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**Demobilization and Reintegration
of Former Soldiers
in Post-war
Bosnia and Herzegovina**

An Assessment of External Assistance

Heft 135

Hamburg, März 2004

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Preface/Vorwort

Friedenskonsolidierung nach Gewaltkonflikten in schwachen oder transformierenden Staaten schließt den verantwortungsvollen Umgang mit den militärischen Hinterlassenschaften kriegerischer Auseinandersetzungen ein. Dies betrifft naturgemäß in erster Linie die ehemaligen Kämpfer, deren Demobilisierung, Entwaffnung, soziale und psycho-soziale Reintegration in die Gesellschaft. Während die politische Aufmerksamkeit, auch der internationalen Gemeinschaft, sich auf die Beilegung von Gewaltkonflikten bzw. den wirtschaftlichen und politischen Neuaufbau konzentriert, erfährt das „menschliche Treibgut“ der Gewaltkonflikte nur selten vergleichbare Zuwendung. Dabei ist die Eröffnung ziviler Lebensperspektiven gerade für die ehemaligen Kämpfer eine unverzichtbare Voraussetzung, um durch Krieg und Zerstörung geprägte Gewaltkulturen nachhaltig zu überwinden. Die Bereitschaft zur Entwaffnung der ehemaligen Kämpfer ist ohne deren Zuversicht, ihre Lebensinteressen künftig gewaltfrei verwirklichen zu können, kaum zu erwarten. Wird diese Aufgabe unterschätzt, bleibt die Saat für die Rückkehr von Gewaltkonflikten erhalten, der Frieden fragil. Tobias Pietz, Absolvent des vom Kooperationsverbund Friedensforschung und Sicherheitspolitik im Jahre 2002/2003 durchgeführten Postgraduiertenstudienganges „Master of Peace and Security Studies – M.P.S.“ der Universität Hamburg in Kooperation mit dem Institut für Friedensforschung und Sicherheitspolitik an der Universität Hamburg (IFSH), hat diesen Zusammenhang am Beispiel Bosnien-Herzegowinas untersucht. Beim nachfolgenden Text handelt es sich um eine bearbeitete Fassung seiner Masterarbeit, die am Bonn International Center for Conversion (BICC), Kooperationspartner im Studiengang M.P.S., betreut wurde.

Hans J. Gießmann

Vorsitzender des Gemeinsamen Ausschusses M.P.S. der Universität Hamburg und des IFSH

Acknowledgements

This effort had been undertaken in the framework of the “Pilot Project on Demobilization and Security Sector Reform in Bosnia and Herzegovina” of the Bonn International Center for Conversion (BICC) and the Geneva-based Democratic Control of the Armed Forces (DCAF). It has been accepted as thesis for the postgraduate study program “Master of Peace and Security Studies” at the Institute for Peace Research and Security Studies (IFSH) in Hamburg. The author wants to thank BICC and DCAF, as well as the IFSH and the German Foundation for Peace Research (DSF) for support and funding of his work. Special appreciations go to my tutor and project leader Andreas Heinemann-Grüder for his critical remarks and good spirit. The author also wants to express thanks to Mark Sedra for language editing at very short notice.

Last but most important, I want to thank my mother for always supporting me in the decisions I took.

The author is solely responsible for this document, including any remaining errors.

