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Report on preliminary fieldwork in Bosnia-Herzegovina

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Report on preliminary fieldwork in Bosnia-Herzegovina

The aim of the preliminary fieldwork in Bosnia-Herzegovina (BiH), a post-conflict society that has been extensively researched and written about, was to identify the initiatives that the study will focus on and will be able to contribute to the already large existing literature on BiH. While most of this initial visit was based in Sarajevo, the capital, visits were also paid to Tuzla, Zenica, and Mostar.

The initial focus of the preliminary fieldwork was the role of civil society actors in the process of peacebuilding and in redefining some of the societal norms through local forms of resistance. In particular, we were interested in their role in three areas: (1) gender issues, (2) youth initiatives, and (3) initiatives that affect the development of market economy in the country. The research aimed to identify critical local agency in the civil society, while shedding light on the interaction within the triad of civil society, local government structures, and international community, in these three areas. However, the initial field research showed that the concept of ‘civil society’ is understood to mainly involve non-governmental organisations and civic movements. The number of officially registered NGOs in post-conflict BiH has grown so fast that there are currently over 12,000 NGOs in the country.¹ Nonetheless, not only does the civil society defined this way remain divorced from the general population, it is also seen as a large ‘money laundry’ mechanism.² Equally importantly, the NGOs remain donor driven, or in the words of an NGO representative, “[one] has to follow donors’ trends, so then [one] changes [the] goals accordingly.”³ The civic movements, on the other hand, while initially having a critical element, in order to receive any kind of support ought to be registered, with which they appear to lose the impetus and become yet another NGO.⁴

This made us reposition our interest and zero in on individuals and different, not necessarily formal, societal groups. To reiterate, the focus of the research in BiH is on critical local agency, forms of resistance and consequently, hybridity. Two aspects are particularly interesting for us – the unintended consequences of peacebuilding initiatives, and the everyday resistance to what the liberal peacebuilding process entails. In understanding the latter, we acknowledge that resistance does not necessarily have to recognise itself as such. Resistance, in the context of this research, does not refer only to mass rebellious movements, but even more importantly, to everyday practices that do not comply with the liberal peace project and challenge the liberal hegemony. In that sense, resistance can be defined as “those behaviours and cultural practices by subordinate groups that contest hegemonic social formations, that threaten to unravel the strategies of domination; ‘consciousness’ need not be essential to its constitution. Seemingly innocuous behaviours can have unintended yet profound consequences for the objectives

¹ Interview with representative of the international community to BiH, Sarajevo, November 16, 2011.

² Derived from interviews with NGO and IC representatives, October-November 2011.

³ Anamarija Mirašćić (representative of BOSPO), interview by author, Tuzla, November 14, 2011.

⁴ Nedim Klipo (representative of JOSD), interview by author, Sarajevo, November 13, 2011;
Darko Brkan (representative of Dosta!), interview by author, Sarajevo, November 23, 2011.

of the dominant or the shape of a social order.”⁵ Importantly, there are acts of resistance that are observable, but fail to be recognised as resistance by the ones in a dominant position. Such an example would be the acts that James C. Scott calls “ordinary weapons of relatively powerless groups,” and can include “foot dragging, dissimulation, false compliance, pilfering, feigned ignorance, slander, arson, sabotage, and so forth;” all of which have in common that “[t]hey require little or no coordination or planning; they often represent a form of individual self-help; and they typically avoid any direct symbolic confrontation with authority or with elite norms.”⁶

In an attempt to bring something new to the table on a case that has been so much written about, after the preliminary fieldwork, we have decided to focus on social situations in three areas: (1) constitutional and societal boundaries; (2) gender-based micro loans; (3) regulation of shadow economies and liberalisation of the agricultural market.

Our research is primarily ethnographic and focuses on various social situations. In it, three types of methods are used. Aside of semi-structured interviews with actors on the ground, and archival research involving document analysis, the research to a large degree draws on data gathered through participant observation, focusing on the local actors, as well as the ethnography of the internationals. In the case of the latter, in addition to ethnographic interviews with the ones who run initiatives related to the areas we are interested in, document analysis is also important. This will allow us to map out the political rationalities through written documents, be it policy papers or reports, and the political technologies, or the tools and mechanisms to be used in implementing the initiatives.

