

*The Gulf in Bosnia and Herzegovina: An (Un)Intentional
Consequence of Peace*

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Declaration of Authorship: I Mirna Pedalo hereby declare that this thesis and the work presented in it is my own. Where I have consulted the work of others, this is always clearly stated.

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Abstract

Through the analysis of the surge in the real-estate development in post 1990s-war period in Bosnia and Herzegovina this research project aims to map the ways in which the country has been striving to position itself in relation to the movements of global capital. The project primarily scrutinises the Dayton Peace Agreement in its role as a state-building mechanism; a distinct and crucial element that sets this phenomenon apart from its global counterparts. In order to tackle and unpack the complexity of this condition a blend of different methodologies has been chosen.

Operating within a specific ethno-religious context, underlined by the structural violence deeply embedded in its very core, the Dayton Peace Agreement helped produce a new milieu conducive to the flow of global capital. This project focuses on the influx of capital from the Gulf States, which has challenged the pre-existing binary relationship between the Dayton Peace Agreement and ethno-religious identities. The new milieu resulting from this intense encounter has allowed for corruption and underhanded practices, such as deregulation of planning policies or land grabbing, to thrive and has endorsed the use of religion as an investment bait. The investigation of the condition on the ground in relation to what has been promised versus what is (subsequently) allowed as per urban planning regulations, was carried out through the production of maps. The conflation of different types of data transformed into a visual output has been a key mechanism driving this practice-led PhD project.

The new triangular relationship, established between this state-building mechanism, financial flows and ethno-religious identities, has produced a new spatial and

territorial order in Bosnia and Herzegovina. While turning the Dayton Peace Agreement into a de facto instrument of finance, this process is at the same time rearranging the existing social and demographic landscapes of the country.

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1.0 Introduction

Bosnia and Herzegovina's status as an investment market for the Gulf States has been growing steadily since the early 2000s. Since 2011 in particular it has seen an unprecedented rise in investment, particularly in the residential sector, despite the fact that the country is still very much in disarray both politically and economically following the last war. This phenomenon is the result of the conflation of numerous influences and agents, and it is certainly not endemic to Bosnia and Herzegovina alone. However, due to the country's unique geographic and geopolitical position as well as the way in which its internal affairs are directly shaped by its recent violent past, I would argue that in Bosnia and Herzegovina this phenomenon has taken on distinct properties. Although the capital Sarajevo is in most ways incomparable to major investment hubs such as London or New York, when analysed in relation to nearer regional capitals it still stands apart.¹

What renders Bosnia and Herzegovina's market distinct are the following characteristics:

1. The Dayton Peace Agreement: a blueprint for the political, administrative and economic entity that is Bosnia and Herzegovina today. When the force of capital pushes through the constraints of the Dayton Peace Agreement, the resulting blend becomes a mechanism for the production of a built

¹ Belgrade Waterfront, also known as Belgrade on Water, is one of the largest urban renewal development projects in Serbia, initiated in 2014 between the Serbian Government and Eagle Hills developers from the UAE. So far the project has caused a lot of controversy, due to its lack of transparency. Discontent over the lack of any public consultancy process brought the citizens of Belgrade out on the streets several times in 2016, in protest against the project. accessed August 10, 2018 <https://www.belgradewaterfront.com/en/>

environment, enabling the reorganisation and redistribution of the country's territories and space.

2. The role of religion in attracting and directing the flows of capital, as well as its role in masking pronounced cultural differences in order to create an image of Bosnia and Herzegovina as a desirable place to live – a place to call home.

Initially envisaged as an ambitious state-building project and not just another peace agreement, the General Framework Agreement for Peace in Bosnia and Herzegovina, also known as the Dayton Peace Agreement was signed in December 1995 to stop the proliferation of violence.² The Dayton Agreement became the structural device through which the mechanisms of state-building throughout the post-war Bosnia and Herzegovina were designed and implemented. As one of the key instruments of the transitional justice process, it had the additional aspiration of creating a new society. Yet, the resulting internal division of the country into two separate political entities and one district – the Federation of Bosnia and Herzegovina, Republika Srpska and the Brčko District – has created a highly dysfunctional governmental structure in which the overarching state of Bosnia and Herzegovina holds very little power over its supposed dominions. The concept of sovereignty is further challenged through horizontal distribution of power, in the form of tripartite presidency, making the state more vulnerable to the outside

² Devised in Dayton, Ohio, it was formally signed in Paris, France in December 1995 by the leaders of the three parties at war, Izetbegović, Tudjman and Milošević, almost four years into the armed conflict. Although European representatives were present as witnesses and signatories (prime ministers, presidents and politicians from the UK, France, Germany and Russia), the entire peace process was primarily an American construct, led by its main “architect” Richard Hoolbrooke and the U.S. Secretary of State at the time, Warren Christopher. The lack of direct input on the part of European political players and the dominantly American influence proved to have a detrimental effect on the development of the country in the decades to follow.

influences. By the early 2000s it became obvious that the country's exceedingly complex and unevenly distributed system of governance, imposed on a vulnerable and still very much contested post-war environment, was proving to be far more challenging than initially expected. Operating within a very specific ethno-religious context, subtended by deeply embedded structural violence, the Dayton Peace Agreement ultimately resulted in the creation of a new "milieu" one conducive to the flow of global capital, in particular from the Gulf States, and more recently Russia.³

I contend that the Dayton Peace Agreement was a state-building mechanism which mediated ethno-religious identities and their spatial distribution, and reconfigured transitional justice with the financially-driven aim of attracting foreign investment. In my dissertation project I analyse how this triangulated relationship between governance, religion, and finance generated a new spatial and territorial order in Bosnia and Herzegovina. While justice became a lubricant used to facilitate the flow of investment capital, the Dayton Agreement became a financial instrument itself.

Religion and identity-politics still play extremely important roles in the lives of Bosnia and Herzegovina's citizens, and have been repeatedly used as powerful forces in determining regional, state and inter-entity affairs. Although one of the country's most important tourist features is its natural beauty, the role played by

³ The term "milieu" originates from philosopher and physician George Canguilhem, and was further developed by philosopher Michel Foucault in a series of lectures presented at the College de France between 1977 and 1978. In the context of this thesis, the concept of "milieu" is derived from Foucault, who delineates it as a "set of natural givens – rivers, marshes, hills" and a "set of artificial givens – an agglomeration of individuals, of houses etc." For Foucault, a milieu is a "certain number of combined, overall effects", which influence all that lives in it, and it is an element which enables production of a "circular link" between the causes and effects. See Michel Foucault, *Security, Territory, Population: Lectures at the College de France 1977-1978* (London: Palgrave Macmillan, 2009), 21.

religion in attracting investment capital cannot be underestimated as part of Bosnia and Herzegovina's overall strategy to shore up its financial stability.

Traditionally multi-ethnic and multi-religious, Bosnian and Herzegovinian society has seen a significant reconfiguration of its ethno-religious demographics in relation to its territories.⁴ Primarily a result of shifts and movements of the population following the ethnic cleansing and genocide of the early and mid-1990s, this ongoing reshuffling has increasingly become affected by internal migrations, as well as migrations abroad in the post-war period. According to the last census from 2013, Bosnia and Herzegovina now has just over three and a half million inhabitants.⁵ Although showing a considerable decrease in the overall population in comparison to the last pre-war census from 1991 what is even more significant

⁴ In their article "Ethnic diversity, segregation, and the collapse of Yugoslavia" Hammel, Mason & Stevanović argue that the question of ethnicity (with particular emphasis on the ethnically diverse Bosnia and Herzegovina) has been a historically and politically loaded one. According to their research, various classifications of ethnicities in Yugoslavia prior to 1961 are inconsistent with the ones between 1961 and 1991. In addition to that, they also highlight the importance of reading the census data results within its highly contested context. They contend that the census data had been based on the respondents' understanding of their "true ethnic origins" (which, in the context of such "fortuitous mixture of ethnic groups in the region" is exceptionally difficult to grasp) and is oftentimes coloured by the respondents' political/ideological interests and allegiances. Therefore the census data is always highly political. This already thorny question of ethnicity is further complicated by a practice of equating the category of ethnicity with that of religion, specifically in the context of Bosnia and Herzegovina. The politics of hyphen that form the category of the ethno-religious have been based on equating Bosnian and Herzegovinian Catholics to Croats, Orthodox Christians to Serbs, and Bosnian Muslims to now Bosniak and previously just Muslims as an ethnic category. In some cases the cross-over between the two categories is fully legitimate, whereas at other times it is less so, and is often backed by a political rationale. Either way, the results of this practice have often worked in support of expansionist nationalism in Serbia and Croatia in relation to Bosnia and Herzegovina. The first census to legitimise the crossover between these categories, as well as bring in the category of ethnicity in conjunction with already existing religious category dates back to 1921, the period when Bosnia and Herzegovina was part of the Kingdom of Yugoslavia. These categories are now widely accepted and established. See E.A.Hammel, Carl Mason, and Mirjana Stevanović, "A fish stinks from the head: Ethnic diversity, segregation, and the collapse of Yugoslavia." *Demographic Research* 22 (June 2010): 1097-1142. <https://doi.org/10.14054/DemRes.201022.35>

⁵ The statistics for Bosnia and Herzegovina are as follows: Overall population: 3,531,159; Ethnicity: 50.11% Bosniaks, 30.78% Serbs, 15.43% Croats, 3.68% Others; Religion: 50.1% Muslim, 30.75% Orthodox Christian, 15.19% Roman Catholic, 3.36% Atheist / Other. See Al Jazeera Balkans, "Rezultati popisa: U BiH živi 3,531,159 stanovnika," *Al Jazeera Balkans*, June 29, 2016. accessed August 3, 2018. <http://balkans.aljazeera.net/vijesti/bih-danas-rezultati-popisa-iz-2013-godine>

and alarming is that previously mixed communities made up of different ethno-religious groups have now been polarised across the two entities.⁶ Currently, around 70% of the population living in the Federation of Bosnia and Herzegovina is Bosniak - Muslim, and over 80% of the population of Republika Srpska is Serb - Orthodox Christian.⁷ Although proportionally the smallest ethnic group, majority of Croats – Roman Catholics live in the Federation of Bosnia and Herzegovina, with a large fraction of them clustered in south-western cantons close to the border with Croatia. So, once again, tendency towards segregation is evident.

This ethnic and religious polarisation on the ground, generated by extreme violence and further bolstered by the Dayton Peace Agreement, forms the first layer upon which the infrastructure for the influx of foreign capital has been built. Produced by a constellation of processes, in many ways unique to Bosnia and Herzegovina, the condition inherent to this layer has, nevertheless, been recognised by the force of capital as an opportune setting for investments. The arrival of the foreign capital in Bosnia and Herzegovina, as will be further explored throughout this thesis, has to large extent been instigated by and dependant on the connections established through religious loyalties and affiliations, some stemming from the war itself. This has created particular channels, which help navigate and direct the money flows into “appropriate” parts of the country.

⁶ According to the 1991 census Republic of Bosnia and Herzegovina (at the time a part of Yugoslavia) had the population of 4,377,033. Ethnicity: Muslims (Bosniaks) 43.47%, Serbs 31.21%, Croats 17.38%, Yugoslavs 5.54% . See “Popis stanovništva 1991,” Federalni zavod za statistiku. accessed August 23, 2018. <http://fzs.ba/index.php/popis-stanovnistva/popis-stanovnistva-1991-i-stariji/>

⁷ Al Jazeera Balkans, “Rezultati popisa: U BiH živi 3,531,159 stanovnika,” *Al Jazeera Balkans*, June 29, 2016. accessed August 3, 2018. <http://balkans.aljazeera.net/vijesti/bih-danas-rezultati-popisa-iz-2013-godine>

In the case of the real-estate investments from the Gulf, it is the Federation of Bosnia and Herzegovina with its predominantly Muslim population that has become an area of interest and development. On the other side of the Inter-Entity Boundary Line, Republika Srpska, with its Orthodox Christian majority, has followed a similar pattern in attracting investments from Russia. In both cases the religion has become a marketing tool, a strategic instrument of manipulation which serves as an investment bait, as well as a way of masking various other pertinent issues resulting from or facilitating the unprecedented real-estate boom.

And as this first layer, conducive to the early stages of influx of capital, settles and consolidates itself, the nucleus of the “extrastate” element is conceived.⁸ The term “extrastate” used throughout this thesis is derived from architect and urbanist Keller Easterling’s term “extrastatecraft” and it serves to describe what is external to the state, but can only be conceived within it, as it is still very much dependant on conditions bound to the state. In her book *Extrastatecraft: The Power of Infrastructure Space*, Easterling defines the “extrastatecraft” as a “portmanteau” encompassing a complex set of relations and activities that take place in parallel to and sometimes even in conjunction with the “statecraft.”⁹ According to Easterling it is the concept of a “zone” which best embodies the “extrastatecraft”, mediated via infrastructure space. The “zone”, which will be discussed in more detail in Chapter 3, thus becomes a site of conflation of multiple forms of sovereignty “where domestic and transnational jurisdictions collide.”¹⁰ In the context of Bosnia

⁸ See Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London New York: Verso 2014).

⁹ Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London New York: Verso 2014), 18.

¹⁰ Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London New York: Verso 2014), 18.

and Herzegovina, the extrastate is born equally from within the (dysfunctional) state, as much as it is imported from the outside. In fact, it could not exist otherwise. The conception of the extrastate operates as a trigger for a new set of conditions, which serve to generate the next layer. In convergence with the previous one, the new layer will once again create a different set of conditions conducive to the next stage of capital investment. This is a process, which continues to reproduce itself, and with each new layer the extrastate element grows stronger.

Yet, as I argue in this thesis, with each new layer, vaster territories become subject to a whole range of consequences generated as a result of the process described above. Detrimental impact on the local environment is just one of its many ramifications, albeit it requires a closer scrutiny. This is especially the case in the light of Sarajevo's deteriorating drinking water reserves and the proliferation of hazardous terrains prone to landslides in its suburban areas. Considering the escalating adverse effects on the quality of life in the capital, the link between these issues and the accelerated development requires additional probing. Neither one of the two issues has happened overnight. As will be discussed in Chapters 1 and 3, where these subjects are further elaborated upon, both are the outcomes of long term and, often times, deliberate neglect and harmful policies, stemming from the legal and planning structures instituted by the Dayton Peace Agreement. The cumulative effect and the pace at which these processes unfold point to a form of "slow violence", which, if such practices persist in the future, can only continue to proliferate.¹¹

¹¹ See Rob Nixon, *Slow Violence and Environmentalism of the Poor*, (Cambridge, Massachusetts, and London, England: Harvard University Press 2011).

The concept of “slow violence” was conceived and developed by Rob Nixon in his book *Slow Violence and Environmentalism of the Poor*, where he explores the long term effects of climate change and other man-made natural disasters (large scale deforestations, oil spills, environmental aftermath of armed conflict etc.). According to Nixon, this violence occurs “gradually and out of sight” and “it’s neither spectacular nor instantaneous, but incremental and accretive, its repercussions playing out across a range of temporal scales.”¹² It is, of course, the vulnerable populations in the developing world that are the most affected by it. In Bosnia and Herzegovina, the consequences of the exposure to the depleted Uranium and contamination of the land with landmines, both falling into the realm of slow violence, are relatively well known and explored subjects. The real-estate boom, on the other hand, is cloaked in a narrative of economic progress and is thus presented as an opportunity to rehabilitate the atrophying economy. What this narrative fails to address is the potential for the unbridled development to create conditions for slow violence to gain firm legal foothold and continue to spread. One of the aims of this project is to uncover the ways in which structural violence inherent to the Dayton Peace Agreement, navigated by the force of capital and mediated through urban development, has gradually started to transform into slow violence.

In this project I have chosen to focus on the stream of investments coming from the Gulf States into the Federation of Bosnia and Herzegovina entity. The uninterrupted flow, which has taken various forms since its first ingress in the 1990s, has, by now, established itself as one of the strongest forces shaping the

¹² Rob Nixon, *Slow Violence and Environmentalism of the Poor*, (Cambridge, Massachusetts, and London, England: Harvard University Press 2011), 2.

urban development in the country. Moreover, it has come to manifest itself through distinct architectural and urban forms. As such, it offers a well-established entry point into issues I tackle in this thesis, as well as a range of case studies that can be engaged with.

In Chapter 1, I further scrutinise the Dayton Peace Agreement by focusing on its two segments; Annex 2 and Annex 4. While the former institutes the division of the country into two entities and one district by delineating the Inter-Entity Boundary Line, the latter legitimises this division and engenders structural violence through several levels of government and their affiliated institutions. By examining three examples tied to two case studies, I aim to illustrate that these two segments form a key mechanism for spatial organisation, which allows for disputable and sometimes even outright illegal practices to be performed by governmental institutions and individuals in positions of power. Such practices are carried out primarily in the realm of urban planning, with the aim of facilitating and accelerating the development process. In this chapter, I will also illustrate the ways in which Islam is instrumentalised, both by the investors and the “investees”, in an attempt to open up Bosnian and Herzegovinian market to the influx of money and visitors from the Gulf.¹³

In Chapter 2, the focus shifts onto the past. By following the trail of oil finance, I aim to disclose the complicity of the international financial institutions (the IMF

¹³ The term “investee” is borrowed from Michel Feher, who defines the new form of power relations between an employer and an employee as a relationship between “an investor” and “an investee.” In the context of this thesis, the asymmetry in power between the two works well to describe the position of the state of Bosnia and Herzegovina in relation to the Gulf investors, where the state needs to prove itself worthy and find ways to attract and induce the influx of money, which it does through instrumentalisation of religion (in this particular case, Islam). See Michel Feher, *Le temps des investis: Essai sur la nouvelle question sociale* (Paris: La Découverte, 2017).

and the World Bank, alongside their patrons EU and the US) in production of the current condition in Bosnia and Herzegovina. Following philosopher Boris Buden's argument about the myth of historical discontinuity, I demonstrate that the 1990s war had not been the main cause but, in fact, just one of the final stages in a lengthy and gradual process of carving of the Bosnian and Herzegovinian (Yugoslav) market to the circulation of global capital; an operation which had already begun several decades earlier. Moreover, this chapter seeks to debunk the narrative of a dual nature of capital. I argue that, in the context of post-war Bosnia and Herzegovina, a new narrative has emerged that distinguishes between the nature of capital originating from the Western countries (EU and the US) from the one originating from the East (Gulf States and Russia). This narrative is often refracted through cultural and religious binaries (East vs West, Islam vs Christianity) and steered by religious loyalties and similitudes, which mask the true extent of their interconnectedness and interdependence.

And finally, in Chapter 3, I seek to engage with the condition on the ground; the spatial and material outcomes of processes identified and examined in previous chapters. The threshold between the two realms of production of the built environment – the virtual / speculative one versus the physical one - is interrogated via several case studies. What I argue is that the resulting tension produces a new space of operation, where, by shifting from one realm to the other, the hand of capital engages with different elements on the ground. This process not only yields

new spatial and territorial arrangements, but also mobilise the process of “accumulation by dispossession.”¹⁴

An integral part of this thesis is the practice-led dimension, throughout which I have tried to assemble and visualise various types of data gathered in my research, to provide an encompassing image of the areas subjected to these transformations. My attempt at producing such a totalizing image inevitably remains incomplete, a work-in-progress, as new developments continue to emerge and proliferate. Nonetheless, this effort to visually encompass the condition on the ground comes as a response to a commonly used methodology of fragmenting and decontextualising of the proposed territorial and spatial reconfigurations from the actual physical context within which they are situated. Often presented through simplified schematic maps and layouts, using the visual language of real-estate agencies and devoid of details connecting it to a specific location, these proposals generally fail to engage directly with the condition on the ground. The 3D visualisations and YouTube videos of animated fly-throughs, which have become one of the main tools of communication between the investors, the investees and the prospective clients, have a generic quality, making them applicable to almost

¹⁴ Marxist geographer David Harvey developed the concept of accumulation by dispossession by drawing on Karl Marx’s description of primitive accumulation and on the critique of Rosa Luxemburg’s thesis on capital accumulation. Harvey argues that, rather than belonging to a finite historical phase of early capitalism, the features of Marx’s primitive accumulation are still very much present, with new forms also emerging. Commodification and privatisation of land, conversion of property rights, commodification of labour power and other, often violent, processes of appropriation and cooptation have persisted over time. Some of these mechanisms, Harvey contends, are being further refined to assume even more important roles today than they had in the past, particularly in the realm of financial capital. The crux of Harvey’s arguments is that this assemblage of mechanisms and processes, which he refers to as accumulation by dispossession, is meant to solve the problem of overaccumulation. It does so by releasing assets at a very low cost, and sometimes even no cost at all, to be seized through the surplus capital and eventually released into the market. The ways in which this mechanism has been instrumental in the creation of the extrastate element in Bosnia and Herzegovina and has helped reconfigure ex-Yugoslav market will be discussed in all three chapters of this dissertation. See David Harvey, “Accumulation by Dispossession,” in *The New Imperialism* (Oxford: Oxford University Press, 2003): 137-183.

any place in the world.¹⁵ Even when they are modelled to match the local terrain, they do not necessarily encompass the wider context, nor do they show include the other invisible, albeit crucial layers that could signal the impact these new formations will have on their setting in the future.

On the other hand, the official maps produced for planning purposes in most cases provide us with this essential information. Yet, once again, the extrastate element seldom finds its way into these maps, and the various layers never seem to be collated or brought together in such a way to offer an understanding of what is at stake once the process of unregulated development gets underway. Albeit non-existent feature on planning maps, the extrastate element, nonetheless, plays a pivotal role in spatial re-organisation, both on paper and on-the-ground. Providing outdated and partial maps as a way of withholding the visual data is another common form of omission practiced by the planning institutions under the Cantonal government's guidelines. This has been a particularly ubiquitous practice in cases of ad-hoc amendments and revisions to planning documents, such as the Spatial Plan for Sarajevo Canton which will be discussed in more detail in Chapter 1. And while the updated textual part of the plan is always available to public, the amended accompanying maps are oftentimes either not fully shared (as is legally required) or are presented in such a way to reflect the proposed changes in an

¹⁵ Majority of the investors and the real-estate development companies working in Bosnia and Herzegovina resort to the CGI technology as a way of communicating their ideas with the local planning bodies and the potential clients. While this is common practice in the field of architecture, 3D models and animations are still treated as supporting material rather than mandatory documents required for the purposes of obtaining planning permissions. The latter are 2D drawings, technical documents and, in the case of large-scale developments, various types of reports and feasibility studies. In the context of the real-estate boom in Bosnia and Herzegovina, the seductive quality of the CGI technology occasionally gets exploited in such a way that its significance overshadows the technical requirements of the projects. As a result, the aesthetic quality ends up taking precedence over the technical aspects and the project's relationship with the context it is embedded in. The repercussion of such approach will be discussed through the examples of large-scale developments Buroj Ozone and New Ilidža, in Chapters 1 and 3.

ambiguous and obscure manner (for instance: scale too small to make out clear boundaries of different zones and layers, key not legible, no “before and after” comparison etc.).

In order to address the above, I have applied my mapping practice as a way of challenging these methods, but also as a way of generating insights to formulate and substantiate various arguments throughout my thesis. Therefore the maps accompanying this text do not merely serve as an illustration of the condition on the ground, but have been the source of crucial information, which roots the project into the physical and territorial. The visual language used in these attempts is deliberately architectural, the language of maps and urban planning, as it what is required is precision and exactness to offset the generic and ambiguous quality of the proposals.

1.1 The Three Waves

Juxtaposing the events in Bosnia and Herzegovina against global trends, particularly in the Middle East, helps us to understand the trajectory and origins of recent developments. Based on my research so far, I contend that one of the main triggers for this surge of investment in Bosnia and Herzegovina is the proliferation of conflict in the Middle East, particularly in Syria. These ongoing conflicts have redirected the flow of capital from the Gulf, previously poured into places like Syria and Lebanon, towards new destinations such as Turkey, Georgia and Bosnia and Herzegovina.

Although many have been surprised by this sudden interest in Bosnia and Herzegovina, the infrastructure necessary to support such an increase in investment

was in fact initiated a long time ago. The trajectory of these investments can be observed chronologically in three major waves. The time-frames of these three waves are not entirely clear-cut as they tend to flow into each other and have often ran in parallel.

The first wave of investment was focused primarily on religious buildings, mosques and masjids; the reconstruction of buildings destroyed and damaged during the last war, but also the construction of new buildings. These types of investments dominated over a prolonged period of time, from approximately the late 1990s until about 2009 when the next wave started to emerge. The beginnings of this wave of investments can be connected to Middle Eastern humanitarian intervention and humanitarian aid provision during the last war (specifically from the Gulf States), which was entirely based on religious affiliations and loyalties. I would like to assert the possibility that in the provision of humanitarian aid back then lay the seed of accelerated real-estate market development today.

Unlike the first wave of investment, which was still largely humanitarian and ideological in nature, the second wave of investments had a more economic agenda, focusing on commercial buildings, hotels, shopping centres and malls. Still, it remained firmly rooted in religion through the legal framework of Islamic banking and the workings of the Bosna Bank International (BBI). The BBI was established in 2000 as the first bank in Europe to operate on Islamic banking principles. Since its founding, the bank has been involved in most of the major commercial projects undertaken in Sarajevo over the last ten years.

Following the current trends in the construction industry, it is clear that investment has now shifted further into the real-estate market and into residential projects,

mostly in the Sarajevo Canton. This trend has been on the rise since 2011, but has intensified significantly since 2013. The scales of such investments tend to vary from minor developments to large-scale, almost megalomaniac, undertakings. And although the current wave of investments will be the primary focus of my research, I will inevitably take into consideration the previous trends as well. Chapter 3, in particular, will provide more in-depth analysis of the relationship between the three waves.

Due to the project's complexity and the need to continuously shift between global and local scales, while also taking into account the Western Balkan region, I have used various methodologies in order to obtain the material necessary to formulate and support my arguments. Historical research was essential for me to fully grasp and understand the legacy I was working with, but also to scrutinise the current phenomenon within a global context, particularly in relation to the origins and history of circulation of the oil capital.

The local scale has been addressed through the investigation of the transformations in the urban and sub-urban environment of Sarajevo Canton. The key element of this investigation has been the analysis of past, existing and newly amended regulations, policies and legislations, primarily in the realm of urban planning. Defined through the framework of the Dayton Peace Agreement, these documents have been one of the main tools for outlining the role of the Dayton Peace Agreement as the mechanism of finance as well as an instrument of spatial organisation. This argument has been further reinforced by observing its correlation with the actual built environment and elements encountered on the ground, now, almost ten years into the real estate boom.

In this respect, the crux of the project lies in my mapping practice. In order to make these entangled relationships legible, I have generated maps by merging and superimposing existing yet disparate visual information as well as visualising various other forms of data gathered throughout my research. The insights stemming from the results of this methodology have helped formulate some of the essential arguments in this project. This approach has been supplemented through ethnographic research, which has helped me obtain some of the key insights into current trends and processes in architecture and construction in Sarajevo Canton. In my attempt to engage with the condition on the ground, my first area of interest were the new real-estate agencies. However, as I was often confronted with a wall of silence, my trajectory quickly shifted towards practitioners in the field of architecture and planning, where I had forged personal and professional contacts in the previous years. These have proven to be fruitful connections, as in the current Bosnian and Herzegovinian context architects have taken on a role of mediators between the state/federal/cantonal institutions and the (foreign) investors. This position of an intermediary has given them an opportunity to probe into workings and demands of both. During the interviews I have tried to gain perspective on their relationships with their clients from the Gulf, on how they were founded and have developed overtime. Equally, I was interested in the work of planning bodies and if the presence of the foreign investors has in any way altered their modes of practice and communication with architects. And finally, by discussing the design requirements (from urban planning to interior design) coming from the Gulf State clients, the aim was to discern whether there are any significant material differences between these projects and those commissioned by local clients that could point to new tendencies and influences in the realm of architecture and planning.

1.2 Virtual Entity

Its name has come to encapsulate Bosnia's purgatory: life in the absence of war, but never quite at peace. And a long way from happiness and normality.¹⁶ (Julian Borger on the Dayton Peace Agreement)

As is often the case with contemporary post-conflict societies, Bosnia and Herzegovina was destined to become a testing ground for new and experimental structures of governance, state and citizenship. The effects of one such experiment, popularly known as the Dayton Peace Agreement, have left the country struggling to fully grasp and understand its identity and its position within a larger geopolitical context for well over twenty years. Left in a limbo of “potential candidacy” for the EU since the year 2000, Bosnia and Herzegovina has been a blind spot in the European political imaginary for many years. Sandwiched between Croatia, Serbia, and Montenegro, and historically at the mercy of a range of different colonial and imperial projects, Bosnia and Herzegovina has always been a point of intersection between the different interests of various geopolitical players. Despite this, it has seemingly not been of much interest to the European Union – until recently. The latest surge of upheavals and conflicts to have swept the world, particularly war in Syria and the subsequent rise of the ISIS in the Middle East, but also the war in Ukraine, at first distracted international attention away from Bosnia and Herzegovina, only to bring it back into the spotlight, especially since 2015. In the light of recent political realignments and mass migrations, the positioning of every single country in the region has suddenly become of the utmost importance.

¹⁶ Julian Borger, “Bosnia’s bitter, flawed peace deal, 20 years on,” *The Guardian*, November 10, 2015. accessed on October 15, 2016. <https://www.theguardian.com/global/2015/nov/10/bosnia-bitter-flawed-peace-deal-dayton-agreement-20-years-on>

Internally divided, highly socially conflicted and with deeply split loyalties, Bosnia and Herzegovina is once again appearing on the European radar, after having been largely ignored for the last ten or more years. Nominally Bosnia and Herzegovina is an independent, sovereign state; yet its internal structure, organised as per the Dayton Peace Agreement, has in many ways rendered its sovereignty impotent. To use political scientist Nerzuk Ćurak's apt description: "Bosnia-Herzegovina is a third, subsidiary, virtual entity; entity without territory in a political space of the Dayton Agreement."¹⁷ The unique division of state power, with its multiple levels, not only (vertically) stratified but also horizontally distributed (most importantly at the very top), has forgone the concept of sovereignty in favour of a state susceptible to outside influences and internal dismemberment.

The Inter-Entity Boundary Line, which currently divides the country into two separate entities, effectively replaced the front line as it existed in 1995. With the exception of certain mostly suburban parts of Sarajevo, there were very few exchanges and concessions, as none of the sides at war were ready to cede the territories that they had held under their control. Preventing any further proliferation of violence, while effectively condoning and legitimising the results of the violence that had already taken place, the Dayton Peace Agreement turned certain aspects of life from the wartime period into a permanent state of affairs.

1.3 Resilience of the Religious

In order to understand the very specific role which religion has played in producing the current state of affairs in Bosnia and Herzegovina, it is important to unravel the

¹⁷ Nerzuk Ćurak, *Izvještaj iz periferne zemlje: Gramatika geopolitike* (Sarajevo: Fakultet Političkih Nauka, 2006), 40.

complex history of religion's alternating intertwinement and dissonance with the State. I contend that understanding the religious context within which the global capital flow operates in Bosnia and Herzegovina is crucial to understanding its *modus operandi*.

Bosnia and Herzegovina is *a priori* a secular state. However, the strong influence of both religion and religious institutions and their increasingly dominant role in both political and civic life cannot be denied. Most local scholars and analysts agree that over the last two decades the Bosnian public sphere has been undergoing a progressive de-secularisation.¹⁸ This occurrence is different to the post-secular society, which sociologist and philosopher Jürgen Habermas describes. He emphasises the need for both secular and religious organisations to be open “to complementary learning processes in order to balance shared citizenship” and “live together in ‘self-reflective manner’.”¹⁹ However, the instrumentalisation of religion in post-1990s war Bosnia and Herzegovina has led to the systematic suppression of secular thought and a secular way of life in favour of a religious one.

The process of de-secularisation is partially rooted in a reverse process, dating back to the post-WWII period. Striving for atheisation and secularisation of the public sphere became one of the priorities for the Communist government. The predominantly rural and rather pious local population were pushed into a process of accelerated atheisation as a part of a political program with the aim of stabilising and fortifying the status of a Communist doctrine that would keep the ruling structures in place. Although a far cry from the ruthless Soviet methods, the

¹⁸ See Dino Abazović, “Postsocijalistička društva, desekularizacija i slučaj BiH,” *Oslobodjenje*, January 21, 2005.

¹⁹ Jürgen Habermas, “Notes on Post-Secular Society,” *New Perspectives Quarterly* 25, no.4 (October 2008): 17-29.

Yugoslavian government still made resolute attempts to subdue religious sentiments; if not uprooting them completely, then at least confining them to the private sphere of life.²⁰

It is important to note the distinction between the two terms “atheisation” and “secularisation”, despite the fact that in colloquial speech they often tend to be used interchangeably. Secularisation implies a historical process where, through the modernisation and rationalisation of societies, religion loses its social and cultural significance and authority. It becomes near-redundant and is therefore reduced to its spiritual and performative functions.²¹ Atheisation on the other hand, although in effect a form of secularisation itself, acts more as a catalyst for, rather than as a consequence of, the processes of modernisation and rationalisation. Historically linked primarily to Communist societies, atheisation is seen as being much more concerned with eradicating religious influence than merely pushing it into the background.²²

In post-WWII Yugoslavia, including Bosnia and Herzegovina, these two processes ran in parallel. As sociologist Dino Abazović points out, it was mostly “forced atheisation that had masqued, usually weaker, but still present forces of authentic secularisation.”²³ These processes went hand in hand with forceful urbanisation and industrialisation, particularly in Bosnia and Herzegovina. Yet, as noted by

²⁰ See Dino Abazović, “Postsocijalistička društva, desekularizacija i slučaj BiH,” *Oslobodjenje*, January 21, 2005.

²¹ P.L. Berger challenges the thesis on secularisation, arguing that the secularisation might have been achieved on societal level, but not necessarily on the level of individual consciousness. And although the process of secularisation through modernisation has been successful in some places, it has also generated some strong counter-secularist movements. See Peter Berger et al., *Desecularisation of the World: Resurgent Religion and the World Politics* (Washington D.C.: Ethics and Public Policy Centre, 1999).

²² See Dino Abazović, “Postsocijalistička društva, desekularizacija i slučaj BiH,” *Oslobodjenje*, January 21, 2005.

²³ Ibid.

several authors from the region, it was completely out of sync with the actual levels of socio-cultural developments at the time.²⁴ Unlike in Western countries, where similar processes seemed to have progressed more naturally, this hasty action to replace the belief in God with belief in the Party, instead of achieving a complete deracination of religious thought and belief simply created a schism in people's lives. While the religious aspect of life became more of a private affair, a-religious sentiment was pushed to the forefront of public life. Renouncing religion, or at least the public aspects such as going to a Sunday mass or Friday Jummah prayer, was meant to show loyalty to the Party and support of the ruling system.

The abrupt switch of ideologies, brought about through the geopolitical perturbations of the late 1980s and early 1990s, enabled previously suppressed religious structures to re-emerge as the centres of power by removing the restrictions imposed on them in the previous system. It also put pressure on existing secular structures. This was done primarily through the association of religion with national symbolism and by interjecting religion into politics and state affairs. This process of de-secularisation began in rather an unsubtle way, with clerics openly offering their support to nationalist parties, religious officials often appearing side by side with politicians during public functions and political rallies, and through the interchangeable use of religious and national symbolism. A sociologist Srđan Vrcan notes that in the 1990s religious vocabulary was increasingly used within the language of political concepts and narratives, enhancing its emotional and sacred

²⁴ Srđan Vrcan, Nikola Skledar, Siniša Zrniščak, Dino Abazović and Marko Blagojević all discuss the relationship between processes of urbanisation / industrialisation and secularisation/atheisation in post-war Yugoslavia, which they claim were often out of sync.

charge. For example “sacred land”, “celestial nation”, “sacred history of our fatherland”, etc.²⁵

The original process of dismantling the institutional power of religion had failed to address an inherent connection between religion and national identity in the Balkans. As a scholar and professor of sociology Dominique Schnapper observes, there are two different histories, or two different ways of looking at the origins of the nation-state in Europe.²⁶ One is the so-called “Western European perspective”, which is based on civic, voluntary and contractual premises; the other is the “Eastern European perspective” which is more populist, organic and ethnic, and in which religion plays an integral role. With the collapse of Communism and the fall of the Iron Curtain in the late 1980s and early 1990s, followed by the rise in nationalism in all the former communist countries particularly former Yugoslavia, it was religion which played a vital role in shaping the vision for the new nation-states. As Vrcan points out:

...[T]here have been very important changes in the social position of the various confessions within the various institutional frameworks in the area. The churches and religions have moved from an essentially extrasystemic or even countersystemic position to occupy a systemic or suprasystemic position; religion is now the overarching systemic cultural and symbolic aggregate.²⁷

Now, over twenty years later, it seems that while political parties have lost all credibility with the local population, the popularity of the religious establishment is at an all-time high. According to the research conducted in Bosnia-Herzegovina in 2010 by Friedrich-Ebert-Stiftung, only 1.6% of those questioned

²⁵ Srđan Vrcan, “The War in Former Yugoslavia and Religion,” in *Religion, State and Society* 22, no. 4 (1994): 369. accessed on May 8, 2015. https://biblicalstudies.org.uk/pdf/rss/22-4_367.pdf

²⁶ See Dominique Schnapper, “Citizenship and national identity in Europe,” in *Nations and Nationalism* 8, no. 1 (2002): 1-4.

²⁷ Srđan Vrcan, “The War in Former Yugoslavia and Religion,” in *Religion, State and Society* 22, no. 4 (1994): 369. accessed on May 8, 2015. https://biblicalstudies.org.uk/pdf/rss/22-4_367.pdf

expressed trust in their local political parties. By contrast, the largest number of people (up to 27.5%) considered religious institutions to be the most worthy of their trust (followed by 7.8% who believed the media to be the most trustworthy organisations).²⁸ For this reason, building and reinforcing links between political leaders and their religious counterparts has become even more important for political parties in their efforts to gain the support of their local electoral body.

When talking about the place of religion within a secular society, anthropologist Talal Asad says:

The space that religion may properly occupy in society has to be continually redefined by the law because reproduction of secular life within and beyond the nation-state continually affects the discursive clarity of that space. The unceasing pursuit of the new in productive effort, aesthetic experience, and claims to knowledge, as well as the unending struggle to extend individual self-creation, undermines the stability of established boundaries.²⁹

In the case of Bosnia-Herzegovina this process seems almost reversed. It is the reproduction of religious life within and beyond the nation-state that continually affects the discursive clarity of the secular space. Gradual infiltration into educational system through the introduction of compulsory religious education in primary schools, or political campaigning in places of worship are just two examples of how religious has started to permeate the secular sphere.

Philosopher and social anthropologist Ernest Gellner argues that in the modern industrial world, the concept of the nation state functions as a political umbrella

²⁸ Davor Marko and Tatjana Ljubić, "Religion, Nation and State: The Holy Trinity of Disunity in post-Dayton Bosnia and Herzegovina," in *State or Nation? The Challenges of Political Transition in Bosnia and Herzegovina*, edited by Eldar Sarajlić and Davor Marko (Sarajevo: Centre for Interdisciplinary Postgraduate Studies, 2011): 3.

²⁹ Talal Asad, "Secularism, Nation-State, Religion" in *Formations of the Secular: Christianity, Islam, Modernity* (Stanford: Stanford University Press, 2003), 201.

over a common culture.³⁰ Throughout Balkan history, as a pluri-cultural and pluri-confessional region, religion formed an innate part of the cultural and national identity, thus requiring the shelter of a specific political umbrella.³¹ On the other hand, looking from the bottom up, this same political umbrella, which claims to preside over a shared national culture in a pluri-cultural and pluri-confessional region, needs to be legitimised by religion and help to create homogeneity in religious terms too. This is what Vrcan calls “a mutual reinforcement of two parallel absolutisms: national and confessional.”³² With regards to a more intimate sphere of life, the religious revival should not come as much of a surprise either.

Sociologist and theologian Peter Berger argues that:

[...]Modernity, for fully understandable reasons, undermines all the old certainties: uncertainty is a condition that many people find hard to bear; therefore, any movement (not only a religious one) that promises to provide or to renew certainty has a ready market.³³

This seems rather pertinent in the case of Bosnia and Herzegovina, where the local population has suffered immensely over the past twenty-five years, both during the war and in the post-war period. The feeling of uncertainty has been a prevailing one since the early 1990s, considering the high unemployment rates, political and social instability and general hardship. Some form of the security and consistency otherwise lacking in life is often found within close-knit local communities, which are generally under the auspices of religious bodies or institutions. It is often

³⁰ See Ernest Gellner, *Nations and Nationalism* (Oxford: Blackwell Publishing, 2006).

³¹ The terms pluri-cultural and pluri-confessional appear mostly in the context of religious studies, often referring to South Eastern Europe and Mediterranean regions, and are tied to multiculturalism and pluri-religious coexistence.

³² Srđan Vrcan, “The War in Former Yugoslavia and Religion,” in *Religion, State and Society* 22, no. 4 (1994): 376. accessed on May 8, 2015. https://biblicalstudies.org.uk/pdf/rss/22-4_367.pdf

³³ Peter L. Berger, “The Descularisation of the World: Global Overview,” in *Desecularisation of the World: Resurgent Religion and the World Politics*, edited by Peter Berger et al. (Washington D.C.: Ethics and Public Policy Centre, 1999), 7.

through such connections that not just emotional but also material support, even jobs, can be found. And it is at precisely this level that religious affiliations start to matter in both social and economic terms. Not-belonging and not-believing has become neither socially acceptable nor financially viable.

Looking back, one could argue that the violent disintegration of Yugoslavia allowed previously dormant religious forces to gain a stronghold in what was at the time a predominantly secular society on the cusp of a major transformation. By the early 1990s, the country was already deeply steeped in a rabid national and religious revival. Yet, the growing national and religious sentiments were soon coloured by various influences stemming from transnational religious forces, whose presence was quickly becoming more visible. Such forces found an easy way to infiltrate Bosnia and Herzegovina through the various humanitarian organisations and humanitarian aid channels, which proliferated across the country following the start of the war.

1.4 Carving of Humanitarian Aid Flows

The importance of humanitarian intervention and humanitarian aid flows in preparing the ground for the arrival of global capital should not be overlooked. Even if somewhat speculative on my part, it cannot be completely disregarded, as humanitarian intervention marks the beginnings of Bosnia and Herzegovina's relationship with the Gulf States, which had been almost non-existent during Yugoslavian times.³⁴ Therefore, one could argue that humanitarian intervention

³⁴ See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006).

was *the* fundamental “foot in the door” which facilitated the Gulf States’ eventual ability to establish their place in Bosnian and Herzegovinian market.

Humanitarian aid flows into Bosnia and Herzegovina were set up relatively quickly after the beginning of the war. Among Western powers, the decision to proceed with humanitarian intervention was subject to prolonged debate, one that took almost four years to conclude in the decision to put an end to the ongoing violence. In some parts of the Islamic world, by contrast, the decision to provide both humanitarian and military help was reached as early as in the summer of 1992, for it was strongly felt that the Bosnian Muslims were at a disadvantage.³⁵

It is easy to see the push for action demanded by the Islamic countries as a reaction to both the number of Muslims being oppressed and killed during that period, as well as to the failure of the West to do anything about it. However, the longstanding oppositions and divisions within the Muslim world itself, as well as differences between the ruling regimes in the Middle East and North Africa, were both brought to light and further exacerbated by the Bosnian war. It seemed that the majority of these countries were not openly in favour of providing military assistance. The focus was mostly on providing financial and humanitarian aid, with the exception of Kuwait whose government openly defied the imposed embargo by sending weapons and volunteer fighters into Bosnia.³⁶ Despite the lack of unified decision-

³⁵ The arms embargo was initially imposed by the UN Security Council on all sides at war, including Yugoslav National Army, which was believed to be neutral at the time of the passing of the resolution. However, it was the Croatian and particularly the Bosnian sides which were most affected by these restrictions. The Yugoslav National Army was already equipped with significant supplies of heavy weaponry which were mostly inherited by the Serbian forces. This made it increasingly difficult for the Bosnian Army governed from Sarajevo to put up an effective resistance and secure arms.

³⁶ Countries with strict dictatorial regimes, such as Egypt and Syria, were very much against offering any military help to Bosnian Muslims. In Saudi Arabia both the ruling regime and the opposition seem to have been in favour of jihad since as early as 1992. See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006).

making among the Islamic countries compared to their Western counterparts, their action was perceived as swift and radical. Moreover it provides insight into two different models of humanitarianism and two different perspectives on the necessity of humanitarian intervention.

According to professor of social and political thought Robert Meister, these two opposing models are rooted in two different approaches stemming from differences in their respective Christian and Islamic origins: *struggle-as-justice* (militancy) vs *justice-as-reconciliation* (reconciliation).³⁷ In the latter model, founded in post messianic secular thought originating from Judeo-Christianity, time is of the essence. More time is always needed for change to occur. So faith is always in future – the future where our awareness will be changed as a result of our previous suffering.³⁸ However, Islam takes a different stance. The secular time “after Evil” and “before Justice” is abolished and only time we are left with is the present in which one must act in accordance with God’s will. According to social philosopher Norman O. Brown, Qur’anic justice represents a challenge to the secular rule, as it always arrives in the present instant. “In fully developed Islamic theology, only the moment is real,” says Brown.³⁹ Therefore this concept of struggle-as-justice (militancy) becomes the basis for immediate action.

³⁷ The Human Rights Discourse, as Meister defines it could be seen as a new form of secular religion, for it is rooted in Judeo Christian thought, particularly in Pauline Christianity. As a crude simplification of his theory one could say that the time we live in now is the time after evil has occurred and before justice is done. What is meant by that is that we’re living in *transitional* time, where the emphasis is on acquiring awareness of the past mistakes so that they will not be repeated in the future. See Robert Meister, *After Evil: Politics of Human Rights* (New York: Columbia Press University, 2009).

³⁸ According to Meister, In Human Rights Discourse this process of increasing awareness can be seen as “therapeutic”, as it works towards the demythologisation of past sacrifices which are seen as a precondition for the redemption of mankind. See Robert Meister, *After Evil: Politics of Human Rights* (New York: Columbia Press University, 2009).

³⁹ Robert Meister, *After Evil: Politics of Human Rights* (New York: Columbia Press University, 2009), 300.