Acronyms

ARBH	Army of the Republic of BiH
BiH	Bosnia and Herzegovina
DEF	Development and Employment Foundation
DFID	Department for International Development
DPA	Dayton Peace Agreement
EA	Extension Agent
EDA	Enterprise Development Agency
EI	Employment Institute
EDRP	Emergency Demobilization and Reintegration Project
ETF	Employment and Training Foundation
FBiH	Federation of Bosnia and Herzegovina
GFA	General Framework Agreement
HDR	Human Development Report
HDI	Human Development Index
HR	High Representative
HVO	Bosnian Croat Defence Council
IC	International Community
ICMC	International Catholic Migration Commission
IDA	International Development Association
IFOR	Implementation Force
ILO	International Labour Organization
IOM	International Organization for Migration
IISS	International Institute for Strategic Studies
KM	Convertible Mark
LIP	Local Initiatives Project
LMI	Labor Market Information
LSMS	Living Standards Measurement Survey
MTR	Midterm Review Team
MPRI	Military Professional Resources Incorporated
MoD	Ministry of Defense
MoL	Ministry of Labor
OHR	Office of the High Representative
PELRP	Pilot Emergency Labor Redeployment Project
PIC	Peace Implementation Council
PIU	Project Implementation Unit
PRSP	Poverty Reduction Strategy Papers
PTSD	Post Traumatic Stress Disorder
PWEP	Public Works and Employment Project

SESP	Southeast Europe Stability Pact
SME	Small and Medium Enterprise
SFOR	Stabilization Force
TAFS	Transitional Assistance to Former Soldiers
UNDP	United Nations Development Programme
USDoL	United States Department of Labor
VF	Army of the Federation of BiH
VRS	Army of the Serb Republic
WB	World Bank
WDA	World Defence Almanac

*Druže, bilo je lakše sve
Mi u rovu, oni u rovu, tu na puškomet*

Sjećaš li se druže, da ne bi izdali

Mi smo zadnji metak za sebe čuvali

*Druže, dok sam se budio
Ukrali su moju mladost, moje ludilo
Dobre su kafane, dobro se napuši'
Dobri ljudi vole priču što priča gubitnik*

*Korak preko ograde
Je l' to druže jedino što časno je
Zar za nas stare ratnike
Počasna salva da ne odjekne*

*Everything was easier, my friend
We in a trench, they in a trench, all on a
shootout*

*Do you remember, my friend? So I'm not
uncovering secrets*

*Do you remember us saving the last bullets for
ourselves?*

*As I was awakening, my friend
They stole my youth, my craziness
The bars were great, smoking up was easy
Good people like stories told by losers*

*Jumping over the fence...
Is that the only honorable way, my friend?
Don't we old soldiers
Deserve a soldier's homecoming march?*

Homecome March - Bosnian Song by Zabranjeno pusenje



Map of Bosnia-Herzegovina.

1. Introduction

Almost eight years after the end of the war in Bosnia and Herzegovina, the country is still struggling with social and economic problems. Of the pre-war population of about 4.6 million only 3.8 remained (HDR 2002, p.36). Many Bosnians are still refugees or internally displaced, and about 258,000 inhabitants died in the four years of violent conflict between the three belligerent armies (Keane 2002, p.69). It is difficult to determine how many persons became involved in this conflict as regular soldiers, paramilitary combatants or just “weekend fighters”—a terrible term for groups of people recruited for some of the worst atrocities in this war. Estimates hold the numbers of combatants in BiH during the war as up to 425,000 or even higher (World Bank Project Appraisal Document for PELRP, May 2002, p.3). After the signing of the Dayton Peace Agreement, many of these were discharged hastily. They posed an immediate threat to the fragile peace in the country by being unemployed, often traumatized and still with weapons in sight. Disarmament, Demobilization and Reintegration (DDR) of former combatants therefore constituted one of the most crucial issues in post-war Bosnia.

The intention of this paper is to shed light on the process of DDR in Bosnia and Herzegovina. It will deliver a critical analysis of the shortcomings and achievements of this process from 1995 to today. It will include analysis of the provisions of the DPA for DDR, but to a greater extent, it will offer an assessment of the success and overall feasibility of reintegration projects for demobilized soldiers in Bosnia. Because almost all the measures and activities in regard to DDR in BiH were undertaken by the World Bank and the International Organization for Migration (IOM), an evaluation of the three main projects of these organizations will be in the center of this document. The aim is to come up with conclusions on lessons learned in the design and implementation of these projects. The results can provide recommendations for future activities in BiH but also in other post-conflict settings where DDR activities are relevant. It may also allow conclusions on the overall prospects for theoretical approaches to DDR in their practical application.

