved during each of the following years.<sup>103</sup> Real GDP grew slowly until 2000, then improved rapidly until 2008, growing at an average of 3.5 per cent per year. GDP per capita grew until 2008 as well, yet growth has since stagnated due to the global financial crisis and internal economic turmoil.<sup>104</sup> Even so, today the government sector remains responsible for an estimated 50 per cent of GDP.

What gains have been made have not been well distributed. Youth unemployment sits at nearly 60 per cent, and the World Bank has consistently downgraded Bosnia in its Ease of Doing Business index over the past several years. Somehow, despite these structural issues, GDP growth returned to BiH.<sup>105</sup> An economic paradox sits at the core of the Bosnian economy: despite being prohibitively difficult to do business, let alone make a living, the economy continues to grow every year. The general consensus among diplomats, locals, and financial officials suggests the cause stems from a massive, corrupt system of patronage inside the country.<sup>106</sup> The correlation between the economy and corruption does not come

as a surprise to the Bosnian public: National Democratic Institute opinion polls in 2013 placed corruption as the largest issue facing BiH, followed by the state of the economy.<sup>107</sup>

Bosnia is also home to a substantial informal economy. Official statistics fail to take into account participation in the informal sector, which is largely driven by agricultural employment, as well as criminality. Though estimating the size of the informal economy is difficult and has only been assessed by a limited number of studies, approximations suggests it accounts for around 30-50 per cent of official GDP.<sup>108</sup> Taking the official 2013 GDP of BiH, \$17.85 billion, and a conservative estimate that the informal sector accounts for 38 per cent of official GDP, then nearly \$7 billion annually circulates in Bosnia-Herzegovina outside formal, taxable economic structures. Much of these flows pass through markets like one in Stup, a suburb of Sarajevo. Originally a meeting point for illicit and black market supply lines into the city during the siege, the Stup market continues to be part of the informal economy as a large flea market today.



SARAJEVO MOSQUE, 2013. PHOTO: GALEN LAMPHERE-ENGLUND

A few hour's drive from Sarajevo lies the Arizona Market, an epicenter of illicit activity and economic growth where all ethnicities exchanged goods and often sexual services after the war. Attempts to regulate the market in 2002 merely drove informal activities underground.<sup>109</sup> Most economic initiatives in BiH have ignored the clandestine economy, but “what is needed is greater recognition and understanding of its considerable complexity, ambiguity, and embedment within larger political and economic problems in the aftermath of war.”<sup>110</sup>

Inside Sarajevo, the post-war 1990s was characterized by a vast increase in a service economy mostly oriented to serve international organizations and NGOs, while political issues obstructed industrial development around the city. Air quality in Sarajevo today is considerably cleaner than in the pre-war period, as almost all heavy industry around the capital has ceased to function. The early failure to restore a large Volkswagen (VW) plant just outside the city, despite the offer of hundreds of millions of dollars from the German firm, illustrates the political deadlock and barriers that continue to impede progress.<sup>111</sup> The plant had functioned during Yugoslav times and was a large employer for the city, but was destroyed during the war. VW offered to repair the plant and restart production, and was prepared in 1997 to invest some \$25 million to revive the suburban plant in Vogosca that once produced 40,000 Golf models each year. However, political wrangling over permits stymied the plan. Representatives of United Industries Sarajevo (UNIS) controlled 51 per cent of the plant and sought to maintain pre-war employment levels at 3500 workers. After an initial failure to reach a deal, the BiH government sacked its negotiator and came to an agreement with VW to start with 500 workers.<sup>112</sup> The plant exported vehicles to Europe until 2008 due to low trade tariffs with the EU. After the customs rates increased, the plant stopped production of vehicles and now produces a small number of chassis components, but has been rumored to be in the process of shutting down entirely after a series of labor disputes.<sup>113</sup>