While the West took years to decide on military intervention, the Islamic world saw the opportunity to act immediately in what they deemed to be “accordance with God’s will”. In practical terms this meant not only providing humanitarian and financial aid, but openly defying the embargo on arms importing, as well as sending foreign fighters to wage war. Rony Brauman of Médecins Sans Frontières states that:

As democratic as it might be, a state cannot claim to have purely humanitarian interests, especially when an aid operation involves activities within the territory of another state.⁴⁰

According to investigative journalist and political analyst Esad Hećimović, this was precisely the reason why the Bosnian government was ambivalent about the help being offered to it by Islamic countries. Fearing too much interference in the internal affairs of the Bosnian state, President Alija Izetbegović’s entourage, along with the military leadership, believed that the country didn’t really need foreign fighters as it had enough of its own people willing to fight. What they did most certainly need however were weapons and financial help.⁴¹

This question of philanthropic imperialism is not a new one and is most certainly not only applicable to the examples mentioned in the context of the interventions and help offered to Bosnia from the Middle East. If anything, Alex De Waal argues that missionary enterprises of Victorian times represent the predecessors of contemporary *humanitarian international*, and in particular, contemporary American humanitarianism.⁴² The potential consequences of allowing this kind of

⁴⁰ Rony Brauman, “From Philanthropy to Humanitarianism: Remarks and an Interview,” *South Atlantic Quarterly* Spring/Summer 103 (2-3)(2004), 412.

⁴¹ See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006).

⁴² This rather complex and multifarious phenomenon, defined by De Waal as “mixture of greed and altruism, self-delusion and self-interest”, he argues, actually rests on the pillars of the British radicalism combined with “scientific relief”, American belief in voluntary action based on the

intervention were something that Bosnian government at the time were clearly very well aware of. There had also been fears, expressed on the behalf of the official Bosnian Islamic Community and its leader Reis-ul-ulema Mustafa Cerić, about the impact that foreign fighters would have on the local practice of Islam. Still, as it was a case of taking all or nothing, the decision was ultimately made to accept help in all the forms in which it had been offered. De Waal argues that it is emergency which “underwrites exceptionalism”, as the emergency allows greater freedoms to those providing aid and relief.⁴³ It reduces the necessity and time required to consult those suffering, but also prevents regular commercial contracting.

Unlike the arrival of foreign fighters, which occurred in two major waves and eventually resulted in the formation of the “El Mujahed” Detachment within the Bosnian Army, money continued to stream into the country uninterrupted.⁴⁴ It arrived mostly through humanitarian agencies, some set up in Vienna and Zagreb and several within Bosnia and Herzegovina itself.⁴⁵ And as had been expected, along with the money came the foreign Islamic missionaries. Described by the

Wilsonian tradition and French “sans frontier-ism”. See Alex De Waal, “Whose Emergency Is It Anyway? Dreams, Tragedies and Traumas in the Humanitarian Encounter.” accessed on January 10, 2015. roundtable.kein.org/node/1078

⁴³ Alex De Waal, “Whose Emergency Is It Anyway? Dreams, Tragedies and Traumas in the Humanitarian Encounter.” accessed on January 10, 2015. roundtable.kein.org/node/1078

⁴⁴ According to Hećimović, the arrival of the first foreign fighters was recorded as early as in the summer of 1992, but these were mostly former fighters arriving from Afghanistan and Pakistan. Their task was to determine whether Bosnian Muslims were being killed solely on the basis of being Muslim. If that was indeed the case, this would be enough ground to wage jihad. The next wave of fighters would arrive in the spring of 1994. See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006). Also see See ICTY, *Delić (IT-04-83) Judgement, September 15, 2008*. accessed on August 8, 2018. <http://www.icty.org/case/delic/4>

⁴⁵ Throughout different documents, ranging from ICTY records to articles and books, so far approximately 11 humanitarian organisations have been listed as actively involved in procuring both financial help and weapons for Bosnia and Herzegovina at the time. The three most important channels were the BIF (Benevolence International Fund), High Saudi Commission and the TWRA (Third World Relief Agency). The head of the TWRA, a Sudanese man named Dr Fatih al-Hassanein, even claimed at one point to be the “real minister for finance in Izetbegović’s government.” Based in Vienna, he would allegedly “regularly, in the official car of the Sudan Embassy, bring suitcases full of money to Zagreb”, that would be transferred over to Bosnia. See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006), 35.

official Bosnian and Herzegovinian Islamic Community as the followers of Salafism, their main role was to influence the local Islamic practices and attract followers. Although they operated quite persistently from as early as 1993, their teachings never amassed a wider following.⁴⁶ Yet, despite the fact that the local population was generally not susceptible to these attempts, the movement did not just disappear after the war. By adapting to the changing circumstances, they managed to establish their presence, with their efforts eventually culminating in the construction of the King Fahd's Mosque in Sarajevo in the year 2000, marking a pivotal moment of the first wave of investments. The legacy of and the politics behind this controversial edifice will be further explored in Chapter 3.

The events described above exemplify humanitarianism as deeply embedded in military strategy as well as state and supra-state politics, while still assuming a missionary role. The attempts at religious and cultural colonisation, although not as effective as perhaps initially expected, had nevertheless managed to pry open the way for the initial stage of capital investment. The aftermath of the war saw the closing down and dismantling of the majority of the previously mentioned humanitarian organisations and NGOs. However, most of their personnel as well as the ties, which they had established with the Gulf States remained in place. It wasn't long after the war ended that it became obvious that the presence of transnational religious forces was morphing into a catalyst for a particular form of

⁴⁶ According to Esad Hećimović, and in line with the teaching of the Saudi Sheikh Salman al-Awdah, the foreign Islamic missionaries had an important task of "re-educating" the local Muslim population to allow Salafi influences to gain ground. This was achieved in various ways: from publications that were supposed to advise the local population on not only concepts of socialism, nationalism and democracy, but also the consumption of alcohol, dress-code, the way to pray and other aspects of everyday life of Bosnian Muslims that were deemed not to be in accordance with the prescribed Sharia law; to far more aggressive incidents of "re-education" in the form of physical attacks on the locals. See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006).

economic growth. Instead of humanitarian aid, financial help from the Gulf States was now being directed into what I have identified as the first wave of investments, that is to say, reconstruction and building of mosques, masjids and Islamic cultural centres. By the year 2000, as previously mentioned, Bosna Bank International had been established. Bosnian ties with the Gulf States were strengthened even further following the Clinton administration's efforts to subdue the relationship between Bosnia and Herzegovina and Iran, which paved the way for stronger Saudi Arabian influence.⁴⁷ This too will be elaborated upon in Chapter 3.

This course of events was further facilitated through the development of a particular type of subjectivity, one that I would label as *beneficiary*. Borrowing and adapting Meister's argument that the beneficiary is the one who has "accrued privileges from the violations of human rights", I would argue that within the context of Bosnia and Herzegovina such subjectivity was a by-product of a humanitarian imperialism, which was carried over from the war into the post-war period.⁴⁸ Although Meister allows for some sympathy in his reading of such subjects, my own reading in the context of Bosnia and Herzegovina is much more sinister in nature. These are shape-shifters — war profiteers turned entrepreneurs and financial intermediaries — slippery characters that move through times and regimes, always reaping the benefits with impunity. This condition has enabled them to become a force majeure in the unregulated post-war development of the country and to collaborate directly with their former benefactors (providers of humanitarian aid) turned investors.

⁴⁷ Esad Hećimović writes that during the 1990s Saudi Arabia feared Iran's strong influence on Bosnia and Herzegovina due to their longstanding Sunni and Shiite enmity. Therefore, American intervention into relationship between Iran and Bosnia and Herzegovina worked directly in favour of Saudi Arabia. See Esad Hećimović, *Garibi, Mudžahedini u BiH 1992-1999* (Zenica: Fondacija Sina, 2006).

⁴⁸ See Robert Meister, *After Evil: Politics of Human Rights* (New York: Columbia Press University, 2009).

Their role is now two-fold: on the one hand they act as facilitators (being in or close to positions of power allows them to commission or implement projects, instigate changes of policy, zoning plans, etc.); while on the other hand they continue to be direct beneficiaries through corruption and profit-making.

In the aftermath of the war, what we see at work are transnational religious forces aligning with national religious forces in order to subvert (whatever is left of) the nation-state's sovereignty and lubricate the economy, carving out channels that allow unrestricted and unsupervised flows of global capital.⁴⁹ Nationalist and religious narratives have become a smoke-screen, which distract from the actual economic agenda. Although one could argue that what has been described so far is hardly particular to Bosnia-Herzegovina, the singularity of Bosnian case lies in its geographical and thus geopolitical position, especially in relation to both the European Union and the Middle East. We have moved on from the "fear of God" as a way of producing loyalty "to the commonwealth", to a system where God is used as leverage to create political and economic allegiances which will increase investment.⁵⁰

1.5 New Tools of Urbanisation

One of the main issues this dissertation project engages with is the role of the Dayton Peace Agreement in the planning and production of urban space in Bosnia and Herzegovina. Using philosopher and sociologist Henri Lefebvre's radical hypothesis of the complete urbanisation of society, which demands a "radical shift

⁴⁹ Anna Tsing uses the term "carve" rather than "flow" to emphasise the violence inherent in these processes. See Anna Tsing, "The Global Situation," *Cultural Anthropology* 15, no. 3 (2000): 327-360, <https://doi.org/10.1525/can.2000.15.3.327>.

⁵⁰ Wendy Brown, *Walled States, Waning Sovereignty* (New York: Zone Books, 2010), 59.

in analysis from urban form to the urbanisation process” I, along with urban theorists Christian Schmid and Neil Brenner, argue that the boundaries between the urban and non-urban are being dissolved and that we're witnessing is a phenomenon of, so called, “planetary urbanisation.”⁵¹ Defined as a framework according to which urbanisation is not “an urbanization-as-homogenization argument or a simple spreading of a single ‘form,’ the urban, across the territory or the world,” instead, “it’s an unevenly woven, constantly imploding and exploding, fabric of social relations, struggles, experiences, strategies.”⁵² The concept of “planetary urbanisation” also implies that there is no “outside” to the urban, as complex networks and infrastructures which traverse hinterlands and uninhabited landscapes act as urban features and fundamentally transform the areas they pass through, into urban fabric. Schmid and Brenner, therefore, see the need for epistemological shift towards the analysis of this phenomenon, where there is a pronounced need for “new theoretical categories through which to investigate the relentless production and transformation of socio-spatial organisation across scales and territories.”⁵³ My own research project contributes to this discourse of planetary urbanisation by bringing to light new forms of socio-economic mechanisms which facilitate process of urbanisation, not at the centres of capital investment and accelerated urban development, but at its frontiers and peripheries.

The large-scale land acquisitions on the part of the local government and municipalities, particularly in the suburban areas of Sarajevo where major

⁵¹ Neil Brenner and Christian Schmid, “Planetary Urbanisation,” in *Urban Constellations*, edited by Matthew Gandy (Berlin: JOVIS Verlag, 2011), 11.

⁵² Ananya Roy, “What is urban about critical urban theory?,” *Urban Geography* (2015): 6, accessed February 11, 2017. Doi: 10.1080/02723638.2015.1105485

⁵³ Neil Brenner and Christian Schmid, “Planetary Urbanisation,” in *Urban Constellations*, edited by Matthew Gandy (Berlin: JOVIS Verlag, 2011), 13.

developments are now taking place, have been one of the preconditions of the real-estate market boom spearheading the urbanisation process. Previously, the land in the areas of interest was mostly in agricultural use and privately owned. Yet, the potential for turning it into residential developments and construction sites was relatively quickly recognised, and mechanisms were put in place to allow this land to be acquired from its owners at the lowest price possible, in order for it to be subsequently sold off to foreign developers (often at a much higher price). According to political philosophers Michael Hardt and Antonio Negri, there have been continuous shifts throughout our history, specifically modernity, to privatise public property but also to reverse this process.

It is true that when it was dictated by the necessities of accumulation (in order to foster an acceleration or leap in development, to concentrate and mobilize the means of production, to make war, and so forth), public property was expanded by expropriating large sectors of civil society and transferring wealth and property to the collectivity.⁵⁴

This was also the case in Bosnia and Herzegovina, specifically after the WWII, when in the process of so-called “nationalisation”, the “excess of private property” was appropriated for collective use. Following the disintegration of Yugoslavia however the reverse process was put in place – the so-called “de-nationalisation”, i.e. property restitution, whereby previously nationalised property was returned to its original owners. However, in contrast with the post-WWII trend that was certainly in-line with Hardt and Negri’s thesis on the necessity of accumulation of public property, the latest trend in land appropriation, or rather acquisition, is much more aligned with David Harvey’s theory on accumulation by dispossession.⁵⁵

⁵⁴ Michael Hardt and Antonio Negri, *Empire* (Cambridge, Massachusetts: Harvard University Press, 2003), 318.

⁵⁵ See David Harvey, “Accumulation by Dispossession,” in *The New Imperialism* (Oxford: Oxford University Press, 2003): 137-183.

Commodification and privatisation of land, as fundamental characteristics of this process, are just some of the outcomes following the transformation of Bosnia and Herzegovina into a new space of capital accumulation. The acquisition of land, primarily for the purposes of construction and development, is enabled by the various mechanisms that constitute the Dayton Peace Agreement, with each corresponding to and facilitating a specific aspect of the process of accumulation. The main features of this bureaucratic apparatus are the Inter-Entity Boundary Line and the new Constitution, which, by setting in motion what I define as mechanism of deferral and mechanism of failure, chart a new trajectory of the urbanisation process in Bosnia and Herzegovina. These mechanisms will be analysed in more detail in Chapters 1 and 3.

Working closely with, but also to some extent recasting architect and urbanist Keller Easterling's notions of "the zone" and the "extrastate", this project also tries to understand how such model(s) function(s) in a contested post-conflict environment. Given that they are a product of the condition on the ground just as much as of the forces of the global capital flow, these urban constellations are inextricably linked with the socio-political and economic context they are imbedded in. And as Easterling points out:

The world capital and national capital can now shadow each other, alternately exhibiting a regional cultural ethos, national pride, or global ambition. State and non-state actors use each other as proxy or camouflage as they juggle and decouple from the law in order to create the most advantageous political or economic climate.⁵⁶

⁵⁶ Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London, New York: Verso, 2014), 66.

In the case of Bosnia and Herzegovina, foundations for the processes of juggling with and decoupling from the law have already been laid down by the Dayton Peace Agreement. As a result, a milieu is created where the global capital can thrive through real-estate developments, making the Dayton Peace Agreement into an instrument of financialisation and global capital, as well as into an architect of the new spatial and territorial order in Bosnia and Herzegovina.

2.0 The Invisible Divider

2.1 (Un)Easy Living

As the world is becoming more turbulent both socially and economically, and traveling to USA and European Union is no longer as easy as it was before, Bosnia and Herzegovina is now a perfect destination to spend comfortable summer! Sarajevo (capital) is a quiet getaway where Athan can be heard everywhere. Bosnia's breathtaking nature and halal food make you feel welcomed. Above all, one thing you can't find elsewhere in the West, in Bosnia you can feel like home... So LET'S GO HOME.⁵⁷

As an architect in early 2015, Sanja Vrzić was assigned to lead a project in Osjek: one of the many suburban neighbourhoods of Sarajevo now targeted by foreign investors and destined to become holiday resorts. It is a small-scale development, a gated community consisting of seven detached-dwelling houses, financed by a Kuwaiti client. The excerpt above appears on the front page of the catalogue designed by Sanja, yet the enticing words were written by the developer himself. “He wanted us to do the whole thing”, she said “from the urban planning stage to the catalogue design. It’s cheaper for him to do it here, I guess...”⁵⁸ In terms of content however it seems to be an altogether different matter – here the developer himself preferred to take the reins. In our conversation, Sanja expressed unease at the wording of the excerpt, as well as around her role in this project. In many ways, her ambivalent attitude has come to reflect a wider stance of the local population in relation to the growing number of foreign investors entering into the country’s real estate market, particularly from the Gulf States. The beginning of this trend can be traced back to the early 2000s, but the numbers have surged in the last six to seven years. Whilst initially very optimistic and hopeful about the economic

⁵⁷ 72 *Osjek 73 Jablaničko Catalogue*, by AHA+KNAP (Sarajevo, 2016), 3.

⁵⁸ Sanja Vrzić, Interview by Mirna Pedalo, April 2016, Sarajevo, Personal notes.

possibilities offered by such a trend, the locals have also had to face up to their own complex and conflicting notions of ethno-religious and cultural identity now offset by the presence of racial and cultural “Other”.⁵⁹

Despite the fact that the country’s political and economic situation has been in disarray since the end of the war in 1995, or perhaps precisely for that very reason, Bosnia and Herzegovina has now become an attractive investment destination for countries from the Gulf, particularly Kuwait, Saudi Arabia, and the UAE. The years of gradual waning of state power have been facilitated by the Dayton Peace Agreement. This process has been fuelled by the country’s dependency on IMF loans to support its extravagant, yet impotent bureaucratic apparatus. The country’s already feeble position within the global market has been further undermined by a complete absence of any strategy for substantial economic development. This, I would argue, is partly deliberate and partly due to the sheer incompetence of the country’s political elite. Reasons for this condition are myriad and the genealogy of it shall be traced back in more detail in Chapter 2. The combination of these elements has created an environment where attracting foreign investment in real-estate, as well as selling off land stock, are seen as the only sources of potential profit for the impoverished masses.

The role that religion plays in this process is a rather specific one. Looking at the quoted excerpt, it is clear that halal food and Athan have been singled out not only as religious but also as cultural signifiers. This could be read as an attempt to use

⁵⁹ Regardless of their ethnic and religious background, the population in Bosnia and Herzegovina (and, for the most part, in other former Yugoslav countries as well), is predominantly White, of South Slavic origin. The only exception are (relatively small) Jewish and Roma communities, the latter being one of the most discriminated against ethnic and racial groups in the region.

religion, in this case Islam,⁶⁰ to gloss over cultural differences in order to create a picture of an alluring destination where foreign investors could feel comfortable enough to dwell. Religion is being used as a precondition for creating the comfort of “home”.

As I scroll through the glossy pages of the catalogue, I note its juxtaposition of sleek housing-designs with names such as “There’s No Place like Home” or “Easy Living”, alongside descriptions of what the houses can offer the lucky owners, for example “master bedroom on the lower floor is ideal for guests or a housemaid”.⁶¹ Since “housemaid” is a concept, which is virtually unknown in contemporary Bosnian culture, it is clear that this piece of real-estate advertising is not aimed at your average Bosnian house-buyer. Add to this the fact that house prices range well above the affordable threshold of an average Bosnian prospective home-owner – and one can understand the growing frustration of both those who work on designing such houses and those who cannot afford to buy them, which is at present the vast majority of the Bosnian population. The invitations to “go home” are in fact, primarily extended to Kuwaiti and other Gulf State buyers, to whom Bosnia and Herzegovina is now being presented as a new holiday destination; a convenient and cheap getaway from the desert heat in the summer months. The practice of catering exclusively to wealthy foreign tourists is certainly nothing new or unusual in tourist-oriented countries across Europe, such as Switzerland and Austria. However, what is interesting in the case of Bosnia and Herzegovina is that it is not

⁶⁰ Similar trend can be observed in Republika Srpska, where the Orthodox Christian heritage of the vast majority of the population is used as a bait to attract Russian investors into this part of the country.

⁶¹ 72 *Osijek 73 Jablaničko Catalogue*, by AHA+KNAP (Sarajevo, 2016), 6.

the rich that are being lured by these new developments, but precisely those of lesser financial standing.

2.2 Where the Two Trails Intersect

The migration trail, which had been carved through the Western Balkans over the last couple of years, had initially bypassed Bosnia and Herzegovina. While its neighbouring countries, Serbia and Croatia, struggled to cope with massive torrents of refugees, mostly from Syria, Iraq and Afghanistan; Bosnia and Herzegovina, had remained off the refugees' radar. The reasons are various and mostly practical. The shortest route to countries of interest such as Austria, Germany, or the Scandinavian countries, is through Serbia, Croatia and Slovenia. Add to this a hostile and mountainous terrain, danger from unexploded land mines and the well-known fact that Bosnia and Herzegovina is still regarded as an unstable and poverty stricken country itself, and one can see why it is an unattractive destination for those seeking even a temporary refuge. Indeed, Bosnians themselves claim that their country is in such dire straits that not even those running for their lives want to enter this black hole. Nevertheless, following the official shut-down of the previously carved Balkan route in 2016, the migration trail started to shift towards Bosnia and Herzegovina, as the only remaining option. Yet, although the numbers have significantly risen over the last twelve months, they are still marginal in comparison to the number of people that were arriving to the Western Balkan countries at the peak of the refugee crisis.

Despite evading the refugee crisis itself in 2014 and 2015, Bosnia and Herzegovina has nonetheless been getting to grips with its own influx of people coming from the Middle East, even though the scenario is of an entirely different nature. The

numbers alone tell an interesting story. According to the Tourist Association of Sarajevo Canton, July 2016 was the most successful tourist month since 1997 (practically on record) with forty-five thousand tourists from hundred and twenty-six countries visiting the city. Consistently with the previous year, the largest number of visitors came from Turkey, some seven thousand two hundred. However, compared to the year before, the most significant increase has been in the number of visitors from the Gulf States – approximately six thousand three hundred nationals from the UAE, Saudi Arabia, and Kuwait came to Sarajevo in July 2016.

To illustrate the rise in numbers, one can note that whereas in July 2010 only sixty-five UAE nationals visited Sarajevo, in July 2016 UAE nationals topped the list of Gulf States visitors with five thousand three hundred and fifty-five visiting Sarajevo.⁶² Unlike their Syrian or Iraqi neighbours who flee to the Balkans in “search of bare life”⁶³, these tourists from the Gulf are most certainly not fleeing wars or running for their lives. They swap the comfort of their own homes for the comfort of Bosnian hotels, summer villas, cool mountain air and beautiful landscapes, flying directly from the Gulf States not as refugees but as tourists and as rightful, or soon to be rightful, owners of their properties and holiday homes. So, one could ask - why even juxtapose these two narratives? Is there any merit in drawing a parallel between the two? Evidently the differences are stark, but it is not

⁶² “Rekordni turistički promet: Sarajevom u julu prošlo 45,000 turista iz 126 zemalja,” *Faktor.ba*, August 17, 2016. accessed October 2, 2016. <https://faktor.ba/vijest/rekordni-turisticki-promet-sarajevom-u-julu-proslo-45-000-turista-iz-126-zemalja-166189>

⁶³ Here, the notion of “bare life” is aligned with Saskia Sassen’s definition. Following Agamben’s notion of “bare life”, a life emptied out of political significance and subjected to murderous violence, for Sassen those migrating “in search of bare life” are not emigrants, but “refuge seekers”, and are a very different category to economic migrants. For them it is not possible to return home. See Saskia Sassen, “A Massive Loss of Habitat,” *Sociology of Development* 2, no.2 (2016).

about drawing a parallel but following a thread that inevitably connects the two scenarios.

Billy, a Syrian man who has lived in Sarajevo since the 1980s and who now owns Yasa, one of the numerous real-estate agencies based in Sarajevo's suburb of Ilidža to work primarily with Gulf State clients, reveals an, otherwise, unapparent link that connects the two narratives. According to him, what at first appeared to be an unforeseen interest in Bosnia and Herzegovina as a potential tourist destination has come about partly as a result of wars and political instability in the Middle East.⁶⁴ The majority of his clients used to spend their summer holidays in Syria; however, with the growth in violence and threats of terror, they have moved on and started looking for opportunities elsewhere. Bosnia and Herzegovina seems like a perfect alternative. What's more, if one were to pinpoint the dawning of the rise of the Bosnian real-estate market, the timing effectively coincides with the start of war in Syria.

The affluent residents of the Gulf States don't go to Bosnia and Herzegovina, it is the middle and lower-middle class, for whom the alluring landscapes of Switzerland, Italy and Austria are too expensive, that have set their eyes on Bosnia's green hills and mountains. In comparison to any other European country, Bosnia and Herzegovina is a very cheap holiday destination, which is also what allows these middle-class Gulf State residents to stay in the country for up to three months over the summer. Their length of stay sets them apart from tourists of other nationalities who tend to visit for only few days on average. This along with the

⁶⁴ Billy, Conversation with Mirna Pedalo and Shahed Saleem, August 2016, Sarajevo, Personal notes.

tendency to purchase land and property rather than just rent, has also sparked one of the most controversial contemporary debates in Bosnia and Herzegovina. While the money that the Gulf State nationals spend during their sojourn is more than welcome, their presence has started to influence previously established, complex ethno-religious substructure produced by the Dayton Peace Agreement. At the state level, the appearance of Gulf investors and tourists has induced a production of a new and malignant narrative, pushed forward by the officials and media in Republika Srpska, as well as in the neighbouring Serbia and Croatia about the “invasion of Arabs” who are “buying up Sarajevo”.⁶⁵ Exaggerated, inflammatory and racist statements of this kind are aimed at creating an atmosphere of further alienation between the two entities and divisions within the country.

This tactic works in favour of secessionist politics championed by Serbian officials in Republika Srpska, as well as in support of those Croat representatives in the Federation of Bosnia and Herzegovina who are in favour of further division in order to create the third, Croatian, entity. On the other hand, at the Federal level, where the majority of population is Bosniak-Muslim, the religious similitude has been used by both the investors and investees as a way of concealing significant cultural difference, and as an attempt to override latent racism and xenophobia. The latter two have been exacerbated by the sharp rise in the number of visitors, who have managed to come into possession of quite extensive portions of land in vicinity of Sarajevo over a very short period of time. Nonetheless, the instrumentalisation of religion has proved to be a highly problematic way of dealing with the issue of

⁶⁵ Over the last couple of years headlines such as “Arabs buying up Serbian land in Bosnia” (*Telegraf*, Serbia, 15 August 2017), “Invasion on B&H: Arab nationals in great numbers buying up land in Central Bosnia” (*Dnevnik*, Croatia, 3 January 2017), “For centuries belonging to Serbs and now it is Arab: Arabs pay bags of money for ancient Serbian land” (*Blic*, Serbia, 10 October 2016), have appeared in leading Serbian and Croatian newspapers.

“Otherness”. Even more so considering that the practice of rather liberal version of Islam in Bosnia and Herzegovina is opposed to the conservative version of Islam from the Gulf, and this opposition is often based on pronounced cultural differences between the respective Muslim communities.

2.3 Instrument of Finance

As mentioned earlier in the chapter, the years of gradual waning of state power have been facilitated by the Dayton Peace Agreement, and underlined by the dependency on the IMF’s loans to support the extravagant, yet impotent bureaucratic apparatus. In my further analysis I will explore the effects of specific elements of the Dayton Peace Agreement, which I believe, have helped generate a set of conditions particular to Bosnia and Herzegovina alone, despite the context of the Western Balkans. This set of conditions has propelled Bosnia and Herzegovina into the global market, while at the same time subjecting it to new forms of violence, de facto transforming the Dayton Peace Agreement into financial instrument.

Changes to laws and regulations pertaining to owning property, alterations of existing planning requirements, re-tailoring of current urban and zoning plans and relaxing visa requirements for foreign investors and visitors are just some of the measures implemented at different levels of governance to facilitate the flow and growth of investment capital in Bosnia and Herzegovina today. The structural violence inherent within the Dayton Peace Agreement constructed a milieu which allowed the above-mentioned changes to be implemented with impunity and with complete disregard for the possible social, environmental and economic consequences of such decisions. On the global level it has helped to shape an image of country worthy of investment, primarily because a certain level of risk has been

maintained, which has helped to create an environment conducive to speculative investments, yet one that is very much vulnerable to different forms of exploitation.

I contend that the two main elements within the Dayton Peace Agreement that have helped to create and maintain such a set of conditions are:

Annex 2: Which legitimises the division of the country into two entities, the Federation of Bosnia and Herzegovina and the Republika Srpska, through the delineation of the Inter-Entity Boundary Line.

Annex 4: The Constitution of Bosnia and Herzegovina, an annex to the main agreement. This Annex not only legitimises the splitting of the country into two entities, but also provides further details of the country's new administrative structure. Its legal ambiguity, I would argue, leaves too much room for political manoeuvre and machination, which spill over from the uppermost positions of power to the lowest, municipal levels of government.

These two annexes have enabled both a horizontal division of territory and a vertical stratification of state power through the introduction of excessive, and ultimately unmanageable, levels of governance. What prevails is an inability or unwillingness on the part of the local politicians, as well as the international community, to move forward from the structures set out by the Dayton Peace Agreement. If anything this apparatus, which is both rigidly immovable and yet at the same time very porous and easily corruptible, seems to have become more deeply entrenched as the years went by. It has helped to create an environment where its flaws are regularly exploited with full force. As Bosnian journalist and writer, Ahmed Burić, aptly observed: "History here never ceased to act as a

disciplinary procedure, and the time is only considered as a category which should be used for looting and plunder.”⁶⁶

Living their lives in a state of constant temporal suspension, initially brought about by the war and its outcomes and later sustained by well-rehearsed nationalist narratives from the early 1990s supplemented with the post-war secessionist rhetoric, has made it impossible for the peoples of Bosnia and Herzegovina to believe that there could be another option, another way to organise and run their country.⁶⁷

As Nerzuk Ćurak points out in his recent book *Treatise on Peace and Violence: (Geo)Politics of War – (Geo)Politics of Peace – Peace Studies:*

The Dayton reality has been shaped by the geopolitics of the war, the post-Dayton one [should be shaped] by the politics of the peace process. The Dayton model of understanding Bosnia and Herzegovina comes from the war, has been thought through the war, conditioned by its result; it precedes the post-Dayton model, conceived from the impending peace form. The post-war model (post-Dayton), with no life span, is gradually releasing itself from the bonds of war as its cause, the war-model is determined by the war, trapped in its result.⁶⁸

Yet somehow, the country never really moved on to the post-Dayton stage. The results of more than twenty years of living this rhetoric of war in a time of peace have finally started to show, both in the built environment and the everyday life. Due to Dayton-imposed extremely expensive bureaucratic apparatus completely at odds with the country's economic development practically stagnating since the

⁶⁶ Ahmed Burić, “Gdje živi Slobodan Milošević,” *Radio Sarajevo*, January 12, 2017. accessed January 13, 2017. <https://www.radiosarajevo.ba/kolumne/ahmed-buric/gdje-zivi-slobodan-milosevic/250549>

⁶⁷ The secessionist rhetoric has been mostly propagated by the president of Republika Srpska, Milorad Dodik, but has, of lately, been increasingly espoused by Croatian representatives, led by Dragan Čović, who are interested in forming a third entity with Croatian majority.

⁶⁸ Nerzuk Ćurak, *Rasprava o miru i nasilju: (geo)politika rata – studije mira* (Sarajevo, Zagreb: Buybook, 2016), 78.

1990s war, Bosnia and Herzegovina is today one of the poorest countries in Europe.⁶⁹ The influx of global capital has only aggravated the situation as it has brought to light numerous problems and inequalities inherent within the system. The seductive neoliberal promise of a better life appeared in the form of foreign investments in the private sector in which the lure of western capitalism was refracted through allegiances based on religious similitudes.⁷⁰ This is proving to be a dangerous combination, as it has only reinforced already unwavering endorsement of the divisive stance among the political representatives of three constitutive nations, but also increasingly so among the local population on all three sides. In addition to that, the investors and investees in both entities, have been working on creating an image of investments as gestures of benevolence fundamental to economic development. The outcome is a rhetoric of economic necessity enhanced by a seemingly charitable motive. Moreover, the urgency implied through necessity works in favour of bypassing or amending policies that might affect the investment flows.⁷¹ And finally, it has further obscured a much

⁶⁹ In 2017, Bosnia and Herzegovina had a GDP per capita of just over five thousand US dollars, making it one of the poorest countries in Europe, with only Albania, Kosovo, Ukraine and Moldova lagging behind. See “GDP per Capita (Current US\$)|Data,” World Bank website. accessed September 11, 2018.

<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=BA>

⁷⁰ Over the last seven to eight years both entities have seen a rise in the number of foreign investments, especially in real estate. While the Federation of Bosnia and Herzegovina is attracting investors from the Gulf States, Republika Srpska, especially its Eastern Herzegovina region is garnering interest among the Russian investors. This is partly due to its proximity to the Adriatic sea and its border with Montenegro, where the Russian investors have been investing for quite some time now. In both cases, Islam and Orthodox Christianity have played important roles as lubricants in territorial distribution of investments, based, to certain extent, on the common religious belonging of the investors and the investees, even if it is just nominal.

⁷¹ In addition to practices of circumventing and/or altering of planning policies that will be discussed later in this chapter, the rise in investments has also instigated changes in visa regimes for the Gulf States’ citizens wishing to travel to Bosnia and Herzegovina. As a result, in 2014 a decision was made to allow the citizens of Bahrain, Kuwait, Qatar and the United Arab Emirates, to stay in Bosnia and Herzegovina for up to ninety days visa-free. Similar agreement is being negotiated with Saudi Arabia, whose government officials have been promising further increase in the number of investments in return for liberalisation of visa-regime. See “Odluka o vizama,” Ministarstvo sigurnosti Bosne i Hercegovine. accessed September 7, 2018. <http://www.msb.gov.ba/Zakoni/akti/default.aspx?id=15605&langTag=hr-HR> , and “Ukidanje viznog režima za građane KSA dovelo bi do porasta investicija u BiH,” <http://vijesti.ba>. accessed

needed overview of Bosnia and Herzegovina's territory as a whole: an essential view if the country is to move from the wartime model embodied by the Dayton Peace Agreement, into a truly post-war post-Dayton existence.

The blueprint of the country's spatial organisation is laid out in Article II of the Dayton Peace Agreement, and lies at the root of many of its problems. The Inter-Entity Boundary Line illustrates precisely how political and legal boundaries can manifest themselves spatially. Imposed upon the land as the by-product of an act of violence, despite having no physical presence in the form of a wall or a fence, the Boundary Line has nevertheless made itself legible through its distribution and organisation of the built environment around it. Its organising tools are legal stipulations and restrictions, which separate the Federation of Bosnia and Herzegovina from Republika Srpska, and vice versa. It is through these very tools that the line comes into being.

The division line, as a very specific instrument in the production of space and the distribution of territories, is discussed in detail by Alessandro Petti, Sandi Hilal, Eyal Weizman and Nicolo Perugini in their book *Architecture after Revolution*. In the case of Israel and Palestine, the thickness of the line on a map, as a result of the sharpness of the drafting instrument used, ultimately produced a legally ambiguous space on the ground, cutting through people's homes and sometimes encompassing entire neighbourhoods in densely populated areas.⁷² While the division itself created numerous problems, the legal ambiguity of the territory covered by the thickness of the line created a window of opportunity for subversion and

September 7, 2018. <https://vijesti.ba/clanak/403515/ukidanje-viznog-rezima-za-gradane-ksa-dovelo-bi-do-porasta-investicija-u-bih>

⁷² See Alessandro Petti et al., "A Common Assembly" in *Architecture after Revolution*, ed. Alessandro Petti et al (Berlin: Sternberg Press, 2013), 150-178.

intervention. In the Bosnian and Herzegovinian context, however, the thickness of the line doesn't seem to have the same subversive potential. When applied onto the ground, it produces a 50m wide belt of no man's land, an administratively opaque buffer zone. Yet, instead of becoming a space for intervention, this belt acts to further affirm the division between the entities. Legal challenges, which have arisen as a result of the division are amplified in the buffer zone. This makes it a no-go area in terms of development or collaboration, as will be discussed through the example of Butmir masterplan at the end of this chapter.

2.4 The Invisible Divider

Since the 20 November 1995, an invisible line has run across Bosnian and Herzegovinian territory, cutting the country into two almost equal portions: the Federation of Bosnia and Herzegovina has 51.47% the Republika Srpska has 48.51%. It also encircles the so-called "Brčko DC", a self-governing administrative unit belonging to both entities. The meandering array of joined dots, a final product of the years of violence eventually subdued by political means, gave birth to a new spatial and political order under the watchful eye of the international community. This order might have been envisaged as a temporary one, yet over the years it has morphed into a permanent state of affairs. The ethnic violence may have been tempered, yet it has never been truly extinguished. As would eventually become clear, it had only taken on a different disguise, as structural violence rooted in ethnic divisions and mediated through the framework of the Dayton Peace Agreement.

The process of production of this most consequential element of the Dayton Peace Agreement began at the Wright-Patterson Air Force Base near Dayton, Ohio, in early November 1995. In this final attempt at crafting a peace agreement that would

actually end the war, it was recognised, very early on, that the mapping process would be of crucial importance. Therefore, the most cutting edge technology available in the mid-1990s, digital mapping, had been deployed. At the time, digital mapping involved “computer-assisted map tailoring, spatial statistical analysis, and terrain visualisation.”⁷³ The success of this partitioning process hinged on two main elements: uniformity of all the base maps, regardless of their scale, so there would be “no question about their authenticity, quality or source” and the ability to quickly visualise continuously shifting alterations to match the outcomes of the discussions, to allow the negotiations to continue uninterrupted.⁷⁴ In the case of the former, it was the US military maps from the Defense Mapping Agency that were chosen as the reliable sources of information. (See Appendix 3, Map 1 and Map 2) Still, it was the UNPROFOR Road Map, which turned out to be negotiators’ favourite as it provided “‘one over a country’, on a piece of paper that could be worked on by two people over a coffee table” even though it was found that this map had a 1% stretch in one direction, which had to be taken into account when digitalising the input.⁷⁵

The totalizing image of the country, surveyed by the US satellites and presented as the only valid source of information during the negotiations bears almost a nostalgic mark. This was probably one of the last times that Bosnia and

⁷³ Richard G. Johnson, “Negotiating the Dayton Peace Accords through Digital Maps,” in *Virtual Diplomacy Report*, United States Institute for Peace (USIP), (February 1999): 1. accessed July 23, 2018. http://www.iapad.org/wp-content/uploads/2015/07/Negotiating_the_Dayton_Peace_Accords_through_Digital_Maps.pdf

⁷⁴ Richard G. Johnson, “Negotiating the Dayton Peace Accords through Digital Maps,” in *Virtual Diplomacy Report*, United States Institute for Peace (USIP), (February 1999): 2. accessed July 23, 2018. http://www.iapad.org/wp-content/uploads/2015/07/Negotiating_the_Dayton_Peace_Accords_through_Digital_Maps.pdf

⁷⁵ Richard G. Johnson, “Negotiating the Dayton Peace Accords through Digital Maps,” in *Virtual Diplomacy Report*, United States Institute for Peace (USIP), (February 1999): 3. accessed July 23, 2018. http://www.iapad.org/wp-content/uploads/2015/07/Negotiating_the_Dayton_Peace_Accords_through_Digital_Maps.pdf

Herzegovina would be presented as one whole - even if it was being ripped apart by the war on the ground - and not just as a sum of its parts, as it would later be the case. The territory of the self-proclaimed and, at the time, still officially unrecognised Republika Srpska, was demarcated by the ever-shifting front-line rather than by a definitive and valid border. Through intense negotiations and minimal but painful “give and take” between the sides, this division line would soon solidify, cutting deep into the country’s territory.

The Inter-Entity Boundary Line (IEBL) was given its name and its purpose in Annex 2 of the Dayton Peace Agreement. A 5mm thick line, drawn in black ink on a 1:50,000 scale map as an Appendix to Annex 2 gave it its territorial presence, and Annex 4, better known as the new constitution, gave it life. (See Maps 1&2 in Appendix 1)

Untold violent acts are still contained within this line, despite the fact that it has no tangible physical presence in real life. There is no wall, no fence, no official crossing or any kind of material obstacle to prevent people from crossing from one entity to the other. Still, most of the line’s 1,080km length is a former, now demilitarised, frontline, with the exception of some adjustments in the areas around strategically important cities, mostly Sarajevo. The line has become a symbol of war and violence, as it is also a spinal cord, which interconnects a terrifying nexus of minefields left over from the last war. It is estimated that 2.3% of the country's territory is still covered with abandoned ordinance particularly in the suburban areas of Sarajevo. However, the existing records are both inaccurate and incomplete. Unrecorded, random and ad hoc planting of mines during the war, further affected by landslides and relatively recent floods from 2014, found in what is often

inaccessible terrain, make it almost impossible to ensure the complete clearing of the area. It is estimated that up to 60% of the existing mine fields are actually unrecorded.⁷⁶ The minefields give the Inter-Entity Boundary Line yet another, even more deadly dimension, making it quite literally a lethal instrument of obstruction and division. (See Map 3, Appendix 1)

But the inconspicuous demarcation line would truly materialise itself in its later iterations, by migrating into non-military maps, urban and zoning plans, changing their scope and perimeter, always imbuing them with violence it carries within itself. As the state was being split apart, so too was its cartographic representation. Fragmentation of the totalised image of the country would lead to fragmentation of its representation in other forms of its existence. The relevance was given only to what was on one or the other side of the boundary and cartographic representations have often come to reflect that. Which portion is of importance depends on the vantage point of the viewer.

When looking at the map of Spatial Plan for Sarajevo Canton, for instance, the Inter Entity Boundary Line slices through the encompassing territory like a knife, leaving the viewer with two portions of land seemingly unrelated to each other. The visual representation highlights the Sarajevo Canton and its surrounding parts, which belong to the Federation, while dimming the other part, the excess. Although in reality an integral part of the very same territory, in this iteration the land in Republika Srpska becomes insignificant, as it is subject to different laws and regulations.

⁷⁶ Bosnia and Herzegovina Mine Action Centre. accessed February 10, 2017.
<http://www.bhmac.org/?lang=en>

The country's division into two entities, the Federation of Bosnia and Herzegovina and the Republika Srpska, was the first step towards legitimising violence and towards the creation of the dysfunctional state that Bosnia and Herzegovina would eventually become. The territorial splintering has inevitably led to a division of the country into two separate legal entities with autonomous institutions and various mutually non-correspondent levels of governance. Despite being held together under the umbrella of a single constitution, the entities themselves are given a high degree of freedom which allows them, for instance, to set up "special, parallel relationships with neighbouring states consistent with the sovereignty and territorial integrity of Bosnia and Herzegovina."⁷⁷ Although the emphasis is on respect for the sovereignty and territorial integrity of the state as a whole, the nuances of what this actually means are left open to interpretation by various political actors. Ultimately, it is up to the constitutional court to determine the limits of other states' meddling in the internal affairs of each entity, which often turns out to be a problematic endeavour.

For this reason, according to Nerzuk Ćurak, it is the Constitution itself, which has become a source of legal ambiguity, open to conflicting interpretations. This has led to the negation of the state which, even according to the Dayton Agreement, was always intended to be a unified whole, not just the sum of two separate parts.

[...] One of the weakest points of the Peace Agreement, [...] is its Constitution in the form of an Annex, which, due to its legal nonchalance allows

⁷⁷ Republic of Bosnia and Herzegovina, Republic of Croatia and Federal Republic of Yugoslavia, "General Framework Agreement for Peace in Bosnia and Herzegovina," November 21, 1995. accessed September 17, 2018.
https://peacemaker.un.org/sites/peacemaker.un.org/files/BA_951121_DaytonAgreement.pdf

for various interpretations, but also for various institutional and normative adjustments of constitutional matters by the inside Dayton actors.⁷⁸

So despite the fact that the Inter-Entity Boundary Line is not a border (it is even punishable by law to treat it or refer to it as a border), in many ways it acts as one.⁷⁹

It presents a legal barrier, which prevents a holistic approach to a territory that should, due to its landscape and its social, environmental and socio-economic characteristics be treated as one entity, as a whole.

2.5 Mechanisms of Deferral

In Bosnia and Herzegovina today, forty eight out of hundred and nine municipalities are divided by the Inter-Entity Boundary Line. Most major municipalities in the country are caught in this division, including Ilidža (FB&H) and Eastern Ilidža (RS), as well as Trnovo (FB&H) and Trnovo (RS). Ilidža and Trnovo are two of the three municipalities into which the largest number of foreign investments have been directed, the third being the neighbouring municipality of Hadžići which belongs entirely to the Federation of Bosnia and Herzegovina.

Ilidža and Hadžići in particular have become true hotspots for foreign investments, primarily due to their natural beauty and their proximity to Sarajevo International Airport. Despite the fact that, according to the zoning and regulatory plans adopted in the early 1980s for the period between 1986 and 2015, this area was designated for sports and leisure purposes, with very limited construction activities allowed,

⁷⁸ Nerzuk Ćurak, *Rasprava o miru i nasilju: (geo)politika rata – studije mira* (Sarajevo, Zagreb: Buybook, 2016), 67.

⁷⁹ In a lawsuit against Republika Srpska in relation to the use of the word “border” in place of IEBL in the Constitution of Republika Srpska, the Constitutional Court of Bosnia and Herzegovina ruled that the use of the word “border” as a replacement of the word IEBL is unacceptable and not in accordance with the Constitution of Bosnia and Herzegovina. The Dayton Peace Agreement makes a distinction between the “boundary” that denotes delimitation between the two entities in the Article II and borders which describe inter-state borders in the Article X.

the surge of foreign interest and the potential for profit-making has shifted the attitude of the local authorities from conservation to entrepreneurship. (See Map 4, Appendix 1)

Initially the land in the area was mostly in agricultural use and privately owned. Yet, the influx of foreign capital acted as a catalyst for the process of commodification of land. The potential for turning it into residential developments and construction sites was relatively quickly recognised, and the necessary mechanisms were put into place to facilitate this process.

I contend that certain elements of the Dayton Peace Agreement have been used as effective mechanisms in the process of accumulation by dispossession, spearheaded by commodification of land as one of its main features.⁸⁰ In the case of Buroj Ozone, a new tourist town planned in the Trnovo municipality, which will be discussed in more detail in the next section, one of the main instruments which helped the process of acquiring land for building purposes was the Inter-Entity Boundary Line. Besides spatially organising the country into two separate entities, the IEBL is also a boundary, which separates two systems of governance that deal with the questions of planning, spatial organisation and environmental protection in two very different ways. The area soon to be occupied by the Buroj Ozon development was, for many years, part of a territory, which was to be declared a national park. The fact that this territory could not be legally considered in its entirety played a key part in a failure of the authorities to protect the area in question, thus leaving it vulnerable to exploitation and legal machination. Considering that

⁸⁰ See David Harvey, "Accumulation by Dispossession," in *The New Imperialism*, (Oxford: Oxford University Press, 2003): 137-183.

the construction of Buroj Ozone is already underway, it shows how successful the use of these mechanisms can be.

Harvey argues that the support of the state in the process of accumulation by dispossession is a crucial one.⁸¹ In the context of Bosnia and Herzegovina, while the state itself does little to actively stimulate it, its overall weakness helps create an enabling context for this process to take place. The power of the overarching state is not only bifurcated and transferred onto its entities, but it trickles further down to the local authorities (cantonal and municipal). In such context, the state's "definitions of legality" across the four tiers of governance and between the two entities are not always synced, so their occasional contradictory character can be misdirected and instrumentalised.⁸² Similar can be said about the governmental institutions across both horizontal and vertical divisions of power that often fail to coordinate their actions, or are in a position to deliberately delay them. The IEBL, as an immutable spatial element of the Dayton Peace Agreement, becomes a cartographic force that works in conjunction with the Dayton's more ambiguous legal elements to create an environment which allows for commodification of land to be carried out.