Besides classical research and the analysis of the respective DDR projects’ reports, the study relies greatly on interviews with some of the main national and international actors dealing with these issues in Bosnia-Herzegovina. The interviews were conducted during field trips by Andreas

Heinemann-Grüder to Sarajevo in March 2003 and by the author to Banja Luka in May of the same year. The author conducted semi-structured interviews; sample questions and the list of interviewees are provided in the appendix of this paper.

The first chapter of this study will highlight some of the main issues in the debate on DDR today. It will also provide a baseline on what DDR activities should accomplish, which can enable a better understanding of the shortcomings and achievements of the projects evaluated in chapter four. The following part of this report will discuss the setting in which the DDR programmes have taken place in Bosnia. For that reason, the constraints of the DPA, the economy and the society of BiH will be considered. In addition, the path of the reduction of the armed forces which set the stage for reintegration activities will be described. The main part of this paper is chapter four, where an evaluation of the three major demobilization and reintegration projects will be carried out. Finally, a summary will present the results and lessons learned of DDR activities in BiH and will direct a few policy recommendations for future interventions.

2. Disarmament, Demobilization and Reintegration (DDR): Issues and Problems to Address

“In the civil conflicts of the post-cold-war era, a process of disarmament, demobilization and reintegration has repeatedly proved to be vital to stabilizing a post-conflict-situation; to reducing the likelihood of renewed violence, either because of relapse into war or outbreaks of banditry; and to facilitating a society’s transition from conflict to normalcy and development.”

UN Secretary General Kofi Annan

The purpose of this chapter is to reflect upon general issues of DDR and the design and implementation of DDR programmes in post-conflict settings. It draws on lessons learned and guidelines for DDR by international organizations like the World Bank, UN and ILO, who are frequently involved in DDR processes. The evaluation of the three major DDR activities in Bosnia-Herzegovina in chapter four will be undertaken with this chapter as a background.

Definitions:

Disarmament “is the collection, control and disposal of small arms, ammunition, explosives and light and heavy weapons of combatants and often also of the civilian population. It includes the development of responsible arms management programmes.

Demobilization is the process by which armed forces (government and/or opposition or factional forces) either downsize or completely disband, as part of a broader transformation from war to peace. Typically, demobilization involves the assembly, quartering, disarmament, administration and discharge of former combatants, who may receive some form of compensation and other assistance to encourage their transition to civilian life.

Reintegration programmes are assistance measures provided to former combatants that would increase the potential for their and their families’ economic and social reintegration into civil society. Reintegration programmes could include cash assistance or compensation in kind, as well as vocational training and income-generating activities.”

UN DDR Guidelines 1999

Disarmament, demobilization and reintegration of former combatants have become an issue with growing importance in international relations. After the end of the cold war, the international community became more and more active in countries that have been torn apart by civil wars and ethnic conflicts. In 2000, the UN Secretary General issued a report on “The Role of United Nations Peacekeeping in Disarmament, Demobilization and Reintegration”, which stresses the importance of demobilization and reintegration in peace-building (Kingma 2001, p.13). Disarmament and demobilization is seen as a crucial issue in countries with a high number of small arms and light weapons circulating, and with not only soldiers but also civilians being involved in the fighting.

Because of the diversity of actors involved in DDR and because of its overlapping nature in general, integrated planning mechanisms have to be set up as early as possible. Therefore an inter-agency multidisciplinary planning committee should be established to coordinate the various activities of the UN, NGOs and other organizations (UN DDR Guidelines 1999, pp.5-8).

Disarmament has become an essential precondition for the consolidation of peace and stability. Experiences have shown that disarmament has no long-term benefits if it is not accompanied by demobilization and reintegration of ex-soldiers into civil society through alternative and sustainable employment as well as the socio-economic development of the country as a whole (UN DDR Guidelines 1999, p.1).