In place of holistic economic programs or production facilities, Sarajevo has become home to a series of massive shopping malls stocked with expensive imported goods. No fewer than four large centers have been built over the past decade. Architects associated with the projects herald the centers as “shopping galleries” where residents can enjoy shared public space. In the absence of public funding for the creation of new public spaces, these privately funded ventures, often by investors from the Gulf States, are defended as a balance between investor desires and public good.<sup>114</sup> Others, including the president of the Association of Architects of BiH, commented that the shopping centers were merely “copying the models from some other cities that do not adjust to Sarajevo. ... The basic elements of the plan were tailored for those people who do not live here and that do not know or are not aware of the location of this space.” On the contrary, he added, “the new building should establish a dialogue with its environment.”<sup>115</sup> The centers are contentious and often derided as money laundering schemes, though little tangible evidence has been unearthed. Even if true, the likelihood of prosecution remains slim: a 2014 investigation into organized crime in Bosnia found that bribery in the executive and judicial branches was common and high-level convictions were almost unheard of.<sup>116</sup>

## RELIGIOUS BUILDINGS

Significant funds were invested into new religious buildings in Sarajevo and across the country. Outside donors, notably Saudi Arabia, Malaysia and Indonesia, built a series of new mosques and renovated ones damaged during the war. Shortly after the war, many international Islamic organizations that provided relief to BiH incorporated religious elements in their work, but the Bosnian state began to install oversight of religious organizations finances around 2000, effectively controlling international religious influences.<sup>117</sup> Many of these structures were ill-suited to Sarajevo and not designed for the humid Bosnian climate, as well as ideological differences that shaped other forms of internal decoration.<sup>118</sup> Traditional Bosnian mosques are wooden, often incorporating a square minaret that bears some semblance to older Ottoman mosques. Also, the King Fahd Mosque, a massive structure in the Novi grad section of Sarajevo, was donated by Saudi Arabia and looks decidedly out of place among the Socialist block apartments. The mosque, still maintained by the Gulf state, includes an Islamic community center that local Islamic leaders are reluctant to take over due to high operating costs, even though the Imam is Bosnian.<sup>119</sup>

Similarly, the Gazi Huzbeg mosque in the old town of Sarajevo was initially renovated without the internal dome adornments present in the original mosque. While some attributed this to an ideological aversion held by Saudi funders, Muslim leaders in Sarajevo contend that the early blank roof was only due to an initial lack of funding. Today, the decorations have returned to the ceiling of the mosque. Most of the mosques in Sarajevo have been restored faithful to their original designs, though some, such as the Glass Mosque in the suburbs, represent a modernist interpretation of what Bosnian Islam could look like. Overall, the heightened presence of Islamic structures, from schools and mosques to Islamic-bank funded shopping centers such as BBI Centar, contribute to the so-called “greening” or Islamization of Sarajevo. While not thoroughly analyzed, Sarajevo’s religiosity after the war appears higher than before, and the architectural developments inside the urban space mirror that change.<sup>120</sup>

Islam in BiH is a distinct, moderate version of the religion composed of Sunni Hanafi and Maturidi schools mixed with Sufi elements. After 20 years of exclusion from the social sphere during the latter period of Communism, the Islamic community is slowly acclimating to its social role dictated by the Islamic pillar of Zakat, or charity. The Islamic Religious Community of Bosnia oversees the structure of schooling and training for religious teachers, and has generally restrained its role to that of Islamic education out of the belief that the state should provide for physical needs of the people. While new religious structures that followed the war were often funded from sources backing Wahhabi and Salafi ideological views, claims that the Islamic community inside BiH is influenced from abroad are largely exaggerated. The operational budget of the community is locally-based and, while physical reconstruction was often funded by foreign donors, day-to-day religious practice is locally grounded. If anything, Muslim leaders note a decided discrimination against foreign Salafi and Wahhabi practitioners inside Bosnia.<sup>121</sup> Individual mosques collect their own incomes to pay for their Imam, while a proportion of donations are sent on to the national community association that commands a budget of around \$4 million.

Inside Sarajevo, other religious structures have also been restored, including a renovated Catholic seminary, Franciscan and Orthodox churches, and rebuilt synagogues.<sup>122</sup> The funding for these also mainly originated from international donors. While the main Catholic, Orthodox, or Jewish congregations have not returned, the buildings have been restored and small groups do attend religious services. Curiously, the Catholic Church in the center of Sarajevo hosts a massively popular Christmas service each year attended by thousands, many of whom are Muslim or non-religious. While the free wine might help draw such a crowd, the practice also provides a glimpse into the multi-ethnic and inclusive Sarajevo that has largely been forgotten.