As explained by S.K., an architect who works at the Institute for Protection of National and Historic Monuments and the Heritage of Sarajevo Canton, in 1999 a feasibility study was commissioned by the Federal Ministry of Agriculture, Water and Forestry. The aim was to discover whether the area encompassing the mountains of Igman, Bjelašnica, Treskavica and the canyon of Rakitnica River was

⁸¹ See David Harvey, "Accumulation by Dispossession," in *The New Imperialism*, (Oxford: Oxford University Press, 2003), 145.

⁸² See David Harvey, "Accumulation by Dispossession," in *The New Imperialism*, (Oxford: Oxford University Press, 2003), 145.

sufficiently bio diverse for it to be declared a national park. This area had initially included a large percentage of the land belonging to Trnovo municipality. The study indeed showed that due to the area's exceptional biodiversity and cultural value, as well as its potential for the development of eco-tourism, an area of 117,000ha should be declared as a national park.⁸³ The scope of the territory that was taken into consideration in this study was selected in accordance with environmental principles and spatial logic, without adherence to the position of the Inter-Entity Boundary Line. Yet, the invisible line ran through a portion of it, so that out of the total suggested area, 75% belonged to the Federation of Bosnia and Herzegovina, and 25% to the Republika Srpska.

The study took almost two years to complete and by 2001 the documentation had been forwarded to the Parliament of the Federation of Bosnia and Herzegovina. Nonetheless, the whole process stalled even before it had properly begun. The issue was just blatantly ignored. After waiting in vain for several years for Parliament to start a discussion about this subject, the decision was made that the Federal Ministry of Agriculture, Water and Forestry should declare the region to be a special protected area. The levels of protection afforded to wildlife by this category would not have been as high as the ones afforded by the national park category, nevertheless, as has become increasingly apparent, the battle for the national park would either be lost or at best turn into protracted legal battle. Therefore need to establish some form of control over this particular area was recognised as a matter

⁸³ BRL Ingenierie, "Studija izvodljivosti za područje sa posebnim karakteristikama od značaja za Federaciju Bosne i Hercegovine – Igman, Bjelašnica, Treskavica i kanjon rijeke Rakitnice (Visočica)," (Sarajevo: Federalno ministarstvo poljoprivrede, vodoprivrede i šumarstva, 2007). accessed April 15, 2016. <http://www.ekoakcija.org/files/35485569-BRL-ingenierie-Mart-2007-Studija-izvodljivosti-za-podru%C4%8Dje-sa-posebnim-karakteristikama-od-zna%C4%8Daja-za-FBiH-Igman-Bjela%C5%A1nica-Treskavica-i-kanjon-Ra.pdf>

of urgency. However, this decision caused a very negative reaction among the local authorities, specifically in the municipality of Trnovo (FB&H). There, the mayor complained that the fact that a considerable portion of the Trnovo municipality's territory was being co-opted for new use (with restrictions in terms of agricultural activities, animal husbandry, construction etc.) would be detrimental to its economic growth. To further add to the problem, it is believed that almost 30km² or 5.11% of the total municipal area is still covered in mines, so the risks from the land mines are almost twice as high as in the rest of the country. Clearing the land of the land mines is a painstakingly slow, arduous and very expensive process, so very small areas actually get cleared per year, which impedes the economic growth even further. Moreover, since municipality mayor holds what is known as "discretionary right", he was able to revoke this decision, leaving this large area of precious land vulnerable to reckless construction and real-estate development in the years to come. (See Map 5, Appendix 1)

Yet, another attempt was made in 2006 to revise and update the feasibility study from 2001, with both documents clearly stating the need for this area to be protected and declared a national park. As was stated in the introduction to the 2006 version, the need for a revised version was due to the fact that when the first study was carried out: "the legal and institutional context was changing so rapidly that the laws and regulations pertaining to environment and urban planning were subject to revision in the Federation of Bosnia and Herzegovina. This has resulted in the rejection of the feasibility study in 2001, so in 2006 the need to provide a revised version was recognised, in order to address the new legal context."⁸⁴ Another

⁸⁴ BRL Ingenierie, "Studija izvodljivosti za područje sa posebnim karakteristikama od značaja za Federaciju Bosne i Hercegovine – Igman, Bjelašnica, Treskavica i kanjon rijeke Rakitnice (Visočica)," (Sarajevo: Federalno ministarstvo poljoprivrede, vodoprivrede i šumarstva, 2007).

excuse given by Parliament for not addressing the issue of the national park was the fact that the territory under consideration included areas on both sides of the IEBL, in two different entities, and Parliament only had jurisdiction over the area that belonged to the Federation of Bosnia and Herzegovina. Even though the revised study only covered the Federal territory – just 75% of the originally proposed area – the whole thing lead to yet another dead end.

In 2007 there was an attempt to produce a new zoning plan for this area, which also failed. Finally, as of April 2016 documentation is being assembled in order to make yet another attempt to protect this area. This time it is suggested that the area is categorised as a nature park. The third level of protection offered by this category would not be as rigorous as the categorisation of national park would grant. The upside, however, is that the area would fall solely under the jurisdiction of the Sarajevo Canton, so there is hope that the Assembly of Sarajevo Canton might actually decide to pass a law and secure at least some level of protection over this area.⁸⁵ Unfortunately, with many construction works already underway, the real question is whether such actions can make any difference at this point in time. The relevance of this example, which is but one of many similar projects taking place, is in the way in which it illustrates how the Inter-Entity Boundary Line is being used as an alibi to justify governmental methods of avoidance and deferral to ensure that an area remains outside of legal protection. The line itself becomes another expression of the complex process of post-war “normalisation” which has divided the country, making it susceptible to exploitation.

accessed April 15, 2016. <http://www.ekoakcija.org/files/35485569-BRL-ingenierie-Mart-2007-Studija-izvodljivosti-za-podru%C4%8Dje-sa-posebnim-karakteristikama-od-zna%C4%8Daja-za-FBiH-Igman-Bjela%C5%A1nica-Treskavica-i-kanjon-Ra.pdf>

⁸⁵ S.K., email message to Mirna Pedalo, Sarajevo, April 2016, Personal notes.

While the governmental institutions were washing their hands of the national park issue and shifting responsibility from one level of government to another, areas at the foot of Igman and Bjelašnica mountains were being seized up as potential development areas and possible future construction sites. It should come as no surprise that by approximately 2012 this zone was already very much on the radar of developers from the Gulf in search of beautiful landscapes in the “promised land” that Bosnia and Herzegovina had become for them. Eventually it was the Buroj Property Developers who came to an agreement with the local authorities in Trnovo to get a concession for 137 ha of land close to Dejčići village, and develop a so called “self- integrated tourist town”, set to be the largest of its kind in South Eastern Europe so far.

Buroj Property Development was established in 2007 and describes itself as one of the “leading international property development companies in the United Arab Emirate Dubai.”⁸⁶ Buroj Ozone is their first and so far their only project in Bosnia and Herzegovina. Looking at the brief it is clear that this is an exceptionally ambitious undertaking. The proposal consists of eight hundred and twenty-four villas, one hundred and twenty-eight hotel/apartments, thirty-six buildings dedicated to different types of services, health centres and a hospital, a children’s ski centre, a zip-line etc. It’s a new town that prides itself on being an “environmentally-conscious community with focus on sustainability and living in harmony with nature”⁸⁷. This is somewhat ironic, considering the issues elaborated in the paragraphs above and in those to follow.

⁸⁶ “Home,” Buroj Ozone International Group website. accessed January 13, 2017.
<https://www.burojo3.ba/>

⁸⁷ “Projects: Buroj Ozone,” Buroj International Group. accessed January 12, 2017.
<https://www.burojo3.ba/burojozone/>

Buroj Ozone development is regulated by Phase I “Prečko polje” of the “Sports and Leisure Centre: Bjelašnica Donja Grkarica – Prečko polje – Kolijevka” regulatory plan. Major irregularities regarding the production of this new plan have been pointed out in the “Environmental Protection Plan for Sarajevo Canton 2016-2021”, an official document commissioned by Sarajevo Canton and published in 2017. Although mandatory, no Environmental Impact Assessment study had been produced or submitted to the Federal Ministry for Environment and Tourism prior to producing or adopting the regulatory plan. The plan was adopted in December 2015. However, the public discussion, aimed at incorporating input from citizens and non-governmental bodies, was only held in January 2016, rendering the concept of citizen participation almost redundant. Regardless of the fact that it was being held post festum, the discussion generated much heat. Substantiated critique was directed at various issues, mostly to do with the inevitable adverse effects on the sanitary safeguard zones flanking the development site. However, no comments or suggestions from that meeting seem to have been taken on board, as the plan was not subjected to any further revisions or amendments.

The development site lies within “Sarajevsko polje” basin, the most important assemblage of water sources for the Sarajevo’s drinking water supply. Regardless of the fact that Bosnia and Herzegovina is among the ten richest countries in Europe when it comes to drinking water, Sarajevo area has limited water resources. Hence, their use needs to be carefully monitored and regulated.⁸⁸ In the post-war years, mostly due to neglect, the infrastructure necessary for supplying the city with drinking water has severely deteriorated, creating serious water shortages and

⁸⁸ Sarajevo is supplied with water from thirteen springs, most of which are located in Sarajevsko polje (Sarajevo Field), at the foot of Bjelašnica and Igman mountains, in the area subjected to intense real-estate development, and a few located further east, in or close to Jahorina mountain.

reductions in the capital. The awareness of the potential lack of the water reserves for the Sarajevo area was evident as early as in the late 1990s, when the current Spatial Plan for Sarajevo Canton 2003-2023 was first being drafted. One of the measures proposed in the plan was to ensure that an area (which spans across parts of Ilidža and Trnovo municipalities) should be demarcated and protected as a future reservoir Bijela Rijeka. This reservoir is to be supplied from the nearby springs, mostly located in Trnovo municipality and would provide additional drinking water supplies for Sarajevo in the future. Buroj Ozone development is conveniently located in Prečko polje in close proximity to several springs, which are to supply the Bijela Rijeka reservoir with fresh drinking water. The site itself is a part of an area classified as the Safeguard Zone 3 for the reservoir. The construction works and the human presence would inevitably have an effect on the water quality unless the preventive measures are introduced prior to the starting the ground works on site, to mitigate the potential damage. Yet, all of this has been deliberately disregarded in a bid to secure the land for the construction expansion. (See Map 6, Appendix 1).

In October 2016, the Water Act that had been in force since 1987 and was aimed at protecting “Sarajevsko polje” basin by controlling and regulating its safeguard zone was replaced with a new amended Act. The amendments were instigated by the government of Sarajevo Canton under the premise that the issue of water safeguarding in Sarajevsko polje area was not addressed in the new draft of the Water Act for the Federation of Bosnia and Herzegovina. At first, the validity of the amended Water Act was challenged by the Legislation Office, since the boundaries of “Sarajevsko polje” basin stretch across both sides of the IEBL, encompassing the territories in both Federation of Bosnia and Herzegovina, as well

as Republika Srpska. In that case, and in accordance with the Federal Act no. 68, “Sarajevsko polje” basin is under the jurisdiction of the two entities, and the Cantonal government has no legal basis for introducing any changes to the laws pertaining to it. (See Map 7, Appendix 1)

While fully aware of this stipulation, the government of Sarajevo Canton, nevertheless, proceeded with the amendments to the existing Water Act on the Cantonal level. Their excuse was that the inefficiency of the governments of the two entities to reach an agreement on the final boundaries of the safeguard zone of “Sarajevsko polje” basin was posing too great of a threat to health and safety of the citizens of Sarajevo. Therefore, the amendments to the Water Act were carried out as an emergency procedure without a public discussion, which is a mandatory requirement. However, this seeming act of care and concern, was, in fact, a stealth way of significantly reducing the proposed safeguard zone for “Sarajevsko polje” basin.⁸⁹ In terms of the area affected, the proposed reduction is quite significant. By looking at the Map 7 it is clear that Buroj Ozone development no longer belongs to the catchment area of Safeguard Zone 3, thus exempting the developers from the various legal stipulations relating to its previous position.

⁸⁹ One of the main explanations offered by the government of Sarajevo Canton for proposing amendments to the Water Act was that the original document was not aligned with the revised Federal Rulebook from 2012 and Feasibility Study for the Safeguarding of Drinking Water from 2013. However, both of these documents have quite a controversial history. The new Federal Rulebook introduced a significant reduction of the mandatory distances and perimeters of safeguard zones around the water wells. The new figures were completely out of line with the previous requirements from 1987, as well as the existing regional and EU standards. For instance, the Zone 1 perimeter had been reduced from 50m down to mere 3m-10m. On the other hand, the feasibility study, taken as the basis for these amendments and published the following year, has never been made accessible to public in its entirety, nor has there been a public discussion following its publication. It was only in 2018 that Book 1 was made public due to the persistence of an NGO, Eko akcija, however the key information contained in other parts is still not available to wider public.

These amendments were eventually incorporated in the revised version of the Spatial Plan for Sarajevo Canton 2003-2023. As a result, large portions of this land have now entered the real estate development market, releasing them from the legal lock-down as imposed by the regulations pertaining to safeguard zones. Moreover, the municipalities of Ilidža and Trnovo have been released of their duty to compensate those whose land once laid within the safeguard zone, thus saving themselves from paying out quite substantial amounts of money.⁹⁰

Once again we see how the presence of the IEBL has opened up possibilities for political and legal manoeuvres and scheming. However, although presented as a negative mechanism of deferral in the previous instance, this case offered a potential for it to be used as a tool for positive action, preventing a harmful and detrimental Act from being put into practice. Sadly, this potential was never fulfilled. The Legislative Office challenged the validity of the new document only by offering its expert opinion on the matter, but never pursuing a legal battle to stop the Act from being passed. It was precisely those elements, which governmental bodies had previously mobilised in this mechanism of deferral that were now being simultaneously demonised and instrumentalised by the government of Sarajevo Canton. Delays in making decisions and passing the responsibility between different governmental bodies and institutions, common practices within the government of Sarajevo Canton itself, were now hypocritically branded as

⁹⁰ The owners of the land within safeguard sanitary zones are entitled to financial compensation by the municipality, as their land cannot be used for agricultural nor construction purposes (Zones 1 and 2 are under total protection, and in Zone 3 construction is permitted only under specific circumstances). By reducing the designated area of the safeguard sanitary zone in “Sarajevsko polje”, the municipalities of Ilidža and Trnovo are no longer under obligation to compensate the owners of the land. In addition, since the large portions of land have been released into the market, the municipalities can also purchase that land for further real-estate development.

inefficiency or as mechanisms of obstructions, which needed to be overcome in the name of health and safety.

In addition to this, the revised Spatial Plan for Sarajevo Canton 2003-2023 also included a controversial reduction of agricultural land areas in favour of land available for construction, which reduces the agricultural land to 13,562.1ha (10.7%) from previous 36,414.96ha (28.71%). On the other hand, the land for building and construction has increased from 25,726.64ha (20.28%) to 39,477.6ha (31.1%). The local authorities have brushed off any criticism coming from the NGOs and citizen initiatives regarding these abrupt and unjustified changes as trivial and flippant, and were quick to brand them as anti-development.⁹¹ Yet, the cartographic documentation provided by the Canton in support of the revised text document fails to provide a clear distinction as to where any of these reductions have taken place, making the whole process ambiguous and difficult to challenge and dispute. (See Maps 11, 12 and 13 in Appendix 1, printed in scale made available by the Institute for Planning and Development of Sarajevo Canton)

According to Hana Kevilj and Merdžana Mujkanović, architects from Sarajevo, the lack of concern about the environment is, to a great extent, also due to the attitude of the locals who either work for or closely with the investors themselves.⁹² A dire

⁹¹ In the statement given to Klix.ba (Bosnian and Herzegovinian news portal) on May 26, 2017, the Cantonal premier Elmedin Konaković said that while the Government of Sarajevo Canton had the utmost respect for the work non-governmental organisations were doing, it had “no time for unprofessional people who claim to be experts.” He added that the government was interested in citizen voices and voices coming from “serious NGOs”. This criticism was directed at Anes Podić from Eko akcija, the only NGO that had actually sent in written comments and suggestions to the Government of Sarajevo Canton following the public discussion. See “Novi zakon o prostornom uređenju KS: Manje poljoprivrednog i više građevinskog zemljišta,” Klix.ba, May 26, 2017. accessed July 31, 2018. <https://www.klix.ba/vijesti/bih/novi-zakon-o-prostornom-uredjenju-ks-manje-poljoprivrednog-i-vise-gradjeviskog-zemljista/170526041>

⁹² Hana Kevilj, Sanja Vrzić and Merdžana Mujkanović, Conversation with Mirna Pedalo. Sarajevo/London, December 2016, Personal notes.

economic situation has produced conditions under which, “survival economies”, as Saskia Sassen calls them, have been instrumental in providing sustenance for majority of Bosnia and Herzegovina’s population. In the Bosnian context, alongside Sassen’s listed survival-economy categories of subsistence food production, informal work, emigration etc., we should include the category of uncertain working conditions, whereby the fear of losing one’s job or potential client becomes a driving force, shaping the way in which business is conducted.⁹³ It is as a result of their uncertain working conditions that the locals who work with Gulf investors wilfully disregard the serious repercussions which proposed developments might have on their local natural or socio-economic environment, simply in order to keep the project going and to earn a living.

It was probably the representatives of the local authorities who were the first to understand the position of power they held and their ability to push the profit-making margin even further in relation to both the investors and the communities, which they represented. This brings us back to the concept of a “beneficiary”, the term I borrowed from Robert Meister and developed in response to the Bosnian and Herzegovinian condition. Whilst I was initially referring to previous war-profiteers turned entrepreneurs and financial intermediaries, I would now expand this notion to include those in positions of influence (local authorities or officials in different levels of government) to argue that these individuals have understood the personal benefits of maintaining the political status quo, particularly in terms of maintaining the Dayton model, rather than moving towards a post-Dayton model of governance for Bosnia and Herzegovina.⁹⁴ Thriving in the complex and convoluted structure of

⁹³ See Saskia Sassen, “A Massive Loss of Habitat,” *Sociology of Development* 2, no.2 (2016)

⁹⁴ See Nerzuk Ćurak, *Rasprava o miru i nasilju: (geo)politika rata – studije mira* (Sarajevo, Zagreb: Buybook, 2016).

a Dayton-imposed bureaucratic context, which has helped to create a lockdown on other forms of economic growth, these individuals have seized the opportunity to profit from ad-hoc deregulated urban development of the country at the expense of its sustainability and feasible economic development. The infamous “discretionary right” of municipal mayors put them in a position of final authority with regards to any urban or zoning plan, regardless of what any professional in the field might have to say.⁹⁵ This has inevitably led to numerous cases in which this right has been abused, for example in relation to the Buroj Ozone project and other developments which will be discussed in more detail in Chapter 3.

Returning to the Buroj Ozone brief, we can see that the project offers three types of “spacious and distinctive” villas, ranging in size from 142m² to 212m², described as the “epitome of luxury”⁹⁶ and offering all the advantages of a gated community lifestyle, such as parks, swimming pools, a children’s play-area and 24-hour security and maintenance services. The project’s “3-bedroom and 4-bedroom Spanish style villas, with terraces overlooking nice mountain terrains and landscapes” are being offered at “very competitive prices”.⁹⁷ Nevertheless, with the exception of the “beneficiaries” and a handful of other more financially able buyers, for the majority of Bosnian population these “competitive prices” are completely out of reach. Despite sometimes turning a blind eye to the socio-political and environmental context, the developers are nonetheless very well aware of the

⁹⁵ Some of the main problems raised in majority of the interviews which I conducted with practicing architects in Sarajevo working on urban development projects with Gulf investors were, precisely, the local authorities’ lack of professionalism and ethics, and their prevailing corruption. See Hana Kevilj and Sanja Vrzić, Interview with Mirna Pedalo, Sarajevo / London, December 2016, Personal notes.

⁹⁶ “Projects: Buroj Ozone,” Buroj International Group. accessed February 09, 2017.

<https://www.burojo3.ba/burojozone/>

⁹⁷ “Projects: Buroj Ozone,” Buroj International Group. accessed January 13, 2017.

<https://www.burojo3.ba/burojozone/>

economic context within which they operate. Therefore, the majority of developers don't target Bosnian clients as their potential buyers, at least not at the initial stages of the marketing/selling process. From the developers' point of view, Bosnians are mostly seen as providers of different types of services, with only a small fraction of Bosnians seen as having any purchasing power. Bosnians are also, in most cases, the owners of the land that is eventually acquired or co-opted for such projects. Even though land prices in certain areas have skyrocketed in the last three to four years, the question of the lawful acquisition of the land, especially for large-scale projects such as Buroj Ozone, has been one of the major recent points of public contention.

Local authorities have made use of some dubious methods in order to shift privately owned land onto the global market. To illustrate this point I would like to use the example of Miljan Kenjić, whose family owns land adjacent to the newly planned Buroj Ozon development. Kenjić has been actively using social media, namely Facebook, to voice his concerns about how he and his family are being coerced by the local authorities into selling their land for 'future development' (the details of which are yet unknown to the public). According to Kenjić, the majority of their neighbours have consented to selling their land for very little money, but his family farms their land and, with a handful of other neighbours, they are refusing to sell. Kenjić fears that the land will eventually be taken away from them, as they have been threatened by the local authorities that this is what will happen "in accordance with the law" should they carry on resisting.⁹⁸⁹⁹ What is at stake here is a different,

⁹⁸ See Miljan Kenjić's comments on Stefan Pejović's Facebook status. January 3, 2017. Accessed January 4, 2017. <https://www.facebook.com/Steffarsi>

⁹⁹ Miljan Kenjić's comments on Stefan Pejović's Facebook status. January 3, 2017. accessed January 4, 2017. <https://www.facebook.com/Steffarsi?lst=711278595%3A629417003%3A1537908811>

more aggressive form of the same practice of commodification of land, where the acquired land, which is a part of the national sovereign territory, becomes a commodity to be released into global market. As a result of this shift, the state is released of its duties and accountability towards its inhabitants.¹⁰⁰

2.5.1 Butmir Project

Article III of the Dayton Peace Agreement: Rivers

Where the Inter-Entity Boundary Line follows a river, the line shall follow natural changes (accretion or erosion) in the course of the river unless otherwise agreed. Artificial changes in the course of the river shall not affect the location A/50/790 S/1995/999 (English, Page 48) of the Inter-Entity Boundary Line unless otherwise agreed. No artificial changes may be made except by agreement among the Parties.

In the event of sudden natural changes in the course of the river (avulsion or cutting of new bed), the line shall be determined by mutual agreement of the Parties. If such an event occurs during the period in which the IFOR is deployed, any such determination shall be subject to the approval of the IFOR Commander.¹⁰¹

Just southeast of Sarajevo, the infamous Inter-Entity Boundary Line (IEBL) cuts across the Željeznica River. This seemingly insignificant river, less than 27km long, emerges at Turovi village east of Sarajevo where Hrasnički brook and Godinjski brook meet and carries on towards Ilidža and Osijek in Sarajevo Field. Along this last stretch the Željeznica hardly looks like a river, more resembling an open sewer or, at best, a canal. Its wide, yet shallow stream moves so slowly down its concrete bed that it is hard to imagine how this feeble flow could be of such great importance to Sarajevo's water supply. The Željeznica's flow is not interrupted by the IEBL. Its current doesn't suddenly change once it crosses to the "other side". The same

¹⁰⁰ Saskia Sassen, "Land Grabs Today: Feeding the Disassembling of National Territory," in *Globalizations* 10, no.1 (2016): 26-27.

¹⁰¹ Republic of Bosnia and Herzegovina, Republic of Croatia and Federal Republic of Yugoslavia, "General Framework Agreement for Peace in Bosnia and Herzegovina," November 21, 1995. accessed September 17, 2018.
https://peacemaker.un.org/sites/peacemaker.un.org/files/BA_951121_DaytonAgreement.pdf

old boring, greyish flow carries on regardless. The line is there though. It cannot be seen, it cannot be touched, but it very much stands in the way of the life that area once knew.

In early 2013 a group of Kuwaiti investors came to Sarajevo with the idea of developing a stretch of land along the River Željeznica in Ilidža, a suburb in the southeast of Sarajevo, which was at that point already a well-known location among Gulf developers. Through personal contacts the investors got in touch with Adnan Harambašić and Kenan Brčkalija, two Bosnian architects with both international and local experience on their CVs. What the developers requested was an urban study—a masterplan for a residential development—which would contain a mix of residential and commercial units. Their idea was to create much needed housing units whilst also preventing the ongoing illegal gravel excavations which were seriously harming both the river and the riverside.¹⁰² The project seemed to have the potential to provide enough long-term work for Harambašić and Brčkalija to decide to start an architectural practice together. Today their practice is well-known in Sarajevo as AHA+KNAP. According to architects Hana Kevilj and Merdžana Mujkanović, although the practice deals with local clients, it mostly relies on the work that comes in from Arab developers.¹⁰³

Butmir was their first, and so far the most elaborate masterplanning project done in the Sarajevo area. Unlike in the example of Buroj Ozone, Kuwaiti developers were not interested in purchasing the land, but rather in entering a form of public-private investment together with the Ilidža municipality. It was expected that the profit

¹⁰² Hana Kevilj and Sanja Vrzić, Interview with Mirna Pedalo. Sarajevo / London, December 2016, Personal notes.

¹⁰³ Merdžana Mujkanović, Interview with Mirna Pedalo, London, December 2016, Personal notes.

would eventually come from selling the flats and houses. The aim of the project was to create more housing units, but not a gated community. Initially, zoning of the project was done in accordance with the characteristics of the local terrain and in relation to the existing neighbourhoods in vicinity of the site. However, one of the main determining factors in spatial organisation of the development was the position of the Inter-Entity Boundary Line. Although, at first, the developers were keen to extend the site further east it soon became clear that the area in question belonged to the Eastern Ilidža municipality in Republika Srpska. This was seen as a problem, both in terms of legal complications that would arise if they were to collaborate with both municipalities at the same time, and due to the fact that the developers felt more comfortable investing in the areas where the majority of the population was Muslim, as was the case with the Federation of Bosnia and Herzegovina.¹⁰⁴ However, even after they decided to work with only a portion of site on the Federal side of the Boundary Line, the sheer proximity of the IEBL was proving to be a problem.

The position of the IEBL dictated that an area, initially planned for individual houses and villas, be turned into an afforestation area, in order to avoid coming too close to the boundary line. This was the reason the initial zoning plan had to be changed. The IEBL here assumed a double role; one as an architectural drafting tool, which in the most literal sense determined the organisation of the zones within this proposed masterplan. On the other hand, it acted as a deterrent, which prevented proliferation of developments on the other side of the Boundary Line. In

¹⁰⁴ Merdžana Mujkanović, Interview with Mirna Pedalo, London, December 2016, Personal notes.

both cases, the effects of its leverage were felt beyond its immediate territorial reach.

While, undoubtedly, primarily in the service of global capital and profit-making, this project does bear some potential, at least in contrast with the previously analysed Buroj Ozone. Still working within the constraints of the Dayton-model on the ground, at least in this case the developers were keen on addressing the environmental issues in collaboration with their local partners. The local partners (AHA+KNAP architects and external consultants) were determined to offer a professional and ethical service, beyond the self-serving motives which often drive “beneficiaries”, or those in positions of power to facilitate these processes. Even though, according to Mujkanović and Kevilj, the local authorities openly offered to deal with certain aspects of the project in a way that would insure its implementation, but would have wide-ranging negative effects on the River Željeznica and Sarajevo's water supply, the developers eventually opted for a solution proposed by the architects and their external consultants. This solution tried to mitigate the effects project might have on the local environment, and improve the current poor conditions on site. The negotiations with the Ilidža municipality have been ongoing since the 2014.

In this chapter I have shown how the Inter-Entity Boundary Line (IEBL) has emerged as one of the main tools of spatial organisation in the hand of capital. Reinforced by various processes and structures such as corruption, networks of beneficiaries and self-serving religious ties and allegiances, it easily lends itself as means of manipulation. Moreover, its existence has produced a condition where the overarching state of Bosnia and Herzegovina bears no economic allure or

significance, as the focus is always on the entities. The polarisation on the administrative level further strengthened by opposing religious loyalties has been instrumental in attracting and directing the money flows into specific parts of the country. The map of investments, which has surfaced as a result of the conflation of the above, therefore, does not necessarily respond to the demands of the condition on the ground. Furthermore, the existence of the IEBL has helped create that first layer conducive to the flow of investment capital, thus gradually enabling the process of slow violence to intensify, unravel and encompass ever-growing stretches of land.

Yet, as the following chapter will elucidate, the establishment of the IEBL came at the tail end of a much more drawn-out, but equally brutal process of sundering of the Yugoslav territories, as well as that of its market. A number of smaller and significantly weaker units emerged as a result of this process, forming a constellation of new spaces of capital accumulation.

3.0 On the Oil Trail

WikiLeaks

[...] Europe (Tier 2), Analytical Guidance: Themes and Issues to Monitor - BALKANS

Economics:

Because of the global recession, any numbers coming out of the region – which are tougher to get than the rest of the world – are very important. Watch for any labor/union/rioting due to the crisis. Don't forget, the IMF austerity measures imposed on Yugoslavia was in part to blame for the start of the war there. We need to be aware of any economically motivated social discontentment.

*Watch carefully Serbia, Bosnia and Croatia in terms of economic statements. [...]*¹⁰⁵

This, now widely referenced paragraph, is a part of an email written on the 19 June 2009 and first made public on 28 February 2012, alongside over five million emails from the Texas based “global intelligence” company Stratfor.

Published by the WikiLeaks in their The Global Intelligence Files, the emails were gathered in the period between July 2004 and late December 2011. According to the WikiLeaks these emails reveal the “inner workings of a company that fronts as an intelligence publisher, but provides confidential intelligence services to large corporations and government agencies”, such as the US Department of Homeland Security, the US Marines and the US Defence Intelligence Agency.¹⁰⁶

¹⁰⁵ See “The Global Intelligence Files”, WikiLeaks, accessed on June 1, 2017.
https://wikileaks.org/gifiles/docs/54/5424835_-eurasia-europe-analytical-guidance-

¹⁰⁶ See “The Global Intelligence Files”, WikiLeaks, accessed on June 1, 2017.
https://wikileaks.org/gifiles/docs/54/5424835_-eurasia-europe-analytical-guidance-

The content of the email covered a wide range of issues in the Balkans, Greece, Central Europe and the Baltic States.¹⁰⁷ The topics ranged from economy and international relations to politics and security. Yet, it was the statement about the impact of the IMF-imposed austerity measures on the disintegration of Yugoslavia, formulated as a cautionary advice and delivered in one brusque sentence that alarmed scholars and analysts from the former Yugoslav Republics. The role the IMF had played in the fall of Yugoslavia, particularly in the period between 1976 and 1990, has not been overlooked in the regional scholarly circles, nevertheless, this one sentence offered partial verification of the IMF's direct complicity in the bloodbath that would eventually engulf the country, as well as their full awareness of the ramifications of such complicity.¹⁰⁸

Certain aspects of the impact that the IMF's involvement has had on the current economic developments in Bosnia and Herzegovina have been briefly mentioned in the Introductory chapter. Now I would like to turn my attention to somewhat less debated side-effects of its influence on the Western Balkans in the pre-war period, especially with regards to the debt accumulation and austerity measures. Previously, I have argued that the Dayton Peace Agreement, implemented as a state-building mechanism, has mediated ethno-religious identities and reconfigured transitional justice with the financially driven aim of attracting foreign investment. The convergence of these processes has resulted in creation of a new milieu conducive

¹⁰⁷ Countries listed under Balkans: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro and Serbia. Countries listed under Central Europe: Czech Republic, Slovakia, Hungary, Austria, Switzerland, Liechtenstein, Romania, Slovenia. See "The Global Intelligence Files", WikiLeaks. accessed on June 1, 2017.
https://wikileaks.org/gifiles/docs/54/5424835_-eurasia-europe-analytical-guidance-

¹⁰⁸ See Srećko Horvat and Igor Štiks, *Welcome to the Desert of Post-socialism: Radical Politics After Yugoslavia* (London: Verso, 2015).

to the flows of global capital, particularly from the Gulf States. The Dayton Peace Agreement de facto became a financial instrument, which is now generating a new spatial and territorial order in Bosnia and Herzegovina.

In what follows, I will take a closer look at the role that the International Monetary Fund, the World Bank and the EU have played in the process of creating the said milieu. Through expanding a temporal frame, and including a historic account of the circumstances which would eventually lead to the eruption of violence, I will highlight how the Dayton Peace Agreement - the state-building mechanism as an instrument of finance - is a logical outcome of the series of neoliberal policies that had started to be put in place almost twenty years before Yugoslavia fell apart.

My intention is to map the trajectory of deregulation of the market in Bosnia and Herzegovina (first as a part of the former Yugoslavia, and then as an independent state), as well as to outline the process of transition from socialism to a very crude form of neoliberal economy, pitched under the guise of liberal democracy. Moreover, I aim to understand how these processes have also laid the groundwork for the current Gulf State investments, by gradually opening the market to the global flows of capital through very sophisticated mechanisms of financialisation, privatisation and debt bondage, levied particularly in the post-war period.

3.1 Political Economy of Oil

The influence of the oil industry on the processes shaping the Bosnian and Herzegovinian market into a significant outlet for investment capital from the Gulf States might, at first sight, seem almost too obvious and therefore deceptively

tangential. As the specific parts of the country suddenly found themselves awash with the abundant flow of “oil money” poured into the real estate investments coming from the Gulf, the architectural and (sub)urban transformations of those areas also started to accelerate at an unprecedented rate. The connection thus might appear sufficiently straightforward to discard the need for further probing, yet by delving deeper into the politics of oil, what surfaces is a much more complex web of relations than what might initially be grasped.

In *Carbon Democracy*, political theorist Timothy Mitchell stresses the historical significance of the discovery of oil in the development of neoliberalism as we know it today. According to Mitchell, the emancipatory potential of coal had been stifled by the controlled and regulated extraction and exploitation of oil resources, which had gradually come to replace it.¹⁰⁹ By weaving the oil thread into the narrative of advent of neoliberalism in Bosnia and Herzegovina, I present a more comprehensive picture of the country's position within a larger geopolitical context, often itself predicated on the movement of money and oil. The case of Bosnia and Herzegovina attests how the aftershocks of the tremors caused by upheavals at the heart of the oil empire resonate at its peripheries. And not only do they resonate, but once they are harnessed and framed by a specific apparatus, such as the Dayton Peace Agreement, they come into their very localised and specific material expression.

¹⁰⁹ This was a way of maintaining the existing imperial order at the time, and most importantly securing control of the oil wells for the future use. See Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil* (London-New York: Verso, 2011)

The trajectories of oil and money are inevitably inextricably linked, although they do diverge in places, only to meet again at their final destination. Consequently, these two paths can offer us distinct perspectives on the same issue. In Chapter 1, while following the money trail we were taken on a journey from the Arabian Peninsula to the Balkan peninsula via Levant and Turkey. It became apparent that the trajectory of real-estate investments was closely tied to the trajectory of conflict, or the risk of the existing tensions escalating into one. A certain level of risk was welcome, however, as it was needed to stimulate investments. Nevertheless, once the acceptable threshold was crossed and the violence surged, the money would swiftly move to the next location, which would fulfil similar criteria. As conflicts spread across the Middle East, specifically into Syria in 2011, and tensions started running too high in Lebanon and Turkey, the “oil money” in a form of real-estate investments found its way into Bosnia and Herzegovina. Yet, the presence of “oil money” in Bosnia and Herzegovina, albeit not necessarily from the Gulf, long antedates the current windfall. As shall be discussed further in this chapter, the influx of the oil money had been one of the driving forces of the Yugoslav economy since the end of the World War II. Coming under a different guise, and therefore not as discernible as it is nowadays, the oil money had not been perceived as such until the recent investments from the Gulf started reaching the Western Balkans. Nonetheless, charting the spatial and temporal juxtaposition of its continuous presence can help us debunk the prevailing narrative of historical discontinuity between the pre-war socialist period and the subsequent, post-war period of (neo)liberal democracy.

3.1.1 Mirage of Historical Discontinuity

The beginning of the war in former Yugoslavia is often seen as a pivotal moment of transition, when the socialist state crumbled almost overnight. And as the fighting ceased, the way ahead was opened for Western (neo)liberal democracy to enter the scene. However, many regional scholars (Buden, Štiks, Horvat, Unkovski-Korica etc.) would contest this statement to argue that the project of dismantling the socialist state started approximately two decades earlier. Yet, the trauma caused by the war, driven like a wedge between the socialist and post-socialist period would trick us into perceiving this moment as a cause of historical discontinuity. According to Boris Buden, the concept of discontinuity is nothing but a mirage, a deceptive mechanism, which has led to a mass amnesia of the initially subtle, yet uninterrupted flow of neoliberal reforms, which have been taking place since the end of the 1960s.¹¹⁰ This is not to say that the violence of the 1990s did not create an irreversible rupture in continuity of the lives of people affected by it. However, it would be misleading to refer to it as a clear moment when one socio-economic model is suddenly replaced with another one. The war had, inevitably, accelerated and intensified this process, clearing the slate for new, experimental modes of governance, such as the Dayton Peace Agreement, to be introduced. Even so, the impact of the IMF's and the World Bank's presence in the region (often as a proxy of the US and the EU policies) had been felt for two decades preceding the 1990s-war.¹¹¹

¹¹⁰ Darko Vujica, "Intervju sa Borisom Budenom: U Hrvatskoj Bog postoji u onoj mjeri u kojoj je ustasa", *Prometej*, June 5 2017, accessed June 7, 2017.

<http://www.prometej.ba/clanak/intervju/intervju-s-borisom-budenom-u-hrvatskoj-bog-postoji-u-onoj-mjeri-u-kojoj-je-ustasa-3181>

¹¹¹ Whereas the IMF and the World Bank have been directly implicated in the processes of economic reform in Yugoslavia since the 1960s, the EU's influence was mostly focused on moderating Yugoslavia's economy through restrictive trade agreements and regulating

3.1.2 The Yugoslav Experiment

The early years of the Cold War era had, in many ways, turned out to be a formative period for Yugoslavia's subsequent non-allied political and economic orientation. President Josip Broz Tito's fall out with Stalin in 1948 and the country's refusal to side with either Eastern or Western block generated a complex and often-times contradictory political and economic environment, which required continuous balancing and shifting between the two apexes of power, the US and the USSR. This balancing act had been relatively successfully maintained while Tito was alive, but not without its consequences.

Such distinct position within the context of world politics also required a unique economic model to match, so by the early 1950s “self-management” (also known as “market socialism”) was born. Eschewing both, the Western private ownership model and the Eastern, entirely state-lead centralised model, Yugoslavia intended to create a middle-way between the two economic models, which at the time dominated the world market. Envisaged as a system where the assets (industrial plants, companies, etc.), which were initially state owned and state-supervised, were to be co-owned and co-managed by the workers themselves, the aim behind “self-management” was to ensure the workers' active involvement in, not only production, but also management aspect of the enterprises. Initially, the model of self-management was predicated on a strong central governance which would still exert control over production within individual units. And although removed from

export/import from/to the country. The weight of their authority comes to prominence mostly in the post-war period, or the, so called transition period, administered through reforms imposed on Bosnia and Herzegovina (as well as the rest of the former Yugoslav republics), as a part of their negotiation tactics for the pending EU membership.

the completely centralised Soviet model, it was still in collision with the demands of the open market economy. The pressure on Yugoslavia to side closer with either block started to increase as the years were passing, with the IMF and the World Bank growing more eager to stamp out the self-management model by pushing for a more decentralised model of management.

Following the fall-out with the USSR and its allies, Yugoslavia found itself in a very delicate and potentially precarious position. Up until 1948, almost 55% of the country's foreign trade was conducted with the countries of the Eastern Block. Following the split this trade ceased, so as a matter of survival, Yugoslavia had to quickly shift its focus to the Western markets. It also continued, although to a small degree, trading with the developing countries. Despite its initial isolationist foreign policy according to which Yugoslavia was to be as economically self-sufficient as possible, the country was forced to reassess its stance towards the foreign exchange and reorient itself towards opening up to the world market. This radical shift required a more substantial economic reform and liberalisation of trade to make Yugoslavia competitive on the global scene.

The initial reform came into force in 1952, marking the first steps towards liberalisation and simplification of foreign exchange, and a more substantial set of reforms followed in 1965.¹¹² Nonetheless, implementing the decentralised model, especially through the second set of reforms, implied a number of concessions and compromises, which the Yugoslav government had to concede to in order to

¹¹² The reform which followed in 1965 included changes to internal price structure in order to align Yugoslavia closer with the global market prices at the time, thus making the process of integration into the world market smoother and easier. See Susan Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington D.C.: Brookings Institution Press, 1995)

become a competitive player and penetrate the protected Western markets. According to historian and researcher Goran Musić, Yugoslavia was “[...] forced to enter international trade agreements and exposed itself to the influence of the global market through reduction of its own state control over foreign trade.”¹¹³

The decentralised model, supported by the IMF and the World Bank under the auspice of the US, involved strengthening of the republics as prime units of economic life, while weakening the grip federal government had held over the economic laws. These early attempts at deregulating Yugoslav market were welcomed by the international financial actors as a way to “spur 'non-institutional economic laws'” and start opening the gates to the flows of global capital.¹¹⁴ Therefore they would continue to support this model and further encourage its implementation until the mid-1980s. And although the 1965 reforms had only sketched out the economic contours of decentralisation, the project would eventually take its full political and ideological shape through 1974's amended Constitution. Disregarded by the international financial institutions, however, was the fact that under this new model, the existing gaps between the levels of development of different republics were growing ever wider.¹¹⁵ Equally, the enforced mechanisms of solidarity between the republics created to try and bridge those gaps were a cause for what was becoming a chronic discontent among the wealthier republics.¹¹⁶ As a result, nationalism, a problem which Yugoslavia never

¹¹³ Goran Musić, “Yugoslavia: Workers' Self-Management as State Paradigm” in *Ours to Master and to Own: Workers' Control from the Commune to the Present* (Chicago: Haymarket books, 2011), 180.

¹¹⁴ Ibid, 180.

¹¹⁵ Four out of six republics were considered underdeveloped.

¹¹⁶ Wealthier, developed republics were supposed to subsidise the underdeveloped ones through a system of taxes.

really managed to completely eradicate, was growing stronger by day and fuelling ideas among the developed republics of changing the federal model of the country into a looser, con-federal one. By the end of the 1980s this will grow into a crisis of barely manageable proportions, and it is precisely at that critical moment that the IMF and the World Bank would take a U-turn on their stance regarding the decentralised model. Although the confluence of numerous factors, the shift in their stance on decentralisation would come to be regarded as one of the major outside factors to have contributed to the break-up of Yugoslavia.

3.2 The Genesis of Oil Finance

Returning to oil and the ways in which its influence had managed to permeate the Yugoslav affairs, nowhere does the web of relations become more entangled and enmeshed than when it comes to relationships between the international financial institutions, sovereign states and the movement of oil. The International Monetary Fund and the World Bank, were conceived as a part of the US and British plans to create regulatory mechanisms for managing international money. Born out of the Breton Wood Agreement, according to Mitchell, the two institutions have helped “abandon[ed] a system that had been built on the wealth and technologies of coal and replaced it with one based on the movement of oil.”¹¹⁷ Mitchell goes on to explain that “[t]he new system managed to limit the destructive power of private currency speculators for about two decades. It achieved this however, by connecting the value of currencies not to the general flow of goods produced by the labour of men and women, but principally to the movement of oil. The speculators

¹¹⁷ Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil* (London-New York: Verso, 2011), 224.

were able to weaken the mechanism in the late 1960s thanks to stresses created by the movement of oil, and destroyed it in the 1980s when they devised new ways to speculate in currencies.”¹¹⁸ As a result of loosening these regulations, Yugoslavia, and heavily industrialised Bosnia and Herzegovina as a part of it at the time, would eventually come to suffer dire consequences.

The IMF's attempts to nudge Yugoslavia deeper into the global market had started as early as in the 1950s, but the real push through with the decentralisation process happened in the mid-1960, just as the weakening of this regulatory mechanism was underway, and the first oil crisis was about to happen. Despite giving into pressure to decentralise, well aware of the risks, the Federal government was still very cautious with the ways in which it was allowing the process of decentralisation to take place, at least in its early days.¹¹⁹ Yet, once the process was underway, it was difficult to control. Soon, it was the republics, which took over the leading role in the economy, whereas the role of the federal government was fading out and was reduced to almost solely a distributive one, just like the IMF was hoping it would.

3.2.1 The Perils of the Unforeseen Boost

Despite losing what initially seemed like a secure position within the Eastern markets at the end of the 1940s, over the following decades Yugoslavia had managed to make a slow and gradual comeback into the economy of the Eastern Block. Eventually, by harnessing its image of political neutrality, the country had

¹¹⁸ Ibid, 225.

¹¹⁹ For fear of making a unified Yugoslav market redundant, a lot of effort had been placed into “harmonising” the decentralised economic units, which meant making the enterprises interdependent and ensuring there was no duplicating of industries.

succeeded in positioning itself in, both, Eastern and Western markets. However, due to intensive urbanisation and industrialisation during the first two decades following the World War II, Yugoslavia had become increasingly more dependent on the acquisition of foreign capital and intermediate goods, but most importantly on cheap oil supplies. Although rich in minerals and believed to have relatively large deposits of oil in the sedimentary rock of the Pannonian basin, Yugoslav economy was, at least from 1950s and into 1970s predominantly carbon based. The lack of proper equipment and advanced technology allowed for limited domestic extraction, so no more than 26% of domestic oil requirements was produced locally.¹²⁰ The rest of the oil supplies were imported mostly from the Soviet Union, Iraq and Libya.¹²¹ Yet, despite its growing demand for cheaper oil the country was not badly affected by the first oil crisis in 1973 due to its close political, economic or ideological ties to Iraq and Libya, and its economy continued to grow.¹²²

What this crisis did unleash, however, was a period of borrowing frenzy. Encouraged by the abundance of cheap capital generated by the oil extracting countries in the 1970s, Yugoslavia entered a phase of excessive borrowing in order to finance domestic investment and consumption. During that period, the Yugoslav

¹²⁰ On the other hand, domestic carbon extraction used to supply up to 76% of the domestic requirements.