(1) Constitutional and societal boundaries

The institutional setup of post-Dayton BiH is fairly complex, with the country being divided between two entities and a district, ten cantons within one of the entities and further decentralisation at municipal level. At the same time, the BiH constitution recognises three constitutional peoples: Bosniak (or Bosnian Muslim), Croats and Serbs. Consequently, the quota system used, for instance, for allocating seats in state institutions recognises only these three, with a certain segment of the society being excluded, such as the Roma and people of inter-ethnic background, among others. Furthermore, according to a public opinion poll in 2010, a member of their family marrying a Bosniak was unacceptable to 73.9% of the Croat, and 57.7% of the Serbian population covered with the survey, while marrying a Croat was unacceptable to 60.8% of the Bosniaks and 55.4% of the Serbs, and marrying a Serb was unacceptable to 63.3% of the Bosniaks and 52.8% of the Croats.⁷

All of the above taken into consideration, inter-ethnic marriages can be seen as a local form of resistance to the both societal and constitutional boundaries that exist in post-conflict BiH. This kind of marriages are not only are an example for critical local

⁵ Douglas Haynes and Gyan Prakash, eds., *Contesting Power: Resistance and Everyday Social Relations in South Asia* (Berkeley, CA: University of California Press, 1992), 3.

⁶ James C. Scott, James, *Weapons of the Weak: Every-day Forms of Peasant Resistance* (New Haven, CT: Yale University Press, 1985), 29.

⁷ “Early Warning System 2010,” UNDP BiH, release date July 27, 2011, accessed November 25, 2011, <http://www.undp.ba/index.aspx?PID=36&RID=129>.

agency in resisting the attempt to categorise the population in three neatly established constitutional groups, but also in the way in which the children of such marriages are raised, which appears to challenge certain societal norms. A question often asked is in the spirit of which religion the children will be brought up.⁸ In addition, in 2009 a case was brought to the European Court of Human Rights, *Sejdić and Finci v. BiH*, in which the applicants contested the constitutional provisions that allowed for only members of one of the three peoples to be elected for certain positions. The Court found the BiH Constitution discriminatory in that regard and in violation of the European Convention on Human Rights.⁹ As a result, a constitutional reform has been initiated in BiH.

Some inter-ethnic couples regard the public ‘silence’ when it comes to mixed marriages as a result of the challenge they pose to the status quo that the nationalist rhetoric has created and the assumption of impossibility of the co-existence of different ethnicities.¹⁰ Nevertheless, there appears to be a shared understanding among people that enter inter-ethnic marriages and people that come from such families regarding the questions of how the inter-ethnicity has shaped their lives. Many of them believe that that has made them more open-minded and taught them not to judge people by their religious or ethnic belonging.¹¹ Similarly, many seem to embrace the diversity of religious backgrounds in the family, celebrating both Eid and Christmas, and letting the child decide which religion he/she will follow once old enough.¹² A large number of them also decide to be atheists or agnostics.¹³ Interestingly, however, due to the significantly segmented education system and segregated schools, children from mixed marriages in Sarajevo often end up attending the Catholic School Centre St. Joseph, including both elementary and high school, which is considered to be one of the best schools, but also the most diverse and accommodating one.¹⁴

Given the aforementioned complexity of structures established post-Dayton and the decentralisation that has taken place, the division of responsibilities is oftentimes unclear, leaving room for the local population to exploit the divisions to their own benefit, which frequently means ensuring subsistence. Of special interest to our research are the areas along the line of division between Republika Srpska and the Federation of BiH and the resistance of the local population to such divisions and internal borders, by finding ways to cope with the difference in legislation between the two entities. Particularly interesting is the resistance to these dividing lines in the realm of (1) social

⁸ “Relationship with a person of a different religion, potential problems?,” Gracanica.net forum, last modified October 15, 2007, accessed November 25, 2011, <http://www.gracanica.net/arhiva/index.php?action=printpage;topic=1353.0>.