## BEYOND THE PHYSICAL: OTHER ASPECTS OF RECONSTRUCTION

The multi-faceted rehabilitation of Sarajevo's urban spaces has, for the most part, progressed well. Though poorly coordinated and mostly unplanned, Sarajevo looks mostly rebuilt today. Other, critical, elements of reconstruction have not fared as well. Urban systems are much like any ecosystem and consist of a diverse array of institutions, taken here broadly to include cultural values and practices, along with traditional institutions such as government bodies, educational structures, and so on. Recreating these elements has taken much longer and is not yet complete. Widespread corruption hinders development, and the initial donor focus on physical elements failed to develop the institutional capacity of the city.

### REBUILDING GOVERNMENT INSTITUTIONS

Rebuilding cities should include efforts to improve local administration, government bodies and urban planning capacity. Unfortunately, inside Sarajevo, such issues never took priority in the early years of reconstruction. By focusing on rebuilding physical elements and not revamping institutions in a way that could avoid recreating the dysfunctional arrangements from before the war many well-intentioned plans were waylaid by political obstructionism, improper planning and coordination strategies. An illustration: out of the 1.6 billion euro pledged for development in the Stability Pact for South Eastern Europe (2000), only 30 million were dedicated towards local government and public administration.<sup>123</sup> Of the same budget, one billion euro were pledged towards infrastructure, but only 2.4 million towards judiciary and policing efforts. Similar funding biases existed across Bosnia during the first ten years of reconstruction.

Ongoing political dominance of municipal elections in Sarajevo by nationalist parties was, at first, not completely assured. In 1997, the city's four municipalities were incorporated by national constitutional reform to create the City of Sarajevo. Subsequently, a city council was formed with 28 members, of which at least 20 per cent would come from each of the three ethnic groups in the Federation's constitution.<sup>124</sup> The intent was to create a shared governance structure inside Sarajevo. However, in 2001, this was replaced with a popular vote system without ethnic quotas. Without these controls, only one seat was filled by a minority by 2003.<sup>125</sup> Today, the council has enlarged its ranks, but remains firmly in the control of nationalist Bosniak parties. Interviews with leaders in the international community highlight that stronger and earlier insistence on political party development by allowing for a longer period for parties to mature could have changed the political course of the city. Furthermore, the long-standing confluence between political and economic issues has also not been addressed inside Sarajevo. Like the rest of Bosnia—which has 140 ministers and duplicate government structures for a population of less than four million—Sarajevo's political system is highly inefficient.

The post-war impact of urban planning on Sarajevo has been significant. Both under Austro-Hungarian and Socialism, Sarajevo was subject to strict and comprehensive planning regimes. Firstly, the conversion under Hapsburg rule of Sarajevo into a modern city in the Balkans represented a singular vision of the future of the city. Likewise, during Socialist rule, Sarajevo went through three distinct planning periods. The first comprehensive urban plan was crafted in 1948 and saw the city expand westward and northward, with huge housing complexes and industrial expansion. The second plan in 1965 grew the city further, creating the Marjin Dvor district, the Parliament building, and the iconic UNIS towers. The last phase, planned for the 1984 Olympics, became the final large infrastructure expansion of Sarajevo.<sup>126</sup> Each of these phases was overseen by the City Planning Department and, while architects were given some creative freedom, the city was structured in line with socialist ideology.



VIJECNICA AND MILJACKA RIVER, 2013. PHOTO: GALEN LAMPHERE-EN-GLUND

The post-war situation was marked by a lack of vision and urban programming. No single master plan for reconstruction was created, representing a split with the modernization plans of the previous century.<sup>127</sup> Instead of following the path laid by socialist planning, the transitional period veered sharply away from the utopian ideals of Yugoslavia. The Sarajevo Canton developed two plans: an initial design in 1999 that envisioned growth through 2015, and a second from 2002-2023. Despite goals of equal distribution of settlements and economic growth zones, neither plan has been followed. Informal grey spaces have flourished due to a lack of consultation between the federal level planning offices and those at the Sarajevo Cantonal level.<sup>128</sup> Architects lament these haphazard planning processes, as well as the changing nature of their profession in the post-socialist period.<sup>129</sup>