¹²¹ It is worth noting that in 1972 Iraq was the first country to take control of its oil industry from the Anglo-American cartel, and Libya was in the process of nationalising its oil industry. See Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil* (London-New York: Verso, 2011). Yugoslavia had maintained very close ties with both countries, and had even made an agreement to produce and sell 250 fighter jets to Libya between 1974 and 1985. See Miloš Vasić, "Saradnja sa svetom: Libijska veza," *Vreme*, February 15, 2001. accessed September 23, 2018. https://www.vreme.com/arhiva_html/528/08.html

¹²² Although the economic situation was showing signs of decline at the end of 1960s, as the foreign debt almost quadrupled in the period between 1964 and 1971, it sharply improved in 1972, mostly due to growth in exports (according to World Bank report from 1975, in 1972 the exports grew 21%, while the import grew only 2%), but also owing to remittances coming from Yugoslav "guest-workers" abroad, transportation, tourism and other service industries. The deficit of \$108 million from 1969 eventually turned into a surplus. See Susan Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington D.C.: Brookings Institution Press, 1995)

external debt increased by nearly eight times and made the country significantly more vulnerable to external shocks, especially fluctuating price of oil.¹²³

The report published by the World Bank in 1975 assessed Yugoslavia as a country rich in natural wealth and resources, which “together with the pragmatic and dynamic approach brought to bear on economic problems and issues, the readiness to consider and undertake institutional changes, and general commitment to an open market-oriented economy are other reasons for confidence in development process.”¹²⁴ Yet, despite the optimistic prognosis for growth and positive assessment, both were predicated on the country's ability to further integrate into the global market and its willingness to undergo considerable institutional changes, in what was already becoming a politically unsettled and sensitive environment.

This very explicit remark taken from the World Bank's report is, therefore, a perfect example of the institutional pressure applied on those states that operate outside the global circuit of capital. They are coerced into introducing structural changes and opening up their markets to much more powerful economic forces to gain or retain access to the large US and EU markets. This mechanism is described by David Harvey as one of the major vehicles for accumulation by dispossession.¹²⁵ In the case of Yugoslavia, this was done while blatantly disregarding the potential consequences such trajectory may have on the political stability in the country.

¹²³ Considering the fact that, at that point, the country was using two to three times as much energy per unit of output than, for instance, its OECD counterparts, showed considerable vulnerability to external shocks, especially fluctuating price of oil. See Leonard Kukić, “Socialist Growth Revisited: Insights from Yugoslavia,” in *European Review of Economic History* (March 2018). <https://doi.org/10.1093/erch/hey001>

¹²⁴ Vinod Dubey, *Yugoslavia: Development with Decentralisation* (Baltimore London: The John Hopkins University Press for the World Bank, 1975), 21. accessed September 13, 2018. <http://documents.worldbank.org/curated/en/517451468763816188/pdf/multi0page.pdf>

¹²⁵ See David Harvey, “Accumulation by Dispossession,” in *The New Imperialism*, (Oxford: Oxford University Press, 2003): 181.

However, the need to succumb to this pressure soon proved to be, not even a matter of choice, but that of a necessity, particularly in the light of the approaching second oil crisis.

3.2.2 Oil Money in Disguise

The events of the late 1970s, Iranian Revolution and over-throwing of the Shah, prompted another crisis, this time, in the context of Yugoslav economy, a much more serious one. As the price of oil doubled, the world was dragged into another deep recession that would last throughout most of the 1980s. For Yugoslavia, it could not have come at a worse time. Tito passed away in 1980, just as the price of oil, much needed to keep the Yugoslav economy going, started soaring. Despite its relatively rapid progress since the World War II, Yugoslavia was still classified as one of the developing countries. Therefore, the deteriorating terms of trade, which started to have a negative effect on the economies of developing countries had inevitably made an impact on the Yugoslav economy as well. As the interest rates among the creditor nations were being raised, Yugoslavia, still heavily reliant on the imports and loans from the West to keep its industry afloat, was finding it increasingly difficult to handle its debt-servicing.¹²⁶ By 1981 the country was on the verge of bankruptcy, with over \$20 billion in foreign debt. At that point, the federal government had no choice but to accept the help offered by the IMF; an emergency loan. What is striking, yet completely overlooked, about this loan is that, in fact, it marks the first influx of oil money from the Gulf into former Yugoslavia, albeit under the auspice of the IMF.

¹²⁶ See Leonard Kukić, "Socialist Growth Revisited: Insights from Yugoslavia," in *European Review of Economic History* (March 2018). <https://doi.org/10.1093/ereh/hey001>

Set up in response to the oil crisis, the IMF's Trust Fund project was specifically targeting the developing countries affected by the rise in the interest rates - Yugoslavia being one such country. Initially financed by selling off of the IMF's own gold deposits, by November 1980 the Trust Fund received its largest contribution made by the seven members of the Organisation of Petroleum Export Countries (OPEC), among them Saudi Arabia, Kuwait, Qatar and the United Arab Emirates.¹²⁷ This was, in fact, an attempt to recycle the excess of petrodollars generated by the spike in the oil price during the second oil crisis. In the following year Yugoslavia was granted the biggest loan the IMF had issued to that date coming directly from that Trust Fund. The significance of this example is that it exposes the fallacy of a binary we are often presented with, where the IMF and the World Bank, as pantheons of Western neoliberalism, appear in contrast or opposition to the Middle Eastern oil producer countries. The danger of this decoupling, especially in the context of Bosnia and Herzegovina, is that it is frequently articulated through the cultural and/or religious binaries, which in fact only conceal the true extent of their interconnectedness. Yet, as has been noted, the two have been inextricably link from the very birth of the Bretton Woods institutions, underpinning and imbuing one another over time.

The decade preceding the final fall of Yugoslavia was both, politically and economically, a tumultuous one. The IMF's loan was accompanied with demands for austerity measures, to enable the country to keep up with its credit payment rates. Not unlike in the author and social activist Naomi Klein's account of the

¹²⁷ IMF web-site, "IMF Annual Report", April 30, 1980. accessed September 29, 2017. <https://www.imf.org/external/pubs/ft/ar/archive/pdf/ar1980.pdf>

“shock doctrine,” a series of intensifying “shock therapies” had been chipping away at the political, social, economic fabric of the country throughout the 1980s.¹²⁸ These aggressive treatments reflected themselves in a series of recessions and shortages of basic goods across the country, as well as wide-spread discontent and unrest among the workers. Gradually, the previous eagerness of the IMF to push Yugoslavia into decentralisation, as a way of forcing it to open up to the global market, gave way to a very different view of how the Yugoslav economy should be governed. In October 1986, five years after granting the loan and only four years before the war in Yugoslavia would start, the IMF announced that the conditions for new, still much needed, credits would be tied directly to a political reform.

As foreign policy analyst Susan L. Woodward explains in her book *The Balkan Tragedy: Chaos and Dissolution After the Cold War*:

The IMF team told federal representatives that the IMF and the World Bank were ready to support Yugoslavia substantially in a thorough reform of the financial system and the structural changes necessary to supply a response. In return, however, Yugoslavia could not rely on 'plastic surgery or Band-Aids' to correct its economic problems, but must undergo 'radical surgery and a long process of rehabilitation.' [...] [T]hey were conditioning new credits on constitutional change: a strengthened federal administration and a change in the voting rules of the central bank from consensus to majority.¹²⁹

This time, the IMF was explicitly against the decentralised model and in favour of strengthening the federal government. In the years following 1981, the IMF came to a realisation that the only way to ensure the repayment of the debt (which was unequally distributed between the different republics) was to press for

¹²⁸ See Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Penguin Books, 2008).

¹²⁹ Susan Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington D.C.: Brookings Institution Press, 1995), 82.

recentralisation and empowerment of the weakened federal government. The federal government was seen as the only body that would be able to exert control over already strong and increasingly unruly republics. The straightforward demand for the implementation of constitutional changes on the part of the IMF and the World Bank, made in full understanding of the complexity of the internal structure of the country, had most certainly further exacerbated already tense political situation, creating further polarity between the federal government and the republics.¹³⁰ The tempestuous global political climate from the mid-1980s, especially following the Soviet economic reforms and shift westwards, introduced by then Soviet President Mikhail Gorbachev, had certainly contributed to the instability in Yugoslavia. Woodward asserts that the international developments at the time were more than just a backdrop to the intensifying crisis festering within the country, and had a direct influence on the way in which that crisis would eventually unfold.

For over forty years, Yugoslavia and the US had maintained a unique relationship, whereby a special access to foreign credit was granted to Yugoslavia, to help keep

¹³⁰ In an attempt to cope with the crisis and provide long-term solutions to some of the problems, federal government introduced a Long-Term Program of Economic Stabilisation. However, in 1987 it was clear that there was no way of preventing a total economic collapse without securing yet another loan from the IMF. By 1988, the Prime Minister Branko Mikulić reached an agreement with the IMF and accepted a new package, programme known as the “May Measures” (Majske reforme). This agreement between the Yugoslav government and the IMF would spell the end of the workers participation and “self-management” model as, beside introducing wage caps and cuts in public expenditures, the programme fully opened the Yugoslav economy to foreign ownership. Nonetheless, even the reforms implemented through the “May Measures” could not bring the inflation down, and by the end of 1988 Mikulić's government resigned en masse. Ante Marković, the Croatian representative and Mikulić's successor was immediately entrusted a mandate of the IMF programme, to implement the remainder of the reforms, which meant to “remove the remaining limits on foreign ownership, management, and profit repatriation; to being the process of privatizing public property; and to remove the political barriers to full market integration within Yugoslavia imposed by republican governments to protect their economic sovereignty” See Susan Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington D.C.: Brookings Institution Press, 1995), 104.

its deficit “afloat.”¹³¹ This was done in exchange for maintaining its neutrality and readiness to deter the Warsaw Pact forces from advancing West. However, towards the end of the Cold War, preserving Yugoslavia's status as a buffer zone between the East and the West was becoming increasingly unnecessary to the U.S. vital security. Thus, the relationship between the US and Yugoslavia had started to change accordingly. By losing its “special relationship” with the US, Yugoslavia was, to quote Woodward, “moved from the head of the queue, where it had been since 1955, to an entirely second-class status.”¹³² If we add to that the effects of the Iraq-Iran war and general instability in the Middle East of the price of oil and arms purchases, it was the underdeveloped republics, particularly Bosnia and Herzegovina with its heavy industry, which started to struggle the most under these changes. Following the war and disintegration of Yugoslavia, a new kind of special relationship between the US and the former Yugoslav republics would be forged again, a decade later, through the Dayton Peace Agreement

3.3 In the Shadow of Dayton

In his book *To End a War*, diplomat Richard Holbrooke describes in great detail painful and protracted process of reaching the Peace Agreement, which took place in Dayton, Ohio in November 1995. Written in a form of a diary, he offers insight into the day-to-day activities and the progress of negotiations. Describing the events, which took place on Wednesday, November 8, 1995, he notes the following:

¹³¹ See Susan Woodward, *Balkan Tragedy: Chaos and Dissolution After the Cold War* (Washington D.C.: Brookings Institution Press, 1995), 104.

¹³² Ibid, 105.

Lipton¹³³ remained in Dayton for another day. He met with Tudjman and Silajdžić, whose understanding of economic issues was better than that of any other Bosnian. Silajdžić was obsessed with the question of his country's debt to the international financial institutions. Although it amounted to only \$400 million, he feared that after Dayton the financial institutions would, in effect, foreclose Sarajevo and bring it to its knees economically. Lipton said this would never happen. If there was a viable peace at Dayton and the central banking institutions put into place, he said, then Bosnia would have no trouble recycling the old debt into new lending facilities.¹³⁴

According to Holbrooke, the World Bank had already prepared a five billion dollar economic reconstruction plan for Bosnia and Herzegovina that hinged on the outcome of the Dayton talks. Reflecting the concern of the international community for swift economic rehabilitation of the country, the plan focused on bringing its per capita income up to two thirds of its pre-war levels by the year 2000.¹³⁵

It is interesting to note that even during the peace process itself, when the territorial issues were at the very forefront of negotiations, economic issues and the burden of the country's debt to financial institutions were not entirely forgotten. This small, but nonetheless significant detail foregrounds that the World Bank and the IMF were already thinking about the ways in which they could shape and govern the market that was about to open up. The restructuring of the state itself via the Dayton Peace Agreement framework, was of course, the key.

¹³³ David Lipton was a Deputy Assistant Secretary of the Treasury in the US government in 1995, and was described by Holbrooke, as "an expert in the brave new field of converting communist economies to free-market economy". Richard Holbrooke, *To End a War* (New York: Random House, 1998), 257.

¹³⁴ Richard Holbrooke, *To End a War* (New York: Random House, 1998), 258.

¹³⁵ See Richard Holbrooke, *To End a War* (New York: Random House, 1998) 258.

3.3.1 The Question of the Sovereign

One of the Dayton's most peculiar inventions is the tripartite presidency, which acts as the collective head of the state while the chair of the presidency rotates amongst its three members (Bosniak, Croat and Serb). The creation of this tripartite presidency has therefore dispensed with the concept of unlimited power, which can be imposed locally or used by any side in particular.¹³⁶ To curb the scope of local power even further and ensure that the agreement was being implemented on the ground, a new international administrative body, the OHR (Office of the High Representative), was formed. Such distribution of power has significantly weakened the State, making its sovereignty, in a Westphalian sense, only nominal.

In her readings of Thomas Hobbes, Jean Bodin and Carl Schmitt in *Walled States, Waning Sovereignty* political theorist Wendy Brown suggests that sovereignty's main features include: "*supremacy* (no higher power), *perpetuity over time* (no term limits), *decisionism* (no boundedness by or submission to law), *absoluteness and completeness* (sovereignty cannot be probable or partial), *nontransferability* (sovereignty cannot be conferred without cancelling itself), and *specified jurisdiction* (territoriality)".¹³⁷

Brown goes on to argue:

However, over the past half century, the monopoly of these combined attributes by nation-states has been severely compromised by growing transnational flows of capital, people, ideas, goods, violence, and political and religious fealty. These flows both tear at the borders they cross and crystallize as

¹³⁶ See Carl Schmitt, *Political Theology: Four Chapters on the Concept of Sovereignty* (Chicago: Chicago University Press, 2005) and Giorgio Agamben, *State of Exception* (Chicago: University of Chicago Press, 2005).

¹³⁷ Wendy Brown, *Walled States, Waning Sovereignty* (New York: Zone Books, 2010), 21.

powers within them, thus compromising sovereignty from its edges and from its interior.¹³⁸

The above-mentioned key features of sovereignty, according to Brown, are now moving “from the nation- state to the unrelieved domination of capital and God-sanctioned political violence. Neither capital nor God- sanctioned violence bows to another power; both are indifferent to and/or(?) domestic as well as international law; both spurn or supervene juridical norms; both recuperate the promise of sovereignty: E pluribus unum.”¹³⁹ Although nation-state narrative is still very much at the root of every contemporary political discourse, the reality of post-war Bosnia and Herzegovina is that the country fits neatly into the model described by Brown. From this perspective one could venture to say that the allegedly “God-sanctioned” violence which ravaged the country during the 1990s was one way of insuring the domination of capital in its aftermath, the two working both in conjunction and in sequence, one paving the way for the other. And if we widen the scope to observe the past, it becomes clear that the “God-sanctioned” violence itself has been, in great part, a by-product of that very same force of capital.

Brown also argues that as the nation-state’s sovereignty weakens, political sovereignty’s theological dimension grows.¹⁴⁰ However, the Bosnian case is somewhat peculiar in this respect. Due to the distinct lack of monolithic political sovereignty, the theological dimension is at the same time both reinforced but also distributed. The incomprehensible governmental nexus thus seems more akin to angrily sparring Olympian gods, than, to use philosopher Adi Ophir’s phrase,

¹³⁸ Wendy Brown, *Walled States, Waning Sovereignty* (New York: Zone Books, 2010), 21.

¹³⁹ *Ibid*, 22.

¹⁴⁰ See Wendy Brown, *Walled States, Waning Sovereignty* (New York: Zone Books, 2010).

“earthly powers [imagining] that they can take His place”.¹⁴¹ However, thinking along the lines of Hobbes’ *Leviathan*, where it was a question of instrumentalisation rather than the “replacement” of, or “rivalry” towards God, it seems that in Bosnia-Herzegovina God’s presence has been evoked as a way to construct a new form of political economy.¹⁴²

As I discussed in the Introductory chapter, the national and the religious have always been closely intertwined in the Balkans. Theological fragmentation thus follows the logic of Balkan nationalism: three constitutive nationalities equals three theological frameworks which shape the political and therefore the economic. It is not just one divine sovereign called upon for assistance, but three. Thus, the distribution of the theological dimension is defined primarily by fragmentation, in accordance with the tripartite governmental system. It is within one of these fragments that the oil money has found its ally.

3.3.2 Solidifying the Transient

Initially, the OHR was envisaged as a temporary construct, however by the early 2000s it had become obvious that the country’s exceedingly complex and unevenly distributed system of governance was proving to be far more challenging than initially expected, both locally and internationally. The legal basis for the creation of the OHR was laid out in the Dayton Peace Agreement,¹⁴³ and the OHR is self-

¹⁴¹ See Adi Ophir, *The Order of Evils: Toward an Ontology of Morals* (New York: Zone Books, 2005).

¹⁴² See Thomas Hobbes, *Leviathan or the Matter, Forme & Power of a Common-wealth Ecclesiasticall and Civil*, (New York: Barnes & Noble Books, 2004).

¹⁴³ Republic of Bosnia and Herzegovina, Republic of Croatia and Federal Republic of Yugoslavia, “General Framework Agreement for Peace in Bosnia and Herzegovina,” November 21, 1995. accessed September 17, 2018.
https://peacemaker.un.org/sites/peacemaker.un.org/files/BA_951121_DaytonAgreement.pdf

described as “an ad hoc international institution responsible for overseeing implementation of civilian aspects of the Peace Agreement ending the war in Bosnia-Herzegovina”, led by the High Representative.¹⁴⁴

Their role has been to “ensure that Bosnia-Herzegovina evolves into a peaceful and viable democracy on course for integration in Euro-Atlantic institutions.”¹⁴⁵ The ad-hoc aspect indicates the OHR’s original status as a temporary solution and a form of a prosthetic governmental body, designed as an aid during the period of transition. However, the truth is that the OHR has virtually been in charge of the country for the last twenty-three years.¹⁴⁶ Therefore it is the OHR, led by the HR (High Representative), which comes closest to fulfilling the role of a sovereign, with the ability to make or break the ongoing state of exception created by the Dayton Peace Agreement.¹⁴⁷ In practice, this means that the High Representative (always a non-Bosnian national) is often called forth to adopt a binding decision where the local parties are either unable or unwilling to act or reach an agreement, or to remove those who obstruct or violate their legal commitments or the Dayton Peace Agreement in general.¹⁴⁸ The Office of the High Representative is also, unsurprisingly, only accountable to the Peace Implementation Council and not to the Bosnian and Herzegovinian citizens.

Even when referring to the OHR it is difficult to speak of a real sovereign as its powers, although in some sense unlimited, are still only valid within the realm of

¹⁴⁴ OHR, General Information. accessed on October 10, 2016. http://www.ohr.int/?page_id=1139

¹⁴⁵ Ibid.

¹⁴⁶ In the arena of Bosnian and Herzegovinian law making and law implementation, the OHR has unlimited power over the decisions of local politicians in the realm of civil governance.

¹⁴⁷ See Carl Schmitt, *Political Theology: Four Chapters on the Concept of Sovereignty* (Chicago: Chicago University Press, 2006) and Giorgio Agamben, *State of Exception* (Chicago: University of Chicago Press, 2005).

¹⁴⁸ OHR, General Information. accessed on October 10, 2016. http://www.ohr.int/?page_id=1139

implementation of the civilian aspects of the Peace Agreement. The remainder of the power is in the hands of either the tripartite government or other institutions that have been created as a part of the Agreement, such as the Constitutional Court. This dissemination and distribution of sovereign power, as well as its lack of definition, has inevitably led to its weakening. As Brown points out, it is “not its unconditioned, a priori or unitary aspects” which define sovereignty “but its finality and decisiveness”. “There can be no ‘sort of sovereign’, she says ‘any more than there can be a ‘sort of God’”.¹⁴⁹ The advantages or disadvantages stemming from the distribution of power would have to be measured on a case by case basis. However, in Bosnia and Herzegovina, it was precisely this kind of relativisation and decentralisation of power, which has led the country to the stalemate it faces today.

For instance, both the Federation of Bosnia and Herzegovina and the Republika Srpska still hold a considerable amount of judicial and administrative power in their own right. At least, they hold enough to create on-going political friction. That is why their often-conflicting interests tend to hamper decision-making processes at state level, where each and every decision needs to be fully supported by both sides before it can be further implemented. Well aware of the grip, which they hold over the state, neither entity hesitates to use its power to best satisfy its own needs. These tactics are often deployed to satisfy the desires of local politicians, rather than the needs of the local population. The game of push and pull between the two halves, to usurp the presumed whole, has become almost an everyday occurrence.¹⁵⁰ As

¹⁴⁹ Wendy Brown, *Walled States, Waning Sovereignty* (New York: Zone Books, 2010), 50.

¹⁵⁰ Milorad Dodik, the President of Republika Srpska, has been holding the country hostage with his ongoing secessionist rhetoric for years, disabling the continuation of the process of joining the EU. One of the main tools which he uses to achieve this is the same old rampant nationalist discourse. These tried and tested scaremongering tactics seem to work seamlessly, considering

previously discussed in more detail in Chapter 1 through the analysis of Nerzuk Ćurak's war and post-war models of the Accords, originally the Dayton Peace Agreement had been regarded as more transient and temporary in nature. However, as the transition process persisted the Dayton structure solidified.

The paradox of the current situation in Bosnia and Herzegovina can be observed through the concept of a "failed society in transition". Originating from the Latin word *transire*, meaning "to go across", transition would imply movement, impermanence and transience. Speaking in the post-1989 political lingo, the term "society in transition" implied a journey, which a (post-)communist/socialist societies were to undertake in order to traverse to the other side, the side of "democracy" and "liberal values". For the majority of former Yugoslav republics, however, the transition delivered a very different package from the one initially promised.

Following the initial post-war optimism and the first signs of economic recovery, most countries experienced rapid deterioration of overall living standards after 2009.¹⁵¹ In terms of political leadership there was no major overturn; most pre-war politicians were "recycled" and would slip straight back into the political game

nationalist parties have managed to remain in power for over two decades without actually moving the country forward in any respect.

¹⁵¹ According to "Economic Growth and Development in post-Yugoslav Countries", a study conducted by Franjo Štiblar, Slovenia, Croatia, Kosovo and Montenegro had succeeded in improving their GDP share in the period between 1990 to 2010, while Bosnia and Herzegovina, Serbia and Macedonia had worsened their share over the same period. However, despite the rise in GDP share for some, the unemployment figures had risen for all the countries except Kosovo and Montenegro, where the situation had only slightly improved. The overall population has been in decline (around 4.7%), with positive growth experienced only in Kosovo and Slovenia. Moreover, since 2009 overall social situation started significantly deteriorating in all the countries, with levels of misery being the highest in Bosnia and Herzegovina and Kosovo. See "Economic Growth and Development in post-Yugoslav Countries", Wilson Centre, Global Europe Program, June 2013. accessed July 14, 2018.

https://www.wilsoncenter.org/sites/default/files/Franjo_Stiblar_WWICS.docx.pdf

under the auspice of the international organisations, the EU and the US. As the workers' rights declined, so the unemployment and poverty levels rose.¹⁵² For Bosnian and Herzegovinian citizens, this period of, so called, transition has lasted for over twenty years, and has, by now, established itself as static, permanent state of affairs. Yet, the condition it implies is an inherently unsustainable one. This has led to a prolonged state of social, political and economic instability and insecurity in the country. Such uncertainty and volatility has proven to be exceptionally harmful to the already traumatised local population, majority of whom have been stripped of their basic means of survival. With one of the highest unemployment rates in the world (especially among young people), broken welfare system and deteriorating national healthcare service, the ways to cope were found by resorting to shadow economy and migrations abroad.¹⁵³

3.4 The Ways of Disciplining

In her article “Massive Loss of Habitat”, Sassen highlights the role of debt servicing, as one of the key disciplining tools in the realm of financial capital. The international financial institutions use it as an instrument of control over the governments of the indebted countries. In order to repay the loans, these governments are often coerced into developing extractive industries under the

¹⁵² As per a study conducted by Milica Uvalić and Saul Estrin, the Western Balkan region has the poorest economies in Europe today, with GDP per capita in 2013 ranging from 22% (Kosovo) to 42% (Montenegro) of the EU-28 average. The only country in the region that is somewhat more developed is Croatia with the GDP per capita at 61% of the EU-28 average. See Saul Estrin and Milica Uvalić, “Foreign direct investment in the Western Balkans: what role has it played during transition?,” in *Comparative Economic Studies* (2016), ISSN 0888-7233 doi: [10.1057/ces.2016.10](https://doi.org/10.1057/ces.2016.10)

¹⁵³ Bosnia and Herzegovina has the second highest unemployment rate in the world (surpassed only by Congo), averaging at 42.49% for the period between 2007 and 2018. See Trading Economic “Bosnia and Herzegovina Unemployment Rate”. accessed July 14, 2018. <https://tradingeconomics.com/bosnia-and-herzegovina/unemployment-rate>

auspice of global firms, rather than focusing on development of local industries and businesses.¹⁵⁴

In the case of Bosnia and Herzegovina, the debt owed to the IMF does currently act as a disciplining tool, but mostly to regulate the unruly behaviour of local politicians. It appears however that this method of disciplining will have a more significant effect in the future, when the extent of the damage done by opaque governmental deals and concessions is finally revealed. As the debt is still in the process of being accumulated, the magnitude of its burden is yet to become known. On the other hand, while still very much dependant on the IMF's financial input, the Bosnian government has completely failed (partly due to incompetence and part deliberately) to create a space for industrial (re)development.¹⁵⁵ This has, in turn, led directly to the creation of an environment where real-estate development and selling off land are seen as the only sources of potential profit for the impoverished masses. While the IMF loans inject the money directly into the bureaucratic system, at the same time they directly suppress the development of the country's economy.

The "destruction of the traditional economy" is what Sassen describes as the second of three main features of advanced capitalism.¹⁵⁶ In Bosnia and Herzegovina this happened in the most literal sense during the 1990s war. Formerly the industrial heart of Yugoslavia, the Republic of Bosnia and Herzegovina originally accounted for the majority of country's production of military equipment and heavy industry

¹⁵⁴ Saskia Sassen, "A Massive Loss of Habitat," *Sociology of Development*. Volume 2. Number 2. (2016): 204-233, 207.

¹⁵⁵ According to Saul Estrin and Milica Uvalić, the entire region had gone a process of deindustrialisation in favour of unsustainable service economies. See Saul Estrin and Milica Uvalić, "Foreign direct investment in the Western Balkans: what role has it played during transition?," in *Comparative Economic Studies* (2016), ISSN 0888-7233 doi: [10.1057/ces.2016.10](https://doi.org/10.1057/ces.2016.10)

¹⁵⁶ Saskia Sassen, "A Massive Loss of Habitat," *Sociology of Development*. Volume 2. Number 2. (2016): 204-233, 208.

products. During the last war, around 80% of the industrial infrastructure was either destroyed or shut down for production. In the aftermath of the war, hardly any of the industrial complexes in the country have been restored to their previous function and capacity. In the late 1990s and early 2000s, the country's economy was heavily dependent on international humanitarian aid and donations. Local government offered very little incentive to reinvigorate industry and reform the economic base that Bosnia once had. As previously discussed, most of the humanitarian aid flow was set up during the war and while the majority of it came from European countries and the US, a large proportion also came from the Muslim world as well as from Russia (though mostly directed towards Republika Srpska). In the aftermath of the war, many of these flows began to dry up and investments became more difficult to come by. Some improvement was seen in the early 2000s, before the global economic crises wiped out whatever little growth had been achieved in the years prior to 2008 and 2009.

3.5 The Geography of FDI

Compared to the influx of investments into neighbouring Montenegro, Serbia, and Croatia, Bosnia and Herzegovina has not attracted as much interest as might be expected following the opening of the market. That is, except for a specific period of time in 2007 and 2008 when the process of privatisation of the large state-owned companies was at its peak.¹⁵⁷ By 2013, Bosnia and Herzegovina had the second lowest Foreign Direct Investment (FDI) stock per capita out of thirteen countries

¹⁵⁷ In 2007 Foreign Direct Investment (FDI) reached a figure of 2.6 billion BAM, followed by 1.3 billion BAM in 2008. However, the 2009 crisis caused a significant drop, with FDI decreasing in subsequent years. In 2016 total FDI for Bosnia and Herzegovina was 536.3 million BAM, somewhat rising in 2017 to 758.4 million BAM.

in Central Eastern Europe and the Western Balkans.¹⁵⁸ It was noted that the country had already had some strong points, such as a low inflation rate, potential EU candidacy and the most stable currency in the region. There have also been persistent attempts to create a marketing buzz by ensuring equal treatment of foreign and national investors and protection of investors through the prohibition of expropriation and nationalisation of the property and the establishment of free trade zones. Nevertheless, the downsides still seem to seriously affect the country's ability to attract investment. Santander, for instance, lists the following: "complex legal and regulatory framework, with a country divided into two governmental entities; a lack of transparency in business procedures, especially in calls for public tenders, which are not always transparent" and "weak judicial structure".¹⁵⁹

It is evident that the development of the country's economy has been slow, uneven and quite unsuccessful in the post-war years. Today, twenty-three years on from Dayton, most of the country's industry has either been completely dismantled or sold off. Although much smaller in size and not as rich in resources, except for the significant water reserves, Bosnia and Herzegovina falls into the same category as most of the Global South, where the governments have been weakened through corruption, while the poverty is on the rise.¹⁶⁰ Although the figures show that a significant drop in investments ensued following the 2009 worldwide financial crisis, the changes in geographical coordinates of their sources would illustrate an

¹⁵⁸ Saul Estrin and Milica Uvalić, "Foreign direct investment into transition societies: Are the Balkans different?," LSEQ Paper No. 64 (2013). accessed May 20, 2015. <http://www.lse.ac.uk/europeanInstitute/LEQS/LEQSPaper64.pdf>

¹⁵⁹ Santander Trade, "Bosnia and Herzegovina: Foreign Investment," (2015). accessed May 20, 2016. <https://en.santandertrade.com/establish-overseas/bosnia-and-herzegovina/investing>

¹⁶⁰ See Saskia Sassen, "A Massive Loss of Habitat," in *Sociology of Development*. Volume 2. Number 2. (2016):204-233, 208.

interesting trend in the following years. Traditionally, the major investors in Bosnia and Herzegovina have been those countries with mutual historical ties, so mostly neighbouring countries and the wider region. That would usually put Austria, Croatia, Serbia and Slovenia at the forefront. However, in 2016 the United Arab Emirates joined the top three, with 66 million BAM investments¹⁶¹, and according to US Embassy in Bosnia and Herzegovina and their “Investment Climate Statement 2017”, Kuwait also joined the ranks of top five major investors in the period between 2012 and 2015.¹⁶²

In their essay “Radical Politics in the Desert of Transition”, philosophers and writers Igor Štiks and Srećko Horvat point out that in the period following the 1989 collapse of the Communist regimes there has been very little incentive to uphold any remnants of the socialist state.¹⁶³ The process of privatisation went hand in hand with the operation of dismantling of the existing welfare state and any form of social protection. “The EU, along with several international organisations, such as the WTO and the IMF, favoured the neoliberal paradigm of privatisation, deregulation and a free market within a minimal state”, claim Štiks and Horvat.¹⁶⁴ This process of wiping out socialist state was, to large extent, accelerated by destruction brought about by the war. The war had not only destroyed lives and caused extensive damage to the physical infrastructure, but has also completely ripped the social fabric apart, as well as brought down the entire institutional set-

¹⁶¹ In 2017 top three foreign investors in Bosnia and Herzegovina were: Croatia (119 million BAM), Austria (74 million BAM) and UAE (66 million BAM).

¹⁶² U.S. Department of State, “Bosnia and Herzegovina: Investment Climate Statement 2017.” accessed September 18, 2018. <https://ba.usembassy.gov/wp-content/uploads/sites/270/2017/08/BiH-ICS-FINAL-2017.pdf>

¹⁶³ See Igor Štiks and Srećko Horvat, “Radical Politics in the Desert of Transition,” in *Welcome to the Desert of Post-Socialism: Radical Politics After Yugoslavia*, (London:Verso, 2015).

¹⁶⁴ Igor Štiks and Srećko Horvat, “Radical Politics in the Desert of Transition,” in *Welcome to the Desert of Post-Socialism: Radical Politics After Yugoslavia*, (London:Verso, 2015), 5.

up, leaving behind a clean slate for introduction of an altogether different economic, political and social order.

The custodial role assumed by the West has also been instrumental in complete economic restructuring of the region. Some countries have been easier to “guide” through the transition than others and were eventually allowed to join the exclusive EU membership club. The first one was Slovenia in 2004, followed by Croatia almost a decade later. This process of “guiding and schooling” of post-socialist countries in the ways of democracy, free market economy and (neo)liberal values spearheaded by the EU and the US, has been characterised by Boris Buden as a way of infantilising the region.¹⁶⁵ And nowhere is this more obvious than in the case of Bosnia and Herzegovina (as well as Kosovo, a true model of protectorate). Such relationship is perfectly embodied in the Dayton Peace Agreement, a model of governance which has produced a state impaired through territorial and bureaucratic division, and with the Office of the High Representative as an ultimate expression of sovereign power at its helm, all the while keeping the diffused power of tripartite presidency at bay.

The custodial relationship imposed by the Western countries was offset by a different approach adopted by the Gulf State investors, who made their appearance on the Bosnian and Herzegovinian political and economic scenes in very specific and, what seem like, carefully chosen moments. As elaborated upon in my Introductory chapter, the former Yugoslavia maintained strong diplomatic and economic ties with the Middle Eastern countries (particularly Syria, Jordan, Egypt

¹⁶⁵ Darko Vujica, "Intervju sa Borisom Budenom: U Hrvatskoj Bog postoji u onoj mjeri u kojoj je ustaša", *Prometej*, June 5, 2017. accessed June 7, 2017. <http://www.prometej.ba/clanak/intervju/intervju-s-borisom-budenom-u-hrvatskoj-bog-postoji-u-onoj-mjeri-u-kojoj-je-ustasa-3181>

and Libya), but not necessarily with the Gulf States. It was the war itself, that offered a perfect entry point for the Gulf States diplomacy. This ingress was made first through provision of humanitarian aid and eventually through other forms of support, such as the export of foreign fighters and weapons procurement.

The Gulf States resorted to a strategy different to the one employed by their Western counterparts. While the power asymmetry between the West and Bosnia and Herzegovina was clearly reflected in the custodial model of the relationship, the Gulf States initially gave an impression of being interested in forming an alliance on an equal footing. This promise of equality was, of course, but an illusion, yet has been very successfully instrumentalised as a valuable political tool, and has persisted into the post-war period. However, with time, the aim was to shift the public focus from, until then, their very clear political agenda to their new economic agenda. In the local political circles, the developers and investors from the Gulf States are often presented as “partners”, with whom it is possible to have a relationship based on mutual equality, as their goal in Bosnia and Herzegovina is investment in the economic development, not the political meddling in the affairs of the state.

Once again a false binary emerges that conceals the common root of two seemingly different processes that are deeply intertwined and, in fact, serve the same goal, so much so that one inevitably leads to another. However, in the context of Bosnia and Herzegovina, the manner in which the two are presented in opposition to each other has and continues to have significant consequences. It produces two separate narratives, where the polarisation between the Eastern and the Western cultures and approaches recasts its differentiation once again along the religious and ethnic lines.

This is a troubling development. Nonetheless, the fundamental entwinement of these supposedly adverse flows and processes is translated into material and spatial forms: a coupling that manifests itself in the built environment. Moreover, the specific urban and architectural forms, which arise from this union articulate a complex kinship born out of capital's interaction with an equally specific expression of sovereignty.

3.6 Architecture of Oil

The seismic effects of the discovery of oil in the Gulf have had a tremendous impact on the development of the built environment in the region. Riding on the waves of newfound wealth and under the banner of modernity and improvement, a new political, economic and social imaginary was created.¹⁶⁶ Often-times, that vision implied brutal modification or total destruction of the existing, pre-oil urban tissue, which unfolded as soon as “oil money” made its way back home. The new forms born out of these transformations, as the example of Bosnia and Herzegovina illustrates, travel far and wide. They continue their journey along the oil trajectories, and carve their own paths and trails by navigating various cartographies of capital, moulding and shaping the places in their image. And these roads are not one-way streets either, since the influences flow in, as much as they pour out.

The discovery of oil was seen an impetus for many political and economic reforms in the Gulf States, and the example of Kuwait, one of the major Gulf investors into Bosnia and Herzegovina, illustrates a clear and steady trajectory of radical

¹⁶⁶ See Farah Al-Nakib, *Kuwait Transformed: A History of Oil and Urban Life*, (Stanford: Stanford University Press, 2016).

reshaping of the built environment. In the decades following the WWII, masterminded by the English urban planners, this city-state underwent an incredible transformation from a humble fishing and pearl-diving port to, so called, New Kuwait, an embodied vision of capital itself.¹⁶⁷ The circulation of petrodollars had opened up a pathway for the import of the urban template from the Western world, which would subsequently be adapted to serve a different vision within a different cultural and socio-economic context. The displacement from the urban centre, with an emphasis on the single-family living in detached units and allocated plots in the suburbs became a template for a specific lifestyle which was introduced in the early-oil years, based on the Ebenezer Howard's model for the Garden City and America's publicly sponsored post-war housing developments.¹⁶⁸ This undertaking was not just transformation for its own sake, but it became an instrument for the physical centralisation of power in the urban centres, while creating a new hierarchy and isolation between various socio-economic and ethnic groups by displacing them to the outskirts and remote areas. But, to what extent does this template retain its original social and political significance and purpose once it is exported and starts its journey along the trail? Although, not a passive force in itself, much would depend on the conditions it encounters on its way and at its destination.

¹⁶⁷ Abdullah al-Salem ascended to power in 1950, marking the beginning of the period of state-building and centralisation in Kuwait. His modernisation programme was based on urban development and social welfare. In 1951, his British planning advisor Major-General William Hasted advised him to commission the English town-planning firm of Anthony Minoprio, Hugh Spencely, and P.W. Macfarlane to prepare a report for the new Kuwait Town. This template would be finalised by the end of that year, and formally approved in 1952. According to the planners' own words, since they knew next to nothing about Kuwait, or the Muslim world in general, they struggled to put together a proposal, eventually exporting the "British post-war planning principles" and working "in accordance with the highest standards of modern town planning." See Farah Al-Nakib, *Kuwait Transformed: A History of Oil and Urban Life*, (Stanford: Stanford University Press, 2016), 99-100.

¹⁶⁸ See Farah Al-Nakib, *Kuwait Transformed: A History of Oil and Urban Life*, (Stanford: Stanford University Press, 2016).

In the case of Bosnia and Herzegovina, the advent of oil money in the country meant that the influences from the Gulf would soon start to permeate various aspects of life. After finding itself on the oil trail, this matrix came to be imprinted on the country's own territory. However, when such template is pressed against a contested territory already ridden with the internal tensions and problems, the friction produced through this contact inevitably modifies the original product and creates a site-specific outcome, as shall be discussed in more detail in the following chapter.

4.0 Failure of the Promise as Mechanism of Success

4.1. The Journey

4.1.1 Sarajevo Resort, Osenik

A slow drive on a sunny Sunday morning down the main artery of the Sarajevo longitudinal and overburdened road infrastructure takes me further out onto the fringes of the canton. Finding one's way to Sarajevo Resort, a development I'm planning to visit, is proving to be a somewhat difficult task. While driving through the sprawl of scattered houses in Pazarić and Tarčin, it is all too easy to miss the sign-posts guiding one towards this relatively new settlement tucked away in one of the hills surrounding the city. Finally, there is a sign next to an old and narrow asphalt road branching off the main road. Within a few minutes I arrive in what appears to be a typical Bosnian village. Osenik is located some 30km southwest of Sarajevo in an area well known for its good-quality fresh air, and a nearby pulmonary hospital that was destroyed during the last war. The one-storey and two-storey individual houses, some of them still bare, with no render or paint to cover the glaring concrete blocks and bricks, are strewn unevenly across the hillsides. Their gloomy appearance is offset by the already hot April sun and the white trunks of blossoming apple trees in the orchards. Yet, what stands apart is a row of bright white houses, carefully arranged on top of the hill and gradually sloping down its side. Their dazzling white-washed facades seem out of place with the modest surroundings. Soon, it becomes obvious that the area is still very much a construction site, even though the majority of houses appear to be finished, and some of them are already in use. The maze of village dirt roads confuses me.

Eventually I manage to find my way up, yet I am stopped at the gates some half-way up the hill, and told that the access is for the residents of the compound only, as it is a gated community.

At first glance, the village Osenik is no different than most other villages in the vicinity of Sarajevo. However, within its midst it hides one of the first built projects funded by the investors from the Gulf. The topography of the terrain conceals the actual size of this development. What initially appears as just one row of relatively large bright-white houses positioned on top of the hill, is only the outer parameter of a series of winding rows of houses arranged around a serpentine-shaped artificial lake and its pebbled shores. The Sarajevo Resort spans an area of 160,000m² and, at the moment, there are hundred and sixty villas and apartments on site (with more properties being added), with the capacity to house up to one thousand one hundred and twenty-five people.



Fig. 1, Sarajevo Resort Osenik, April 2018

This new settlement, which officially opened its doors to tourists from the Gulf in October 2015, is a project conceived and funded by the Gulf Real Estate agency. The people behind the Gulf Real Estate are Yassem Ahmad Al Khanderi from Kuwait and Amjad al Reis, a Syrian national who had studied architecture in Sarajevo in the 1980s, married a Bosnian woman, but eventually moved back to Syria. A year into the current Syrian war, Amjad and his wife fled Damascus, where, up until then, he had worked as a mayor of the Old Town municipality.¹⁶⁹ Understanding the effects of war on tourism in Syria and the shifts in movement of capital that ensued as the result of it, Amjad recognised a potential market niche in attracting Gulf tourists to Bosnia and Herzegovina. Upon settling in Sarajevo in 2012, he decided to start a real-estate business and paired up with his Kuwaiti partner. Similar to what I have heard previously from another Syrian-Bosnian real-estate agent Billy, according to Amjad the Gulf tourists who now come to Bosnia and Herzegovina are the same people who previously used to spend their holidays in Syria, Lebanon and Turkey. Due to rise in violence and instability, they decided to redirect their capital and investments to what seemed like calmer, yet still affordable areas further westwards.

In many ways, Sarajevo Resort will come to represent a template for the new Gulf architecture in Bosnia and Herzegovina. The scale and the content vary from project to project, yet some of the principles remain the same throughout. The location is carefully chosen; always in close proximity to Sarajevo and its airport, but mostly sequestered in the rural areas on the outskirts of the city. Often

¹⁶⁹ Boris Orešić, "Dubai iznad Sarajeva," *Globus*, November 11, 2016. accessed April 30, 2018. <https://www.jutarnji.hr/globus/Globus-svijet/dubai-iznad-sarajeva-u-blizini-kuvajtskog-naselja-sarajevo-resort-nice-novi-dubai-za-50-tisuca-arapa/5253871/>

conceptualised as gated communities, such developments offer a much higher standard of living than available to an average Bosnian and Herzegovinian family. Thus they are designed to become exclusive zones, available and affordable to Gulf tourists only, reducing the contact between the newcomers and the local population to a minimum. Usually, the relationship between the two is based on the services provided by the locals to keep the resort functioning (cleaning, security, gardening, working in shops etc.), and occasional visits of the tourists to see the ‘real way of life’ outside the compound.

The aforementioned traits bring to mind Keller Easterling’s description of the “zone”, as a space delineated and physically separated from the urban core, while infrastructurally very much tied to it. Its conception and development are driven by economic and political forces outside the state (international corporations, intergovernmental players etc.), although often times in collaboration with the state itself. As a result, these extrastate formations are situated beyond the state jurisdiction and are subject to a different set of, often much more relaxed, regulations. For Easterling, the zone is not static; it changes and mutates over time. Its aspirations towards urbanity are reflected in its urban and architectural forms, but its inclination towards sometimes even “violent forms of lawlessness” discloses a different side to these “exurban” formations.¹⁷⁰ In Bosnia and Herzegovina, the new developments are still too small and too economically weak to operate as entirely extrastate entities. They do, however, carry within them this potential and until they are built and fully operation it is difficult to predict what they will morph

¹⁷⁰ Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London New York: Verso 2014), 33.

into. As discussed in Chapter 1, the lawlessness in the case of the Bosnian and Herzegovinian version of the zone is often closely tied to the state and its inconsistent “definitions of legality”, therefore mostly concealed and not fully manifested.¹⁷¹ Moreover, in their current iteration, the extrastate formations in Bosnian and Herzegovinian context are less inclined to fully extrapolate themselves from the jurisdiction of the state. On the contrary, they seek and are powerful enough to influence and alter those state laws and regulation that shape and determine the conditions of their presence on the state’s territory.¹⁷² At once powerful political pawns and instruments of economic liberalism as Easterling defines them, in Bosnia and Herzegovina these complex formations are in equal measures tied to the tangled ropes of the state bureaucracy imposed by the Dayton Peace Agreement, as well as to the extrastate governance.¹⁷³ Their presence subverts the authority of the state by coercing it into gradual erosion of its legal framework to accommodate the needs of the extrastate element. Various parts of the Dayton Peace Agreement act in concert to enable this process to take place. Therefore, it is the current condition produced by the Dayton Peace Agreement in collaboration with the extrastate forces that upholds the extrastate element. Here, the extrastate element does not exist in spite of the state, but because of it.

¹⁷¹ David Harvey, *The New Imperialism* (Oxford: Oxford University Press 2003), 145.

¹⁷² As discussed in Chapter 2, the increase in investments coming from the Gulf States’ has been preconditioned on liberalisation of the visa regime for their citizens travelling to Bosnia and Herzegovina. This has led changes in immigration regulations and an introduction of visa-free movement (for short-term visits) for nationals of all the major investor countries, except for Saudi Arabia. Saudi Arabian diplomats have been issuing warnings to Bosnian and Herzegovinian government that they will start withdrawing their investments unless their nationals are afforded the same treatment.