⁹ European Court of Human Rights Grand Chamber, “Case of *Sejdić and Finci v. Bosnia and Herzegovina* (applicants numbers: 27996/06 and 34836/06), December 22, 2009, <http://cmiskp.echr.coe.int/tkp197/view.asp?action=html&documentId=860268&portal=hbkm&source=externalbydocnumber&table=F69A27FD8FB86142BF01C1166DEA398649>

¹⁰ Barbara Matejčić, “Mixed Marriage as a Burden of Today’s Bosnia,” *buka*, December 18, 2010, accessed November 25, 2011, <http://6yka.com/mjesoviti-brak-teret-a-ne-sloboda-izbora>.

¹¹ “Ethnically mixed marriage,” Sarajevo-X forum, last modified June 18, 2010, accessed November 25, 2011, <http://www.sarajevo-x.com/forum/viewtopic.php?f=1&t=68725>;

“Mixed marriages in BiH,” *Dnevni Avaz* forum, last modified August 28, 2009, accessed November 25, 2011, <http://forum.dnevniavaz.ba/showthread.php?1116-Mjesoviti-brakovi-u-BiH>.

¹² *ibid.*

¹³ *ibid.*

¹⁴ Mirna Jusić, interview by author, Budapest, December 12, 2011.

benefits and (2) taxation by the local population in the area of Sarajevo—East Sarajevo (Istočno Sarajevo) and Republika Srpska—Tuzla canton (Tuzlanski kanton).

An example of a local form of resistance when it comes to social benefits, in particular to health insurance, is the case when returnees from the Municipality Osmaci (Republika Srpska) to Municipality Kalesija (Federation) could not receive health insurance for their children due to differences in legislation. Namely, in the Federation within 30 days of the conclusion of one's employment contract, the person has to register with the Employment Institute in order for one's children to be eligible for health insurance. In Republika Srpska, there is no time limit for registration and the children of all unemployed are insured. However, since the returnees were employed in the Federation before the war, the time for registration had lapsed. Thus, they found acquaintances that employed them, only to fire them afterwards, with the single aim of the returnees being eligible to register with the Institute and have access to healthcare.¹⁵ This, aside of playing the system, also shows an attempt in undermining the boundaries imposed on the people of BiH.

An example regarding resistance in the area of taxation involves the differences in legislation when it comes to income tax between Republika Srpska and the Federation.¹⁶ The income tax in the Federation is 10%, while in RS it is 8%. Out of the salary, the first 300 BAM are non-taxable for residential taxpayers. Similarly, residential taxpayers have tax exemptions related to their marital status, number of children, mortgages, etc.¹⁷ Nonetheless, the exemptions only apply to residential taxpayers of that entity. In the case of Sarajevo, it often happens that people who live in East Sarajevo (Republika Srpska) work in Sarajevo (Federation). In those cases, when the company is registered in both entities, even if the RS residents work in the Federation office, they sometimes register with the RS office in order to be eligible for tax exemptions.¹⁸ This appears to reinforce the existing constitutional entity division. To that end, in the next field visit, both people who register with offices in their own entity in order to receive tax exemptions and people who pay taxes in the entity where they work, when that is different from the one they live in will be interviewed.

Finally, another example of resistance to the constitutional boundaries are multiple occasions when the difference in official alphabet between the Federation and Republika Srpska, with the former using Latin alphabet and the latter using Cyrillic, has been exploited to citizens' benefit. A recent example includes a case when a person from Banja Luka (RS) managed to escape paying a fine for not validating his tram ticket in Sarajevo, arguing that he does not understand Latin, the alphabet in which the

¹⁵ Interview with NGO representative, Tuzla, November 14, 2011.

¹⁶ Income Tax Law, Official Gazette of the Federation of BiH 10/08; Income Tax Law, Official Gazette of Republika Srpska 91/06.