On the other side, city planners in Sarajevo grumble about the lack of funding and development of their own offices. In central Sarajevo, an architect with the OHR commented that the control of city planning rested in the hands of “mostly politicians, legal officers and everyone else except architects and urbanists. We do not have the needed urban planning capacity here.”<sup>130</sup> An excessive level of urbanization and destruction of public spaces has been overseen by incompetent leaders.<sup>131</sup> Licenses have been granted for large buildings and shopping centers without justification, often by leaders with undue influence over regulatory agencies.<sup>132</sup> Lack of consultations with experts led to no strategic planning for settlements. Unsustainable development patterns of illegal housing coupled with major flooding have led to 816 landslides on the hills surrounding Sarajevo between 2000 and 2014.<sup>133</sup> Urban municipalities, of which six still remain inside Sarajevo, are each responsible for their own planning. There are too many chiefs, each with

his own agenda: there have been six Chief Architects in the city since the end of the war.<sup>134</sup>

On the whole, the city has been moving towards unsustainable urban development that promotes a neo-liberal vision at the expense of vulnerable populations and inclusive growth. Early funding and institutional development at the local level could have resulted in better planning, coordination, and alleviated the issues currently restraining Sarajevo.



SARAJEVO PHILHARMONIC PERFORMANCE INSIDE VIJECNICA, 1995. PHOTO: AFP.

## CULTURAL INSTITUTIONS

Culture defines social life, shaping groups, building social capital and creating identity for cities. In the aftermath of the conflict in BiH, identity politics between Serb, Bosniak, and Croat groups have defined the feckless democracy. Memorialization of the war through monuments, cemeteries, and national holidays has reshaped Sarajevo into a city of memories surrounded by graveyards. The arts, especially music, played a large role in holding Sarajevo together during the war, but are today ill-funded and neglected. Along these lines, post-Dayton reconstruction policies suffered from an utter lack of awareness about culture.<sup>135</sup> Physical cultural spaces such as theaters, museums, and the Zetra Olympic complex were rebuilt in Sarajevo, but paltry funding for the arts and a deliberate policy of cultural exclusion have led to the closing of many museums in the city. The protests surrounding the closing of the National Museum, as well as the Sarajevo City Museum, were supported widely by the citizens of Sarajevo and cultural elite alike, but came to no avail. The Olympic Museum, one of the most interesting architectural buildings in the city, still sits empty. Today, the National Museum stands shut with a series of red bars across its well-restored front doors.

The music performed in the shelled cathedrals of Sarajevo during the siege transported audiences and musicians alike to a world beyond the conflict.<sup>136</sup> These groups were ethnically inclusive and reinforced the resilient identity of Sarajevo during the war. They demonstrate how cultural processes can create strong musical identities, groups, and communities that can withstand even the most violent of shocks.<sup>137</sup>

Local orchestra musicians and arts leaders note that arts are no longer respected and supported as they once were. As the civil society of Bosnia-Herzegovina has slowly declined since the late 1990s, so too have musical groups, who have increasingly struggled to find funding and support for their work.<sup>138</sup> Development programs often give lip service in support of civil society projects while the arts are frequently neglected for funding. A high-ranking official from the British Council in Sarajevo once noted that, if “I couldn’t quantify the results of a music project within six months, I would never authorize funding it.”<sup>139</sup> Such short-sightedness misses how culture can help rebuild vibrant societies inside cities. Bonds that supported the musical communities of Sarajevo during the war were not created overnight. Creativity surged during the war as a matter of resistance, yet the groups that performed more than 400 concerts during the siege relied on the roots, training, and membership developed before the siege.<sup>140</sup> For Sarajevo, failing to take the importance of culture into account during the reconstruction process was, and

remains, a massive oversight.