¹⁷³ See Keller Easterling, *Extrastatecraft: The Power of Infrastructure Space* (London New York: Verso 2014)

In previous chapters I have tried to discern miscellaneous processes shaping the current condition in Bosnia and Herzegovina, and disentangle various causes from the effects they're producing. This inability to clearly differentiate between the cause of the problem and its consequences is due to multiple conditions occurring over various temporalities, overlapping, continuing and discontinuing, and eventually creating a spatio-temporal Gordian knot. In Chapter 1, I accounted for the far-reaching and multifarious effects of the implementation of the Dayton Peace Agreement on the spatial organisation of Bosnia and Herzegovina, as well as its pivotal role as an instrument of finance. In Chapter 2, I delved into the past and the longer histories of the region. By scrutinising international financial institutions (namely the IMF and the World Bank, alongside their patrons the US and the EU), I sought to highlight the ways in which the current condition is inextricably linked with events pre-dating the 1990s war and the signing of the Dayton Peace Agreement. In this third chapter, however, I discuss the actual spatial and material outcomes of the processes and conditions examined discursively in the previous chapters to argue that these outcomes operate on a threshold between two different and shifting realms—physical and speculative—in order to engage with different elements on the ground. Ultimately, this tension results in an all-encompassing spatial and territorial reorganisation, as dictated by in large part by the forces of capital.

The physical realm is analysed through channelling of the investments into tourists resorts and residential developments, or more precisely, into those that actually do get built, such as the example of Osenik Sarajevo Resort, or Sarajevo Waves, which will be explored shortly. I argue that their role is twofold. On the one hand, in their

conceptual iteration they serve to sell a prospect of a “better future”, which would, in the language of capital, equate to a more affluent and luxurious lifestyle. And although not necessarily aimed at the local populace, the message accompanying such vision is still widely spread and doesn’t fall on deaf ears even among the natives. On the other hand, once the resorts are built they become physical embodiment of this vision, as well as of the promise that such vision carries; promise of a “better future”. The extrastate element contained in this promise pushes past the notion of foreign money as nothing more than financial infrastructure. In this scenario, the flow becomes grounded and solidified, reflected in new urban typologies and architectural language applied. Intended to accommodate the tastes and needs of a very specific clientele, mostly prospective buyers from the Gulf, it also serves to create strong aesthetic and cultural ties with the region.

In the design process, with the exception of a few projects, there is no obvious attempt to blend into the existing landscape or address the conditions imposed by the terrain. Even less so is there an effort made to adhere to architectural vocabulary that would be, at least in scale with and in proportion to the vernacular one. Furthermore, the relationship with the ecological environment is particularly troublesome. As is so often the case, fascination with a country’s natural beauty that generates tourists’ interest in visiting, is considerably effected by the construction of the very tourist resorts that impact negatively upon the environment.

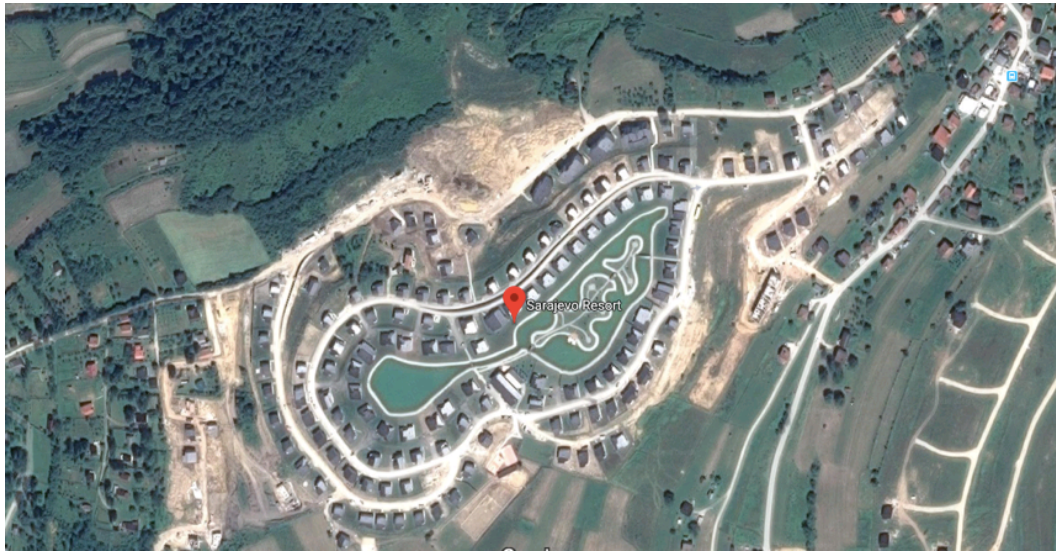


Fig. 2, Sarajevo Resort Osenik, Google Maps

The strict geometric or radial shapes of the urban plans and layouts are in stark contrast with the fragmented and scattered, almost random, typology of the local villages that are found in their proximity. It is difficult not to recall Dubai's Palm Islands when looking at the leaf-shaped layout of Sarajevo Resort, organised around a central amorphous artificial lake and interwoven with the winding roads to produce a seductive birds-eye view.

Examining the promotional material for the “self-integrated tourist town” Buroj Ozone in Trnovo, with its CGI imagery and fly-through animations, one could assume that the same level of lavishness is to be had in Bosnia and Herzegovina. However, in most cases the built developments end up having an appearance of stripped-down versions of the Easterling's description of the zone, and a far cry from the ostentatious sources of inspiration in the Gulf countries or their counterparts across the world. There is certainly a yearning to emulate the grandeur, but eventually the Bosnian and Herzegovinian version of the product falls short of the idealised image. And while these examples still stand apart from their

immediate surroundings, at the same time, their relative modesty in comparison to the original source comes to reflect the purchasing power of the new clientele. Although much higher than the local one, it is still not at the level of the rich and super rich who can afford the luxury offered by Western European resorts. The disparity between the physical, or what is possible, and the speculative, or what is imagined, reveals a new space of operation where capital flow carves its trajectory and negotiates its position. The aesthetic and architectural malfunction built into the dream is inherent to its position in the hierarchy of such developments across the world. Albeit a frontier from the perspective of the East, Bosnia and Herzegovina is still only on the periphery of the EU's periphery, thus it is always meant to offer less. As Samir Amin points out:

[T]he development of the periphery has always been the history of a never-ending 'adjustment' to the demands and constraints of dominant capital. The centres 'restructure' themselves, the peripheries 'are adjusted' to these restructurings. Never the opposite.¹⁷⁴

In the context of Bosnia and Herzegovina, the development is predicated on its relation to, not only the main centres of capital accumulation and distribution, but also in relation to the peripheral, regional centres, such as Zagreb and Belgrade. The role of the state as a facilitator in this processes of adjustment is crucial, once again bringing us back to the point that the extra-state element doesn't exist in spite of the state, but because of it. The peripheral state, as Amin refers to it, acts as an "instrument of 'adjustment' of the local society to the demands of the worldwide accumulation [...]."¹⁷⁵ Since the centre dictates the nature and the extent of the

¹⁷⁴ Samir Amin, "Social Movements at the Periphery," in *New Social Movements in the South*, ed. Ponna Wignaraja (London&New Jersey: Zed Books, 1993), 79.

¹⁷⁵ Samir Amin, "Social Movements at the Periphery," in *New Social Movements in the South*, ed. Ponna Wignaraja (London&New Jersey: Zed Books, 1993), 79.

development of the periphery, the peripheral state takes on a role of a “comprador”.¹⁷⁶ As a result of this process, the newly built developments and tourist resorts have come to reflect every irregularity or bias within the planning system, the land-grabbing policies, legally dubious alterations of spatial and zoning plans, and general despair of local population for any kind of investment that will give them even a short-term relief from their ongoing financial troubles. Therefore, they have also come to reflect the political, economic and legal conundrum that the country has been sinking into ever deeper over the last two decades.

Yet, this portfolio of projects wrapped in a promise of a more prosperous future that will come to pass upon their realisation, can also work as a mechanism of deception, operating to facilitate the process of accumulation by dispossession. The visual representation of the promise, the colourful masterplans and 3D visualisations become a vehicle, which drives the capital from its abstract space of operation into physical reality. But, looking at the current situation on the ground, it seems that this journey is often-times halted before the projects’ completion, leaving the promise unfulfilled and the projects indefinitely stuck in the construction phase or forever remaining no more than examples of ‘paper architecture’ and animated YouTube video clips.

¹⁷⁶ “Comprador” is a term that originates from Portuguese language, and was first used in a colonial context to describe a local person who acts as an agent on behalf of foreign organisations working in trade, investment and economics, to help them access to the local market. Samir Amin uses this term to describe a state which takes on a similar role, so instead of protecting the local market it facilitates its exploitation. See Samir Amin, “Social Movements at the Periphery,” in *New Social Movements in the South*, ed. Ponna Wignaraja (London&New Jersey: Zed Books, 1993), 79.

I would argue, however, that one should not look at such cases as examples of failure, as they are too widespread and ubiquitous not to be questioned and considered as potentially deliberate. Perhaps it is the case that, in such instances, the final aim was not the production of the built environment per se, but the acquisition of the land itself. And here, I consider land in Marxian terms, as “grund und boden”, where the land/earth/soil is not only treated as a commodity to be bought or sold, but carries a “possibility for production of goods and ultimately for reproduction of social life”, as Robert Nichols defines it.¹⁷⁷ The phantasmagorical architectural graphics, de-territorialised and dislocated from the land which they are meant to inhabit, turn out to be no more than a hook-in device to ensure that the land is being sold and acquired. So, the failure to deliver this final embodiment of the promise is already pre-determined and built into this mechanism, as part of the speculative nature of capital and strategy behind its movement. Therefore this seeming inability to fulfil the promise is not really a failure at all, as the seed of futurity is deeply embedded in this dormant platform for future action. It is merely a temporary dislodgement of the intent from the present into time to come.

The construction of Sarajevo Resort started in 2013. However, by 2016 the Gulf Real Estate agency was one of six hundred and ninety-one foreign-owned companies registered in Bosnia and Herzegovina to be put under investigation as a part of the action called “Real Estate” (Orig. “Nekretnina”).¹⁷⁸ The action was instigated by the State Ministry of the Interior Affairs and conducted by the Service

¹⁷⁷ Robert Nichols, “Disaggregating primitive accumulation,” in *Radical Philosophy* no. 194, November-December, 2015. accessed July 1, 2018.

<https://www.radicalphilosophy.com/article/disaggregating-primitive-accumulation>

¹⁷⁸ Service for Foreigners’ Affairs. “Extensive Operation Real Estate Completed”, January 13, 2017. accessed April 20, 2018. <http://sps.gov.ba/saopstenja-en/extensive-operation-real-estate-completed/?lang=en>

for Foreigners' Affairs, with the aim of uncovering potential bogus activities and investments coming from the Gulf States, Ukraine and Russia into the country. The Gulf Real Estate was one of only hundred and ninety-two companies cleared of all the charges, with their actions thus far deemed legal.¹⁷⁹ Nevertheless, a detailed analysis of the project in relation to the requirements set out in the Spatial Plan for Sarajevo Canton reveals numerous irregularities. This points to the fact that either not enough attention had been paid to the project during the planning process or that such irregularities had been deliberately overlooked by the local planning authorities .



Fig. 3, Sarajevo Resort Osenik, April 2018

¹⁷⁹ Ibid.

In Sarajevo Resort, potential clients can choose from three different options: villas, apartments or plots of land. Each option is tailored to suit different needs and desires. The sizes of villas vary from 115m² to 220m². They are mostly four-bed and six-bed individual houses with a spacious lounge, kitchen and several bathroom facilities. Situated on a plot of land between 500m² and 1,000m² in size, each one has an access to a 200-300m² private garden. For clients with a tighter budget there are two-bed and three-bed apartments, with up to two bathrooms, a lounge and a kitchen. Their area ranges from 70m² to 110m² and they are intended to house smaller families of up to four people. And for those who prefer to build their own houses, an option to buy a plot of land within the perimeter of the development from 500m² to 1,000m² in size is also available.

Amjad claims that his clients from the Gulf (in this case Kuwait) are not interested in living in Bosnia and Herzegovina. Their desire is to escape the unbearable summer heat in their home countries and enjoy the cooler temperatures surrounded by nature, fresh water and mountains. According to him, Sarajevo Resort is not meant to be used throughout the whole year, but it was built as a holiday resort intended for use over the summer months, therefore approximately three months a year.¹⁸⁰ Based on that information, and in accordance with the Spatial Plan for Sarajevo Canton, the resort should fall under the requirements set out in the Article 22, Paragraph 3 where “urban and technical conditions for the construction of holiday homes” are listed as follows:¹⁸¹

¹⁸⁰ Boris Orešić, “Dubai iznad Sarajeva,” *Globus*, November 11, 2016. accessed April 30, 2018. <https://www.jutarnji.hr/globus/Globus-svijet/dubai-iznad-sarajeva-u-blizini-kuvajtskog-naselja-sarajevo-resort-nice-novi-dubai-za-50-tisuca-arapa/5253871/>

¹⁸¹ Zavod za planiranje razvoja Kantona Sarajevo, “Odluka o usvajanju ‘B’ faze izmjena i dopuna prostornog plana Kantona Sarajevo za period 2003. do 2023. godine, Član 15, (Vlada Kantona Sarajevo, 2017), 164.

- The usable area of the house should not exceed 80m²
- The unit should be no more than two storeys in height
- The plot areas should be larger than 1,000m²

By looking at the three options available to prospective clients it is clear that each one of them is in breach of their related requirements. The usable area of a typical villa, which ranges from 115m² to 220m², significantly exceeds the required maximum of 80m². The apartment blocks are three-storey or four-storey high, which is in some cases double the height of the assigned two-storey maximum. Also, the areas of larger, three-bed apartments exceed the required area of 80m². And finally, the plot areas vary between 500m² and 1,000m², whereas according to the requirements their size should exceed the minimum of 1,000m². These are just some of the basic requirements, which have been completely disregarded by the local planning authorities. Considering the margin of error the question is - was the project even assessed in relation to the requirements for holiday homes or has it been classified as a permanent settlement and assessed as such? The recent influx of investments has produced new urban and architectural typologies, some of them non-existent within the current categories or planning regulations. These new settlements are often stranded between the existing categories, not fully adhering to any of them, thus making it difficult to classify them with precision and treat them accordingly. Such ambiguity allows for various forms of misuse and mishandling of planning applications to take place, under the premise of economic development and benefits of much needed investments. Almost none of the case studies currently on site or under construction are in full compliance with the existing planning regulations or approved planning documents.

4.1.2 Sarajevo Waves

We are dedicated to a hassle free living environment in which tenants can enjoy all of the benefits of safe, attractive, and inviting units. All this accompanied with design and architecture of the buildings speak in the name of the inner life-style being offered and represent new identity and hotspot of the entire area. (Sarajevo Waves, Compact Invest Ltd.)¹⁸²

My journey from Osenik and Sarajevo Resort continues onto a somewhat different setting. Unlike its counterparts located in predominantly rural municipalities of Hadžići or Trnovo on the outskirts of Sarajevo Canton, Sarajevo Waves is one of the very few developments located in the canton's urban areas. Positioned on the Sarajevo beltway, at the southwestern exit from the city, yet only twenty minutes' drive from the city centre and no more than two kilometres distance from Sarajevo International Airport, the development is located in Otes, municipality of Ilidža. According to the current Spatial Plan for Sarajevo Canton, this area is designated for housing and residential developments, and is inevitably set to see accelerated urbanisation in the near future, as the city continues to expand westwards. In contrast to the secluded communities such as Buroj Ozone, Sarajevo Resort or Tarčin Forest Resort, to name a few, where the aim is to create a relatively isolated, rural milieu, the main incentive behind this project has been to provide a luxurious holiday experience within the boundaries of the city.

Sarajevo Waves is hard to miss. The two sizeable apartment buildings appearing on the horizon as I approach the site are Sarajevo Waves 1 and Sarajevo Waves 2. According to the approved urban design plan, this rather ambitious mid-sized

¹⁸² Compact Invest, Sarajevo Waves web-site. accessed April 25, 2018.
<https://www.sarajevowaves.com/en/homepage-one/>

development will soon also feature a third apartment block of a similar size alongside more modest two-storey shopping centre in similar style, already tucked in at the back of the site.



Fig.4, Sarajevo Waves 1&2, April 2018

The neighbourhood of Otes had started to undergo a more significant transformation during the 1980s as part of a movement to expand the city towards Sarajevo Field. Having a misfortune to be on the frontline, it had suffered severe devastation during the siege of the city, but relatively soon after fighting had ceased the area returned to a pre-war way of life. Regardless of the occasional attempts at emulating architectural vocabulary of the highly urbanised areas, Otes is still considered an unassuming suburban neighbourhood. That's why the two new 9-storey buildings with their winding concrete slab balconies in dazzling white, emulating the shape of waves, have come to dwarf their surroundings.

In looking at the current masterplan for the area in comparison to the approved scheme of the development, one thing that stands out - permitted height of the buildings in the area is no more than five storeys. With its towering nine floors, all the Sarajevo Waves apartment buildings (both those on site and those still on paper) are almost double of what is prescribed as maximum height. Clearly, this is a serious breach of planning requirements, which has somehow managed to ‘slip under the radar’ of the local authorities. Each additional floor increases the number of apartment units by at least seven (depending on the layout), so if we multiply that by four it is easy to see how turning a blind eye to such irregularities by the local authorities becomes quite lucrative for the developers. However, the significance of Sarajevo Waves is not in the fact that it is yet another example of skewing of planning regulations, or of misdemeanour on the part of planning authorities and investors. Rather, it points to a conceptual shift in thinking by certain developers who are becoming more interested in expanding into local market and attracting the local clients, often themselves beneficiaries of the very same circuit of capital.¹⁸³

The investor behind Sarajevo Waves is Compact Invest, a group of developers from Kuwait who arrived in Bosnia and Herzegovina in the early 2013. Their attempts at developing a stretch of land along Željeznica river, very close to the Sarajevo Waves location, have already been explored in more detail in Chapter 1.

¹⁸³ Beneficiaries is a term I borrowed from Robert Meister and have developed in response to the current condition in Bosnia and Herzegovina. It is used to describe those within the local community who have found a way to thrive in the complex and convoluted structure of post-Dayton milieu, and who, in many cases, have managed to profit from this ad-hoc deregulated urban development. This concept is elaborated upon in more detail in Chapter 1.



Fig.5, Sarajevo Waves 1&2, April 2018

Initially, Compact Invest had envisaged a development project, so called Nova Ilidža (New Ilidža), which would encompass a large portion of central Ilidža and its adjacent areas. Once confronted with the obstacles on the ground this ambitious vision was reduced to the viable scale of Butmir project, as described in Chapter 1. However, despite the enticing 3D flythrough of the entire Nova Ilidža, followed by the detailed masterplan for Butmir phase, the project never got off the ground. Nonetheless, this apparent failure to deliver once again proved not to be failure at all. The company continued to work in the country, in particular with the mayor of Ilidža, the same one with whom they initially negotiated, thus far, non-existent Nova Ilidža project. The unfeasible scale of Nova Ilidža shown in a semi-utopian 3D visualisation is a much larger and a much more aspirational iteration of the project than the one detailed out in the masterplan. Yet, the visual exaggeration was meant to serve as a crowbar, which would pry open the doors of the market. The vision created by Compact Invest offered a tempting, albeit completely unrealistic urban, architectural and social imaginary, which was meant to remain in the

speculative realm from the very start. Nevertheless, it was the discrepancy between their promise and the probability of its realisation that had come to serve as a mechanism of recalibration of possibilities and expectations. As such, it helped open up a space of negotiation and facilitated the influx of capital, which would come to be distributed into less ambitious projects, while still being driven by the same agenda.

Continuing their collaboration with AHA+KNAP architects, by 2018 Compact Invest has managed to launch three major developments, two of which are in close proximity to what was supposed to be the Nova Ilidža site: Tarčin Forest Resort, Osijek development and finally Sarajevo Waves. Each one of the three offers a distinct experience to its prospective dwellers. Whereas Tarčin Forest Resort is conceptualised as a rural chalet-style holiday retreat, Osijek relies more on a classic formula of a secluded small-scale gated community. In contrast to both, apartments in Sarajevo Waves complex are located in an urban setting and are aimed at providing a fully urban experience. According to the detailed information listed out in their catalogue and on their web-site, the total number of apartments between Sarajevo Waves 1 and Sarajevo Waves 2 is hundred and thirty four.¹⁸⁴ The apartments on offer range from just under 65m² to about 107m² in size. Although furnished and equipped to a high-end standard, what is unusual about them is their relatively modest size, especially in comparison to the other properties offered by

¹⁸⁴ Sarajevo Waves 1 appears to be fully finished and its apartments already up for sale or rent. The building works on Sarajevo Waves 2 are currently underway. Sarajevo Waves 1 contains forty-nine and Sarajevo Waves 2 is set to contain eighty-five apartments of varying sizes. See Sarajevo Waves web-site. accessed April 25, 2018.
<https://www.sarajevowaves.com/en/homepage-one/>

various investors from the Gulf.¹⁸⁵ However, at the starting price of 2,500BAM (£1,131) per m², which works out at about 157,000BAM (just over £70,000) for a one-bed apartment, the target clientele for such flats are still mostly the Gulf States' nationals.¹⁸⁶ Nevertheless, this particular development has proved to be quite popular among the local nouveau riche, who have come to aspire to a more luxurious lifestyle, or that promise of a "better life". Sarajevo Waves website accentuates that what sets the development apart from its surroundings are the following three: quality, comfort and safety. The use of premium construction materials, the private outdoor space (and a parking space that comes with each flat), and, although it is not a gated community per se, the buildings are equipped with CCTV cameras and have restricted access.

Up until relatively recently, concept of a gated community in an isolated suburban or rural area has not been a familiar typology in the region. And so far, it hasn't proven to be a particularly popular one among the locals either. Living in the city centre and its adjacent areas has always been a sign of prestige and continues to be so, especially in the post-war period. Since the road infrastructure in the city is underdeveloped and overburdened, and the parking spaces are almost impossible to find, not having to use a car to access various amenities usually located in the

¹⁸⁵ Even Compact Invest's own Osijek development, situated not far from Sarajevo Waves, offers properties no smaller than 200m² in size. The standard layouts of the one-bed and two-bed apartments in Sarajevo Waves are equipped with kitchen and bathroom facilities (the number of bathrooms matches number of bedrooms in each flat), as well as a terrace space (or a garden for those on the ground floor). Yet the floorplan areas and sizes of the rooms are more in line with the Bosnian and Herzegovinian standards, than what seem to be required for an average family from the Gulf. See Sarajevo Waves web-site. accessed April 25, 2018.
<https://www.sarajevowaves.com/en/homepage-one/>

¹⁸⁶ Although it might not seem like much in comparison to the prices in the Western European cities such as London or Paris, if one takes into account that an average monthly income in Bosnia and Herzegovina is around 858BAM (just under £390), then it becomes clear that this type of property will be completely off limits for most locals.

centre is perceived as a massive advantage. Therefore, moving out to remote rural areas does not have a great appeal, even to those who could afford the disproportionately high prices of such properties in comparison to the local housing stock.

Although the understanding of the local market and its requirements is not something that most Gulf investors' concern themselves with, the likes of Compact Invest or BBI Real Estate¹⁸⁷ have clearly recognised a potential in expanding the usually applicable model of a gated community by modifying it to cater for the needs of the prospective buyers from the local community. Such "hybrid" developments, mostly apartment blocks, retain some of the elements of their more isolated, rural counterparts, such as the security aspect (restricted access, CCTV cameras etc.) and outdoor amenity spaces (mini-gardens, terraces etc.). At the same time, with their sleek design and décor, and their urban and suburban locations with good transport links to the city centre, they are geared towards the local elites, as much as they are towards the foreign buyers. This signals a tendency towards opening a new market niche within the existing dominant one, to further secure continuous flows of capital. Relying on the existence of local beneficiaries, who, by investing back into the same flow contribute to its permanent circulation, the investors are constructing not only an additional spatial, but also a longer temporal framework for discharge and absorption of the excess capital.

¹⁸⁷ BBI Real Estate mostly develops smaller, infill sites located in the city centre and in old town. See BBI Real Estate web-site. accessed July 6, 2018. <http://bbirealestate.ba/en/projects/>

4.2 Bosnia and Herzegovina as Spatio – Temporal Fix

The case of Bosnia and Herzegovina can certainly be examined through the prism of David Harvey's theory on spatio-temporal fixes, whereby the dislocation of the capital in both space and time can help secure an uninterrupted flow of the surplus capital. And while the spatial fix requires opening up of new territories to the global market, the temporal can operate within the same location, but investments are reoriented towards long-term projects or social expenditure (infrastructure, healthcare, education etc.). However, most often, the two tend to overlap and operate together.

Harvey argues that:

The production of space, the organisation of wholly new territorial divisions of labour, the opening up of new and cheaper resource complexes, of new regions as dynamic spaces of capital accumulation, and penetration of pre-existing social formations by capitalist social relations and institutional arrangements (such as rules of contract and private property arrangements) provide important ways to absorb capital and labour surpluses.¹⁸⁸

While perpetually searching for a perfect milieu that could be turned into a “dynamic space of capital accumulation” where the surpluses could be discharged and absorbed, the force of capital is continuously reorganising, expanding and contracting the global market, and the territories, which are bound to it.¹⁸⁹ Each new location of interest demands a different set of tools and tactics to be employed, dependant on its social, political and economic context. In Bosnia and Herzegovina, the Dayton Peace Agreement emerged as a key instrument of this process. Construed as a brand new template for organising and rebuilding the state, it defined a specific strategy towards creating a new space of capital accumulation.

¹⁸⁸ David Harvey, *The New Imperialism* (Oxford: Oxford University Press 2003), 116.

¹⁸⁹ Ibid, 116.

Emerging from the years of violent destruction, The Dayton Agreement treated the country as a tabula rasa, where the pre-existing social formations were completely shattered by the war, and the new ones were to be constructed. However, as discussed in Chapter 2, their reconfiguration had already started decades before the war, through undermining of self-management economic model.

When examining the processes, which took place in, so called, Second Yugoslavia, specifically in the period between the 1960s and the late 1980s, it is easy to deduce the tides of pressure of different scales and intensity imposed by the IMF and aimed at opening up the regional market in the Western Balkans. At first gradual, but nevertheless steady and relentless throughout the 1960s, the strength of such tides would grow exponentially over the 1970s and 1980s. Further rippled by the effects and consequences of the First and Second Oil crisis, these tides would eventually cause irreversible damage and help bring about the ultimate destruction of Yugoslavia. What followed was a territorial disintegration and fragmenting of the Yugoslav market, even total destruction of some of its parts (mostly in Croatia and Bosnia and Herzegovina). This, in turn, had cleared the way for creation of a series of vulnerable political and economic entities under a watchful eye of the IMF and the World Bank, as well as the US and the EU. These entities, weighed down by debt, poverty, crippling divisions from within and heavy demands from without, have not been able to stave off the ruthless force of coercion into the global market riddled with inequality. It is a clear example of creating an environment that after much effort and destruction finally becomes conducive to the requirements of the global capital circulation.

The temporal aspect might be a bit more speculative at this point, but I would, nevertheless like to open it up as a possibility. The trajectory of the investments from the Gulf points to long-term thinking and planning of how the surplus of capital could be absorbed and recycled in Bosnia and Herzegovina. Looking at the first and second waves of investment in hindsight (reconstruction of old and building of new mosques, followed by construction of commercial buildings, hotels and shopping centres), they seem to have helped lay down an infrastructural basis for the latest wave of real-estate developments. These new developments are, in turn, creating further possibilities for the future. The mechanism of in-built failure, discussed earlier, also operates in support of this argument. While it enables the process of primitive accumulation to take place in the present, it simultaneously acts as an instrument of deferral, displacement and projection into the future.

4.2.1 Constellations and Nodes of Spatial Fixes

In its never-ending quest for yet another spatial fix, we will often find that capital tends to latch on to those locations where the infrastructure is already in place and where the transport links facilitate rapid communications with other locations. Although Harvey speaks of the “key nodal points of political and economic power” such as New York, London, Tokyo etc., I would argue that the low-key versions of such nodes are necessary even at its peripheries, frontiers and outside of the centres of power.¹⁹⁰ It is often around such nodes that the zones or even constellations of zones congregate and proliferate.

¹⁹⁰ David Harvey, *The New Imperialism* (Oxford: Oxford University Press 2003), 134.

Over the past decade Sarajevo has become one such “peripheral node”. As administrative, political and economic centre of Bosnia and Herzegovina, the city has been chosen as the adequate spot in the country to absorb the incoming surplus of capital from the Gulf. Among other things, one of the main reasons for this choice has also been its specific geographic position, as well as its existing infrastructure, including the transport ties with the rest of the region and the world. By looking at the map (See Appendix 3, Fig.10) of the distribution of developments it is easy to establish a pattern these new zones have started to develop in relation to one of the most important coordinates in the city – the location of its international airport. Every single web-site, advertisement, poster or a leaflet promoting any new development in the vicinity of Sarajevo will provide the prospective buyer with this crucial piece of information – distance from and the transport links to the airport. The developments tend to be distributed on the outskirts of the city, forming a belt, with pockets of activity gravitating predominately towards the southwest - obviously, towards the airport, but also the Olympic mountains of Igman and Bjelašnica. However these constellations of investment attempt to bring large numbers of people into the city over specific periods of time, turning it over the summer months into significantly larger conurbation than it is over the rest of the year.¹⁹¹ Such sudden influx of people would need a much more developed infrastructure than the one already in place. However, the question is what kind of

¹⁹¹ According to the Cantonal Institute for Informatics and Statistics, Sarajevo Canton received fifty-nine thousand and nineteen visitors from the Gulf States (Bahrein, Qatar, Kuwait, Oman, UAE and Saudi Arabia) in 2016 (80% of whom visited over the summer months), and in 2017 this number had risen to sixty-six thousand seven hundred and twenty-seven. Considering that Sarajevo Canton has a population of four hundred and thirty-eight thousand four hundred and forty-three (according to the last census from 2013), it is clear that the number of long-term visitors is quite high in proportion to the resident population, so there is a necessity for additional infrastructure to support those numbers. See Kantonalni Zavod za informatiku i statistiku web-site. accessed June 29, 2018. http://zis.ks.gov.ba/statistika/turizam_grafikoni

infrastructure is necessary when the influx is only temporary and limited to a certain period of time in a year?

In light of migrating Harvey's argument on spatio-temporal fixes, specifically its temporal aspect, to the context of Bosnia and Herzegovina, I return to the previously stated idea that the trajectory and the character of Gulf investments in Sarajevo Canton point to long-term planning and keen awareness of the direction of their future development. By creating a network of hotels, shopping centres and other commercial facilities, specific infrastructure, deemed necessary by the investors, was being put in place for the current wave of real estate investments to be successfully implemented. A more detailed look into the beginnings of this gradual and systematic carving of the market is, therefore, necessary to complete the picture of how Sarajevo has positioned itself as one of the "peripheral nodes" of capital investment. Considering that this research has thus far predominantly dealt with the examples of what I refer to as the third (or current) wave of investments, I would now like to return to the early days when the first and the second wave were still gathering their strength.

4.3 Opening the Gates

Although active political, diplomatic and humanitarian presence of the Gulf States in the context of Bosnia and Herzegovina can be traced back to the 1990s-war period, the key moment of their economic empowerment can be pinned down to the year 1996, following banishment of Iran and its influence from the country's political scene. In the first four years following the end of the war, the implementation of the Dayton Peace Agreement had been closely managed by the

US and the Clinton administration. This period of intimate involvement and strong influence on the Bosnian government was also used by the US to exert proxy control over the territory and regulate it in alignment with its larger geopolitical goals and allegiances. Disclosed CIA documents from that period point to various concerns related to the presence of foreign fighters, but also they highlight the influence of Iran on the Bosnian government.¹⁹² While the pressure was kept on the Bosniak leadership to deport all the former foreign fighters from the country, Clinton administration was even more adamant to cut the Bosniak ties with Iran. In a “Memorandum for the Secretary of State on Bosnian Compliance on Withdrawal of Foreign Forces and Terminating Intelligence Cooperation With Iran”, released by the White House on 26 June 1996 it is stated that:

With respect to foreign forces, while some individuals have assimilated into Bosnian society and assumed civilian roles, there is no evidence of any remaining organized military units of Mujahedin or other foreign forces in Bosnia. With respect to the Iranians, the Bosnian government has assured that all IRGC personnel we identified to them have left Bosnia. We have no evidence that those IRGC remain. The Bosnian government has also assured us that none of the Iranians can be brought back to Bosnia without its knowledge and that, should any of them return, they would be expelled.¹⁹³

Although the rest of the document states that the US has only demanded that Bosnian government end the bilateral intelligence cooperation with Iran and not

¹⁹² In the CIA report “Prospect for Bosnia and Herzegovina for the next 18 months” dated 1 May 1996 prepared for the National Intelligence Estimate and released to public in 2013 the following is stated: “*Iran’s Role in Bosnia*: Iran will maintain a low profile that will permit continuing influence over elements of the Bosnian Government to whom it is providing financial support. The Bosniak leadership will want to retain good relations with Iran if only as a hedge against Western failure to provide military and economic support. Tehran seeks to exploit its ties to Sarajevo to expand its international influence, promote militant Islam, and maintain a base of operations in the region. We do not expect Iran to undertake a major terrorist campaign against IFOR, but cannot rule out isolated attacks.” See National Intelligence Estimate, “Prospects for Bosnia and Herzegovina Over the Next 18 Months,” Clinton Library Catalogue, May 1996. accessed September 23, 2018. <https://www.cia.gov/library/readingroom/docs/1996-05-01.pdf>

¹⁹³ William J. Clinton, “Memorandum on Bosnian Compliance on Withdrawal of Foreign Forces and Terminating Intelligence Cooperation With Iran,” June 26, 1996, Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. accessed May 27, 2018. <http://www.presidency.ucsb.edu/ws/?pid=107569>.

necessarily terminate diplomatic ties between the two countries, in reality this meant that Iran was being nudged out of the game. The vacuum left behind was quickly to be filled by Saudi Arabia and its allies, who used this opportunity to expand and reinforce their own presence in the country. The ongoing push and pull between Iran and Saudi Arabia over Bosnia and Herzegovina was being resolved under the US enforcement, and, unsurprisingly, in favour of Saudi Arabia. This moment would prove to be of crucial importance for the Gulf States, in terms of establishing their presence in the Bosnian and Herzegovinian market. With their main competitor now out of the way, Saudi Arabia and Kuwait, in particular, would use the following years to increase their influence and the number of investments in the country. Humanitarian projects oriented towards reconstruction of the mosques damaged during the war, as well as the building of the new ones had already been underway since the end of the war. The number of such projects would further rise and intensify over the coming years, to subsequently morph into different types of investments and developments throughout the beginnings of the 21st century.¹⁹⁴ In that sense, the year 2000 was a pivotal one. The first bank in Bosnia and Herzegovina to operate in accordance with the Islamic Banking postulates, Bosnia Bank International (BBI), was founded on 19 October 2000 in Sarajevo. The founders were the three main banks from the Islamic world: IsDB (Islamic Development Bank), Dubai Islamic Bank and Abu Dhabi Islamic Bank.¹⁹⁵ Its largest share-holder, Islamic Development Bank, with fifty seven member states and headquarters in Jeddah, Saudi Arabia, was established in August 1974, just as

¹⁹⁴ In Sarajevo Canton, forty five new mosques have been built since 1996, bringing the total number to one hundred and ninety eight. See Islamska Zajednica u Bosni I Hercegovini, Vakufska Direkcija web-site. accessed June 2, 2018. <http://vakuf.ba/aktuelnosti/u-sarajevu-je-od-1996-godine-sagradjeno-samo-45-dzamija/1143>

¹⁹⁵ IsDB owns 45,46% of the shares, and DIB and ADIB 27,27% respectively. See Bosnia Bank International website. accessed May 31, 2018. <http://www.bbi.ba/bs/o-nama>

the first oil crisis was fading out. Similar to the other two banks and as stated on the IsDB's website: "The purpose of the Bank is to foster the economic development and social progress of member countries and Muslim communities individually, as well as jointly in accordance with the principles of Shari'ah i.e. Islamic Law."¹⁹⁶ Since Bosnia and Herzegovina is not a member state, its focus was on providing support for the Bosnian Muslim community. As previously discussed, this was not the first time that money from the Gulf was finding its way into Bosnia and Herzegovina. In former instances, however, the money was routed via international financial institutions, namely the IMF, and injected into Yugoslav economy in form of loans or credits, but not as a foreign direct investment. With the founding of the BBI Bank, Bosnia and Herzegovina was for the first time officially recognised and therefore directly targeted as a prospective new "space of capital accumulation".¹⁹⁷

Just one month earlier, on 15 September 2000, King Fahd's mosque and its adjoining cultural centre were opened in Sarajevo. Envisaged as the largest mosque in the Western Balkans, it was built under the Saudi King Fahd's patronage and financed exclusively by Saudi Arabian money. The mosque would eventually become a source of much controversy. It first came under scrutiny due to its extraterritorial status granted by the Bosnian government. This unusual arrangement, where the ancillary cultural centre was allowed to operate under the laws of Saudi Arabia, became a serious issue in 2007 and 2008. At the time, the Federal police conducted an investigation into potential terrorist activities, which were allegedly

¹⁹⁶ See Islamic Development Bank web-site. accessed May 23, 2018.
<https://www.isdb.org/irj/portal/anonymouse?NavigationTarget=navurl://24de0d5f10da906da85e96ac356b7af0>

¹⁹⁷ David Harvey, *The New Imperialism* (Oxford: Oxford University Press 2003), 116.

taking place inside the mosque and the adjoining centre. Protected by the impenetrable Saudi diplomatic shield the centre was not accessible to the local police force, and thus became a hot topic in the media, both in the country (especially in Republika Srpska entity) and abroad. Nevertheless, in spite of all the noise created by the press and probing into the legality of its extraterritorial status, the attention would eventually subside and the mosque and the centre would continue to operate as before. Although the attention surrounding its status eventually waned, the relevance of King Fahd's Mosque in relation to the trajectory of the influx of Gulf capital into Bosnia and Herzegovina is significant. Making its appearance just at the beginning of the new century, it marks the climax of a humanitarian trend or the first wave of investment as I define it. While creating a strong political and diplomatic statement of power, its aim has been to project further into the future.

The location of Alipašino polje neighbourhood was carefully and specifically chosen, to reflect this power. Built in the period between mid to late 1970s, and as per 1964 Sarajevo development plan, Alipašino polje, with its concrete high-rise blocks of buildings, has been one of the most (in)famous symbols of socialist architecture in the city. It was also completely devoid of religious buildings, both churches and mosques alike. In the post 1990s-war period, construction of a new mosque in such area was, on the one hand, deemed as a necessity. This was primarily due to the rise in religiousness of the local population coupled with the sheer number of residents in this large and densely populated neighbourhood. On the other hand, it was a way of pointing towards a new trend where the strength of capital can use the allure of religion (in this particular case, Islam) as a mechanism of concealment, to allow it to push past the legislative boundaries of a particular

state or a territory. This is done with the help of local beneficiaries in positions of power, who have the authority to manage, direct and redirect flows of capital on a micro level.¹⁹⁸ Although certainly not the most powerful players in the process of global capital distribution, they are likely to have the most direct impact on the spatial organisation on the ground. Thus this mosque could be seen as the first device of spatial organisation, in accordance with the postulates dictated by the capital itself while cloaked by the veil of religious necessity.

By 2006, the BBI Bank would venture into real estate investments by creating its subsidiary, the BBI Real Estate. Initially established to carry out the BBI Centre project, the company would continue to operate even after the centre's completion. This conceptual shift signifies a new direction in distribution of the surplus of Gulf capital. It is a further step away from the humanitarian projects directed at the construction and reconstruction of religious buildings and move towards investments into commercial buildings and hotels which were to generate profit.

Financed almost exclusively by the Islamic Development Bank¹⁹⁹, the BBI Real Estate was in charge of developing one of the most attractive and coveted locations in the very heart of the city. The newly built BBI Centre, offering a mix of retail

¹⁹⁸ The local support and the building permit for the King Fahd's Mosque project were given by Sarajevo Canton Urban Development Agency (Zavod za izgradnju Kantona Sarajevo), at the time governed by Bakir Izetbegović. Bakir Izetbegović is the son of Alija Izetbegović, first president of Bosnia and Herzegovina. He is also the President of the Party of Democratic Action (one of the ruling parties), the Bosniak member of the tripartite presidency and the current president of Bosnia and Herzegovina. Izetbegović's name would continue to appear in connection to various major development projects that were to follow, even after he would leave his post as the director of the Sarajevo Canton Urban Development Agency in 2003 and continue to advance his political career. See Bakir Izetbegović's personal web-site. accessed May 30, 2018.
<http://www.bakirizetbegovic.ba/stranica/biografija>

¹⁹⁹ The largest share-owner is the Islamic Development Bank, with 99,97% of the shares, followed by the BBI Bank and its negligible 0.03%. See BBI Real Estate web-site. accessed May 27, 2018.
<http://bbirealestate.ba/en/about-us/>

and office spaces, was opened in April 2009 following a three-year construction period. It replaced the carcass of the old Unima, aka Sarajka, once the city's most famous shopping centre and a landmark.²⁰⁰

In the period between 2006 and 2014 three other major shopping centres would be built in Sarajevo, all of them located in the downtown area of the city known as Marijin Dvor.²⁰¹ The most significant example is Sarajevo City Centre (SCC), by far the most ambitious and, due to ambiguity surrounding the privatisation process, the most contested project within the realm of second wave of investments. Officially opened in April 2014, this massive complex took almost six years to complete, at least to a point where it could be accessible to public. Although, to this day, it has not been fully finalised. It currently accommodates a five-star hotel, commercial and office spaces, shopping centre with an entertainment area, as well as a four-storey underground car park. The Marijin Dvor area, where the SCC is located, was first developed in the 19th century, during the Austro-Hungarian rule. As the city continued its expansion westwards, it's been considered one of the most attractive central locations for further development and as such, subject to several masterplans, especially since the 1980s. The late 1990s saw various calls for competitions and proposals for its redesign and reconfiguration, especially following the extensive damage inflicted on the existing urban tissue during the last war. The competition for the new masterplan for, so called, "Marijin Dvor Centar"

²⁰⁰ Opened in 1975, Unima was nicknamed, somewhat ironically, the "Blue Beauty" for its dynamic façade composed of striking blue vertical panels. Badly damaged during the war and completely neglected in the early post-war years, its burnt out skeleton had been an uncomfortable and painful reminder of the wartime hardship for the citizens of Sarajevo. Yet, although often criticised for its design in the pre-war period, as well as its post-war state of neglect, the majority of the citizens of Sarajevo had a sentimental attachment to this building. The proposed plans for the BBI Centre were, therefore, met with quite a lot of scepticism and sometimes even hostility, but the project went ahead regardless.

²⁰¹ The shopping centres are Sarajevo City Centre, Alta and Importane

was held in 1998 and was won by a local architectural practice, NonStop Studio.²⁰² However, their low-key, paired-down, moderate proposal never came into being. At the time, this rather large plot of land was owned by Magros (Magros Veletrgovina d.o.o. and Magros Export-Import d.o.o), one of the largest state-owned companies in the country, financially decimated in the post-war years. In the hasty and rather shady process of privatisation of Magros, in the period between 2004 and 2005, the company capital was sold to Al Shiddi International for mere 2 million BAM (less than £1,000, 000).²⁰³ As a subsidiary of much larger Al Shiddi Group, based in Riyadh, Saudi Arabia, the Sarajevo-based Al Shiddi International was not interested in resurrecting a company on its last legs, but in developing the land, which came into their possession as a part of this very cheap deal. This, in fact, was the primary motive behind their interest in Magros. The controversy surrounding this legally dubious process of privatisation didn't escape public scrutiny, but as was already becoming an established norm, no legal action was taken at the time.²⁰⁴ The transfer of property facilitated by the Cantonal Agency for Privatisation, as well as the subsequent development of the Sarajevo City Centre complex continued uninterrupted.

The amendments to the 1998 masterplan for the area ensued in 2007, and were to reflect the aspirations of the new owner. By looking at the masterplan adopted in

²⁰² See NonStop Studio's web-site. accessed May 31, 2018.

<http://www.studiononstop.com.ba/projects/city-flows.html>

²⁰³ Sead Kamarašević, *Odgovor na poslaničko pitanje zastupnice Neira Avdibegović*, Letter, Sarajevo: Kanton Sarajevo Stručna služba Vlade, 2016. accessed May 31, 2018.

https://skupstina.ks.gov.ba/sites/skupstina.ks.gov.ba/files/neira_avdibegovic_9.pdf

²⁰⁴ Even as recently as in June 2016, certain MPs, such as Neira Avdibegović have requested access to the full portfolio of documentation related to this particular case. See Sead Kamarašević, *Odgovor na poslaničko pitanje zastupnice Neira Avdibegović*, Letter, Sarajevo: Kanton Sarajevo Stručna služba Vlade, 2016. accessed May 31, 2018.

https://skupstina.ks.gov.ba/sites/skupstina.ks.gov.ba/files/neira_avdibegovic_9.pdf

1998 it becomes clear that without significant changes to its design this project could not have been legally carried out. The previously adopted plan, featuring one twelve-storey and one four-storey building, gave way to a new one, where the two buildings were being replaced by a mega-structure of varying heights (from four to eighteen-storeys). This move would practically double the buildable footprint to accommodate 69,000m² of commercial space.²⁰⁵ Several critical issues, which had dictated the design of the original masterplan had been completely disregarded in this process of amendments. On the one hand, there was an issue of scale of this newly proposed building in relation to the surrounding urban tissue, as well as the questions of pedestrian circulation, vistas and the proposed building's relationship with the iconic National Assembly building and its square to the west of the site. But more importantly, what was overlooked was the question of fresh air circulation into the city generally prone to severe pollution and stifling smog. The channels of circulation provided by the original masterplan would now, in most part, be obstructed by the sheer size of the building. Yet none of this would prevent a new, amended plan to be adopted, and the project to be eventually carried out.

The story behind the development of this project follows a similar pattern to most cases explored throughout this research. The visually overstated design is yet again completely decontextualised and aesthetically at odds, as well as completely out of scale with its immediate surroundings. The acquisition of the land happened under dubious circumstances, and the site was also a subject to ad-hoc masterplan revisions to accommodate the needs of the developers, all enabled by the helping

²⁰⁵ Mejrema Zatrić, "The Archi-texture of Power: An Inquiry into the Spatial Textures of Post-socialist Sarajevo," in *Urban Revolution Now: Henry Lefebvre in Social Research and Architecture*, edited by Łukasz Stanek, Christian Schmid and Ákos Moravánsky (Farnham: Ashgate, 2014), 238-240.

hand of a local beneficiaries.²⁰⁶ And finally, the mechanism of failure, even if only a partial one in this case, reflected in the inability to bring the project fully to its completion, is also present as one of the defining features of the projects financed by the Gulf. The significance of this case study lies within the fact that this is the first project to collate all these elements together. And by bringing these various mechanisms together into a specific template for production of the built environment has been created.