¹⁷ Admira Bakić, "How to realise tax exemptions?," Radio Television of the Tuzla Canton, December 31, 2009, accessed November 26, 2011, http://www.rtvtk.ba/index.php?option=com_content&view=article&id=11438:kako-ostvariti-poreznu-olakicu-&catid=81:europa&Itemid=197.

¹⁸ Interview with company executive, Mostar, October 23, 2011.

instructions on the ticket were written.¹⁹ Similar examples in the past have led to adaptation of signs, for instance, where the text appears in both alphabets.

(2) Gender-based micro loans

Given that underlying peacebuilding in a post-conflict society is a redistribution of power and resources, the new order holds the prospects for either transforming gender relations or reinforcing the existing hierarchies.²⁰ However, zeroing in on the UN gender discourse on peacebuilding, one cannot help but notice how deeply rooted it is within a liberal gender mainstream approach.²¹ This suggests that gender has simply been implanted onto already existing power structures.²² Liberal feminism focuses on “amending gender discrimination, while leaving unchallenged the normative construct of the woman” and refusing to connect “gender issues with larger forms of oppression.”²³

In the case of BiH, there has been a triple burden complicating gender relations to a great extent: the strong patriarchal tradition, a number of depoliticisations that took place during the communist period and the war causing outburst of exclusionary identitarianisms.²⁴ Looking back at the communist era and the legacy thereof, the discourse relating to anything even marginally linked to gender issues was reduced to ‘women’s equality’ and ‘emancipation through the infrastructure’, which was then assumed to lead to numerous forms of ‘emancipation’ in the superstructure, without using the notion ‘gender’ in any political terms. Therefore,

gendered constructions were masked, and falsely effaced by reducing them to the dominating depoliticising, or apolitical, rhetorics of ‘women’s questions’ that were seemingly being solved. The dominant political discourse/language cemented itself as the ‘only game in town’ of speaking/doing politics – its imposition on those who wanted to act upon gender-based exclusions was their most paralysing defeat from which they have not yet recovered.²⁵

Thus far, there has been no repoliticisation of gender in BiH, as it is the case with most of the former Yugoslav countries. The political discourse in the region has been “historically grounded in the traditional folkloristic or epic imaginaries,” with the system of ‘heroic patriarchy’ above and beyond at the core of its “symbolic matrices and communication models.”²⁶ Given the ethno-national regimes of power and knowledge that constitute the presently dominant framework, not much has changed in post-war

¹⁹ “Banja Luka citizen, thanks to Cyrillic, avoids paying a fine,” Sarajevo-X, January 18, 2012, accessed January 18, 2012, <http://www.sarajevo-x.com/bih/sarajevo/banjalucanin-zbog-cirilice-izbjegao-placanje-kazne/120117116>.

²⁰ Heidi Hudson, “A Non-Hegemonic Feminist Challenge to the Liberal Gender Politics of Contemporary Peacebuilding” (paper presented at the annual meeting of the International Studies Association, Montreal, Canada, March 16-19, 2011), 9.

²¹ See, for instance, Carol Cohn, Helen Kinsella, and Sheri Gibbings, “Women, Peace and Security: Resolution 1325,” *International Feminist Journal of Politics* 6, no. 1 (2004): 130-140.

²² Hudson, “A Non-Hegemonic Feminist Challenge,” 9.

²³ Amalia Sa’ar, “Postcolonial Feminism, the Politics of Identification, and the Liberal Bargain,” *Gender and Society* 19, no.5 (2005): 689.

²⁴ Jasmina Husanović, “Practice with No Language: A Reflection of the ‘Gender Scene’ in Bosnia in a Sarajevo Workshop,” *International Feminist Journal of Politics* 3, no. 1 (2010): 127.

²⁵ *ibid.*, 125.

²⁶ *ibid.*

BiH. For instance, even the term 'gender' most people, even the well-educated ones, relate to the grammatical category.