Reintegration activities have to take into account the different needs of ex-combatants. The needs will vary according to their culture, gender, the side in the conflict they represented, and the functions they were performing as soldiers. Questions to identify their needs could include whether or not they served voluntarily, took part in combat, and how they were accepted by their communities when returning. It is important to answer these questions to establish the criteria for a reintegration programme (Specht 2000, p.5). An assessment of labor market opportunities is vital, too, in order to design profiles for training and education for ex-combatants to provide them with matching opportunities. Vulnerable groups such as female, disabled and child soldiers should receive special consideration in the design of DDR programmes. Female soldiers' needs are often left out of DDR programmes because they're not visible in the aftermath of the conflict. Efforts often focus on "channeling male aggression into productive activities" (Specht 2000, p.5) which neglects the special issues and problems female soldiers face. In addition, demobilized soldiers, women or men, have a social impact on their home communities, their families and gender relations in general, which is seldom considered in DDR programmes (Specht 2000, p.5).

Employment is the entry point to social, cultural, psychological and economic reintegration for demobilized soldiers. In a scattered and war-torn economy ex-soldiers join the often large group of other job-seekers. In this environment, the formal employment options are limited. The labor market has changed completely compared to pre-war settings with industries and key-enterprises closed and destroyed. Training and small enterprise development are seen as key areas for development and employment creation, but the starting point for every DDR activity is an initial rapid labor market assessment (Specht 2000, p.6). Though vocational training courses are useful for ex-soldiers, special courses for ex-soldiers should be avoided. Involvement in training courses can itself be a first step for social integration. This approach to mainstream assistance to all war-affected people is seen as being more efficient. Experiences show that DDR is best dealt with within the broader rehabilitation and development assistance for a country (Kingma 2001, p.7).

The DDR activity itself should try to build and rely on national providers and structures, rather than on international organizations. By this, the DDR programme can serve sustainability when national organizations stay in existence and continue service after the end of the internationally funded programme (Specht 2000, p.17). Every programme should also be integrated with other national or regional training and employment programmes to have a multiplying effect on the whole target community.

The social consequences of war on all groups of the society are dramatic; more and more civilians are involved either as victims or as perpetrators. The UN and other development organizations have set up trauma healing programmes which often failed due to the fact that notions such as “trauma” and “healing” are strongly driven by culture (Specht 2000, p.9). Psychosocial aspects have not been adequately dealt with in the context of demobilization. Thus far, external agencies have paid limited attention to this issue in DDR activities (Kingma 2001, p.37). There is no doubt that war-experiences traumatize a large number of people in a way that successful reintegration is endangered. Not only are traumatized people often not able to start a job search, get employed and maintain that employment, but in the case of demobilized soldiers, traumata can pose a constant risk of returning to violence. With weapons still at hand and no economic or social perspective for the future, ex-soldiers can go back to the only “job” they know (Interview, G. Day 20 May 2003).

Therefore, reconciliation between ex-combatants and civil society, which should be pursued through public relations campaigns in rural and urban areas, is also needed (UN DDR Guidelines, pp.5-8).

DDR programmes are often developed and formulated too late, when the demobilization has already started. Often military and paramilitary units start to disintegrate immediately after the signing of a peace agreement. International organizations have to be prepared at an early stage. It is important to make sure that DDR regulations are already integrated in the peace talks. Lessons from other DDR processes show that Government and other key players are not prepared for sudden demobilization and reintegration activities. This can lead to a delay in the process that often causes lack of funds or ad-hoc decision making which can harm the whole reintegration effort (UN DDR Guidelines 1999, p.15).

3. Background

To be able to evaluate the achievements and shortcomings of DDR programmes, one has to consider some other factors that influence any project implementation. In the case of DDR in Bosnia, there are three issues which are important to highlight: The constraints of the Dayton Peace Agreement; the situation of the Bosnian economy and society during the project implementations; and the political decisions and measurements regarding the demobilization of soldiers and restructuring of the armed forces up until today, and the potential ones in the future.