Nevertheless, what sets the second wave of investments apart from the third one is its reliance on the physical realm over the speculative one. An important aspect of the projects from this period was that they needed to be realised, as the tangible manifestation of the initial promise was to provide a solid base for the speculative realm that will become one of the driving forces behind the next wave. In some cases the speculative, or the imagined, will eventually come to manifest as the notion of unfulfilled or only partially fulfilled promise, but, nonetheless, it will fulfil its duty of facilitating the process of accumulation by dispossession.

In exploring the tension between the physical and speculative realm, it becomes clear that this relationship produces a hub for capital operation; a space where the force of capital can find cunning ways to shape and navigate the market. This is the space diffused with opportunities to apply minor and major legal malpractices, and sometimes even outright illegal methodologies which facilitate the movement of capital, and ability to do so with impunity. While undergirded by a strong network of local beneficiaries positioned across the spectrum of legal and administrative

²⁰⁶ Bakir Izetbegović was also a “coordinator” on this project. See Bakir Izetbegović’s personal web-site. accessed May 30, 2018. <http://www.bakirizetbegovic.ba/stranica/biografija>

nodes and junctures, none of this would be possible without the consent of the state institutions and local authorities, which are directly implicated in these processes. This reaffirms my statement from the beginning of this chapter that the existence of the extrastate element is directly supported and reinforced by the state itself, as well as its ancillary institutions. It also works in support of Harvey's argument that the state is, in fact, one of the key actors that facilitate transition to capitalist development. Harvey contends that the state prescribes "definitions of legality", while it also manages and oversees the flow of violence.²⁰⁷ As such, its position is fundamental to enabling the processes identified throughout this dissertation to take hold and proliferate.

Bosnia and Herzegovina is a peculiar case of statehood. By virtue of the Dayton Peace Agreement the state and a large number of its institutions have been rendered irrelevant and reduced to a pro-forma status. The true power lies within the two entities and their respective institutions. And in the case of Federation of Bosnia and Herzegovina, the trickling of the power continues even further to a cantonal and municipal level. Such distribution and fragmenting of the state power, which had led to strengthening of the local authorities, in the case of internally divided and impoverished Bosnia and Herzegovina, has created an environment of extreme competition, highly susceptible to corruption. This configuration works in favour of individuals in particular positions of power, enabling them to make far-reaching decisions that are, often-times, to their own benefit, yet not necessarily in the best interest of the community they represent. The distribution of this influence has

²⁰⁷ David Harvey, *The New Imperialism* (Oxford: Oxford University Press 2003), 145.

created a very different map of investments than what it might have been had such “guiding hand” not existed and had the criteria for development been different.

5.0 Where Multiple Futures Collide

One of the main things that I was able to grasp while working with the Arab investors over a period of time - through communicating and engaging with them on various projects as well as designing catalogues for those projects - was that probably around 80% of their investments here have been based on pure speculation. They find a site and they just decide to give it a try, so if it works it works, and if it doesn't it doesn't... That is sheer speculative investment.²⁰⁸

Merdžana Mujkanović, December 2016

To speculate on the evolution of processes instigated by the influx of capital from the Gulf States - something that is, in itself, highly speculative - presents a serious challenge, particularly within the context of Bosnia and Herzegovina. In such volatile environment, yet so predictably destructive it is easy to succumb to negativity and habitual scepticism. Nonetheless, it is a necessity, particularly in the wider context of overcoming what French philosopher Michel Feher refers to as “melancholy of the Left”, to envisage alternative outcomes to the ones that consistently transpire through unrelenting pessimistic outlook.²⁰⁹ In response to that, I would like to use this chapter to speculate on the trajectory this research project could take in its future iterations to counteract this deeply-seated despondency. The longstanding miasma of despair caused by the political and economic situation in the country is ultimately unsustainable, and will soon be reaching a point of climax where multiple paths will present themselves as potentially feasible futures. However attractive they might at first appear, these various futures all hide inherent traps and pitfalls, which will need to be anticipated

²⁰⁸ Merdžana Mujkanović, Interview with Mirna Pedalo, London, December 2016, Personal notes.

²⁰⁹ See Michel Feher, *Rated Agency: Investee Politics in a Speculative Age* (New York: Zone Books, 2018).

and flagged up before a definitive choice has been made. In line with the etymology of the word speculate, rooted in latin word *speculat*, meaning “observed from a vantage point”, what this research project can offer is precisely a new vantage point for analysis and understanding of the enduring, almost naturalised critical condition that the country has been engulfed in for a couple of decades. As such, this point of intersection of different scopes, practices and methodologies could then be harnessed to explicate the present condition in order to be able to responsibly choose one of the multiple avenues leading towards the future. This is particularly potent in relation to recent efforts of international community to hurry the country along the path of accession to the European Union. Posited at the threshold of various overlapping temporalities, Bosnia and Herzegovina’s present is still deeply submerged in its violent past, as well as permeated by foggy visions of multiple futures offered to it by various actors involved. Its weak position demands optimism tempered with perceptivity and acumen to assist in choosing the least damaging way forward, and I would argue that this research project can add, even if ever so small a contribution, to what will need to be a much larger undertaking to achieve.

5.1 Walking Into Future While Facing the Past

When a succession of initially peaceful protests, soon turned violent, emerged and spread across the major cities in the Federation of Bosnia and Herzegovina in early February 2014, the WikiLeaks-sourced email written back in 2009, which opened the discussion in Chapter 3, must have seemed like a fulfilled prophecy. With its warning of potential “labour / union / rioting due to the crisis” five years before the actual protests unfolded, the email communicated growing concern over a tense

situation the country might find itself in as a result of struggling economy. Hence, it was acted upon as soon as the threat materialised.²¹⁰ Following a couple of months of social unrest in Bosnia and Herzegovina in the late winter and early spring of 2014, an EU policy initiative was launched in order to introduce socio-economic reforms to encourage economic growth and help the country on the path towards joining the EU. Spearheaded by Germany and the UK, the initiative came after the EU integration process for Bosnia and Herzegovina had completely stalled for over six years. The stasis was primarily caused by London's and Berlin's inability to decide upon a joint course of action that would accelerate the accession of Bosnia and Herzegovina to the EU. This was partly due to differing interests and outlooks of the two leading member states, and partly due to the EU being distracted by more pressing issues related to the refugee crisis and other European affairs. As a result, Bosnia and Herzegovina had slid to the bottom of the EU's priority list and would continue to attract only marginal interests until the violent riots in protest of prevalent corruption and dire economic situation arose in 2014. Although short lived and ultimately unsuccessful in bringing about any significant change, the protests signalled a possibility of further social unrest that could easily escalate into a new bloody conflict, likelihood of which alarmed the EU community. Since the previous attempts at introducing constitutional change as a part of the EU integration process were left unfulfilled, this time it was seen as necessary to instigate change on socio-economic level. The new framework was launched in the late 2014 under the title of Reform Agenda 2015-18 with the aim of implementing fiscal consolidation "that will gradually reduce the budget deficit and put the public

²¹⁰ See "The Global Intelligence Files", WikiLeaks. accessed on June 1, 2017. https://wikileaks.org/gifiles/docs/54/5424835_-eurasia-europe-analytical-guidance-

debt on a downward medium-term trajectory.”²¹¹ The intervention was to be focused on the following categories of the country’s economic and social life: 1) public finance, taxation and fiscal sustainability; 2) business climate and competitiveness; 3) the labour market; 4) social welfare and pension reform; 5) rule of law and good governance; and 6) public administration reform.²¹² An equally important aspect of these reforms was the aim to thwart the country’s prevalent patronage system, and overwhelming corruption and nepotism. The International Financial Institutions (International Monetary Fund - IMF, World Bank and European Bank for Reconstruction and Development - EBRD) were also brought on board to assist the EU with the implementation of the new policies. Although the process proved to be quite contentious from its early days, some progress was made in the first year of the three-year implementation period. However, it soon became clear that the ruling elites were unwilling to compromise its status by introducing the reforms that would undermine their position of power. Reading into EU’s weaknesses, they started haggling and negotiating with the EU institutions in order to maintain the status quo and preserve their privileges. In reality this meant that various forms of resistance had been applied in order to slow down or obstruct the entire process. Considering their experience based on the previous attempts of negotiating with the Bosnian and Herzegovinian politicians, the EU must have been aware that the three-year implementation timeframe was rather unrealistic. By the early 2017 it was already evident that the Reform Agenda 2015-18 was likely to

²¹¹ See “Reform Agenda for Bosnia and Herzegovina 2015 – 2018,” Delegation of the European Union to Bosnia and Herzegovina, European Union Special Representative in Bosnia and Herzegovina, 9 September 2015. accessed on March 5, 2019. <https://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>

²¹² See “Reform Agenda for Bosnia and Herzegovina 2015 – 2018,” Delegation of the European Union to Bosnia and Herzegovina, European Union Special Representative in Bosnia and Herzegovina, 9 September 2015. accessed on March 5, 2019. <https://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>

become yet another, if not complete than at least partial failure in a long string of the EU's half-hearted attempts to bring Bosnia and Herzegovina closer to the EU membership. In a monitoring report produced by Democratization Policy Council (DPC) in March 2017 it was stated that:

[i]t's not because conditionality doesn't or cannot work in BiH – as many EU officials argue – that the EU initiative so far yielded only limited results, but rather because the EU has lacked the political will to consistently signal and apply tough, strict conditionality.²¹³

The EU institutions showed more interest in continuous negotiations and bargaining with the local political representatives than in applying pressure to force out the results. According to the DPC's report, the EU regarded itself as more of a “facilitator” in this process - a role that would eventually give too much leeway to the local politicians and provide them with an operative space where they could make empty promises with impunity.²¹⁴ What emerged as a pattern was a tendency to fulfil a bare minimum of the set-out requirements in order to gain financial benefits from the IFIs. As soon as that was achieved any attempts at continuing along the path of progress would soon be abandoned. Such overtly lenient and ultimately unproductive stance of the EU could, on the one hand, be read as a “lesson learnt” from the Yugoslav financial crisis in the 1980s. As previously discussed in Chapter 3, the arm-twisting approach practiced by the IMF at the very height of the crisis fraught with ethnic tensions eventually resulted in the break-up of the country, and was followed by years of bloody wars that devastated the region.

²¹³ Bodo Weber, “Substantial Change on the Horizon? A Monitoring Report on the EU's New Bosnia and Herzegovina Initiative,” Democratization Policy Council, March 2017, II. accessed March 5, 2019.

http://www.democratizationpolicy.org/pdf/DPC_EU_BiH_Initiative_Monitoring_Report.pdf

²¹⁴ See Bodo Weber, “Substantial Change on the Horizon? A Monitoring Report on the EU's New Bosnia and Herzegovina Initiative,” Democratization Policy Council, March 2017. accessed on March 5, 2019.

http://www.democratizationpolicy.org/pdf/DPC_EU_BiH_Initiative_Monitoring_Report.pdf

With that in mind, it would be plausible to think that the EU has decided to err on the side of caution this time, and chose to avoid the rigid approach practiced by the IMF for fear of escalating the existing tensions. Yet, it is more likely that this position has emerged as the most convenient response in relation to the current EU interests. Similarly to the years prior to Reform Agenda, the Union has been preoccupied with other pressing issues that have pushed the EU enlargement and Bosnia and Herzegovina's accession to the back of a long queue of issues to be dealt with. According to Srđan Cvijić, senior policy analyst on EU external relations for the Open Society European Policy Institute and member of the Balkans Policy Advisory Group (BiEPAG), EU's alleged commitment to enlargement is highly disputable. He notes that the European Commission's "White Paper on the Future of Europe" published in March 2017 completely failed to mention EU enlargement. In addition to that, the Rome Declaration signed the same month on the 60th anniversary of the Signature of Treaties of Rome addressed the question of enlargement in a rather ambiguous way, referring to the possibility of "keeping the door open to those who want to join *later*."²¹⁵ For Cvijić, these are not just isolated cases but a consistent policy advocated by the EU that has led to gradual erosion of its leverage in the negotiation process, as the case of reforms in Bosnia and Herzegovina aptly illustrates. Since it doesn't have much to offer, the EU ultimately doesn't ask for much in return either, at least for the time-being. Consequently, EU is, according to Cvijić, ready to forgo "democracy in exchange for stability in the region."²¹⁶

²¹⁵ See E.W.B Archives, "Srđan Cvijić: EU is Ready to Trade Democracy for Stability in the Western Balkans," *European Western Balkans* (blog), 5 April 2017. accessed on March 8, 2019. <https://europeanwesternbalkans.com/2017/04/05/srdan-cvijic-eu-is-ready-to-trade-democracy-for-stability-in-the-western-balkans/>

²¹⁶ See E.W.B Archives, "Srđan Cvijić: EU is Ready to Trade Democracy for Stability in the Western Balkans," *European Western Balkans* (blog), 5 April 2017. accessed on March 8, 2019.

The DPC highlights another major lapse on the part of the EU, claiming that it had turned the reform process into a “closed-shop operation.”²¹⁷ As stated in the report, “parliaments, civil society and public at large have largely been bypassed in terms of policy development and policy making.”²¹⁸ It would come as no surprise that such sizeable bureaucratic apparatus has eventually failed to engage with the public at large, even if the initial incentive was to work in their very favour. However, further research into the period prior to the launch of the Reform Agenda in 2014 illustrates that this statement is not entirely correct. According to Lars-Gunnar Wigemark, European Union Special Representative and Head of the Delegation of the European Union at the time, the Agenda was designed based on the “most extensive consultation process B&H has ever seen.”²¹⁹ It included not only the three governments (the Council of Ministers, the Federation of Bosnia and Herzegovina, and Republika Srpska), but also a wide range of civil and academic societies, businesses and individual citizens who were willing to contribute either by attending various public and expert consultation events organised across the country, or online.²²⁰ The insights from these meetings and events were taken into

<https://europeanwesternbalkans.com/2017/04/05/srdan-cvijic-eu-is-ready-to-trade-democracy-for-stability-in-the-western-balkans/>

²¹⁷ Bodo Weber, “Substantial Change on the Horizon? A Monitoring Report on the EU’s New Bosnia and Herzegovina Initiative,” Democratization Policy Council, March 2017, II. accessed on March 5, 2019.

http://www.democratizationpolicy.org/pdf/DPC_EU_BiH_Initiative_Monitoring_Report.pdf

²¹⁸ Bodo Weber, “Substantial Change on the Horizon? A Monitoring Report on the EU’s New Bosnia and Herzegovina Initiative,” Democratization Policy Council, March 2017, II. accessed March 5, 2019.

http://www.democratizationpolicy.org/pdf/DPC_EU_BiH_Initiative_Monitoring_Report.pdf

²¹⁹ See E.W.B Archives, “The Reform Agenda: Bosnia and Herzegovina’s Best Chance,” *European Western Balkans* (blog), 5 August 2015. accessed on March 8, 2019.

<https://europeanwesternbalkans.com/2015/08/05/the-reform-agenda-bosnia-and-herzegovinas-best-chance/>

²²⁰ For instance “Compact for Growth and Jobs in Bosnia and Herzegovina” was created as a “practical agenda”, based on the insights gathered during “The Forum for Prosperity and Jobs”, which was held in May 2014 and brought together business owners, workers, government representatives, international and domestic economic experts. The forum was organised in cooperation with the IFIs (IMF, World Bank and EBRD) and the US Embassy in Bosnia and Herzegovina. See “Compact for Growth and Jobs,” Delegation of the European Union to Bosnia

account during the policy making process. However, by, once again, counting solely on the willingness of the local political elites to provide the necessary changes, the EU has lost the very little credibility it had left with regards to its ability to bring substantial improvement to the lives of citizens of Bosnia and Herzegovina.

5.2 IFIs' Strategy of Self-Empowerment

In contrast to the EU's lax approach, the IMF had proved to be a tenacious player, and in a manner similar to the one applied in the late 1980s in Yugoslavia, showed to be "tough on conditionality."²²¹ It was due to their unyielding attitude that two new entity labour laws were adopted, which marked a significant improvement in that category of reforms. In many ways, this stance could be regarded as a necessary and appropriate disciplining tool needed to regulate the behaviour of the local politicians. Nonetheless, what must not be disregarded is the motivation behind this approach, which is purely a practical one and it gels well with the existing constitutional framework as set out in the Dayton Peace Agreement. According to the Bosnian and Herzegovinian constitution, the desire is "to promote the general welfare and economic growth through the protection of private property and the promotion of a market economy."²²² Therefore, the market economy is not just an optional path for the country's development, but it has been entirely engrained in

and Herzegovina & European Union Special Representative in Bosnia and Herzegovina, Europa.ba. accessed March 4, 2019. http://europa.ba/?page_id=547

²²¹ See Bodo Weber, "Substantial Change on the Horizon? A Monitoring Report on the EU's New Bosnia and Herzegovina Initiative," Democratization Policy Council, March 2017. accessed March 5, 2019.

http://www.democratizationpolicy.org/pdf/DPC_EU_BiH_Initiative_Monitoring_Report.pdf

²²² Republic of Bosnia and Herzegovina, Republic of Croatia and Federal Republic of Yugoslavia, "General Framework Agreement for Peace in Bosnia and Herzegovina," November 21, 1995. accessed September 17, 2018.

https://peacemaker.un.org/sites/peacemaker.un.org/files/BA_951121_DaytonAgreement.pdf

and thus naturalised through the Dayton-generated constitution. While the resistance to progress along this path (as carved out by the IFIs) on the part of the local politicians is driven solely by their self-interest and self-preservation instinct in an attempt to hold on to their positions of power, I would argue that the ardent and indiscriminate support, which the left-leaning opposition parties have offered to the programme, should be equally challenged. The Reform Agenda 2015-18 did indeed provide a chance for consequential restructuring of the current inhibiting and restrictive economic and social framework, particularly with regards to the rule of law and good governance, as well as desperately needed public administration reform. Similar goals are expected to be set out in the new Reform Agenda that is currently being prepared, following only a partial success of the last one. It is, nonetheless, necessary to be attentive and discerning when it comes to the content and implementation of these reforms, since they have been very much moulded to address the demands of financial capital and its circulation. For instance, “the business climate and competitiveness” category is aimed at removing obstacles to investments through the following amendments:

Reforms to the business environment will include: in the FBiH, new Laws on Companies and on Foreign Direct Investment and simplifying and automatizing business registration; expediting procedures for getting construction permits and electricity; facilitating exports by continuing the inspections reform and strengthening national quality control in line with EU requirements; examining the feasibility to pursue fiscally sound public-private partnerships and greater private sector participation in infrastructure development; and every level of government will prepare a comprehensive listing (and publication) of para-fiscal fees to reduce them and make them more transparent in accordance with the distribution of competencies.²²³

²²³ “Reform Agenda for Bosnia and Herzegovina 2015 – 2018,” Delegation of the European Union to Bosnia and Herzegovina & European Union Special Representative in Bosnia and Herzegovina, 9 September 2015, 3-4. accessed on March 5, 2019. <https://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>

Obviously, these are just the outlines of general objectives that Bosnia and Herzegovina is expected to work towards, and it is the accompanying documents that provide the details and the guidelines on how this is supposed to be achieved. Still, even just the outlines point in a specific direction. In line with the logic of financial capital, operating under the premise that growth and prosperity can only be achieved by attracting further investment, these reforms call for dismantling, or at least significant transformation of the existing regulatory framework. While it is, by now, very clear that in the current political climate and under the guidance of local politicians (predominantly members of the right-wing nationalist parties) the existing framework works more to impede than to encourage growth, it doesn't mean that unchecked, unregulated opening up of the market would amount to an appropriate solution. As Feher points out, neoliberal reforms, particularly those aimed at the deregulation of the market, have played a crucial role in the process of strengthening and empowering the financial institutions.²²⁴ This in itself is enough of an incentive behind the IFIs insistence over implementation of the Reform Agenda in Bosnia and Herzegovina. Taking into consideration all the concerns that have been raised throughout this research project, especially the environmental issues leading to gradual but steady proliferation of slow violence, this strategy could prove to be highly detrimental, especially in the context of urban planning and construction. The changes that would simplify business registration and expedite procedures for getting construction permits are necessary but in order to be effective without being harmful must be implemented in parallel with the strengthening of the rule of law. Otherwise, already corrosive system will become

²²⁴ See Michel Feher, *Rated Agency: Investee Politics in a Speculative Age* (New York: Zone Books, 2018), 11.

even more vulnerable to corruption, eventually leading to acceleration of unregulated urban development. And the rule of law has so far been the most difficult and slippery category to address.

5.3 Intervention

Bosnian and Herzegovinian political scene has for decades been saturated with toxic ethno-religious discourse, which has successfully acted like a smoke-screen for reinforcing the underlying spoils system. This practice has eroded the local economy to a point where any solution that would jolt the ruling parties from their position of power is more acceptable than keeping the status quo entrenched in the existing regulatory framework that has become a synonym for the patronage system it underpins. Yet, this extreme condition produced through a conflation of a myriad of influences is now being fought with the use of “one-size fits all” liberal framework imposed by the EU and its partners who operate exclusively in the service of financial capital. Even as such, it is being embraced without much thought or question by the opposition parties as an only way out of the desperate state that the country is in.²²⁵ Therefore, it is by no means a coincidence that the

²²⁵ Following the last elections in October 2018, the left-leaning opposition parties in the Federation of Bosnia and Herzegovina formed “BH Blok” a coalition party as a counterbalance to SDA, a winning Bosniak nationalist party (Party of Democratic Action). The “BH Blok” consists of three parties, Social Democratic Party (SDP), Democratic Front (DF) and Our Party (org. Naša Stranka - NS). In terms of their social programmes all three parties are very much on the left endorsing civil and political rights. However their economic programme is certainly on the liberal spectrum and it works in support of (regulated) free market economy, which is to be underpinned by a dominant financial sector, strong relationship with the IFIs, and predicated on the increase in investments. Out of the three, NS is the one with the most liberal programme, whereas the SDP, while endorsing the market economy, still believes in the state as a market regulator in order to mitigate the potential class stratification that will inevitably ensue as a result. See Demokratska fronta, “Pobjednička BiH, Izborni program 2018,” Demokratska fronta, 2018. accessed on March 9, 2019. <http://komsic.ba/udoc/DF%20GS%20izborni%20program%202018%20FINAL.pdf> ; Naša stranka, “Programska opredjeljenja,” Naša stranka, 2018. accessed on March 9, 2019. <http://www.nasastranka.ba/ns-dokumenti/Programska-opredjeljenja.pdf> ; Socijaldemokratska partija Bosne i Hercegovine, “Program socijaldemokratske partije Bosne i Hercegovine,” Socijaldemokratska partija Bosne i Hercegovine, 2018. accessed on March 9, 2019. http://www.sdp.ba/upload/documents/dokumenti/PROGRAM_SDP_BiH.pdf ;

IMF has been so insistent on tough conditionality. Once again, pressure to open up the market by removing the existing controls in this pivotal moment, similar to the one that had been exercised by the IFIs in former Yugoslavia in the period between 1960s until the country's collapse, is being consistently applied anew. The good cop – bad cop act performed by the IFIs vs EU (or, if we look at the situation from the perspective of local ruling elite than it would be the other way around) is in fact an image of two partners - each one acting in their own best interest, while also acting in concert with each other. As explicated earlier in the chapter, despite its numerous incentives, the EU in fact does not have a clearly defined plan for its enlargement in the nearer future. Therefore, its efforts towards the accession of Bosnia and Herzegovina are tempered by this lack. Considering the rise of the right-wing nationalist parties across Europe, Brexit crisis and global geopolitical instability, realistically speaking it is going to take years before political climate in Europe is ripe for the next phase of expansion. In the meantime, the reforms introduced as mandatory requirements for the accession are in reality being used by the EU to placate potential social discontent. It gives the impression that something is being done, and as such it lessens a possibility of another wave of violent riots or any other form of conflict that might emerge from it. The local ruling elites are most likely very well aware of this scenario, however the opposition parties still seem to hold onto the hope that the reforms will indeed lead to the integration of the country into the EU. That is why the strict conditionality exercised by the IMF is cherished as the right *modus operandi*. Sadly, what such attitude might eventually yield is a double calamity - a deregulation of the market as dictated by the requirements set out by the IFIs, but without any of the benefits of the EU membership.

It is precisely in this realm that the intervention is needed, and not for the purpose of obstructing the process of change but in order to fully understand the ramifications of such proceedings. Ideally, a clear comprehension of consequences would help shape and moderate the reforms in such a way to, if not completely remove then at least reduce the damage that the various forms of deregulation could potentially generate. As it stands, such voices are either missing or are being stifled by the noise of the dominant ethno-religious and nationalist discourse that continuously distracts from the economic realm. For decades this discourse has generated an environment on the verge of conflict, where the most appalling types of behaviour acted out by politicians have been accepted with impunity as long as the bloodshed was kept at bay. Hence, it is certain that such voices will not be found among the current ruling structures who are clinging onto the last straw of power they have left, but they're also unlikely to be found in great numbers among the opposition parties' members. Too busy combating the prevalent right-wing nationalism, increasingly fuelled by neo-fascism and historical revisionism that keep erupting onto the political scene, the members of the opposition parties are often engaged in asserting and fighting for basic human rights and civil liberties. Lost in that ongoing noise, the economic issues are repeatedly left unaddressed or only partially dealt with. In addition to that, as was indicated through the example of BiH Blok, the main left-wing opposition parties have themselves willingly embraced the liberal framework as a right path towards progress and the accession to the EU.

Since the impetus most certainly won't come from outside or be encouraged by the EU or the IFIs, this void will have to be filled in by new voices from within. These voices need to be willing to turn their attention to uncomfortable questions of what

other ways can progress be achieved once the shackles of the patronage system have been thrown off if the liberal framework offered by the EU is also desisted? Is there room for a new paradigm?

To address the above questions in an innovative, yet productive and grounded way, the framing of the new voices would need to be based on a multidisciplinary effort and interdisciplinary methodology, which would bring together disparate, often unrelated disciplines together into a dialogue. I would argue that this research project could be one of the pieces that would inform and highlight the repercussions of unregulated development, alongside other burning issues in the realm of planning and construction. In similar vein in which this project has been devised to interrogate and scrutinise specific condition across three different levels – local, regional and global, in its further iterations it should attempt to engage and mobilise different elements related to or operating on these levels.

The engagement on local level has the most potential for instigating change in current practices, but the first step is to find the right platform to open up a much needed discussion on this subject matter. In the context of Bosnia and Herzegovina, and more specifically Federation and Sarajevo Canton, the Association of Architects has been shaping up as a place that could provide the right environment for this to happen. Currently operating as an NGO, the Association of Architects in Bosnia and Herzegovina (AABH) is a body that has emerged from the Union of Architects founded over sixty years ago in Sarajevo.²²⁶ In the period between 1995

²²⁶ Association of Architects in Bosnia and Herzegovina was preceded by the Union of Architects, which was founded in mid-1950s. As of 1995 AAB&H has been a member of the UIA (International Union of Architects) and since 2009 a member of the Architects' Council of Europe. See Asocijacija arhitekata, "O Nama | AABiH." accessed March 10, 2019. <https://aabh.ba/o-nama/>

to 2017, it had been fairly dormant and not actively engaged with the problems that the architects and other spatial practitioners in Bosnia and Herzegovina had been confronted with. The AABH worked on the side-lines, often failing to provide a much needed support and guidance for professionals working in the realm of architecture and urban planning. In 2017, a group of young architects decided to get involved in order to revamp the institution, and turn it into a productive platform that would also become a necessary regulatory body for the practicing architects, such as is, for instance, the Royal Institute for British Architects in the UK. In addition to this much needed role, the Association was to provide opportunities for further education and continuing professional development, as well as an environment for discussion and exchange of opinions among the professionals working in the realm of architecture, design and urban planning. Up until two years ago, the AABH had been financed from the governmental budget. However, the new leadership decided to turn it into a non-governmental organisation, to insure its non-partisanship and impartialness, as well as freedom from political influence and pressure. Over the last two years one of its greatest incentives has been to try to provide, as much as possible, a united front among spatial practitioners to fight the irregular practices and corruption so prevalent in the field. As such, the Association has been very vocal against several recent alterations to masterplans in Sarajevo Canton that were adopted notwithstanding the valid urban and zoning plans for the areas in question.²²⁷ In comparison to the previous instances of protest from the Association against the detrimental and unethical practices related to urban development, the platform created by the new AABH team has become far more reaching in its scope. This has been done, partly through its active online

²²⁷ “Arhitekst | AABH.” accessed March 11, 2019. <https://aabh.ba/kategorija/arhitekst/>

presence, but also through its programme focused on branching out to various parts of the country in spite of the entity divisions. Particular attention has been paid to connecting with practitioners and professionals in diaspora, for the purpose of enabling exchanges of knowledge and business collaborations. The AABH Hub has been the centre-point of activity – a place where exhibitions, lectures and various other events take places. As such, this space would provide an ideal environment where my research project could be presented and engaged with. The contested subject of the effects that the Gulf investments have had on the urban development in Sarajevo Canton as conceived through the Dayton Peace Agreement framework, has not yet been directly addressed nor tackled. In order for this subject matter to generate full impact and present a comprehensive picture of the far reaching consequences that long-term neglect of this condition could cause, it should be paired with the work of other local and regional practitioners. This could be achieved by organising a series of events, in a form of lectures and panel discussions, around the subject areas of architecture, planning, urban development and investment in the post-war Bosnia and Herzegovina. It should include local architects and spatial practitioners alongside other professionals that contribute to the above fields, as well as practitioners from wider region. Some of the local practitioners who have worked with me on this research project are already involved in activities of the AABH, such as Merdžana Mujkanović and Narcisa Gaković, but the scope should be widened. With regards to practitioners from the region, Dubravka Sekulić, a Serbian architect and writer, who teaches at the Institute of Contemporary Art at the Graz University of Technology and has devoted her work and research to the questions of how privatisation process in Belgrade has affected the city's urban planning, would be an ideal interlocutor.

Invaluable insights could be gained from the members of the citizen initiative from Serbia, Ne da(vi)mo Beograd (Don't drown Belgrade / We won't give up on Belgrade) founded in 2015, initially in protest against Belgrade Waterfront project, but also against unethical practices in urban planning and development across the city in general.²²⁸ They should be brought together in conversation with the members of Sarajevo-based non-governmental organisation Eko Akcija who have been dealing with similar issues within Bosnian and Herzegovinian context. The work of Eko Akcija has been highlighted in Chapter 2 and Appendix 1, and it was instrumental in helping me gather the necessary information which underpins vital parts of this research project. An important aspect of their work is to catalyse the citizens' interests and make them a part of the discussions related to urban development and planning, but also other subjects that they extensively deal with, such as detrimental effects of air and water pollution etc. The relationships that Eko Akcija has gradually developed with citizens across the country is something that should be drawn on, as the ultimate aim of the envisaged series of discussions is to eventually transcend the bounds of professional engagement and grow into citizen initiatives, as the example of Ne da(vi)mo Beograd illustrates. Another key aspect would be inclusion of political party representatives such as, for instance, Nasiha Pozder, a member of a left-wing opposition party Naša stranka in the Parliament's House of Representatives. Aside from being active in politics, Pozder is also an architect and urban planner who teaches at the Faculty of Architecture at the University of Sarajevo, and is closely acquainted with current trends in urban development and planning, but also wider issues such as governmental policies that directly affect or relate to these subjects. Considering that Naša stranka has won a

²²⁸ Inicijativa Ne davimo Beograd. accessed March 10, 2019. <https://nedavimobeograd.rs/>

majority on the local level of Sarajevo Canton in the last elections in October 2018, presence of their representatives would be of utmost importance.

The idea behind this small, but important step is to energise and incite local practitioners, especially architects to once again become involved in production of space and urban environment based on long-term thinking and planning, and not just short-term benefits. This time it should come with full understanding of the wider context within which these efforts are situated. The degree to which the Dayton-generated structures permeate every aspect of the profession of spatial practitioners in Bosnia and Herzegovina may not be immediately obvious. Yet, as this research project has shown, the architectural profession is deeply implicated in the (re)production of structural violence imposed by the Dayton Peace Agreement framework. Therefore, in order to understand the limitations of the system that one operates within and eventually find a way to push past them, it is necessary to understand one's own position in this structure and admit complicity.

Through close collaboration and interaction with a number of architects, I have realised that their role in such contested milieu has unfortunately emerged as an increasingly harmful one. Yet, it has the potential to be an equally subversive one. This has been stated quite explicitly in the interviews with Sanja Vrzić, Hana Kevilj and Merdžana Mujkanović. Posited at the point of convergence of various lines of communication and interests, mediating between the clients (investors), local authorities and contractors, their comprehensive knowledge of all the aspects of the situation and close cooperation with those involved in the planning and building processes would eventually offer me invaluable insights. What transpired as a result of this interaction is a realisation that the space for intervention exists, despite the

numerous limitation that can prevent architects from shaping and regulating the course of events in accordance with the ethical requirements of their profession. The balancing act they are forced to perform to keep the investors happy, thus securing continuous workflow and solvency while also trying to maintain their professional integrity is a tough one to maintain, albeit, as AHA+KNAP has shown, it is still attainable. Additionally, this dialectic relationship between the investors and architects is further triangulated by a third party. In this equation, the third party is local authority, a legal body and an extension of the state that is expected to provide checks and balances. Even if it is one of the state's lowest common denominators it is meant to represent and protect public interests by making sure that the other two parties follow the guidelines and requirements set out across the hierarchy of various urban and zoning plans and documents. It is a responsibility of local authority to prevent the other two parties from breaching building regulations or committing unlawful acts related to planning and construction, as well as to hold them accountable for any misconduct. In Bosnia and Herzegovina, and particularly in Sarajevo Canton, these attributes have given way to a much more self-serving and corrupt role of the local authorities, following the realisation of the power they have been granted and the money that could be earned by abusing that power.

In the absence of such crucial regulatory system, the checks and balances are then transferred primarily onto the local community, and those architects who still practice according to the rules and regulation, and for the long-term benefit of the community rather than short-term personal gain. Hence, one of the key goals of the envisaged series of discussions is to thoroughly and honestly address the position

of architects within the existing context produced through, on the one hand corrosive Dayton-generated structures submerged in corruption, and on the other through increasingly unregulated market economy. While certainly an unenviable position to be in, it is nonetheless necessary to confront it head-on to be able to approach the production of built environment in a responsible manner. It is important to highlight that what is called for here is not return to the role of an architect delineated through a modernist ideal of a master figure that oversees and controls all aspects of the project from its inception to its very finish, imposing one's own vision under the excuse of acting on behalf of the larger community. In contrast to such role, an architect in this unfortunate context should re-emerge as a designer and thinker with particular sets of skills and knowledges who operates within a larger interdisciplinary collective. Such collective should stand as a counterbalance to the unscrupulous structures that have created a milieu detrimental to the general well-being of the citizens of Bosnia and Herzegovina.

6.0 Conclusion

Throughout my dissertation research, I have tried to demonstrate how the framework of the Dayton Peace Agreement has emerged as an instrument of finance and the key architect of the new milieu that Bosnia and Herzegovina has become. Operating within a territory shaped and moulded by various internal and external, Eastern and Western influences pushing and pulling at each other, this process has been continuously redefining the notions of periphery and frontier in relation to Bosnia and Herzegovina as a geopolitical construct. And although accommodating to the extrastate element and conducive to the influx of foreign capital, the Dayton Peace Agreement framework has been gradually undermining the integrity of the overarching state of Bosnia and Herzegovina.

The relationship between the state of Bosnia and Herzegovina and the extrastate element has been mediated through the real-estate investments coming from the Gulf States. Built on the ruins of political and economic landscape of this young country once part of the former Yugoslavia, a new milieu accommodating to the extrastate element has been in making since the signing of the Peace Agreement. This milieu is firmly rooted in the Dayton's structure and conditioned by its features. As a result, a specific form of urban development has surfaced, materialising as a point of convergence of the existing layers on the ground with various influences tied to the extrastate. This highlights a significant role of the conflict-resolution process in production of new geographies of capital, as well as urban and architectural forms that emerge as a result.

By focusing the research on the emerging architectural and urban templates stemming from this milieu, the intricate and multi-layered relationship between urbanisation, conflict resolution and financialisation has come to be examined through the medium of the built environment. The conditions pertaining to the production of built environment have been scrutinised and made legible through the practice element of the project. By directly engaging with the elements on the ground, while also bringing into conversation that which has been promised and that which is possible / allowed within the existing framework, new insights have been generated, often pointing to worrying outcomes of the above relationships.

The Dayton Peace Agreement framework has ultimately produced a dysfunctional state with no capacity to act as a unified body politic but only as the sum of its two parts, where its two entities use the overarching state as a cloak for pursuing their individual interests. Yet, this very mechanism, which has rendered the state ineffectual has also emerged as the mechanism which mediates the relationship between the state and the capital. This relationship is, therefore, administered via the two entities, Federation of Bosnia and Herzegovina, and Republika Srpska.

Within this structure each part links itself to a specific fraction of capital, oftentimes by employing religious similitudes as a hook-in device.²²⁹ The role of religion in this process has been a crucial one. Moreover, based on its history of embroilment with the state, fluctuating intensity and changeable character of their connection, the role of religion has also emerged as quite a diverse one. On the one hand, the

²²⁹ See Brett Nielson and Sandro Mezzadra, “The State of Capitalist Globalization,” *Viewpoint Magazine*, September 4, 2014. accessed August 23, 2018.
<https://www.viewpointmag.com/2014/09/04/the-state-of-capitalist-globalization/#rf15-3179>

mutual imbrication of religion and politics intensified through the religious revival in the early 1990s and carried further into the post-war period, has turned the religion into an effective divisive tool for keeping the two entities apart instead of bringing them closer together. On the other hand, the war-time humanitarian ties established on the grounds of belonging to a specific religious group, would eventually evolve into investor-investee type of relationships. As a result of this process, religion managed to open the doors of the Bosnian and Herzegovinian market that had previously been closed to some of these countries, as was specifically the case with the Gulf States. Subsequently, in the post-war period, religion would operate as an investment-bait, an instruments of mediation between the state (or rather its parts) and the global capital, contributing to the increase of circulation of people and capital. Yet, even in this case, its role turned out to be a lot more nuanced. By taking on a character of a cultural signifier, it has also been used to smooth out the tensions produced by the encounter between the extratstate element with the condition on the ground and engendered by the real-estate boom.

The results of the last census in Bosnia and Herzegovina have revealed how, almost twenty-five years after the end of the war, the demographic divisions along the ethno-religious lines have eventually aligned themselves with the logic of the spatial division as laid out in the Dayton Peace Agreement. With 99.11% of all Bosnian Serbs now living in the Republika Srpska, and 91.93% of Bosnian Croats and 88.23% of Bosniaks now living in the Federation of Bosnia and Herzegovina, the cut is clear.²³⁰ The effects of genocide, ethnic cleansing, and migrations of the

²³⁰ Rodolfo Toe, "Census Reveals Bosnia's Changed Demography," *Balkan Insight*, June 30, 2016. accessed August 24, 2018. <http://www.balkaninsight.com/en/article/new-demographic-picture-of-bosnia-finally-revealed-06-30-2016>

country's population across its territories have had an almost 100% success rate in terms of separating the three ethno-religious groups into different territorial enclaves. The war divisions maintained through the Dayton Peace Agreement have been "perfected" in the post-war period by matching the reconfiguration of the demographic layout to the territorial one. Considering religion's intermediary position in relationship between the state and the capital, this process of territorial distribution of population along the ethno-religious lines has certainly worked in favour of "matching" the capital with the "appropriate" part of the country, contingent on its country of origin. This example demonstrates how the process of urbanisation has become closely entwined with the process of conflict-resolution, and how the strategies of the latter have come to shape the way in which the capital circulates and is distributed across the country's now ethnically and religiously homogenous territories.

However, neither does the state nor do any of its parts eventually take on a role of an "ideal collective capitalist", but they merely appear as "one capitalist actor among the others," already pointing to the state's abated positions in the arena of capital circulation.²³¹ Moreover, bifurcated and weakened through the process of distribution and relegation of its powers, the overarching state of Bosnia and Herzegovina is eventually reduced to beneficiaries on both sides of the Inter-Entity Boundary Line to act as its proxies.

²³¹ See Nielson and Mezzadra who argue that the process of globalisation has produced a split between the reproduction of labour and "total capital". The role of the state in this process has also shifted, as it has become difficult for any kind of state to mediate between the two, since the logic of capital accumulation surpasses the national boundaries. That is why the state can only interact with specific fractions of capital, contending for its place among other capitalist actors and agencies. In Brett Nielson and Sandro Mezzadra,, "The State of Capitalist Globalization," *Viewpoint Magazine*, September 4, 2014. accessed August 23, 2018. <https://www.viewpointmag.com/2014/09/04/the-state-of-capitalist-globalization/#rf15-3179>

As discussed in the case studies presented, the dangers of such decentralised approach to interaction with the forces of global capital are that the personal interests of these singular actors frequently trump the interests of the collective, and sometimes even directly jeopardise them. Imbued with the pervasive entrepreneurial logic, the beneficiaries have the influence to misuse or even alter the rule of law to suit their needs, depending on their position in the hierarchy of power. They are certainly at their most effective operating as parts of networks, organised and interlinked through (ruling) political parties. As such, their power is augmented to a point where through their intervention the state is degraded to facilitating the influx of capital on behalf of the foreign investors and for the gain of the beneficiaries. This is done with little regard for the potential repercussions such processes might have on the territory and the population it directly affects. And the repercussions are shaping up to be rather ominous.

As the structural violence disseminated through the Dayton Peace Agreement framework is intensified through the influx of foreign capital, it gradually starts to transform into slow violence, permeating and engulfing ever vaster areas. The long term effects of this flux of different forms of violence might not be immediately fully graspable and is therefore endorsed as an integral part of the country's journey to economic betterment. Nonetheless, the early signs of the impending calamity resulting from the reckless stance towards the environment and resources have already started to manifest. Problems stalking the capital Sarajevo, such as drinking water shortages and expansion of landslides as a result of unregulated building

activities in vulnerable areas, are showing how what once was considered an unlikely and remote future has now started to fold into the present.

In conducting my case study analysis it has become clear that the proliferation of slow violence is in great part due to the networks of beneficiaries' involvement with the "processes of urban governance."²³² It is precisely at the point of intersection of capital with these forces where the Dayton Peace Agreement materialises as an instrument of finance. Its two key elements, the Inter-Entity Boundary Line (IEBL) and the constitution, offer ample opportunities for bypassing and changing the regulations through Dayton-imposed territorial, governmental and legal arrangements. Mostly effected at the cantonal level, these amendments are enacted to boost the capital accumulation and circulation. Simultaneously, they determine and regulate the new spatial organisation and distribution of the built environment on the same level. What emerges from my research is that the relationship between the state and the extrastate element has come to define the processes of urban governance, while, at the same time, it is being redefined through them. This redefinition "the processes of urban governance" are utilised as "a key mechanism for rescaling of state space."²³³

For example, the discernment of several case studies through the practice of map-making has pointed to the IEBL as, what I have named, a "mechanism of deferral." The IEBL, as the key actor in this process codified through the constitution, becomes more than just a dividing line between the two entities, and is turned into a tool of spatial organisation on the ground. This mechanism is mostly used from

²³² See Neil Brenner, *New State Spaces: Urban Governance and the Rescaling of Statehood*, (Oxford: Oxford University Press, 2004).

²³³ See Neil Brenner, *New State Spaces: Urban Governance and the Rescaling of Statehood*, (Oxford: Oxford University Press, 2004).

within, by the investees and beneficiaries tied to planning institutions and present at various levels of government.

Throughout I have argued that a somewhat different mechanism has been mobilised by the investors in order to create a new space of capital operation, ultimately for the very same purpose of capital accumulation. The realm between the physical and speculative, between what is promised as opposed to what is possible, has emerged as a potent device for opening up new grounds for capital to shape and navigate. One that is to a great extent, aided by the technologies of visualisation, which help construct the promise of a “better life” as an incentive for accelerated development. But equally important for capital accumulation is the very failure to deliver this promise. Rather than being regarded as a collapse of a project, the failure becomes a way of acquiring land for future development, thus extending the format of capital operation from a spatial into a temporal fix. On the ground these new spaces of capital accumulation are in fact as much product of the statecraft, as they are of the extrastate. At least at this stage of their presence, their production and existence are in many ways still closely tied to the state.

Through a blend of different methodologies which inform and produce a specific architectural reading of the context, this research project offers a different point of entry into contemporary geopolitics of the country and the region, besides the usual ingress through political economy or direct analysis of ethno-religious relations. Moreover, by positing the Dayton Peace Agreement as an instrument of finance, it directly questions the status of a peace agreement as a product of a conflict-resolution process. While the emphasis is always put on its two primary roles, as

means of suppressing armed-conflict and as a state-building mechanism, I contend that its role as a financial project is equally important, especially in terms of country's present and future development. This aspect has, nonetheless, been completely obscured, and this project seeks to bring it to light. The Dayton Peace Agreement may have put an end to open-warfare, but many aspects of the conflict remained frozen within it, and were given a new lease of life through its state-building framework. As an instrument of finance, operating through that very same framework, the Peace Agreement has opened avenues for other forms of violence to take hold and proliferate in the aftermath of the conflict. Some of these forms of violence have already started to take shape and materialise, while others still lie dormant. The Dayton Peace Agreement is often cited as a great success of the US diplomacy that brought peace and stability to the Western Balkans. As such, it has been considered as a valid model that could offer a solution to other conflict-ridden countries, particularly in the Middle East. This research project provides a new method of inquiry that could help anticipate the ways in which the new forms of violence might unfold and permeate the, so-called, peacetime.

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8.0 Appendix 1: From Fieldnotes to Practice

Although a growing network of new tourist resorts has been in the process of permeating and weaving itself into the urban and suburban fabric of the capital for almost a decade now, so far there has been no comprehensive map created that could afford an overview of its scope, nor an insight into its relationship with the existing urban and architectural formations. The information related to these newly built developments, as well as those at the various stages of planning or under construction, is dispersed and most often limited to either the affiliated real-estate agencies and / or local authorities. Therefore, creating a map that would assemble and visualise the relevant information relating to this emerging built fabric became one of the key aspects of my practice. The idea behind it was that such map could become a crucial visual tool that would open up a space for analysis of the metamorphosis of the architectural, urban, sociological and environmental relations resulting from such an extensive process of (sub)urbanisation.

Collecting and acquiring the relevant information that the map would be composed of had become an investigative process in itself, requiring access to various sources not readily available and easily attainable. Oftentimes, it was the case of stumbling upon a piece of information or a piece of archival material that would provide an unanticipated insight and shift the direction of the enquiry onto a different path.

8.1 In the Epicentre

It is early April, and Sarajevo's suburb of Ilidža is starting to wake from its winter sleep, as the first tourists from the Gulf start to make an appearance. I arrive equipped with a phone instead of camera for the purposes of discretion, and with no resolute plan on how to go about finding the information that I need.