As part of the peacebuilding process in BiH, among other areas, emphasis has been placed on the role gender plays in the society. This has been especially so due to the gender-based violence during and in the aftermath of the conflict. The international peacebuilding efforts in the area of gender have been informed by liberal gender mainstream approach. As part of the effort to redefine gender roles and in particular empower women, micro-credit organisations giving loans to women were established. One such organisation viewed as particularly successful is MI-BOSPO, which was the first, but not the only initiative of such kind. These initiatives have been supported by international organisations, such as the USAID, European Bank for Reconstruction and Development, Women World Banking, and European Fund for SE Europe. Nonetheless, our focus is on their interlocutors and the impact they have had on the local population, including unintended consequences, as well as any form of resistance.

The initial research has revealed two important findings that we will further focus our research on in this area. First, while the loans aim to, among other areas, encourage their entrepreneurial initiatives, there have been cases when women have had in fact fictitious businesses, when they are the ones taking the loan, but it is their husband or father who in fact runs the business.²⁷ The experience has been similar with loans used for other purposes too, when the loan is given to the woman, but it is essentially managed by the 'man in the family'.²⁸ Second, due to the lack of coordinating body until recently, it was possible for people to take out more loans than what they were able to pay back, including loans from different micro-credit organisations and banks. This has led to over-indebtedness. Parallel to that, there has been a trend of marriages falling apart due to one of the partners taking out loans without the knowledge of the other. Perhaps one of the more extreme examples was a woman who had taken out four loans, with the husband only being aware of one, until all of the payments became overdue, which ultimately led to a divorce.²⁹ In general, the number of divorces caused by similar loan-related issues has escalated.³⁰ Both of these unintended consequences of peacebuilding efforts to 'empower women' in post-conflict BiH will be examined further in our case study.

(3) Regulation of shadow economies and liberalisation of the agricultural market

The liberal democratic peace is commonly seen as being based on several concepts that include: "democratisation, the rule of law, human rights, civil society, marketisation and development."³¹ Many of these aspects to the liberal peacebuilding enterprise go unquestioned. In the case of BiH, for instance, while the main goal of the Dayton Peace Accords was to end the war, which it did, and establish the political system of post-war BiH, it also chose the future path for the country's economy. Namely, the Preamble of the new BiH Constitution, agreed in Dayton and unaltered to this date, aside of listing all the

²⁷ Prism Research, "Customer Service Research for MI-BOSPO," (Sarajevo, October/December 2002), 40.

²⁸ Nejira Nalić (Director of MI-BOSPO), interview by author, Sarajevo, November 22, 2011.

²⁹ *ibid.*

³⁰ "Marriage 'explosion' due to debt," *Mondo*, accessed November 27, 2011, http://wap.mtel.ba/maipc/preview_story/79528?s=49968daec2760c6ded83c7f2fbaffcd4.

³¹ Oliver P. Richmond and Jason Franks, "Liberal Peacebuilding in Timor Leste: The Emperor's New Clothes?," *International Peacekeeping* 15, no.2 (2008): 186.

principles that the country is to uphold, also states the desire “to promote the general welfare and economic growth through the protection of private property and the promotion of a market economy.”³²

Nevertheless, marketisation of a post-conflict society ignores the fact that war leads to changes in the employment, production and prices, all of which have destabilising effects on the country’s economy. In other words, “[t]he ensuing collapse of market entitlements for large groups of people makes it highly dangerous to rely exclusively on the market to allocate resources, set prices and fix factor incomes.”³³ To that end, the liberal peacebuilding not only ignores the socio-economic problems a society is faced with in the aftermath of a war, but further adds salt to the wound by increasing the vulnerability of certain sectors of the population. Rajagopal concludes that development efforts have caused further division through: “social costs, through such devices as forced privatisation of key national industries and increased unemployment, speculative bubbles in international finance transactions that have massive impact on real estate and housing markets, displacements of vast populations, great waves of migrations including to urban areas, elimination of subsidies for food and services and the introduction of user fees.”³⁴

Exploring the unintended consequences of peacebuilding further, when it comes to marketisation in BiH, our research focuses on two aspects: (1) regulation of shadow economies, and (2) liberalisation of the agricultural market. The research undertaken thus far lays the basis of the two sub-case studies in this area, while the stories of the people, as well as their interpretation of the situation they are in and of their agency will be the focus of the next field visit.