Memorialization of the war has also played a large role in reshaping Sarajevo. In the years following the siege, many shell craters were filled in with red paint and plaster to remember the war. Other, larger monuments are scattered across the city. A controversial statue opposite the BBI center, in the middle of Sarajevo's largest park, memorializes the children killed during the siege using inscribed names. Another large memorial in the central market, the site of the single most deadly bombing of the siege, similarly lists those killed. The cemeteries around the city, particularly the military cemetery, tell a decidedly ethnocentric perspective on the war. Similar monuments in the Eastern Serb Sarajevo retell another narrative. Both have the effect of reshaping space and memory along ethno-national lines to create new identities. Monument policies, in this sense, have been used to renationalize and emphasize "dividing memories, values, and practices."<sup>141</sup> This post-war division of monuments and heritage comes on top of the geographic separation present between the Federation, Republika Srpska, and in the segregated municipalities.<sup>142</sup>

## EDUCATIONAL INSTITUTIONS

While the physical reconstruction of schools in Sarajevo was largely finished by 1998, divisions and poor quality undermine the educational system. The Post-Dayton system let each of the 10 cantons inside the country set educational policy, further fragmenting the curriculum and educational standards. A majority of citizens polled in 2010 found educational system reform lacking and in need of improvement.<sup>143</sup> Though overall educational attainment and graduation rates are high, five factors impact the overall education system in BiH.<sup>144</sup>

- Disunity of the educational system;
- Ethnic idealization and suppression of multicultural attitudes inside classrooms;
- Unequal availability of education to all, particularly to Roma minorities;
- Inflexibility of the educational system, most of which remains unchanged from Socialist times; and,
- Promotion of undemocratic values through the dated curriculum.

The ethnically driven political domination of education policy has limited opportunities for students to meet peers from other ethnic groups. The division of Sarajevo has also created near homogeneous schools.<sup>145</sup> The current curriculum tends to teach ethnic victimhood and emphasize the guilt of others. National Democratic Institute polling data from 2013 found that people aged over 61 were far more likely to support equality inside BiH compared with the 18-35 group, indicating the impact of this approach on those raised within the divided education systems.<sup>146</sup>

Several local employees of an international organization responsible for educational funding also noted "the best period for the city was from 2000-2006, when the city was removed from the hands of politicians."<sup>147</sup> Early international funding focused on rebuilding physical schools and neglected the importance of capacity building for the entire education system. Partly because of that missed opportunity, curricula are now divided and graduates are unprepared for the workplace. Other policies, while well-intentioned, only exacerbated the problem. Take, as example, the two schools under one roof policy advocated by the OSCE in an attempt to place multiple ethnicities in the same building. The policy also created separate classrooms for different ethnicities and therefore more division and alienation. Further,

emigration from BiH has led to a shortage of students, raising the system's overhead costs. In sum, policies viewing education as only the physical presence of schools have resulted in a system in Sarajevo that remains antiquated and of poor quality.

A different future could have been possible by prioritizing three key areas in the initial phase of reconstruction after the siege. Firstly, remedying the fragmented decision making led by the 13 education policymaking bodies inside BiH should have been an early priority. The creation of a national educational authority could have avoided this clash. Secondly, educational content and quality, not simply the reconstruction of physical schools, should have been a guiding mechanism for international funding objectives. Lastly, it should have been “recognized that educational quality is largely obtained through pedagogical processes in the classroom and that what students achieve is heavily influenced by the knowledge, skills, dispositions and commitment of the teachers in whose care students are entrusted.”<sup>148</sup> In other words, teachers and the development of educational professionals should have been a focus following the conflict.

## CORRUPTION

For all the progress made in reassembling the physical and intangible aspects of Sarajevo, each step was, and remains, beset by endemic corruption. Of all the issues facing BiH, an overwhelming majority, some 90 per cent of all ethnicities, identified corruption as the definitive problem holding the country back.<sup>149</sup> Defined as the “use of public office for private gain,” the post-war environment has proved fertile for a wide range of corrupt activities.<sup>150</sup> Criminal networks assembled during the years of war that smuggled supplies and arms into the city remained afterward, often run in conjunction with political figures. Paramilitary groups created during the war often took payment in the form of looting and worked their way into positions of power following the conflict. The massive influx of international funds following the war attempted to quickly deliver aid and change. However, despite an overall awareness among donors of malfeasance, corrupt groups still often managed to misdirect reconstruction aid to other causes. Power brokers, frequently wartime figures, could easily divert project bids towards their own companies. NGOs often were similarly co-opted into local power games.<sup>151</sup> U.S. General Accounting Office estimates from 2003 found that anywhere between \$1.7 million and \$522 million had been misappropriated.<sup>152</sup> The Office's most accurate estimates stand in the low millions: the large range reflects the disappearance of several hundred million dollars provided to local banks that subsequently failed under suspicious, uninsured circumstances.