3.1 Dayton Reconsidered

The Dayton Peace Accord (DPA) or General Framework Agreement was signed between the Republic of Bosnia-Herzegovina, Croatia and the Federal Republic of Yugoslavia in November 1995. The agreement was pushed forward by an American negotiation team under Richard Holbrooke and was meant first and foremost “to end a war” (Holbrooke 1998). It consists of a framework text of 11 articles and 11 annexes, with the annexes regulating the substance matters of the agreement (for example military aspects, regional stabilization, inter-entity boundary, election, constitution, refugees, etc.).

The DPA was an ambiguous agreement regarding the ethnic configuration and dimension of the future state of Bosnia (Ehrke 2003, p.16). Though Bosnia-Herzegovina was officially maintained as a unitary state the most important state functions and responsibilities were delegated to the two “entities”, the Republica Srpska (RS) and the Bosniak-croatian Federation of Bosnia-Herzegovina (FBiH). These responsibilities included police, education and internal security. By strengthening the position of the entities, a conflict line was drawn which has been dominating all quarrels in BiH until today.

The DPA enforced a 51-49% division between the Muslim-Croat Federation and the Serb Republic. Though an emphasis was put in the DPA on the facilitation of the return of refugees and internally displaced persons, until recently the numbers of returnees were quite low, cementing the war-

based ethnic division of BiH even more. By the year 2001, there were still 284,800 refugees in foreign countries (not counting the ones who solved their status in their host countries permanently), and 555,700 displaced people in both entities (HDR 2002, pp.72-74). Though the numbers of people returning are rising, minority returns—meaning ethnic minorities returning to an entity dominated by another ethnic group—are still low. The existing employment legislation in both entities discriminates minorities as they were by definition “on the other side”; priority in employment is given to demobilized soldiers, disabled veterans and families of fallen soldiers from their own ethnic group (HDR 2002, p.77).

The clear divide of the two entities defined in terms of ethnicity has led to a fragmentation in the approach toward development issues like education, foreign investment, privatization, etc., because each entity’s governments have been pursuing their own economic and social agendas. This division has been perpetuated by nationalist parties, which won the first elections after the war, and now still control Bosnian politics on the state, entity and cantonal level. Nationalist politicians have used the fuzziness of the DPA and the weakness of its implementation by the international community to block any development to a functioning state and a closer cooperation of the entities in the first years after the DPA (Oschlies 2002, p.3). The evolving structures of BiH enabled a clientelistic and corrupt system where nationalist politicians remunerated themselves and their supporters.

The political structure of BiH, as outlined in Annex IV of the DPA, is quite complex. It has a rotating presidency on the state level (with one representative of each of the three ethnic groups), a council of ministers and a bicameral assembly, “none of which exercise effective national authority over the two separate and different types of government at entity level” (Keane 2002, p.70). The two entities head disconnected non-sovereign states, the FBiH and the RS. The FBiH still has de facto two armed forces, two separate communities (a Croat and Bosniak one), and is governed by an appointed Entity Presidency and a bicameral parliament. The lower level is structured in cantons and municipal assemblies. The RS has an elected president, parliament and municipal assemblies. The structure of the FBiH has shown symptoms of over-bureaucratization that hinder effective policy implementation. But the most important and unique institution in the Bosnian state is the High Representative (HR) who can override every decision by any Bosnian institution. His powers were expanded in 1997 after it proved that the first HR, Carl Bildt, had little effective power in his struggles with nationalist politicians in both entities (Numanovic 2002). The

second HR, Carlos Westendorp therefore gained the authority to impose laws and even remove disobedient politicians. Though nominated and held accountable by the Peace Implementation Council (PIC) and approved by the United Nations Security Council, his actual actions and decisions are quite independent and haven't been corrected by any of the controlling institutions. The third HR, Wolfgang Petritsch made wide use of these powers by dismissing 64 politicians (who are not allowed to ever again take up a political position in BiH) and passing 246 laws. His successor Paddy Ashdown follows a similar approach.