After years of sidestepping it when in Sarajevo, I rediscovered Ilidža in September 2015. I had heard from friends how the area had undergone such a huge transformation over the last couple of years that it had become almost unrecognisable. Well-known for its thermal springs and baths, Ilidža has been at the forefront of Sarajevo's tourist industry since the nineteenth century. For this reason, foreign tourists' fascination with the area should not be all that surprising.

What is surprising however is the nature of the transformation of Ilidža itself. I had been hearing stories of a proliferation of adverts in Arabic that were taking over shops, restaurants, hotels, hairdressers etc. As I reached the main street, I saw a long line of estate agent offices bordering the main pedestrian zone, occupying the ground floors of pretty much every commercial building in the area. The plan was to visit them one by one and try to engage the real-estate agents into conversation. In the first few instances I attempted to acquire information by explaining that I was a PhD student working on a research project. However, as I had already anticipated, this was not received with much enthusiasm and in most cases I was either told that they were too busy to speak to me or politely refused for fear of saying too much. The stories of Gulf Arabs coming to Sarajevo Canton to "build their own towns" and / or buy "Bosnian land" and property had already made a number of quite sensationalist headlines in the local, regional and even international media at the

time. Initially, the public stance was relatively welcoming and positive towards the prospective investments. Nonetheless, the first doubts soon started to creep in, underpinned by a general lack of transparency in the activities facilitating these processes, followed by the intensity and the speed at which certain areas had undergone change. On top of that, most were plagued by an inherent suspicion towards the viability of such large-scale luxurious schemes. As elaborated in more detail in Chapter 2, such increasingly negative stance was also partly rooted in varying levels of prejudice and fear of the Other, that an influx of Gulf Arabs into Bosnia and Herzegovina had pushed to the surface. Eventually, the public perception of these activities as something potentially unfavourable and problematic further down the line would also be reflected in the media. With that in mind, it was of no surprise to me that the real-estate agents, mostly young Bosnian nationals, who were happy to have finally found employment, were not too keen of speaking to anyone who might jeopardise their position.

Having spent the morning wandering around the centre of Ilidža, yet consistently failing to get anyone to speak to me on record, I decided to head into the next real-estate agency and try a different approach.

“And how can I help you?” the woman behind the counter asked with an air of incredulity “Are you selling?” “No” I replied, my thick Sarajevo accent affirming the obvious fact that I’m a local. “I’m actually looking to buy”.

“I’m sorry, we only do business with foreigners... well, you know, Arabs...” she replied somewhat hesitantly. “The house prices are quite high, so the locals can’t really afford them.” “But I live in London” I interjected quickly, making my story up as I went along “I’m actually here on behalf of somebody else, who might be

interested in buying a property.” “Oh really?! Ah well, that’s a different story then... Let’s see what we can do for you today.”

In that instance it became clear that, within this particular context, gathering the necessary material would mostly be predicated on a deceptive approach, one that would be very much in conflict with the ethical requirements for any research project. Therefore, I couldn’t go ahead with it or rely solely on this particular source of information. I would continue to visit Ilidža over the coming years, and eventually I would even manage to speak openly to a handful of real-estate agents. Yet, this particular incident helped me understand that in order to collect the vital information I would require a different point of ingress into this new world that was rapidly growing and expanding. That point would eventually turn out to be the world of architecture.

Nonetheless, what the fleeting interaction at the real-estate office did bring to light was a distinct dynamic that was starting to develop as a result of this, at the time, quite a new phenomenon. The real-estate agents had begun a stratification of the potential clientele in accordance with their country of origin and presumed financial status. According to this new hierarchy, the locals were seen only as (potential) sellers of properties and land, yet never as prospective buyers. On the other hand, the targeted clientele were the Gulf Arabs who were, at least in comparison to the local Bosnian population, perceived as wealthy enough to afford the rising prices of the properties. Nonetheless, one thing was certain, the entire concept was very much dependant on the will of the locals to sell their land and property.

8.1.1 Yasa

Billy seems to enjoy his conversation with Shahed. He is Syrian and Shahed is from the UK. Over the years they have both grown to love Bosnia.

Billy has lived in Sarajevo since the 1980s. His company buys and sells property. They are not picky and will take on any opportunity to sell any kind of property. They are small, but growing fast in these lucrative times.

Billy doesn't have much time for us, he's off as he needs to speak to one of his clients, so Aldijana takes over. She walks us into a salon and serves us coffee and tea. "Turkish coffee and Turkish tea" she says. Bosnians usually get offended when one offers them Turkish coffee in Sarajevo. "We call it Bosnian coffee here!" they would say. But the times have changed.

Aldijana wears dark-rim glasses and claims London is her favourite city in the world. "You're so lucky to live there" she tells me. For the time being she is quite happy in Sarajevo too. She works for Billy and she has decided to put her studies on hold, because she wants to earn money. And now is the time. "Hundreds of thousands of Arabs are coming here" she tells us. We are not sure whether we should believe her. "Hundreds of thousands?" we repeat. "Yes!" she exclaims. She certainly has a flair for drama.

Aldijana brings out a black laptop. She proceeds to show us images of houses on sale in Ilidža, Vogošća, Trnovo, Hadžići, Hrasnica, Sokolović-Kolonija...

(Mirna Pedalo, Field notes, August 16, 2016)

A visit to Yasa, and a conversation with its owner Billy, gave more credence to my initial impressions regarding the new roles I thought were being assigned to various actors shaping this novel condition. Predicated on one's country of origin, a clear distinction was made between the locals and the clients from abroad. Nonetheless, to the agencies such as Yasa both proved to be equally important. Although quite busy and somewhat reluctant to share too much information, Billy was still very welcoming and, compared to most, willing to talk. Similar to other agencies I visited in Ilidža over time, Yasa was, in effect, an outpost of a larger real-estate agency based in Dubai. Billy, a Syrian man who has lived in Bosnia and Herzegovina since the 1980s was in charge of running it. What set him apart from other agents I encountered on my tour thus far was an interesting attempt to boost his business. Billy's agency was mostly focused on selling the existing property

and plots of land ready for construction in the vicinity of Sarajevo. According to Aldijana, Billy's assistant, the Gulf tourists preferred calm and secluded areas, rather than busy, urbanised neighbourhoods. In demand were spacious detached houses and villas with large gardens, tucked in the isolated green areas well connected to the main transport axis or scarcely populated suburban pockets in Ilidža, Trnovo and Hadžići. Therefore, Yasa would seldom work with developers or engage in building and construction. The focus has always been on the individual buyers/sellers, and their aim was to achieve a quick turnover with the least amount of involvement on their part. Therefore, the success of the business depended on the number of properties of a certain type that has been in demand, which they would be able to offer to their Arab clients. To expand the offer Billy decided to organise a lottery, so that whoever decided to sell or buy a property via his agency would automatically be entered into a draw and would get a chance to win a 1,000BAM (around £450) cash prize. The idea behind the lottery was a clever attempt at attracting locals, who would not only benefit from selling their plots of land or houses, but would also get a chance to earn some extra money on top of that.

8.1.2 Saraya

Velida is a student of Political Sciences at the University of Sarajevo and she doesn't particularly like her job. It is only a temporary solution, until she finishes her degree.

Velida has been working for the agency for a few months. Dubai-based, the company has only recently decided to open an office in Sarajevo.

She tells me about the new development that the company is starting to build on the outskirts of the city. I ask her why does she think Arab developers see Bosnia as such a great place to invest.

"It is because most of us here are Muslim," she replies without hesitation. "Do you really think it's just that? Don't you think they might like our climate and how beautiful Bosnia is?" I ask again.

“Well, Serbia is just as beautiful, but I don't see them rushing over there to build and invest” she says to me.

(Mirna Pedalo, Field notes, August 17, 2016)

If Yasa is representative of a small-scale, no-frills company that likes straightforward dealings with individual buyers and sellers, then Saraya would be a type of company at the opposite end of the spectrum. Another off-shoot of a larger company based in the United Arab Emirates, only this time in Abu Dhabi, Saraya was founded in Sarajevo in January 2016. Their first and, so far, the only project is Saraya Resort, a gated community located in Hladivode, area on the outskirts of the Old Town municipality. The choice of the location is somewhat surprising, as it is outside of the usual zone of interest (Ilidža, Trnovo or Hadžići municipalities) and relatively removed from the Sarajevo airport. Still, it is in close proximity to the city centre and the old town, while its elevated location provides attractive views of the city itself. Saraya conducts its business based on a specific model that has been very popular among the Gulf investors in Bosnia and Herzegovina. In August 2016, when I visited their office, Velida explained that the first phase was being sold off-plan, mostly to buyers from Abu Dhabi and, occasionally, a small number of local ones. The logic behind this, by now classic concept in development and construction business, is that the profit from selling the unbuilt houses and apartments off-plan would eventually fund the construction of those very same buildings. In order to attract clients Saraya offered their first phase off-plan buyers a significant discount of 25%, and the second phase off-plan buyers 10% off the total price. The construction was set to start as early as in November the same year. However, a visit to the site in June 2018, a year and a half since the project was meant to go on site, made it clear that very little has been done in the interim. Apart

from a couple of unfinished dwellings, presumably future show houses, and a parked digger, the area looked mostly abandoned with very little construction activity going on. According to the Saraya Resort's website, which offers an up-to-date information on the progress of the works on the construction site, it looks like the activities have picked up the pace in the period from August to October 2018. Nonetheless, there is still a way to go before this project will be completed or at least ready for use.

My visits to the real-estate agents in Ilidža may not have always been entirely successful in terms of securing interviews and sourcing the relevant information from the agents themselves. Nonetheless, they have provided me with an overview of the number of agencies operating in this emerging hub, as well as of the ways in which the information related to the properties they were selling was being disseminated. In addition to that, these journeys had given me a much clearer idea of the scale of this, at the time, still relatively recent phenomenon. A number of new real-estate agencies I came across were tied to individual large-scale projects, such as Buroj Ozone, Poljine Hills and Saraya Resort. They were specifically created in order to promote these particular developments, almost exclusively selling houses and apartments off-plan or still under construction. This template has been applied in Bosnia and Herzegovina as well, specifically with regards to the large-scale projects. While currently on site, most of them are still at the very early stages of the construction, even though in some cases, such as previously mentioned Saraya Resort or Buroj Ozone, the works have started over two years ago. Yet, with the exception of a couple of unfinished show-houses hardly any progress has been made, as developers are allegedly still waiting for the funding to

come through. Such agencies and projects often have a strong online presence through dedicated websites and social media, while, at the same time, occupying public spaces across Sarajevo in the form of billboards, advertising stalls etc. Due to their scale and ambitious programme they have often been a topic of heated discussions in the local and regional media that would eventually grab the attention of even the prominent media outlets worldwide. Therefore, the information about them has always been available from various sources and they were easy to identify and locate.

However, there are numerous other, less known and less prominent agencies, such as Billy's. The scope of their outreach has been notably more modest, as they have been operating on a significantly smaller scale, but the effects are still noticeable. The Gulf Arabs remain their target clientele, although the focus has been from the very start on a less affluent stratum of the incoming tourists. Here the mediatory role taken on by an agency between a local owner and a foreign buyer is a much more direct one, where an existing property or a plot of land is sold to an agency and then directly bought by a foreign buyer. Most importantly, by choosing Ilidža as the starting point for my fieldwork, I was able to gather the names and locations of the new developments that were either in planning, under construction or ready to be occupied. Vast majority of these developments I would not have heard of or have been able to locate otherwise, mostly due to their relatively small size and lack of bold advertising that typically accompanies the large-scale undertakings.

8.2 Production of the Maps

The next stage of the project, therefore, required me to visit these sites in order to precisely pinpoint their position and produce a comprehensive map that would allow an understanding of the evolving relationships between the new developments and the existing (sub)urban tissue, as well as the natural environment they were being situated in. Such visits over a period of time would also give an insight into the speed at which the changes were taking place, and would allow me to observe any new patterns that might be emerging through the construction of the holiday resorts and tourist towns. What had been obvious from the very start was that the investors were interested in situating the new developments close to the main transport nodes and axis (Sarajevo airport and its main roads), but not necessarily in the historic centre or downtown, as had been the case, for instance, during the second wave of investments. The image that emerged was of a ring of developments, arranged across the slopes of the hills surrounding the city, and gravitating towards the southwestern part of the canton. The heavy concentration of new developments in that particular part of the canton came as no surprise, since that area is only a short distance away from Sarajevo airport, while it is also situated at the foot of the Olympic mountains Bjelašnica and Igman, famous tourist attractions. Another important observation that transpired from the newly created map was that the developments were spreading into Sarajevsko polje (Sarajevo Field). Both insights alerted me to potentially negative impact of such rapid and intense (sub)urbanisation on the natural environment. As extensively explained in Chapter 2, Bjelašnica and Igman mountains form a large part of an area that has for many years awaited to be afforded some form of environmental protection. Unfortunately, under the Dayton-designated legal framework, all of those attempts

so far have consistently failed to materialise. On the other hand, Sarajevsko polje and Vrelo Bosne (Ilidža municipality) play a crucial part in supplying the city with drinking water, which immediately raised the question of the existing drinking water safeguard zone and whether it is being affected by this new wave of urbanisation.

My suspicions were confirmed after S.K., an architect from the Institute for Protection of National and Historic Monuments and the Heritage of Sarajevo Canton, and Narcisa Gaković, a freelance landscape architect, gave detailed accounts of various environmental issues that have appeared as a result of unregulated development, which they have encountered through their practice in recent years. Even though this process had started before the arrival of Gulf investors in Bosnia and Herzegovina, according to S.K. and Gaković its scope has significantly widened and intensified since the Gulf money started flowing in. Most of the environmental issues that were brought to light were related to two main problems: non-existence of the adequate legal mechanism for protection and/or deliberate failure to adhere to the existing rules and regulations. These foul practices were also reflected in various examples of re-tailoring and amending existing zoning and urban plans undertaken to accommodate the proposed developments. The local governmental apparatus has been using the influx of Gulf money in conjunction with the Dayton-generated mechanisms, such as the Inter Entity Boundary Line (IEBL) and differing legal frameworks inherent to the country's division into two entities, to modify the existing physical environment. On the other hand, the very same process has been exacerbating all the negative elements inherent to that apparatus, such as corruption and illicit machinations of

legislature. This is why gaining access to the valid urban and zoning plans for Sarajevo Canton became of crucial importance to understand the relationship between the urban legal framework and the new development process, and its joint effect on the environment. At the time, some of these plans were accessible online via the Institute for Planning and Development of Sarajevo Canton, however since the existing Spatial Plan for Sarajevo Canton had been undergoing revisions, it was unclear whether the available data reflected those revisions. Gaković suggested that I should contact Vedad Viteškić, a young architect specialised in spatial analysis and GIS technology, employed by the Institute, whose job was to digitalise and update the existing map database. According to Viteškić, when it comes to digital literacy, particularly with regards to architecture software and geospatial technology, the Institute has been lagging far behind its EU and worldwide counterparts. This has caused numerous problems in relation to production of new maps and digitalisation of the existing ones, making it a very slow and laborious process. Subsequently, it turned out that the information available online was only partly up-to-date, so Viteškić's engagement became paramount for the development of my own practice.

As previously explained, in my practice I was committed to production of maps that aim to articulate the relationship between the existing, the envisaged and that which is in the process of becoming. This operation involved bringing together a number of layers from disparate sources into a series of articulate documents. Some of these layers register an existing condition on the terrain, such as, for instance, areas contaminated with land mines or potential and active landslides. Others allude to a different temporality, where the markers and the outlines on the maps project

into the future, depicting a vision of the city and its surrounding areas shaped by the demands and ideas prevalent at the time of their making. This includes Zoning plan, Spatial plan and a number of masterplans for Sarajevo Canton and its various municipalities. In this particular context, I have come to regard the outdated maps and plans as equally relevant as the current ones. Once juxtaposed together, they highlight the shift in priorities that have been driving the decision process. This proved to be especially significant when I worked with the maps that demarcate a boundary of drinking water safeguard zone in Sarajevsko polje - boundary that has fluctuated quite considerably over a period of thirty years. As illustrated in Chapter 2, by fusing together the map that outlines the current boundary line of the safeguard zone in Sarajevsko polje with the archival maps delineating its scope in the past, and overlaying it onto the map of new developments, it was possible to show how the shrinking boundary line has been working in favour of the real-estate development. Albeit one of the most controversial decisions taken by the local authorities of Sarajevo Canton, the information necessary to assess its lawfulness has been difficult to access.²³⁴ Therefore, production of these maps was a layered process predicated on continuous interaction with various sources of information (human and non-human) that would eventually converge to produce relevant insights. The enclosed Map 6, Map 7 and Map 8 were generated as an assemblage of information gathered during my fieldwork (undertaken to determine the location of new developments), further combined with the current data obtained through association with Viteškić and finally with the maps retrieved through sourcing information that offer a historical cross-section through the process of change. As

²³⁴ The reasons behind the concealment of the relevant information and the consequences of such actions have been explained in Chapter 2, under the section “Mechanisms of Deferral”.

previously stated in Chapter 2, the feasibility study that was taken as a basis for some of the recent amendments has never been made entirely accessible to public. However, due to tenacity and commitment of Sarajevo-based NGO Eko akcija, at least a part of it, Book 1, was made public in 2018. It is in this document that I was able to find the maps that illustrate the scope of the safeguard zone in the previous Spatial Plans, for the period between 1987 to 2017. The other maps presented in this research project have been generated in the similar vein.

8.3 Vantage Point Shift

Having done my BSc in Architecture in Sarajevo, I had already been a part of a circle of friends and colleagues in the industry who had, either intentionally or by chance started to take part in this, at the time, nascent development trend. It was through, initially, rather casual conversations with them that I started to understand the significance of their nuanced role in the processes that were underway. Eventually those encounters would grow into something more akin to collaboration. The most in-depth and informative conversations that have helped shape my perception of the situation on the ground have been with three architects from AHA+KNAP, Sanja Vrzić, Hana Kevilj and Merdžana Mujkanović; two of whom (Vrzić and Mujkanović) have since moved on to practice as freelance architects. While working for AHA+KNAP, an award winning practice from Sarajevo, all three had been in charge of projects financed by the investors from the Gulf and all three had worked directly with the Gulf clients.²³⁵ Their experiences and insights have been crucial in understanding the milieu that was being produced through the

²³⁵ The architectural practice AHA+KNAP, founded and based in Sarajevo, Bosnia and Herzegovina has been discussed in more detail in Chapter 4.

encounter of the Gulf money with the governmental structures imposed and/or solidified through the Dayton Peace Agreement. The information obtained through these interviews proved pivotal in my attempts to discern and unpack the manner in which this new milieu had become a fertile ground for corruption, illegal practices and bypassing of law. These deviant mechanisms have been driving the planning processes, as well as generating and distributing new forms of built environment. The roles of architects and planners in such processes are what Vrzić, Kevilj and Mujkanović have raised as particularly concerning. Vrzić and Kevilj both point to almost acute lack of professionalism and ethical practice among the local architects and sometimes even contractors, but even more so among the members of the local authorities, particularly mayors of those municipalities where the influx of capital has been the most notable. It is precisely these actors that most directly influence planning processes and ultimately create a new framework for the production of the built environment.

In this excerpt from an interview conducted with Vrzić and Kevilj in December 2016, they give an overview of their respective work with AHA+KNAP, while using very concrete examples that unveil how the mechanisms of development are lubricated by unscrupulous and deceitful behaviour of some of the actors involved in these processes. Kevilj has worked with AHA+KNAP since January 2013 and is, by now, one of their longest associates. Vrzić had been employed at the practice for a period of eight months, and has since worked as a freelance architect, designer and a photographer.

Excerpt from the interview with Hana Kevilj and Sanja Vrzić

Skype Session: Hana Kevilj (Sarajevo), Sanja Vrzić(Sarajevo) and Mirna

Pedalo(London)

28th of December 2016 (originally in Bosnian, translated by Mirna Pedalo)

04:25 – 44:07 (out of 1:25:58)

MP: [...] Is the practice (*AHA+KNAP*) specialised in any specific kind of architecture; commercial, residential etc.? Or is it the case of whatever you can get hold of? It seems that nowadays most of your work is either commercial or residential, but I guess the residential projects are the most ubiquitous these days.

HK: Yes. Well, based on the projects we've done so far, we seem to have mostly worked on “urban studies” (*urban planning projects / masterplans*) for new residential developments, residential complexes. Some individual houses as well, although since the arrival of the Arab investors that particular type of work has increased. For them we usually do so called “type-based projects”, i.e. individual houses and small-scale residential developments.

MP: Small-scale residential developments, like the one you designed in Osijek, Sanja, right?

SV: Yes, yes. That's it. Merdžana (*Mujkanović*) was also working on it, so she probably continued working on tender drawings, I'm not sure...

MP: But that's pretty much that type of the project: small-scale residential, right?

HK: Yes, that's it. Small-scale residential developments, hotels, although, in most cases when we worked on hotel projects we had to deal with local clients and developers.

MP: Okay, so they're mostly local developers. I'm also interested to hear more about the increase in your workload. You said that at some point there was an increase in the number of projects, so I was wondering when did this happen? Did it happen maybe in the last year or two, and did it happen as a result of the influx of Arab investors?

HK: Yes, yes. The foreign investors are at the moment in Bosnia...

MP: I think we've lost Sanja...

(SV's connection is gone, HK and MP stop the conversation until she's back online)

MP: Sorry about that. OK, so Hana, you were saying that the increase was mostly due to foreign investments. And that would be in the last...?

HK: Yes, and that would be in the last two years, maybe.

MP: Okay, great. Now, it would be great if either one of you would describe your experience of working on one of the projects with an Arab client.

(SV's connection is gone, HK and MP stop the conversation until she's back online)

MP: Hana, if you want to carry on until I get Sanja back online, so at least I don't hold you back...

HK: Okay, well, as far as I've been able to observe, the biggest problem are not the developers, but the market, which I don't even know how to name or describe... lack of fair-play, no collegiality or professionalism. It's a market where an architect will tell a client - regardless of where the client comes from - that what is marked on an urban plan as, let's say a building size 10mx10m or 5mx5m, could be replaced with whatever the client wants.

MP (interjects): Yes, they promise to do whatever the client wants...

HK:and they promise they could sort it all out for them. So this is the way to keep the clients to themselves. Also, they're getting clients used to doing business this way, and for a developer it basically means that, if your architect is close to someone in power, you can get a lot more for your money's worth than what you would be legally allowed to do if you were to follow a valid urban plan. So that is one problem. The other problem is to do with law. There is something called "mayor's discretionary right" according to which any municipality or city mayor can make decisions disregarding the adopted valid plan and can justify them as "political decisions". This article was probably taken from an old statute, and in the past it had only been used in matters of little importance or of no consequence in order to expedite the decision-making process. However, today we're witnessing a complete abuse of this article, where a mayor of municipality can single-handedly change a current urban plan, regardless of what, for instance, the main urban planner in their municipality has to say, regardless of what the Institute (*for Planning and Development of Sarajevo Canton*) has to say, or anyone else, because he has this discretionary right. Therefore, in my opinion, this is the worst problem, because the professionals are prevented / blocked from doing their job. I won't even

go into discussion about the directors of different institutions, but I do think that this “discretionary right” is the biggest problem, because they can literally, of their own volition, change any regulatory or urban plan. And that right is being heavily used and abused. And as far as the developers themselves are concerned, Sanja could maybe talk a bit more about that, as she was the lead architect on the Osijek project. Otherwise, just like with any other developer, they will state their wishes and desires, and then it's up to you to guide them and see what can be done. As far as my own experience goes, and the experience of the practice I work for, as long as you have enough will, stamina and time to give them thousands of options which will help you prove to them that something needs to be done one way or another, and if you're willing to make some compromises, as long as they're not going to have a negative impact on the society, you shouldn't have any major problems. In our practice, at least, we have never had a single case where our client really insisted on getting their own way. Not a single case.

MP: It seems to me that, and this is also something that I have briefly spoken about with Merdžana (*Mujkanović*), the problem mostly lies in the local people; or to be more precise, in the local authorities, in the lack of professionalism among architects and tendency to give misleading promises to developers in order to secure jobs.

HK: Yes. And not only do they make these promises, but also agree to do the work below any acceptable cost, which then leads to hyper-production in order for an architect who has taken on this job to make any profit. This basically means that the first design option that they come up with is the one that is offered to the client,

as there is no time to go back and explore other options, to do thorough analysis or anything else that would require any more effort.

SV: The only thing I would like to add is that, whilst this is certainly the main and primary problem from which everything stems, it also leads to the disruption of the developers' value system, in terms of what is worth and what is not worth, or what is valuable and what isn't. So sometimes we encounter demands for subsequent changes to the projects, after they have already started on site, such as changes to the type of material to be used, usually looking for something cheaper, or need to compromise around materials in general, such as cladding, and so on. I haven't mentioned this at the beginning, but I had worked for AHA+KNAP for eight months, which is not a very long period, but still, I have witnessed these demands that came as a consequence of being misinformed, or wrongly advised by the contractors or builders, or being led by the developers' own desires and experiences. For instance, in one project they decided not to use brick, but to use slag blocks instead, because slag blocks were cheaper. Eventually, we managed to convince them otherwise, though there has generally been many times where we had to compromise regarding the final finishes. For instance, the Sarajevo Waves project, when it came to handrails, staircases, colour of the facade, there were many changes to the initial design or even the tender issue. Some of these changes were easier to deal with, though some were more problematic to implement due to, for instance, our climate.

HK: Speaking of Sarajevo Waves, that was a real struggle, and a lot of time had been invested in that project. Eventually, it was built as per drawings, with the exception of the above-mentioned details, such as some interior design details and

finishes. The rest of it was built as per tender drawings, but there were these problems that Sanja has just mentioned; they refused to use timber cladding, under the excuse that it required too much maintenance, they just wanted to paint the facade. Then Adnan (*Harambašić*) and Kenan (*Brčkalija*) spent a good deal of time with the developer, trying to explain to them and convince them why the building should be built as per drawings. And in the end they succeeded in convincing them, because they spent an awful lot of time explaining that the first building to be built on that site needs to be of the highest quality and so on. Eventually, the exterior of the building and even interior to certain extent, although the architect has little control over what the interior of a residential building will eventually look like, were done at least 90% as per tender drawings.

SV: Although, it was a massive struggle and effort on the part of Adnan (*Harambašić*) and Kenan (*Brčkalija*) to make it happen. They really did a great job.

MP: Yes, to get the finishes up to a certain standard. The building really does look great. The first time I saw the post on ArchDaily, I was wondering whether it was a photograph or a CGI, because it looked so sleek. Eventually, I figured out these were the actual photographs, because the landscaping around the building had not yet been fully finished. Also, I was wondering in terms of design, not so much the materials and finishes, but more in relation to the layout design, the sizes or numbers of rooms etc. - do they have any specific requirements that would reflect the different culture and lifestyle?

SV: Yes, well the first client I worked with, Hisham, on the Osijek project for which you've seen the catalogue, asked us to design houses for larger families. It was very important for all the bedrooms to be master bedrooms with en-suites. Mostly we're

talking about four-bedroom houses plus another room, which they politely refer to as a “guest room”, a room which is often small, dark and neglected. And although it is not something that is explicitly said, this “guest room” often ends up as a room for maids and domestic help. With that particular client we had a big problem regarding the site layout plan and location of the houses on site. He refused to accept a site layout where the rooms in the houses would receive any light from the south (*according to the Bosnian and Herzegovinian building regulations, living rooms and kitchens should face south, south-east or east*) and in those cases where it couldn't be avoided for some rooms to face southwards, he demanded that there would be a massive porch or a canopy to prevent the sun from entering the rooms, so that the living rooms, for instance, would always be in a deep shade. Therefore, we had to have many conversations with him to explain the Sun's movement in our part of the world, what's the winter like in this region, issues with humidity and that for us, the Sun is a friend and not an enemy, so that the rooms should face south, regardless of their previous experiences, and so on. So, as Hana has already said, what you can argue for will eventually be accepted, but it needs to be argued for and proven to them. And this was one of those examples where we had to use the drawings and do a lot of talking to persuade them to change their minds. But often they do come with very clear ideas as to what they want to do. For instance, in this particular project, all the bathrooms had to be naturally ventilated, hence had to have windows, one way or another. In the end, in some cases we had to use roof windows, but that was an absolute must which we had to find a way of integrating into our project. I'm not sure if there was anything else that they specifically required us to do in this project...

MP: I'm not sure, but I think I've spoken to you (*Sanja*) about an issue before, whether it was with regards to this project or some other, to do with the use of insulation? There was a struggle around being able to use thermal insulation, but they were more than willing to invest that money into stone floor finishes.

SV: Yes, precisely that. Generally, when it comes to the use of materials, for instance, the stone is never too expensive, yet the thermal insulation or even its thickness... (*Hana's voice in the background*)

HK: I actually think that this has more to do with the lack of information and basic knowledge. These developers usually run smaller businesses, and their experience is mostly tied to other regions and places such as Egypt etc., so they use those standards and guidelines here as well. And, based on their experience, they work with a certain template where, in order to make some profit, this house needs to be, let's say 400m², it has to have a certain number of bedrooms, all the bedrooms should be master bedrooms and based on that they also have a clear idea as to what materials should be used. So if he says that what they want is only 5cm of thermal insulation, I would take that as a lack of knowledge in relation to local building regulations.

MP: Yes, it's down to lack of information it seems, I understand...

HK: They use the same template they've come up with while working mostly in warmer countries, and they just copy/paste their experiences here, in the region where they have never worked before. But honestly, if you can make a case for your decision, in 90% of the cases, especially when it comes to important things, they will accept it. The only case where we had a problem, was again while working

on Osijek project, where the heating / cooling in the houses was to be regulated using air chambers located inside the house, regulating the temperature in the house. Now, this is a kind of thing that we, as architects, may not be so familiar with, the relationship between the developer and the contractor, but often the contractor and the site manager have a tendency to intervene a lot and hand out some information. I don't quite understand the motivation behind it, but maybe it's to get closer to the developers, I don't know... But in the end you have someone on site (re)doing the design, and trying to convince the developer that his ideas are better.

MP: Classic...

HK: So according to the project, these air chambers, or sorry, air conditioning systems were to regulate the temperature in the entire house, but in the end each room had its own a/c unit. The explanation behind it was... Well, you can only imagine, seven a/c units in a 200m² house, it ended up being like a summer house in Neum.²³⁶

(MP laughs)

HK: So all these changes came at the very end of the building process, and the explanation contractors gave was literally that the client wanted the cold air to blow in their faces as they enter the room. Now, what really happened was that the installation of the individual a/c units was cheaper than setting up the entire system. So I don't know if it was the case that the contractors were trying to save themselves some money, or where did it go wrong, but...

²³⁶ Neum is a popular Bosnian and Herzegovinian tourist town located on the Adriatic coast.

MP: Sounds like a disaster... On the other hand, from what I can see, the developers tend to hire local architects and contractors to do the work for them?

HK: Yes, very much so, as lately there's been a rise in the number of new companies, Arab companies, which hire local architects to do the work for them. These are mostly real-estate agents, which do all kinds of work; from buying land to building and development, etc. It's mostly Bosnian architects who work for these companies now. Again, I don't know what's the reason for it; is it due to the lack of interest, or is it because one is in a different position if one works for the investor himself, but these architects end up designing literally whatever they're told, without thinking about it at all...

MP: ... no critical thinking whatsoever...

HK: And those projects end up being illogical, to say the least... Total disaster. We've often received these projects in the office, as we were asked to "fix them". You'd find things like 50m² bedrooms, or a hole dug into a 45 degree slope and then one meter away from it is a building with a window. I mean, these are the types of mistakes that a first year architecture student wouldn't make. I don't even know how they get to that point?!

MP: To me it sounds like sheer irresponsibility coupled with lack of knowledge. Who are those architects and where did they go to school?

HK: They are mostly young architects, recent graduates from our university (*Faculty of Architecture, University of Sarajevo*). For instance, we have four new members of staff, all very young, born in the early 1990s, and half of their university friends now work for these real-estate agencies. But I don't know, these

four seem okay, they use their heads, they do good work, so I don't know what went wrong in these other cases.

MP: Sounds quite depressing, actually... Also, I wanted to ask you about the “urban studies / masterplans” you mentioned earlier?

HK: Yes, “urban studies/masterplans”, or we could call them “concepts”, because in Bosnia and Herzegovina approved urban plans can only be produced by the Institute for Urbanism. So, for example, when we worked on Ilidža, this big urban study, the project was later sent to the Institute for them to go through it and use our concept to come up with a proposal, because, as far as I know, it is only the Institute and the local authorities that can legally produce and adopt urban plans, which I think is a bit odd...

MP: So it isn't even possible for them to just approve your concept, but they have to come up with their own?

HK: Yes and that's quite a political statement.

MP: Very much so, same as with everything else in Bosnia and Herzegovina it seems. I had another question related to the projects you work on. These small-scale residential developments and individual houses, are they are still being designed and built as tourist resorts and under the premise of being used as holiday homes only? Just in case you've had a chance to discuss this subject with the developers, Sanja, for instance with Hisham, where did they get the idea to come to Bosnia? How did Bosnia all of a sudden become an attractive destination? And also, do they really come to Bosnia only for holidays? I'm asking these questions because there are so many rumours flying around these days about why is it that

these people are coming, how long do they intend to stay etc., so I just wanted to know if they've ever said anything about it themselves.

SV: Hana, you have that story about when these holiday homes are supposed to be turned into permanent homes. I would just like to add, specifically regarding Hisham, and I believe, Mirna, we have discussed this at some point, in that catalogue he listed the reasons (as a way of advertising) why Bosnia is this great, promised land. As far as their travels and movements go, those who have the money they still go to European countries and the US. Their middle class used to go to Syria and even Libya, and since the region has been engulfed in the wars, and since there is more, how to call it... intolerance is perhaps not the right word, but since the Arabs are now viewed differently, both in Europe and the US, they have come to recognise Bosnia and Herzegovina as a place where they won't be...

MP (interjects): Discriminated against?

SV: Exactly. So, yes, let's put it like that. Also there is this link with Muslim "brothers" here, one can hear the sound of Athan, etc., so they feel more at home due to the religious kinship. They don't feel like terrorists here, and they feel like they do belong. So that's one reason. The other reason is purely economic. Here, even their middle class can afford a nice, comfortable, perfect life, because there is a huge difference between their middle class and our middle class. So, the market suits them, country's natural beauty suits them, and the fact that, at the moment, they probably feel more welcome here than anywhere else in the world suits them too.

MP: And I guess the climate suits them too.

HK: Also, Vienna is just around the corner, pretty much everything is easily accessible...

MP: Yes. Well, I've been thinking a lot about the question of climate, and not just the climate as it is now, but the question of climate change and what it's going to be like in the future. Which means the situation in their home countries will grow increasingly more problematic; water shortages, heat etc. And the oil will be running out soon...

HK: There's a report published by the MI6 "20 Greatest Threats to the Great Britain". The report was published either last year, or in 2014. More likely in 2014. And at no.3, no actually at no. 2, following I don't know what, it was the climate refugees.

MP: Yes, exactly, climate refugees.

HK: However, here, so far, no one has ever mentioned that these houses would or should be permanent homes. For instance, whenever there is a discussion around heating/cooling systems for these houses, they always emphasise the fact that these are supposed to be summer houses, which will be used in the summer, so what they really need is a/c, but not really heating. In most houses provisions have been made for some heating, but that's all very light and they're not very keen on thinking about it too much. These houses are meant to be used over a period of three months only, those three months are in the summer, so they're not really interested in the winter period.

MP: I guess this points more to the temporary stay, rather than an intent to settle.

HK: Although I'm sure that those investors with more experience and a bit of foresight know that in about ten years, these developments will be permanently inhabited. No one has said it openly, but I do believe that that is the case.

MP: Yes... Also, I wanted to ask about Sarajevo Waves. Do you know who buys those apartments? Today, ahead of our conversation, I spent a bit of time reading about Sarajevo Waves and going through the Compact Investment, pardon Compact Invest's website where it said (*MP reads in English*): "majority of ownership is local Bosnian ownership." Does that mean that local people are buying the apartments? They can afford to buy them?

HK: Yes, yes! They (*Compact Invest*) were quite surprised, as they expected that the apartments would be too expensive, but at least 50% were bought by the Bosnian clients.

MP: Oh, wow!

HK: For these particular investors that was of a great importance, as they didn't want to create a gated community, that would just sit empty for the most part of the year, with the exception of those three (summer) months. That's why they brought their prices down significantly compared to what they had initially hoped to charge, so that the apartments would become even more affordable to the local clientele. They are interested in selling all the apartments, and they are not opposed to mixed ownership, as they believe that it is much better to have the developments inhabited, active and lively throughout the year.

MP: Yes, yes! But that is just a part of... (*HK voice in the background*) Sorry, please do continue.

HK: These investors are actually quite atypical and we worked with them on that masterplan in Ilidža (*Butmir*). According to the zoning plan that area was 100% designated as a “Sports and Leisure” area, but of course, the illegal construction has already eaten up a significant portion of that land, as well as those other schemes, universities, hotels, thermal baths etc. However, taking into consideration that the entire area is still designated as “Sports and Leisure” area we advised them to limit the construction to 10% of the overall area of the site. Of course, we were very nervous about this proposal, thinking how they would react to such limited construction area. To our surprise they were actually delighted with the proposal, and then even suggested that we could go below 10%, as they envisaged that that development would be “embedded” in a park, and there’s a river and there’s nature, so that worked perfectly well for them.

MP: So it seems they care more about the environment than the local authorities.

HK: Well yes, in this particular case.

MP: Yes, in this particular case, right.

HK: Not sure what it would be like with a different investor...

Excerpts from the interview with Merdžana Mujkanović

Interviewed by Mirna Pedalo

29th of December 2016 in London, UK (originally in Bosnian, translated by Mirna Pedalo)

00:11:45 to 00:27:49 and 00:28:15 to 00:36:16 (out of 1:22:55)

In this interview, Merdžana Mujkanović shares her experience of working with Gulf investors while being employed as an architect at AHA+KNAP. As one of their first employees, Mujkanović worked at AHA+KNAP from 2012 until September 2016, when she moved to London to pursue her master's degree at the London School of Economics. Upon her return to Sarajevo she continued to work as a freelance architect, as well as with the Association of Architects in Bosnia and Herzegovina, as their external collaborator. In this collage of excerpts she provides an insight into design process of Butmir masterplan, one of the case studies from Chapter 2, and gives an account of how working in the areas affected by landslides rests on the ethical principles of the architect. This is, unfortunately, the case even though the legal mechanisms necessary to prevent potential damage are already in place, but are being consciously disregarded and bypassed on account of progress and investment. Throughout the interview, Mujkanović frames an understanding of this unique condition from a perspective of a spatial practitioner, while being unafraid to offer her personal views and opinions on controversial subjects.

00:11:45 to 00:27:49

MP: The last time we spoke, you told me that you worked on an a masterplan for an area in Ilidža. Hana and Sanja told me that was AHA+KNAP's first project, basically the reason why the practice was set up in the first place. Could tell me a bit more about that project, please?

MM: Well, I could show you some drawings. The area in question is on the bank of the River Željeznica. Naca (*landscape architect Narcisa Gaković,*) had been working with us on that project from the start. And after she did the analysis of the soil, it was established that it was mostly gravel, therefore good for supporting foundations. At the moment, that river bank, when you cross the Butmir bridge and head towards universities, to the left of the bridge, not exactly next to it, but a bit further down, is being dug up for gravel. And this extraction of gravel - it's all illegal, all the diggers are there illegally. The gravel is being dug up from the river and sold off, possibly as part of the deal with the Ilidža municipality. When we got in touch with the Federal Agency for Waters we found out that the River Željeznica is of exceptional importance for the drinking water supply of Sarajevo, therefore these excavations that are taking place there can only have negative impact on the environment. The developers we worked with were not actually interested in buying the land, they were interested in public-private investment together with Ilidža municipality, and were not looking to build a gated community. They wanted to invest in that area and were offering to build the infrastructure, the idea was that they would profit from selling the flats. I know that, after we finished the project, they started the negotiations with the municipality, but I don't know what happened afterwards.

MP: So they were not interested in buying this land?

MM: No, they weren't. And also, they insisted on having large green outdoor spaces in-between the buildings. They weren't greedy at all. At least, as far as I'm concerned, this was one of the more positive experiences working with foreign investors. (*Merdžana showing maps*) I don't have everything here...

MP: No problem, let's just have a look at whatever you've got.

MM: So, this is the road that leads from Butmir, here is the River Željeznica, here is the Butmir archaeological site that is off limits, and in this entire area, especially here if you look at the satellite image, large-scale excavations are visible. This area here, at least according to research Naca (*Narcisa Gaković*) did at the Rivers of Federation of B&H and Rivers of Bosnia and Herzegovina, is at the high risk of flooding. The developers were looking to get a masterplan. They wanted a combination of commercial and residential. Conceptually, we divided it into zones. You can't see it here, but there are maps with analysis... This zone here was envisaged as businesses zone with towers...

MP: Kind of like a downtown?

MM: Yes, mostly offices. This zone is followed by a residential area, commercial ground floors and flats above. We have detailed drawings, scale 1:100, of all these areas in-between the zones. Just to backtrack a bit, first thing we did was to make a provision for a road which would connect Butmir and Dobrinja, we consider it the upper spine of this masterplan. And there is another road, closer to the river. All the flats face the river and all the parks were designed in collaboration with Naca (*Narcisa Gaković*), because we were concerned that this busy road would

have a negative impact on the development. So the idea was to reduce the impact by creating sort of a green belt. Naca (*Narcisa Gaković*) suggested we call this stretch Parkway. I don't have all the drawings here with me now, Hana might have some... but, anyway, this fast road is also slowed down, as there are slower roads off this one, which lead to residential areas. Residential area has commercial ground floors, flats above and parks in-between the buildings. This is the centre of the development, also partly residential partly commercial.

MP: Restaurants, cafes...?

MM: Yes, and then in this area here, the aim was to use the river as a tourist attraction. There would be an access to the river, boats to rent, etc. Area next to it would a big park, and all the parking is planned underground. Each building has its own underground parking. And then there is this big park... They also wanted to include detached houses/villas.

MP: Yes, they do like individual housing.

MM: And this area here is left for afforestation. That was also Naca's (*Narcisa Gaković's*) suggestion. There aren't many trees here at the moment, but since the project should be built in several phases, the idea was to plant the trees first and then use them during the first building phase for construction, then plant the next round, and use it and so on... Another reason why this particular area was used for that purpose is the proximity of the Inter-Entity Boundary Line (IEBL), which creates administrative problems, and in the end the developer was keen to avoid them. Initially, the idea was to continue with the individual housing units in that

area, but designing any kind of masterplan for that area has proved to be too difficult due to all the administrative complexities.

MP: I'm not sure how much you could tell me about it, but so far I have heard of numerous instances where the IEBL has caused quite a bit of trouble. For instance, the national park case, a feasibility study, which had initially encompassed an area partially in the Republic of Srpska and partially in the Federation of Bosnia and Herzegovina. Then came the revised version of the study which included only those territories belonging to the Federation of Bosnia and Herzegovina. This was done in order to avoid the inter-entity bureaucratic conundrum, which happens if you try to do one and the same thing across both entities.

MM: Well, these kinds of projects demand double planning documentation, double everything. It is actually quite obvious once you start moving between the two entities. Kenan (*Kenan Brčkalija*) was the one who illustrated it the best. At the time when he was still working for Zec (*Amir Vuk Zec, an architect from Sarajevo*), construction works at Bjelašnica mountain were in full swing. According to him, if one would pay a visit to Trnovo municipality in the Federation of Bosnia and Herzegovina (as Trnovo is split between the two entities), they would find everyone in the planning department super-busy doing drawings, writing reports etc., the whole place would be buzzing like a beehive. On the other hand, in Trnovo municipality in Republic of Srpska you would find one lady, curled up on a chair next to a furnace, saying” “Oh, how can I help you?”! Basically nothing is happening there!

MP: As nothing is being built?

MM: It's just too complicated... I don't know...

MP: The investment flows into Federation of Bosnia and Herzegovina are still much more significant than the ones into Republika Srpska. I don't know what has been your experience so far, but I have spoken to Hana about this a bit, and my impression is that the Arab investors don't really go to Republika Srpska? Most projects end up in the Federation?

MM: Yes, I think that they come here with a preconceived notion that boundary between the entities is much more serious and rigid than it actually is. That, if they dare cross over to “the other side” something will happen to them. They also come with a preconceived notion that the divisions among the peoples from the two entities are much more grave than they really are. That there is literally a wall between us, that we do not communicate with each other at all, and that there is a firm division between Muslims and Christians. I remember when I was working with one of our clients on a catalogue for one of the developments, and the idea was to include a page in the catalogue where the proximity of the Olympic mountains would be indicated in relation to the development. I think it was in Otes. Obviously, I included the Jahorina mountain (*in Republika Srpska*).

MP: Of course, everyone goes to Jahorina!

MM: Yes, let's not even joke about leaving it out! However, the client wasn't sure about including it and I kept on insisting, as obviously we all go to Jahorina!

MP: Yes, we see no problem there...

MM: Yes, for us it makes no sense to avoid it, but the client wasn't so sure. Even his assistant, a young Bosnian architect, insisted that we should include Jahorina, because, as she explained to him, we consider it as “ours”, regardless of it being located in Republika Srpska... Maybe, it is also due to the people the investors meet when they first arrive to Bosnia - “SDA party members” (*a Bosniak Muslim nationalist party currently in power in the Federation of Bosnia and Herzegovina*). You know what I'm trying to saying, but I probably shouldn't carry on... They also paint a picture of this place where there is that which is “ours” and then there is that which is “theirs”.

MP: I also think that one of the reasons... and I was actually asking Hana about the same thing and she said that Kenan remarked on something similar. When the investors come to Bosnia and Herzegovina, obviously they land in Sarajevo, and then they are “waylaid” by our lot here in the Federation. And on the one hand, what the locals say might be out of personal conviction, however, I'm more inclined to believe that there is something rather cunning in their approach. Along the lines of – let's tell these foreigners they're better off here, we're all “brothers” here, and let's keep the money here in the Federation, rather than have them invest it elsewhere in Republika Srpska. So, I'm pretty sure there is a degree of that as well. As Kenan said, they get “ambushed” here...

MM: Definitely. When Hana and I used to go to these meetings with the Gulf investors, attended by the representatives from the local authorities, we used to get really annoyed. We would just keep rolling our eyes... Some of the locals were so keen to please the investors, they were making sure that they were using Arabic expressions such as “assalamu alaikum”, or even “bujrum” which is, first of all, a

Turkish word and Arabs don't even use it. It was so embarrassing - they kept repeating “bujrum, bujrum” and I kept thinking “please shut up, they don't even understand what you're saying...” (*laughter*) Also words like “marhaba”, or “merhamet”, Turkish words with Arabic roots that we often use... It's as if they think that the use of such words could make the investors feel at home in Bosnia.