Corrupt practices in BiH are widespread and present at many different levels. Exact tactics vary from institution to institution, and international groups led by the OHR attempted to put into place anti-corruption controls, but the problem remains. Small-scale bribes, usually around 112 euro, or 28 per cent of average monthly salaries, were paid by at least 20 per cent of the population in 2010.<sup>153</sup> Larger scale issues associated with corruption include examples such as:

A large study of corruption inside Bosnia authored by Vera Devine found that, of the \$407 million disbursed to state entities, it was nearly impossible to verify the actual use of funds. Such aid obscured larger losses to traditional sources of governmental funding through customs and tax evasion, which were estimated to cost around \$966 million—more than 150 per cent of the entire state budget.<sup>154</sup>

- A lack of recruitment controls for NGOs and international organizations during the early years of the reconstruction process led to nepotism and opaque appointments. Many of these people continue to work inside organizations around BiH.<sup>155</sup>

- Petty and administrative corruption are widespread, undermining public faith in the government.<sup>156</sup>
- Indirect corruption through high-level lobbying has led to many companies being controlled by party officials, and senior politicians to collude with criminal networks.

Bosnian officials have failed to address crime and corruption inside the country. A political-economic nexus now ensures that the interests of the ruling elite are secured through illicit means. Keeping companies in the hands of public firms controlled by ruling parties has also allowed nationalist political parties to retain control of much of the Bosnian economy.<sup>157</sup>

Rather than witnessing a process of democratization, pluralism, and a move towards a well-regulated, open, market economy, it is probably more accurate and useful to see contemporary [Bosnia] as a 'virtual' or 'neo-feudal' state in which power is concentrated locally, in mini-states, based on patronage, influence peddling, and mafia-like elites.<sup>158</sup>

Public procurement adds to the complex system of corruption, especially given that around 50 per cent of the GDP remains tied up in the governmental sector. In 2012, the State Aid law was adopted to address misdirected budget finances, but actual adherence to the law is unclear.

Donors have tried to back international attempts at reform for several years, including a high profile OHR campaign that, in the early 2000s, removed several openly corrupt politicians from office.<sup>159</sup> However, few anti-corruption projects remain inside BiH. The state Anti-Corruption Agency, appointed in 2011, still had not begun any investigations or activities by 2014. The agency's independence is debatable, while other bodies tasked with anti-corruption efforts are fully controlled by the government.<sup>160</sup>

General rule of law remains weak, and complicated legislation makes the legal framework susceptible to corruption. Law enforcement budgets are paltry, especially for prosecution and enforcement personnel. Salaries for staff of SIPA, the state agency tasked with high-level criminal arrests, were slashed in 2013, while other police agencies are equally underfunded.<sup>161</sup> Given a culture of administrative bribes, such budget cuts makes evading prosecution for wealthy individuals even easier. Few cases of corruption result in convictions. In 2010 only two corruption trials ended in jail sentences, while 2013 saw only 34 verdicts, of which few, if any, ended with sentencing.<sup>162</sup> The 2004 Transparency International Corruption Perception report found the judiciary to be the fourth most corrupt body in the government, while the 1998-2000 Judicial System Assessment Program (JSAP) found judges to be susceptible to the influence of local political figures and to be highly arbitrary when dismissing cases against well-connected public figures.<sup>163</sup> As such, corrupt activities inside BiH continue with almost complete impunity. Substantial reform would require mustering political will, effective and funded anti-corruption agencies, and extensive legal reforms.