(3.1) Regulation of the black markets

While the existence of the shadow economies and black markets, such as Arizona, Kiseljak and Vitez, could be seen as a form of resistance in and of itself, what is important for our study is to examine the attempts to regulate these, made by both the BiH authorities and the Office of the High Representative. In the case of these initiatives, we are analysing the resistance of the traders to both the regulation of the black markets and the neo-liberal enterprise. Importantly, to that end, we focus on the mentality of the people trading at these markets.

Perhaps the most striking example of a shadow economy in BiH is the case of the Arizona Market. Located in the District of Brčko, which has a special status, on the Tuzla-Orašje highway which connects BiH with Croatia and Serbia, the market attracts some 20,00 shoppers daily from all parts of BiH, the former Yugoslav republics, as well as other places in Europe. The history of Arizona is telling, bringing together the international peacekeepers and the local population. Namely, the market started at a roadblock created by SFOR. Soon, this checkpoint became an informal meeting place

³² BiH Constitution, Preamble.

³³ Wayne Nafziger, “The Economics of Complex Humanitarian Emergencies: Preliminary Approaches and Findings,” *Working Paper 119* (Helsinki: World Institute for Development Economics Research, UN University, 1996), 45-47.

³⁴ Balakrishnan Rajagopal, “Rule of Law in Security, Development and Human Rights: International Discourses, Institutional Responses,” in *Rule of Law in Conflict Management: Security, Development and Human Rights in the 21st Century*, ed. Agnes Hurwitz (Boulder CO: Lynne Rienner/International Peace Academy, 2006).

where “cigarettes and cattle were traded and coffee was served at the roadside.”³⁵ According to some accounts, the local commander in 1996 saw this as an opportunity for the previously warring parties to interact with each other and encouraged the establishment of a ‘free-trade zone’. Consequently, SFOR soldiers set the basis for the largest informal market for goods in this part of Europe by clearing the mines, levelling the land and supplying the building materials.³⁶ “[W]ith wooden huts, improvised stalls, smuggled goods and bootleg versions of brand-name goods,” Arizona became a place where “[t]extiles, food, electronic products, building materials, cosmetics, car accessories and CDs could all be purchased at favourable prices.”³⁷ The market was both unregulated and protected, which it became famous for. Praising Arizona, where Bosniaks, Serbs and Croats traded side by side, as the ultimate melting pot and a showcase of how market economy can contribute to the establishment of peace, the international community present in the country turned a blind eye to the illegal activities happening there. Arizona went from a ‘poster child’ to a ‘basket case’ once the attention of the wider international community was attracted by the human trafficking and prostitution taking place alongside the trading.³⁸ It soon became a well-known fact that many peacekeepers and other internationals were involved in “purchasing sex, buying women, and sometimes even selling them.”³⁹ Just as all the hopes were being lost that this market could ever become regulated, the Brčko District announced an international tender for rebuilding a brand new market place where Arizona would be located. The then High Representative Paddy Ashdown officially opened the market in 2004. Since then, most of the illegal activities have been eliminated and the traders have been legally registered.⁴⁰ Nevertheless, various strategies to elude state control, such as employing unregistered workers and using ever more sophisticated ways to import, to name a few, are regularly employed. The estimate was that in 2007, for example, there were some 30 million USD in unpaid taxes and ongoing unrecorded trade.⁴¹ Our research aims to uncover the mentality behind the control evasion and the perception of the state authorities.

More importantly, however, what remains at stake at Arizona is not “the distinction between the formal, neoliberal, and the informal, traditional or transitional trade of petty vendors,” and “the morally condemned, criminal networks that underlie the market,” but even more so “the differentiation between subsistence and an unchecked accumulation of profit.”⁴² What is so unique about Arizona, which also shows its

³⁵ “Arizona Market,” Other Markets, accessed November 27, 2011, <http://www.othermarkets.org/index.php?tdid=5&part=1&txt=1&poststart=0>

³⁶ *ibid.*

³⁷ *ibid.*

³⁸ Dina Francesca Haynes, “Lessons from Bosnia’s Arizona Market: Harm to Women in a Neoliberalized Postconflict Reconstruction Process,” *University of Pennsylvania Law Review* 158 (2010): 1781

³⁹ Haynes, “Lessons from Bosnia’s Arizona Market,” 1796.