MP: Clearly, again, this is the case of using religion as a cultural signifier. Even though that's not at all like that.

MM: Not at all...

MP: But that's their way of keeping the investors “with us”... let's stick together, we're “brothers”, we understand each other...

MM: Yes. And, I've just remembered something. You know, I can't always be negative about everything, so I'm trying to think about some positive and funny moments considering this situation we're in. My friend lives in Otes (*a neighbourhood near Ilidža*) and a lot of people there rent their houses out to Arab tourists. You know, those neighbourhoods with unfinished houses with no cladding built ad-hoc in the early 1990s. My friend's grandmother lives right next to that neighbourhood. And when the friend went to visit her grandmother she found three Arab women sitting in her house. So, my friend asked what were the women doing there, and her grandmother replied: “Well, they had just come over for a visit! And I let them in!”. Apparently they were doing “rounds” around the neighbourhood to introduce themselves and they ended up at her grandmother's place. They literally couldn't understand each-others, and grandmother couldn't even see their faces as they were wearing niqabs, but she made them some Turkish/Bosnian coffee and

that's how they found a common language. So they are trying to mingle and introduce themselves to the neighbours. They don't want to be complete strangers...

MP: Yes, sounds like they're trying to get to know the neighbours and integrate with the locals, at least to a certain degree. I also remember watching this programme recently, I think it was on Al Jazeera, about Osenik development. And they spoke to Bosnian people who live in villages around Osenik. I have to be honest, I was laughing quite a bit, cause you know what Bosnians are like in front of cameras. We're certainly not the most articulate of nations at the best of times, especially not in front of cameras where everyone just freezes anyway. So, they were asked questions about Arab tourists, and most people would say the same thing: "Oh, they're very nice people...". Then, one of the ladies said: "And you know, they're also Muslim", so I guess there is also a certain feeling of familiarity and safety among Bosnian Muslims in knowing that. What was interesting was that most of them were very happy because they had gotten jobs in Osenik, as there are shops and other types of services on offer there. I thought it was quite illustrative of the dire state of the country's economy. Realistically speaking, these jobs are not some dream jobs, they're just jobs in tourism and services, but clearly they're much better than doing nothing.

MM: I know. My father told me a story about his car mechanic. The man is beyond grateful, as the Arab tourists rent all his cars and vans for 80€ per day. That amounts to quite a lot of money over a four month summer period.

MP: And for Arab tourists, 80€ is next to nothing.

MM: In Bosnia, four families could live off that money. He feeds his own family, his brother's family, he pays for his brother's kids' schooling... Also, in AHA+KNAP we used to work with a guy whose mother was Bosnian and father was Syrian. He was born and raised in Sarajevo, but spoke fluent Arabic. He used to make 80€ per day as a tour guide. He would just show them around for a bit, not much to do, and would make 80€ in one day. That's a significant amount of money, especially for someone who's just gotten out of university and has no work.

00:28:15 to 00:36:16

MM: What I also find interesting is to look at the Facebook comments and discussions, as a way of psychologically profiling the city. I have always found the idea that Sarajevo is a multicultural city quite ridiculous, especially since the 1992. For a city that boasts itself to be very multicultural, it is actually rather homogenous. As much as Republika Srpska has been ethnically cleansed, this side isn't all that different in a sense that it's become very much ethnically homogenous.

MP: Yes, unfortunately that's true.

MM: And of course, everyone believes that they are "multicultural" because their idea of multiculturality is that you have two churches (*Orthodox and Catholic*) and a synagogue, alongside a mosque, in this, so called, "European Jerusalem." However, once someone who is different appears among us, they're faced with an explosion of xenophobia. And here, I mean someone who is completely different. I don't even want to go to the lengths of taking London as an example, but we could think of a smaller city, where a lot of tourists come to visit from all over the world. Tourism in Bosnia and Herzegovina hasn't yet reached that level where we have

tourists from all over the world. Most of the tourists come from the European countries, or are rich Americans, which means people who are in many ways similar to us. Yet, once someone who is altogether different from us shows up there is a total breakdown in communication. Still, at least this has kick-started a discussion around this idea of multiculturalism, and has brought in important voices of educated people who question this concept within our context – how multicultural are we?

MP: And what does multiculturalism even mean here?

MM: And to have someone finally say that we aren't really multicultural at all.

MP: Yes, and it's a...(*MM's voice in the background*)

MM: Sorry to interrupt you, if I may just add something... Professor Esad Duraković... I was appalled by his recent interview. To be completely honest, he's a close friend of my father's and I have the utmost respect for his academic work. However, in his recent interview with Senad Hadžifejzović...²³⁷

MP: Yes, I watched that interview.

MM: To put in the same sentence that we've been a cosmopolitan society throughout the history and then follow that up with all those other things he said, such as "they're coming over and taking our land" and so on. To juxtapose these

²³⁷ Senad Hadžifejzović is a well-known Bosnian journalist and a news anchor who hosts local, regional and international guests in his evening news programme "Centralni dnevnik" on Face TV. On the 9th of September 2016, Esad Duraković, a renowned academic, translator and a literary critic specialised in Arab culture and literature, was his guest. One of the main subjects discussed in the programme was the influx of Gulf Arabs and their investments in Bosnia and Herzegovina. Duraković has been well known in public for his negative views of this trend and in this programme he was very vocal in expressing his concern over the selling the land to Gulf investors.

two things together is quite telling of the problem we're facing - the ideas we've got about our own cosmopolitanism, and the reality that completely opposes those ideas.

MP: Yes, I have watched that particular interview with Hadžifejzović. It was a long one, Duraković spoke for over half an hour. He was elaborating and presenting some theories, that I found somewhat dubious and potentially unfounded. Perhaps some of it makes sense, but the evidence is needed to support these claims.

MM: And most of those things that he claims, and not just him but many others, are, if I may say so, small-town speculations, unfounded and unsubstantiated. And when he talked about “*them* taking our land” he forgot to say that our people have been gladly selling that land.

MP: Exactly! And, of course the question of land-selling is a contested one and it has indeed become a problem - no one is even trying to argue the opposite. However, what we should ask instead is why have the local people been pushed to the point where selling the land is their only option? Also, why isn't there anyone who could advise them to do things in a somewhat different manner, such as land concessions or partnerships where, for instance, a local person provides the land and the foreign developer invests the money? There are various ways in which one can conduct business. I guess the biggest problem in Bosnian and Herzegovinian society is an acute lack of knowledge, as well as...

MM: Being closed off...

MP: Yes, and being closed off and small-minded.

MM: Our internal relations, disagreements and problems have driven everyone so crazy that no one can see past those issues any more. Do you remember when I was telling you about Poljine Hills? When we started working on the project...

MP: Yes! Would you mind telling that story from the beginning so that I can have it on record?

MM: Yes. So, I don't exactly remember who was the investor...Shiddi?

MP: Yes, it was Al-Shiddi. I remember that the project was advertised in Sarajevo City Centre.²³⁸

MM: Yes, that was it. So, allegedly it was the owner of Al-Shiddi who first saw that plot of land, which is essentially Hotonj, not Poljine area. It's a large plot, and because I live on Kobilja Glava, which overlooks Hotonj, the site is visible from my house. Masterplan for that area was done quite well - it is situated right above that nicely designed row of houses in Hotonj - so I guess they thought they could carry on developing the site by using a similar template. Anyway, as soon as they got in touch with us (*AHA+KNAP*) to do the design, we brought Naca (*Narcisa Gaković*), a landscape architect, on board. She had been involved in this project

²³⁸ Sarajevo City Centre (SCC) is a commercial complex located in Sarajevo's Marijin Dvor area. It was built during the second wave of investments and officially opened in April 2014. The project has been discussed in more detail in Chapter 4. Since its opening, the investor Al-Shiddi has used the public areas in the shopping centre to advertise its other projects in Sarajevo Canton, such as Poljine Hills.

from the start and was with us when we made our first site visit. As soon as we got there she said that she found it a bit suspicious that there wasn't a single tree on the entire site. After doing a very basic soil analysis she figured that the soil was mostly limestone, which points to the presence of subterranean waters that usually render the terrain unstable.

MP: Basically, it was a potential landslide?

MM: Yes, a potential landslide. And that's why the area had been left unbuilt. Local people have certainly been aware of it. We even saw a shepherd herding sheep on site... So, before we started working on the design proposal, Narcisa (*Gaković*) got in touch with the Institute for Planning of Sarajevo Canton to obtain a map showing the stability of the terrain in the area, and there was a big red mark across the site meaning that the area is highly problematic and very dangerous for construction. Taking that into consideration we produced a design proposal where we wouldn't use the usual concrete foundations, but some form of piles – I can't recall the exact details any more. However, the client found our proposal too expensive and too complicated, so they just moved on to the next architect who consented to do whatever they wanted them to do. As I was in charge of designing catalogues for most of such projects, I also did a draft catalogue for this one and in the title I used Hotonj as the name of the area. In their feedback they asked us to change the name Hotonj to Poljine, which is in fact a neighbouring area. That was because they figured out that Poljine area was a much more prestigious one, since that is where all the politicians and rich Bosnians have built their houses. Poljine is perceived as an elite area, but this is Hotonj and definitely not Poljine, so I found that quite amusing.



Annex 2 Index

3rd Edition

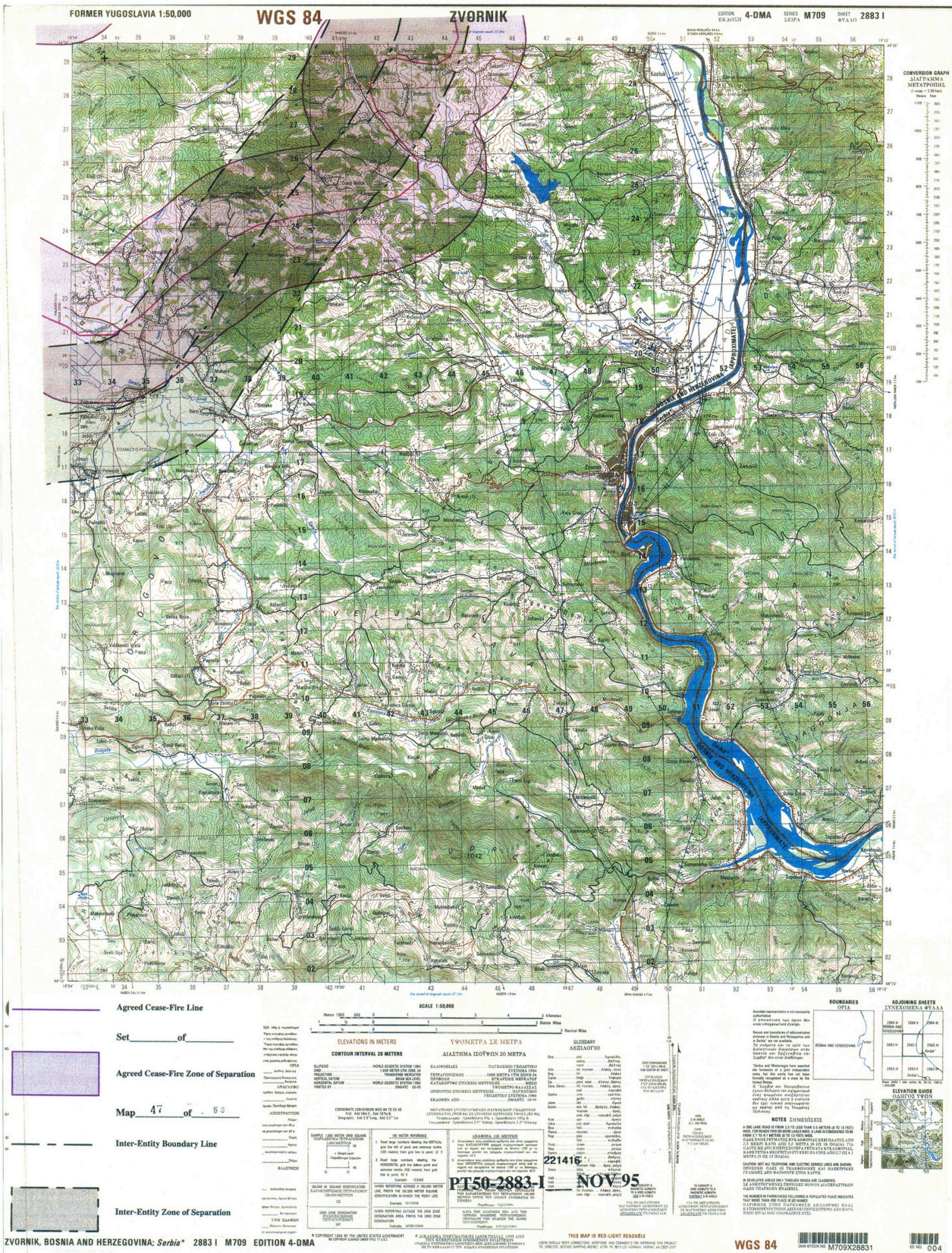
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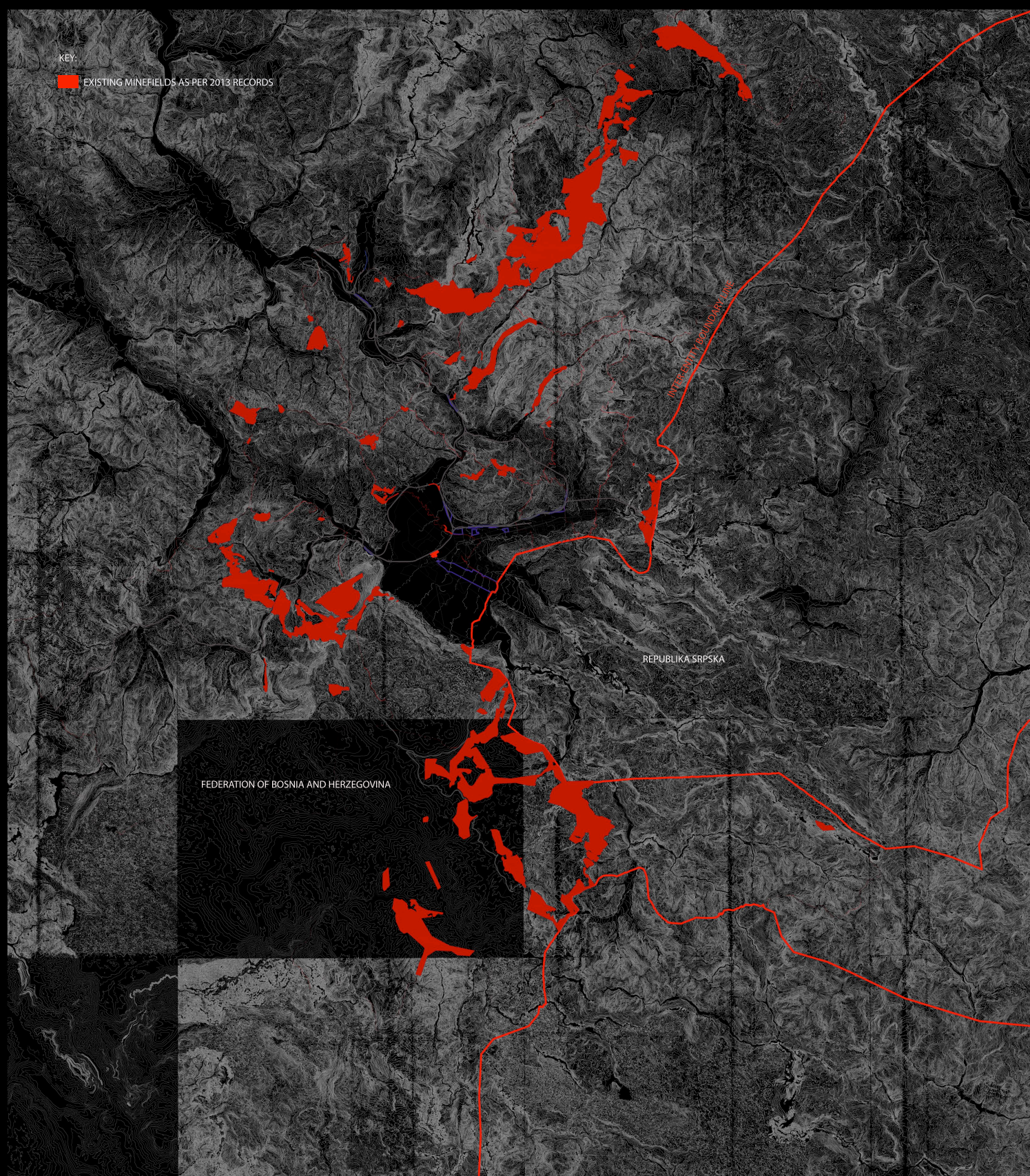
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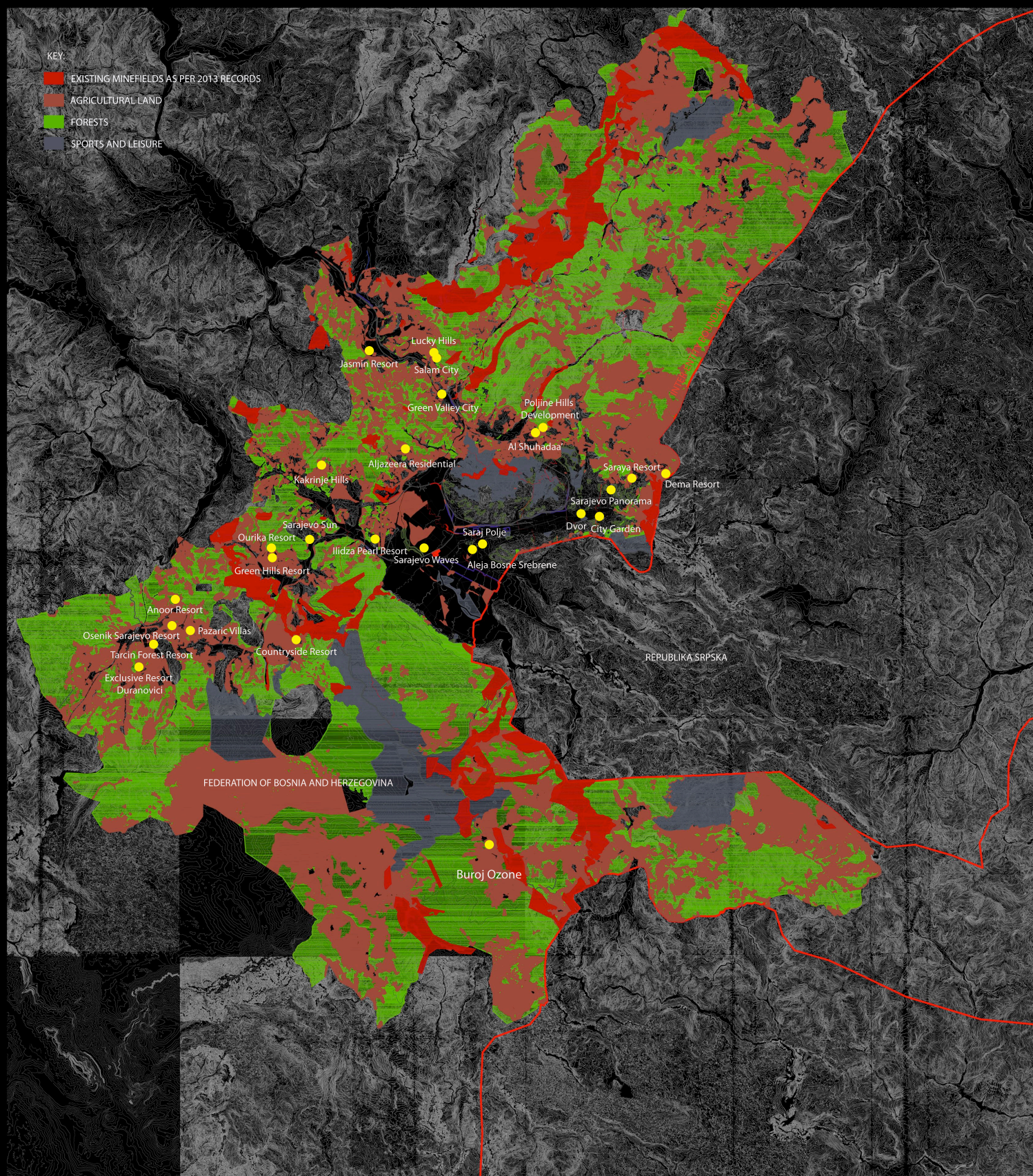
Map 1, Dayton Peace Accords, Annex 2 Index, November 1995



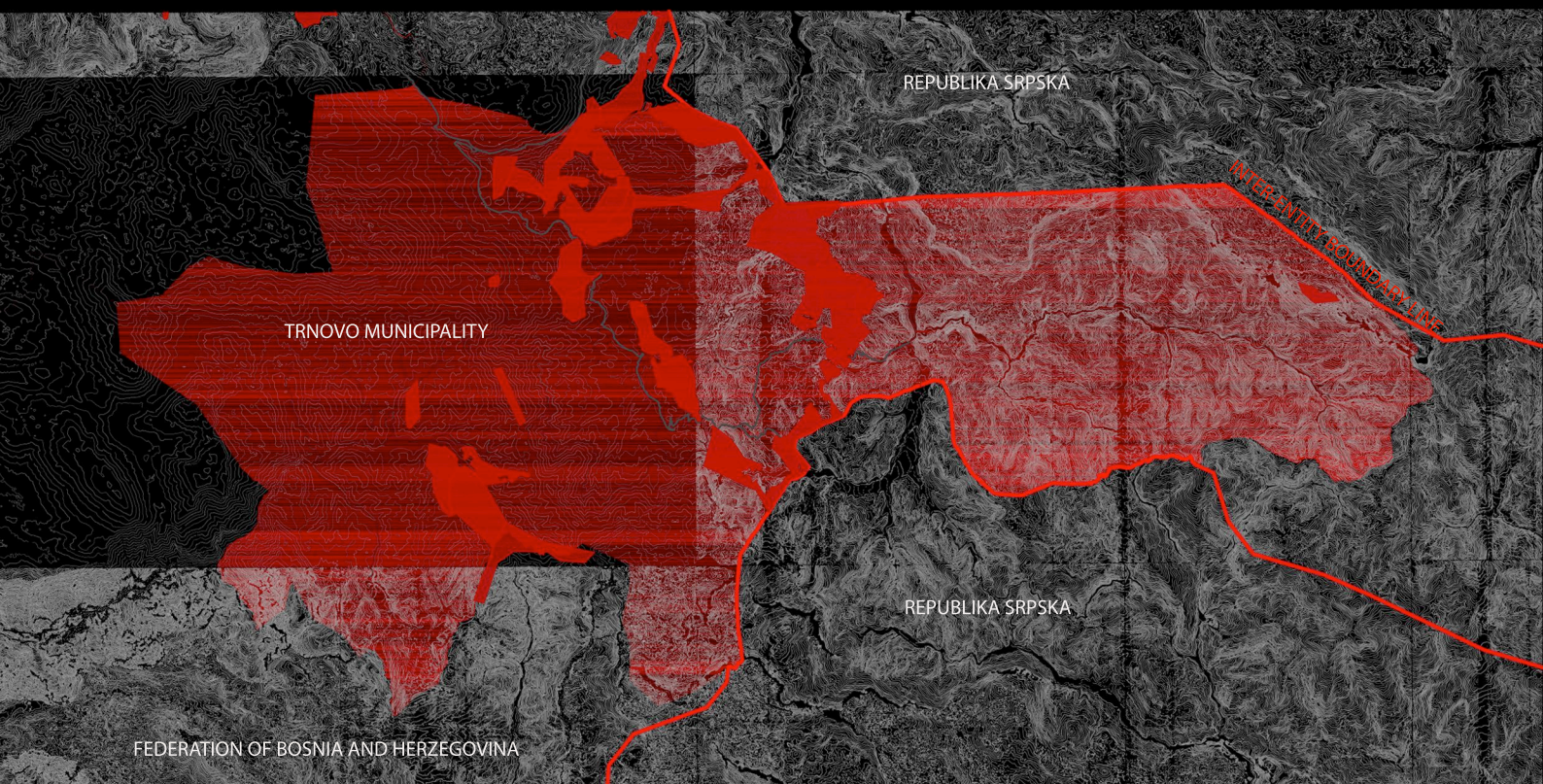
Map 2, Dayton Peace Accords, Zvornik, November 1995



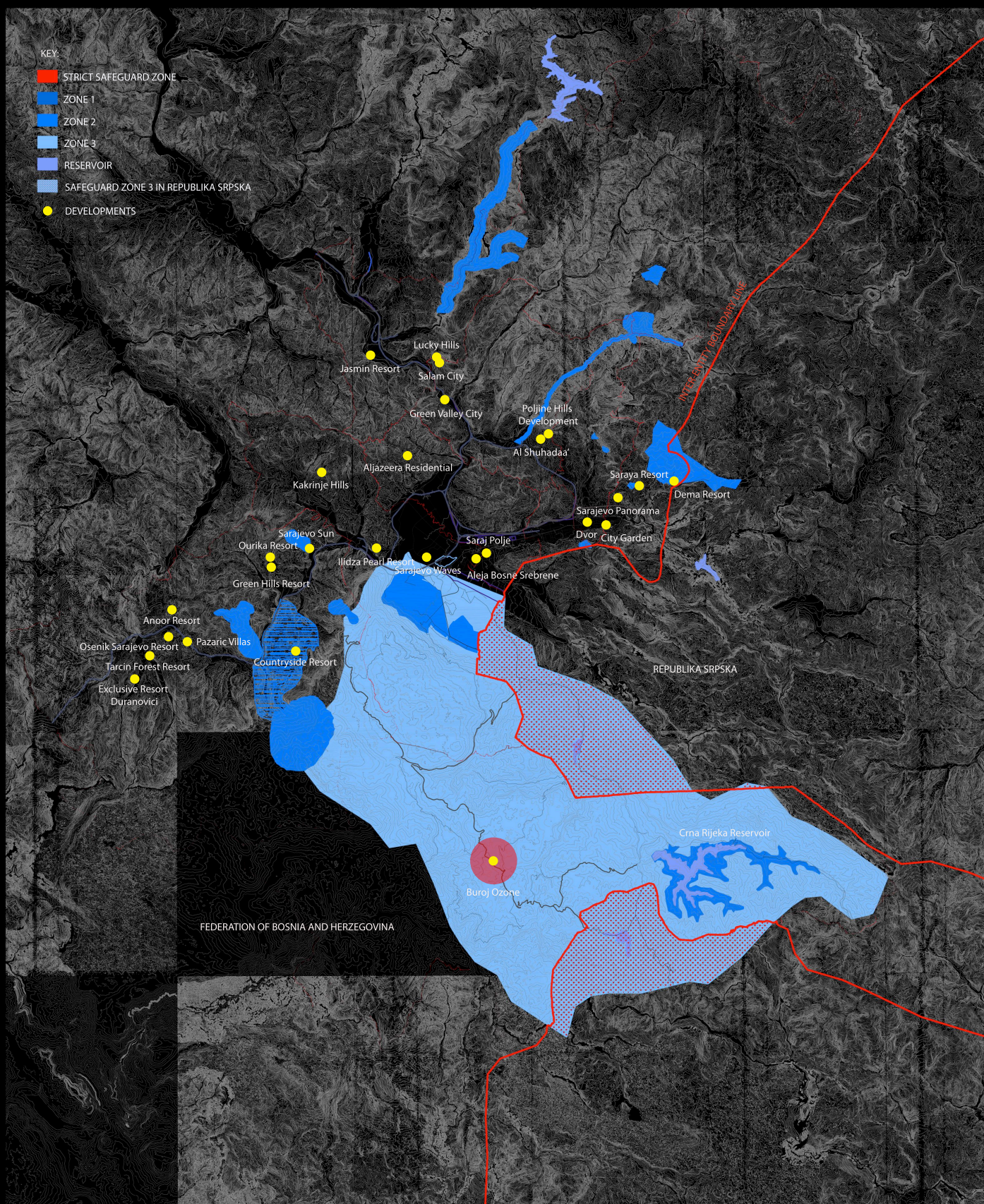
Map 3, Map of recorded minefields in Sarajevo Canton (2013)



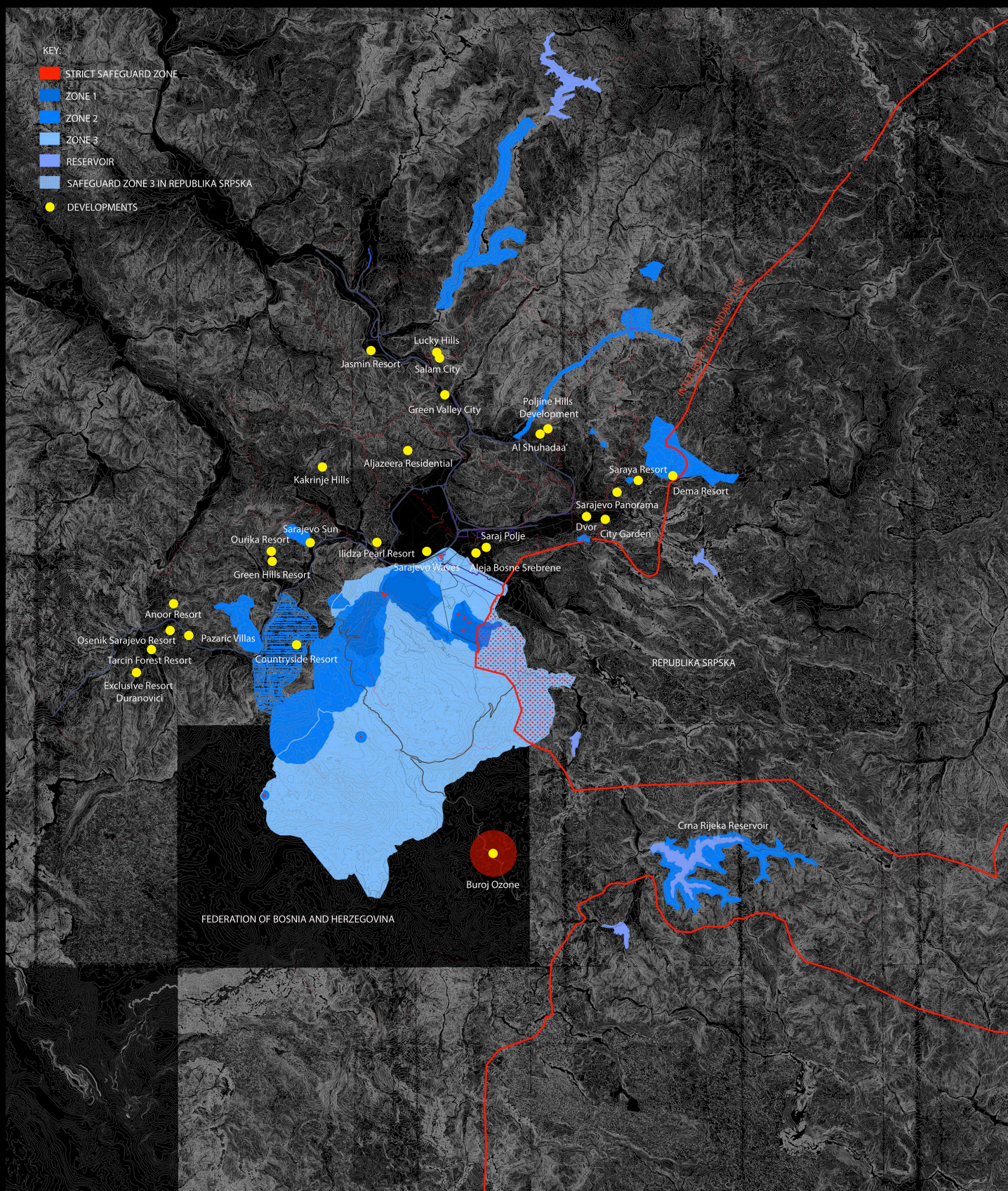
Map 4. Map of designated areas (Agriculture, Forests, and Sports and Leisure) as per Spatial Plan of Sarajevo Canton from 2006, combined with a map of existing developments and a map of recorded minefields.



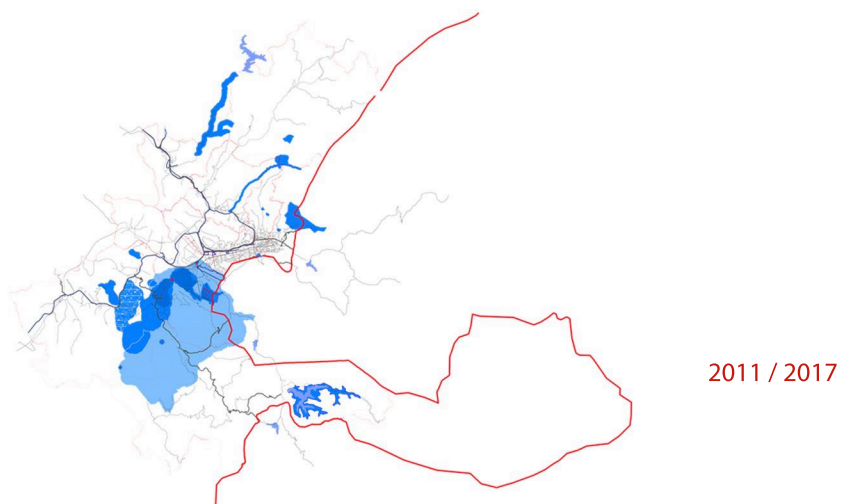
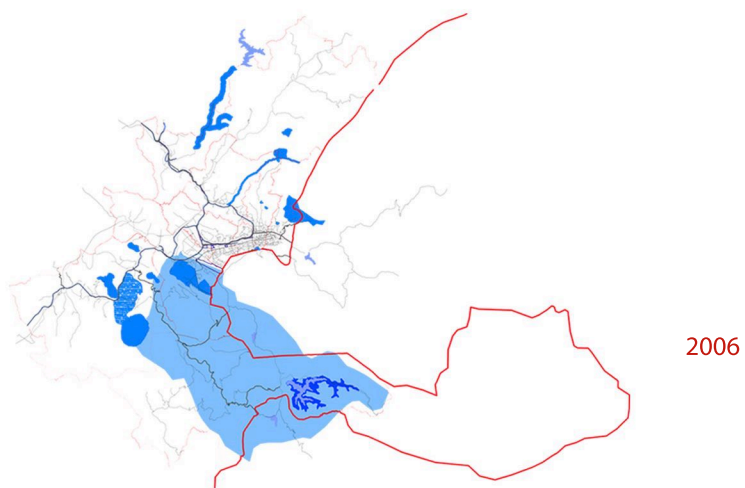
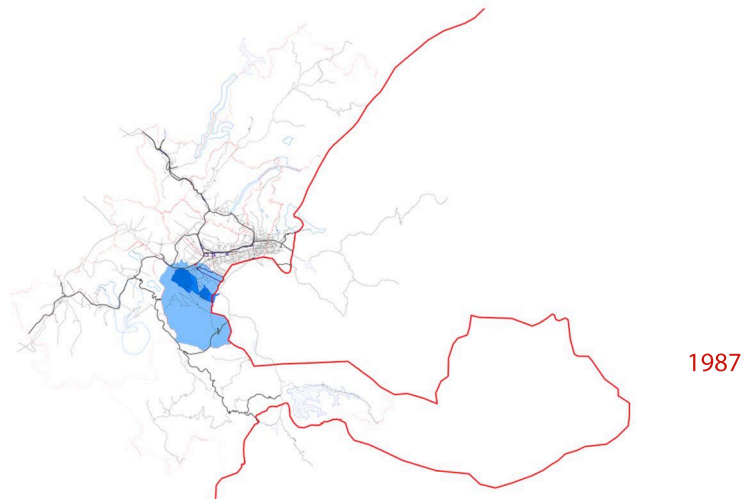
Map 5, Map of minefields in Trnovo municipality



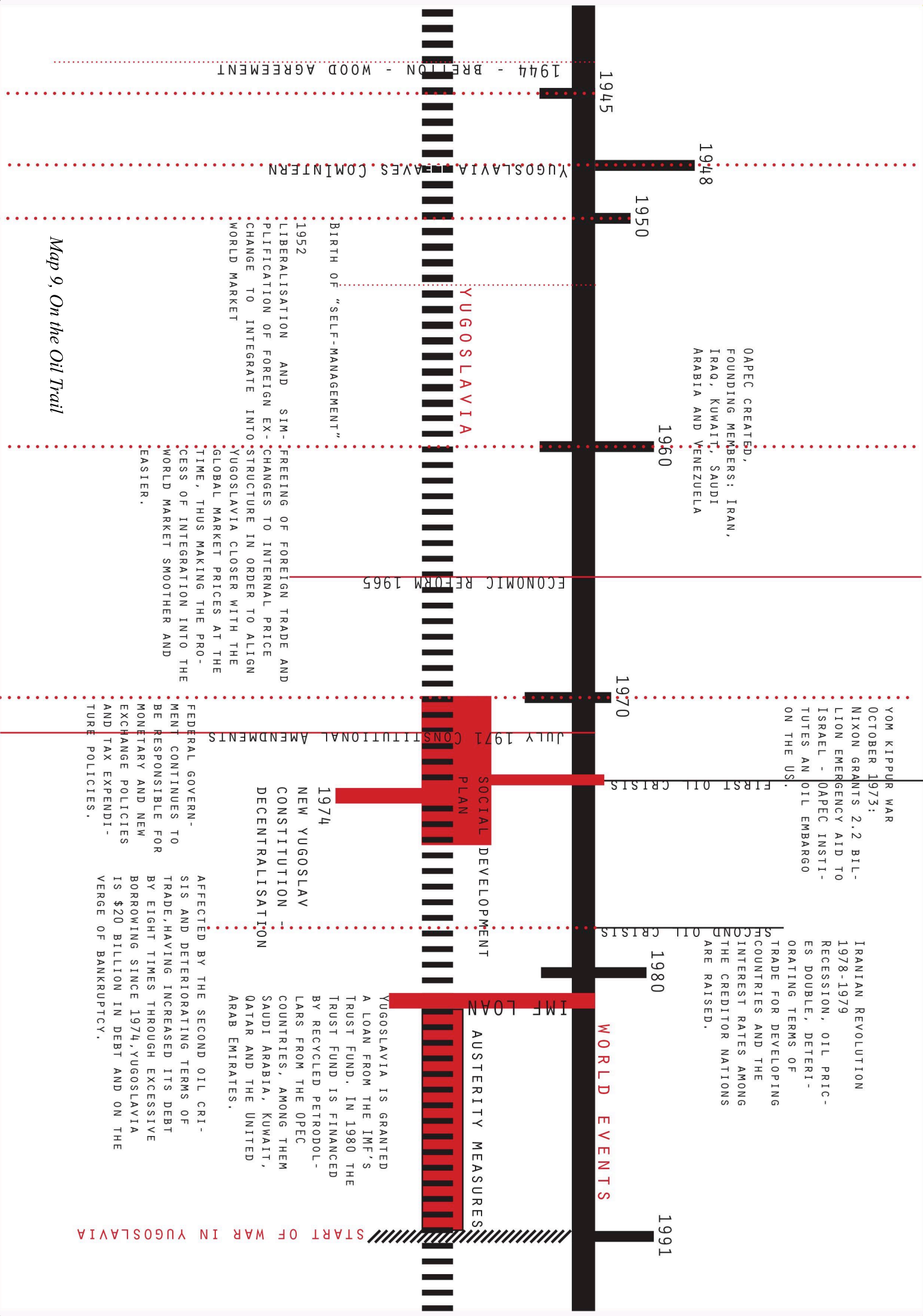
Map 6, Map illustrating position of Buroj Ozone development in relation to the Safeguard Zones in “Sarajevsko polje” basin as per Spatial Plan for Sarajevo Canton 2003-2023 from 2006.



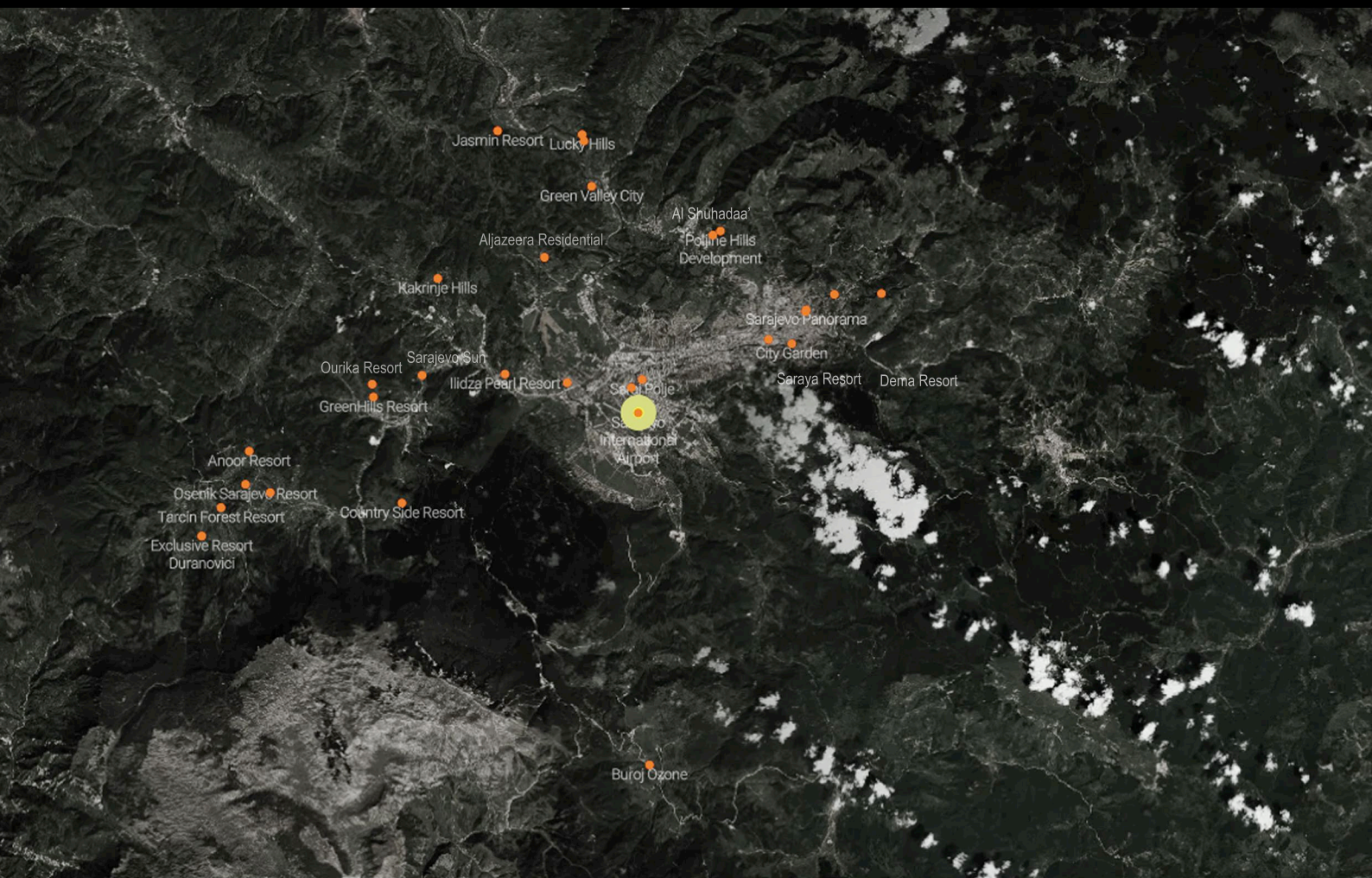
Map 7, Map illustrating position of Buroj Ozone development in relation to the Safeguard Zones in "Sarajevsko polje" basin as per Revised Spatial Plan for Sarajevo Canton 2003-2023 from 2017.



Map 8, Changes to Safeguard Zone areas in “Sarajevsko polje” basin from 1987-2017



Map 9, On the Oil Trail



Map 10, Map of developments in Sarajevo Canton, 2018



Fig. 6: Sarajevo Resort Osenik, April 2018



Fig 7., Sarajevo Resort Osenik, April 2018



Fig. 8. Sarajevo Reservoir, Bosnia and Herzegovina, April 2018



Fig 9, Sarajevo Waves, April 2018



Fig 10, Sarajevo Waves, April 2018



Fig. 11, Poljine Hills, Sarajevo April 2018



Fig 12, Poljine Hills, Sarajevo April 2018



Fig.12. Poljine Hills, Sarajevo April 2018



Fig. 14. Saraya Resort, Sarajevo Canton, June 2018.



Fig 15, Saraya Resort, Sarajevo Canton, June 2018

9.0 Appendix 2

9.1 Levels of Government in Bosnia and Herzegovina

1) Executive Branch:

- Presidency of Bosnia and Herzegovina: rotates among three members (Bosniak, Serb and Croat), elected by the people and responsible for foreign policy and the budget
- Council of Ministers of Bosnia and Herzegovina: nominated by the Presidency and approved by the House of Representatives
- Republika Srpska and Federation of Bosnia and Herzegovina: presidents and vice-presidents who rotate every six months

2) Legislative Branch:

- Parliamentary Assembly: House of Peoples and National House of Representatives
- House of Peoples: 15 delegates who serve 3 years (5 Serbs, 5 Bosniaks and 5 Croats) House of Representatives: 42 members, 4 year term, 2/3 from the Federation of Bosnia and Herzegovina, 1/3 from Republika Srpska
- Entities: Parliament of the Federation of Bosnia and Herzegovina, Parliament of Republika Srpska

3) Judicial Branch:

- Constitutional Court
- State Court

- Human Rights Chamber
- Entities

10.0 Appendix 3

10.1 Environmental Protection

1. Constitution of Bosnia and Herzegovina does not include issues of environmental protection. Therefore they are transferred onto the level of entities.
2. According to the Federal Constitution, the Federation of Bosnia and Herzegovina has a shared jurisdiction over health, environment, tourism and the use of natural resources. This responsibility over these issues can be assumed together or separately, or by cantons themselves, yet it has to be coordinated by the Federal government and in accordance with the Article 3.
3. Cantons govern everything that hasn't been outlined as a responsibility of the Federal government, such as: policy development in relation to regulation and provision of public services, regulating local use of land and overseeing electricity generating premises, setting up and implementing control policies with regards to tourism and development of tourist resources.
4. In Republika Srpska, the environmental protection is regulated in accordance with the Article 68 of the Constitution of Republic of Srpska.
5. In Republika Srpska the municipalities are in charge of development of “urban policies”.