

# Meanwhile in Bosnia: War has hampered reconstruction

by [James L. Cairns](#) in the [July 14, 1999](#) issue

On the way to my office in Sarajevo I pass four European embassies, where every day for the past three months up to 100 people have gathered, pressing against the gates in the hopes of getting a visa. These people are refugees from the Federal Republic of Yugoslavia (FRY), but most of them are not from Kosovo; rather, they are from the Sandzak, an area of Serbia lying between Kosovo, Montenegro and Bosnia-Herzegovina that is predominately Muslim.

No atrocities have been committed in the Sandzak, but people are fleeing anyway—fleeing in fear that they might be next, fleeing from the destruction and hopelessness that years of sanctions and weeks of NATO bombardment have brought upon the Serbian economy and society. Staying with friends and relatives in Sarajevo, or in camps, they have joined Kosovo Albanians, Serbs and Romas who have fled from the latest round of violence in the region.

It was the Western alliance's sense of failure during the war in Bosnia-Herzegovina that drove the major-powers Kosovo Contact Group and NATO to vow that they would stand up to Slobodan Milosevic in Kosovo. That determination led the alliance into military confrontation with Yugoslavia, but it has left Bosnia as the forgotten neighbor. Nothing dramatic has happened in Bosnia, but the war has had a significant impact on the reconstruction process. This impact can be seen most clearly in three areas: the influx of FRY refugees; the economic and political chaos in the Republika Srpska (the area of Bosnia-Herzegovina controlled by Serbs as designated by the Dayton Peace Accords); and the uncertainty about long-term donor commitments.

Currently, there are about 75,000 refugees from FRY in Bosnia-Herzegovina. While these numbers pale in comparison to the flood that inundated Albania and Macedonia, they nonetheless have created serious difficulties for the government and humanitarian organizations in Bosnia, whose primary concern is to assist

returning Bosnian refugees, not to receive people fleeing from other countries. The government has been reluctant to find resources to respond to this influx. Officials fear that the FRY refugees will occupy centers planned for returnees to Bosnia and create ethnic tensions. The diversity of the refugees from FRY has also caused problems, as tensions between them have required separating them into different centers. Fortunately, only about 10 to 15 percent of the refugees have required collective accommodation—the vast majority have found shelter with friends or family or in other private homes.

Resources to care for these refugees have been hard to come by. The government must rely on the international agencies because it has no budget for refugee assistance. UNHCR and many NGOs have conducted appeals for money and material aid to assist Kosovo refugees, but because the number of Kosovo Albanians in Bosnia has been relatively small it has been hard to use those resources to assist Serbs and Sandzakis, who constitute the majority of those in Bosnia.

The high concentration of embassies, international agencies and NGOs in Sarajevo serves as a magnet to those trying to leave the region and start a new life someplace else. Many have friends or relatives already living in Western Europe or North America, but visa processes are difficult and slow, and UNHCR has made it clear that there will be no third country resettlement from Bosnia-Herzegovina. Nonetheless, the people line up every day outside the embassies, filling in forms and hoping that they just might get lucky.

Even though the Federation of Bosnia-Herzegovina (the Bosnia- and Croat-controlled entity) has borne the brunt of the refugee influx, the Republika Srpska has suffered more from this war. Even prior to the NATO military campaign against Yugoslavia, the RS was in the midst of a political crisis. Two events took place on March 5 that threw an already unstable situation into turmoil. First, High Representative Carlos Westendorp dismissed the elected president of the RS, Nikola Poplasen, for obstructing implementation of the Dayton Accords; and second, the arbitrator for the town of Brcko delivered his final decision, awarding the town to neither entity, but rather creating a "condominium" of joint control under the jurisdiction of the state of Bosnia-Herzegovina. Together these decisions created a wave of protests, unrest, resignations by high political officials, and heightened tension between the international community and the leaders and people in the RS. While tensions have abated somewhat over Brcko, the political crisis remains unresolved. Milorad Dodik, the reform-oriented prime minister, has been serving as a caretaker since the

elections last September and no one has agreed to take the presidency.