## LESSONS FROM SARAJEVO

Reflecting on the reconstruction of Sarajevo twenty years after the Dayton Accords provides several key lessons that can be applied to other cities after conflicts. Though the circumstances of each city, and each conflict, are unique, drawing upon the experience of Sarajevo may provide guidance. The incredible influx of donor funds to Sarajevo after the siege created a situation both admirable and fraught with failures. Internationally sponsored development reshaped Sarajevo and returned much of the city to physical normalcy. However, the end of the war formed divisions and ethnic fault lines inside the city. Later programs to address these divisions came too little, too late. A lack of donor cooperation hampered other reconstruction programs, a problem that has been cited in nearly every audit and review of programs in BiH. Also, by failing to take into account the importance of institutional capacity building after the war, corruption crept into political and economic structures. Urban planning agencies never reached capacity, undermining long-term growth of the city. Failing to adopt a holistic view of cities to include culture, education, and economic development elements further constrained Sarajevo. Despite those shortcomings, the city remains largely rebuilt and functional for its citizens in many regards. As a filmmaker from the destroyed city of Homs, Syria, said of Sarajevo, “I can only hope that my city looks like this in 20 years’ time.”<sup>164</sup> Analysis of Sarajevo’s reconstruction provides five key lessons to realize that dream.

### PLAN STRATEGICALLY ACROSS SECTORS

A remarkable brief written in 1995 by a visiting urban planner to Sarajevo commented that any reconstruction effort would require a multi-sectoral approach, combined with integrated programs across those sections.<sup>165</sup> Twenty years later, the lack of coordination between donors, local government, and residents of the city clearly detracted from the efficacy of the entire reconstruction process. While international funding quickly reached the city, what donor coordination efforts existed were insufficient and led to duplication and gaps in funding.<sup>166</sup>

Going forward, reconstruction efforts must be guided by strategic, long-term plans for urban spaces shaped in tandem with local actors, governments, and donors.<sup>167</sup> Facilitating between many agencies will require a strong hand and resources. Creating a temporary single directorate to oversee reconstruction efforts could enable this. Locally staffed, possibly with urban planners and officials trained abroad, this agency would develop plans for the reconstruction process, allocate needs to varying donor agencies and local groups, and, ideally, incorporate diverse local input into the reconstruction process.<sup>168</sup> Plans developed by this agency should avoid fixed master plans for urban spaces, which have proved to be unsuitable for the organic evolutions of cities, and instead focus on a series of questions. Samples might include:<sup>169</sup>

- Which general frameworks can be put into place for planning and coordination?
- Who can be responsible for different phases of reconstruction?
- Who will be affected and displaced by reconstruction?
- What are the broad orders of population change over five, ten or 20 years?
- Where are the current and likely future development pressures?
- What are the physical constraints and opportunities for expansion?
- What are the likely infrastructural needs over a 10-20 year period?

## BUILD LOCAL INSTITUTIONAL CAPACITY BEFORE RECONSTRUCTION AND DURING EARLY STAGES

Among the shortcomings in Sarajevo's case, perhaps the most harmful was the lack of attention paid to local institutions during the early years of the reconstruction process. While cohesive planning will help external aid and local actors to work better together, local administration and authorities must be strengthened before and after initial reconstruction begins. Handling urban policies during the early years after a conflict will set precedents that can “shape long-term urban and political development, either to the benefit or detriment of subsequent democratic development.”<sup>170</sup> Many issues in Sarajevo could have been avoided by having the necessary urban construction permitting, planning, and administrative structures in place during the first year.<sup>171</sup> The long property restitution process that deterred returnees and enriched a select few; the illegal building across Sarajevo; the corruption of local political structures, and so on, all could have been mitigated to varying degrees by looking at what administrative needs the new city of Sarajevo would have had.

Though local institutional capacity building could occur through many means, one potential route would be to create a leadership and planning corps before the end of a conflict. By attempting to train those who have fled their home cities in urban planning, property rights, and administration, while simultaneously reaching out to parties still inside cities, a level of capacity to cope with the needs of building a city could be made ready before the cessation of conflict. Previous reconstruction efforts have shown that expeditious legal frameworks and municipal structures are key to ensuring sustainable growth of cities.<sup>172</sup> No matter what form such initiatives take, institutions cannot be neglected when tackling reconstruction.