⁴⁰ “Balkan Shopping in Arizona,” Nacional, August 29, 2005, accessed November 27, 2011, <http://www.nacional.hr/clanak/20106/balkanski-shopping-u-arizoni>.

⁴¹ Larisa Jašarević, “Everyday Work: Subsistence Economy, Social Belonging and Moralities of Exchange at a Bosnian (Black) Market,” in *The New Bosnian Mosaic: Identities, Memories and Moral Claims in a Post-War Society*, eds. Xavier Bougarel, Elissa Helms, and Ger Duijzings (Burlington, VT: Ashgate, 2007), 286.

⁴² *ibid.*, 275.

uniqueness as a site of everyday resistance to a certain blueprint of market economy that aims to move BiH away from its socialist past, is that, in the words of Jašarević, it:

speaks bluntly of the ongoing reshuffling of the Bosnian economy away from formal production to informal trade, of social fluidity outside the clear markers of urban and rural and away from ethnic or national distinctions [...] At Arizona, traders call for equality and welfare as well as the kind of independence that the Yugoslav socialist state bestowed on the landowners, whether producing peasants, peasant workers or urbanite landowners making weekend pilgrimages to their land [...] Thus, the traders do not merely reinvent customary (socialist, peasant) expectations but instead invent novel customs and claims.⁴³

Our next field visit will zero in on this discrepancy, and further examine the divide between the perception of Arizona as a capitalist venture and the non-neoliberal mentality of the traders, as well as the interplay between the two.

(3.2) Liberalisation of the agricultural market

With BiH being a primarily mountainous country and only 20% of its land being suitable for farming, even before the war, the agriculture contributed with less than 10% to the national GDB.⁴⁴ Even though there was time in the post-war period when this percentage increased due to the decline in industry and services, at present it is very close to the pre-war one. The main agricultural outputs remain milk and meat, with dairy farming playing an important role in the agriculture sector. Other agriculture outputs include wheat, maize, soybeans, and tobacco.

The transition process of the agricultural market is based on radical reforms of the sector, which consists of four elements: market liberalisation, restructuring of the agricultural economy, restructuring within the agricultural sector by privatising state agricultural companies, and development of supporting sectors.⁴⁵ Overall, with the country's agriculture being unprepared for such transition, the duration of the process has been extended. Some of the reasons include the low income level, clearly affecting the purchasing power parity and the investing potential, the rural-urban migration, and the transportation infrastructure being inadequate and outdated, which prevents producers from reaching different markets.⁴⁶ In addition, the local producers are not fully aware of the possibilities offered by food processors, nor do they have access to certain logistic support that would allow them to target large customers. That said, what most of them produce is either for their own consumption or for the local market. Moreover, with the rural areas not only lagging behind the urban ones, but with the gap constantly expanding, the reforms in the agricultural sector contribute to the widening of that gap, as agriculture is one of the main occupations and sources of income in the rural parts of BiH.

⁴³ Jašarević, "Everyday Work," 292-293.

⁴⁴ "Geography, Agriculture and Economy," International Fund for Agricultural Development, accessed on November 28, 2011,

<http://operations.ifad.org/web/guest/country/geography/tags/bosnia%20and%20herzegovina>.

⁴⁵ Ferhat Čejvanović and Črtomir Rozman, "Transition of the Agricultural Sector: Special Reference to the Effects of Subsidies and Tariffs in Apple Production in BiH," *Transition – Journal of Economics and Politics of Transition* 6, no. 15 (2004): 167.

⁴⁶ Kadrija Hodžić, "Delay of Reforms and Challenges to the Liberalisation of Bosnian Agriculture," *Transition – Journal of Economics and Politics of Transition* 9, no. 19-20 (2008): 66.

