Reconstructing the Balkans: Lessons for Donors and Recipients

Panagiotis Liargovas* and Nikolaos Tzifakis**

University of Peloponnese

During the last two decades, the international community has assumed much of the responsibility for the reconstruction of the Balkans. It has driven a complex, holistic and multidimensional process encompassing efforts to simultaneously improve security (restoration of law and order), political (governance), economic (rehabilitation and development) and social conditions (justice and reconciliation) in the region. In terms of economic reconstruction, all major bilateral and multilateral donors and international non-governmental organizations have been engaged in the Balkans to carry out a large array of tasks, such as distribution of relief assistance, restoration of war-damaged physical infrastructure and facilities, reestablishment of social services, creation of appropriate conditions for private sector development, and implementation of essential structural reforms for macroeconomic stability and sustainable growth. The Balkan countries have indeed benefited from unprecedented amounts of international development assistance: in per capita terms, no developing country or region has ever received so large an amount of assistance as Bosnia and Herzegovina and Kosovo.

Much aid was used efficiently to rebuild infrastructure, reintegrate refugees, increase the capacity of state institutions and improve educational

---

* This research has been co-financed by the European Union (European Social Fund – ESF) and Greek national funds through the Operational Program “Education and Lifelong Learning” of the National Strategic Reference Framework (NSRF) – Research Funding Program: EXCELLENCE (ARISTEIA) – Re-Considering the Political Impact of the Structural Funds on Greece.

** Correspondence to: University of Peloponnese, School of Economics and Management, Department of Economics, Terma Karaiskaki street (OAED Building), Tripolis, PC 22100, Greece. E-mail: liargova@uop.gr, phone: 00302710230130, fax: 00302710230139.
services and social care. There are numerous success stories. A review of a few donor websites (and of the external evaluation reports of their programs) is sufficient to get a very clear picture. For instance, the United States Agency for International Development (USAID) reports that it financed more than 1,600 infrastructure repair projects in Bosnia (worth $372 million) that were necessary for the return of over 100,000 minority refugees and internally displaced persons to their homes. A single physical rehabilitation project, the repair of the Kakanj Power Plant, restored electricity to around 200,000 people (USAID 2013). Likewise, the Swedish International Development Cooperation Agency (SIDA) contributed to the reconstruction of more than 17,000 residences and the return of at least 57,000 people in Bosnia. Interestingly, the SIDA employed a “help to self-help” approach that was in many respects beneficial. The repair cost was kept low; the beneficiaries of assistance were committed to return to their homes; and the reconstruction process fostered the confidence and self-esteem of the returnees (Molander 2005: 5). More importantly, the projects for the repair of residences were part of Integrated Area Programmes that additionally targeted the reconstruction of public facilities (e.g., schools, hospitals, water distribution networks and so forth) as well as job creation and income generation (Molander 2005: 6). And the European Agency for Reconstruction (EAR) successfully carried out a housing program in Kosovo worth €98 million from 2000 to 2001 that was also based on the “self-help” and “assisted self-help” principles, resulting in the reconstruction of around 12,000 residences (EAR 2002).

The success of reconstruction activities has been largely determined by what donors aspired to accomplish (e.g., infrastructure repair or institution building). Nevertheless, donor operational methods and strategies mattered a great deal. A good case in point is the mine action programs. From 1998 to 2003, Canada financed a mine action program in Bosnia, Croatia and Kosovo that was qualified in its evaluation as a “significant success” (John et al. 2003: 83). Not only were several hundred thousand m² cleared in all three countries; indigenous demining capacities were also improved and landmine victims received meaningful medical and psychological support (John et al. 2003). Likewise, the UNDP carried out a very successful mine action program in Bosnia concentrated on building local capabilities. The UNDP convinced both the international community and the country’s authorities of the need for a state-level Mine Action Centre and provided

---

1) For a more critical assessment of the housing projects in Kosovo see Minervini 2002.