NATO military operations against Yugoslavia have merely intensified feelings of hostility among Serbs toward the international community. These feelings exploded during the first few nights of NATO attacks, as mobs in Banja Luka and other towns damaged offices of several international agencies. After this initial burst of violence, antiwar protests tended to be orderly and peaceful and gradually withered away after the first month of bombing. For security reasons, however, foreign governments and international agencies withdrew all their expatriate staff.

Even though almost all international staff has now returned to the RS, the evacuation sent an unfortunate message to the Serb population of Bosnia-Herzegovina that the international community saw them as a threat and a danger. It further isolated Serbs within Bosnia-Herzegovina and reinforced the divisions between the two entities, which in effect undermined the persistent efforts of the international community to portray Bosnia as a single country and to weaken ties between particular national communities and neighboring states.

The conflict's greatest impact on the RS has been economic. The Bosnian economy as a whole remains in very bad shape, and economic recovery in the RS has lagged behind that in the federation. Yugoslavia is by far the main trading partner of the RS, with around 70 percent of its exports going to FRY. Economic activity had already been affected by the deteriorating situation in Serbia and the devaluation of the Yugoslav dinar, which affects the RS economy because a sizable percentage of business is conducted in dinars rather than the Bosnian konvertible mark (KM). The NATO operation greatly exacerbated the situation, as almost all economic activity and production ground to a halt in Yugoslavia.

Finally, the crisis in Yugoslavia has increased uncertainty about donor commitments over the next few years. The four-year, U.S. \$5 billion commitment for postwar reconstruction that the international community made at the time of the peace agreement ends this year. Prior to the start of the NATO campaign there were already signals from some of the largest donors that without greater progress in minority return efforts in 1999, funds would not be available for 2000.

Such statements reflect the growing frustration among international actors in Bosnia over the persistent lack of cooperation and initiative shown by political leaders at all levels in the country and the tediously slow pace of progress in reconstruction and

return. Some of this frustration has been self-inflicted by unrealistically optimistic timetables for achieving the return of refugees and displaced persons, but there has been woefully little effort made by political leaders in all three communities to chart a vision for the future of Bosnia-Herzegovina.

As the war in Yugoslavia diminished prospects for dramatic success in Bosnia during 1999, it has also created a massive demand elsewhere in the Balkans region for humanitarian aid and reconstruction assistance. This new demand did not have an immediate effect on '99 funds for Bosnia (the annual donors conference in May resulted in pledges of \$1.05 billion for 1999, which rounds out the full \$5 billion promised in 1995), but inevitably it will draw resources away over the next two to five years, particularly if aid agencies cannot demonstrate strong success in Bosnia. One indication that the pull "to the south" has begun is the number of staff who have left NGOs and international organizations in Bosnia to take positions in Albania and Macedonia. With efforts starting up now in Kosovo, that drain will continue. Declining financial and human resources will force agencies to reevaluate their Bosnian commitments over the next 12 to 18 months.

With hostilities ending in Yugoslavia, the international community is beginning the reconstruction process, and there is a growing consensus that this process must be based on a regional strategy—one that brings the entire Balkans region into closer relationship with the rest of Europe through greater economic and political integration. Bosnia-Herzegovina is certainly included in these plans, but I fear that the amount of money already spent in Bosnia combined with the slow and difficult implementation could persuade donors to shift attention toward other parts of the region.

Bosnia-Herzegovina continues to be messy, difficult and complicated—just like it was during the war. But Bosnia remains the stain on Europe's conscience, and while Europe might want to make it go away, it will not. Bosnia remains a microcosm and a crucible of the challenges that face the entire region; we will not succeed regionally if we cannot succeed in Bosnia-Herzegovina.