On the other hand, even though the agricultural production in recent years had increased, the agriculture sector in BiH has been faced with more challenges due to the liberalisation of the market. Namely, the country is a part of three integration processes: (1) bilaterally, it signed the Stabilisation and Association Agreement with the EU, (2) regionally, it is a member of CEFTA, and (3) multilaterally, it is in the process of joining the WTO. These integration processes will, on the one hand, increase the export possibilities, but will also, on the other hand, decrease the state protection in regard to the import, which will lead to lower product prices and increased competition on the bh. market. The subsidies that the Government provides to, for instance, the producers of tobacco will be, in accordance with the EU standards, discontinued in 2013.⁴⁷ Additionally, the Croatian forthcoming accession to the EU and the amendments in CEFTA that the accession will trigger will add even further constraints and limit the market for the bh. farmers. This, combined with the poor state of the agriculture sector in BiH as it is, puts the Bosnian farmers at risk of not being competitive.

While this might be one of the consequences that neo-liberal proponents account for, if not encourage, there have also been some unintended consequences that have seen the exploitation of the bh. farmers. As an example, the fruit producers have problems with investment capital, so that, for instance, they are unable to ensure cold storage for the apples. This essentially means that their products ought to be sold at as low a price as possible, since they cannot be stored and wait to offer them at a twice or three times higher price a few months later. Therefore, “while the bh. apple producers have to sell in September or October at a price that is as low as 0.70 BAM, in January or February Slovenes or Italians come and sell the same apples, which they purchased from bh. producers at lower prices earlier and placed in cold storage, at 2-3 BAM per kilo.”⁴⁸ In the Goražde region, for instance, the annual production of apples can be up to 80,000 tons. However, more than half of this goes to waste, as they cannot be sold or exported. The same applies to plums and tomatoes, for example, in other parts of BiH.⁴⁹ While the Council of Ministers of BiH, already in 2009, adopted a proposal for 25 measures for improvement of business conditions in bh. agricultural production and food industry, only several of these have been implemented to date.⁵⁰

⁴⁷ “FBiH Government Adopted Amendments to Agriculture Incentives,” Sarajevo-X, August 8, 2011, accessed November 28, 2011, <http://www.sarajevo-x.com/bih/politika/vlada-fbih-usvojila-izmjene-poticaja-za-poljoprivredu/110808097>.

⁴⁸ Eldar Dizdarević, “Strong Agriculture,” Magazin DANI 475, 2006, accessed November 28, 2011, http://www.bhdani.com/default.asp?kat=biz&broj_id=475&tekst_rb=13.

⁴⁹ “Agriculture is the Only Business that is Worth Developing in BiH,” Biznis, January 09, 2012, accessed January 10, 2012, <http://www.biznis.ba/bih/12944-Poljoprivreda-jedini-biznis-koji-isplati-razvijati-BiH.html>.

⁵⁰ “Measures to Improve the Agriculture Approved,” Poljoprivreda, December 26, 2009, accessed November 28, 2011,

http://www.poljoprivreda.ba/index.php?option=com_content&task=view&id=4688&Itemid=1;
“Annual Report on the Implementation of Measures to Improve Business Conditions in the Agriculture and Food Industry of Bosnia and Herzegovina,” Ministry of Foreign Trade and Economic Relations of BiH, 2011, accessed November 28, 2011, https://docs.google.com/viewer?a=v&q=cache:3pON3HR5acAJ:www.mvteo.gov.ba/izvjestaji_publik_acije/izvjestaji/%3Fid%3D3719+%&hl=en&pid=bl&srcid=ADGEEShVe16n311cxDmba5tidJ49xqLo6lwknGfVR8bCLEUEai--Dw2I2kcTaVbH6jpR-AqZXmTg8S7yjumqeAIC1zrmU-

7r8mJKIU6ZnJBgFXaKCo3VpXhoaxgRvnIs6iH910UWxZTT&sig=AHIEtbRWkXLsB-
ckLxi3nW3ktj4H8IFoiA.