## IMPLEMENT OVERSIGHT AND ANTI-CORRUPTION MEASURES

Rapid flows of contracts and cash create environments ripe for exploitation and corruption. Though international organizations were aware of the dangers of corruption in Sarajevo, the steps taken to address its corrosive effects were insufficient. Three main points should underpin any successful anti-corruption effort.<sup>173</sup>

- Ensuring public support
- Providing economic and regulatory context
- Securing legal and accountability frameworks

People must demand that donors create solid control systems, be willing to hold local leaders accountable, and be able to implement trip-wires that trigger the withholding of salaries or aid if large-scale corruption is uncovered. However, these regulatory frames must be backed up by public support. This can only come through outreach, education, and media support for anti-corruption. Lastly, strong legal frameworks – complete with the will, resources, and independent institutions to use them – must be developed as swiftly as possible to avoid the scourge of corruption.

Donors, governments, and reconstruction planners must also seek to inform NGOs and contractors of corruption risks.<sup>174</sup> Providing political support, training, and regular meetings to discuss potential corruption issues should be regular operating procedure. Information sharing, ideally facilitated by a local agency, about corrupt entities should also be a priority.



## ECONOMIC DEVELOPMENT MUST ACCOMPANY URBAN RESTORATION

The ongoing economic issues holding back BiH trace their roots to socialism and the eviscerating war, but they have been exacerbated by the slow implementation of pro-business practices after the conflict. Bosnia's transition from an industrial, socialist economy has been slow and incomplete, and remains held back by bureaucratic, as opposed to market, forces that shape the economy. Privatization was done in a haphazard manner and largely benefited specific interest groups.<sup>175</sup> Subsequent social and economic reforms have been slow to take effect and today BiH ranks 107 out of 189 countries in the World Bank's Ease of Doing Business report.<sup>176</sup> Starting a business takes an average of 40 days, requires excessive start-up capital, and often requires political connections and bribes to acquire construction permits. Given that sustainable returns of residents depend upon accessible jobs and economic growth, economic growth must be given due priority in the early years of reconstruction.

Specifically, though international donors recapitalized Bosnian banks and created capital flows in the first five years after the war, insufficient attention was paid to the capture of economic processes by national elites.<sup>177</sup> Early years of post-war reconstruction should instead target small and medium enterprise (SME) development by encouraging relevant government bodies to streamline business legislation and make starting a business as easy as possible. Likewise, construction permits should be granted in a transparent and accessible manner. This necessitates the development of urban authorities and institutions with the capacity to handle permit requests. Businesses need infrastructure and governments that can support their economic activities. Thus, restoring a city depends upon intertwined economic, institutional, cultural, and physical reconstruction. To ignore any of these pillars will undercut the foundation for all others.

## RECOGNIZE URBAN RECONSTRUCTION AS AN ECOSYSTEM

Cities are vibrant spaces, far more than the sum of concrete, steel, and copper from which they are built. Successful reconstruction cannot be merely functional for cities to be reborn. Instead, it must recognize the cultural nuances that give vitality to urban life. In Sarajevo, reconstruction policies largely ignored culture, arts, and social changes. While understandably focused on basic needs in the early years, not including cultural support denies one of the major pillars that supports humanity. Maslow's hierarchy of needs neglects to explain why musicians performed to audiences of thousands during the deadly siege in Sarajevo, or why, in post-earthquake Haiti, ramshackle churches are filled with immaculately dressed parishioners each Sunday. Humans depend on culture, and cities, as human environments, even more so.

More tangibly, reconstruction policies should seek to work with cultural and educational initiatives. Education should promote common curriculum across city schools and include cultural lessons. Reconstruction funds should be allocated towards cultural practices that bring to the fore cosmopolitan and civil identities that can drive political change, innovation, and foster a spirit of hopefulness in rebuilt cities.<sup>178</sup> Similarly, housing policies should recognize that a home must be more than a building. Sustainable returns require security, the ability to be more than a passive recipient of aid, and economic opportunities.<sup>179</sup> Building a city from the remains of the old requires the reshaping of many facets, but like cutting a diamond, the final cut can be both resilient and beautiful.

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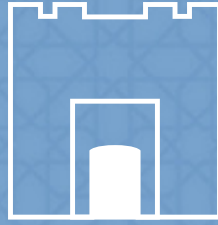
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