There has been growing criticism about the policy of the HR. Though many of his decisions were highly appreciated and secured the implementation of the DPA, the HR puts the Bosnian people under a de facto protectorate (Interview, E. Katana 15 May 2003). The strengthening of the position of the HR enforced a strange paradox with the Bosnian people being in charge of the input for the political process through elections, but not being responsible for the political output because it is controlled by the international community (Ehrke 2003, p.16). Researchers like David Chandler identify a quasi-colonial attitude of the international community that denies Bosnia democracy (Chandler 1999, p.5). Though this assessment is far too strong, the existing institutional setting in Bosnia when every decision of the Bosnian political representatives is at risk of being changed or dismissed nevertheless has a negative impact on the evolution of democratic structures. Together with the dependency on foreign aid, and with lingering attitudes from the socialist times, the feeling of not being in charge of your own fate has had an influence on the Bosnian society as a whole. Economic and social insecurity are increasing this problem, making it hard for every refugee, former combatant or just unemployed in both entities to overcome a passive attitude and the mindset that benefits will be provided by the state or the IC. It seems like the International Community wants to correct the mistakes it made in the aftermath of Dayton. As described above, the ethnic fragmentation and the evolving clientelistic system hindered a better coordination of both entities. A strong HR or the IC should have implemented Paddy Ashdown's agenda of today at a much earlier stage. But 8 years after the conflict, the Bosnian people react to some extent frustrated by not receiving the responsibilities for their own fate.

In respect of the DDR-programs which will be examined in the following chapters, inter-entity-cooperation could have led to a better performance; moreover, a closer coordination of all development activities would have

been fruitful for Bosnian economy and society as a whole. Higher pressure of the IC on all parties in Bosnia at an earlier stage was very much needed.

3.2 Phases of Demobilization and Reduction

In 1995, at the end of the civil war in Bosnia-Herzegovina a high percentage of its population, men and women, were serving in some kind of military or paramilitary organization. To assess the overall number of combatants is highly difficult due to the complexity of the civil war and the lack of records regarding the size of armies and combat units. Most of the operating armies in BiH between 1992 and 1995 were “ad hoc wartime formations” (King 2001, p.18). The World Bank speaks about 425,000 soldiers from Bosniak, Serb and Croat armies who have been demobilized over a period of six years since the signing of the DPA (World Bank Project Appraisal Document for PELRP, May 2002, p.3).

Figures of Military Forces in Bosnia-Herzegovina from 1992 – 2003

	Serb		Muslim		Croat		Federation AF	
	IISS	WDA	IISS	WDA	IISS	WDA	IISS	WDA
1992/1993	67,000	67,000	30-50,000	50,000	50,000	50,000		
1993/1994	80,000	110,000	60,000	-	50,000	60,000		
1994/1995	80,000	110,000	110,000	-	50,000	50,000		
1995/1996	75,000	-	92,000	35,000	50,000	49,000		
1996/1997	85,000	35,000	92,000	90,000	50,000	50,000		
1997/1998	30,000	45,700	40,000	90,000	16,000	50,000		
1998/1999	-	45,700	-	90,000	-	20,000		
1999/2000	-	45,700	-	(31,363)	-	(13,673)		45,000
2000/2001	30,000	45,700	30,000	(19,345)	10,000	(8,500)		27,845
2001/2002	14,000	-	(16,800)	-	(7,200)	-	24,000	-
2002/2003	6,600	-	(9,200)	-	(4,000)	-	13,200	-

Sources: The International Institute for Strategic Studies (IISS) – The Military Balance (Editions 1992/93 to 2002/03); The World Defence Almanac (WDA), Yearly Issue of The Military Technology (Editions 1992/93 to 2001/2002)

Another source estimates that 400,000 soldiers took part in the conflict of which 370,000 have been demobilized in the first five years after Dayton (King 2002, p.11). In contrast, the estimates of the International Institute for Strategic Studies (IISS) and the World Defence Almanac (WDA) are lower, counting 175,000 to 227,000 members of armed forces (See Chart 1). These calculations are nevertheless based on numbers from “real” armies that could be clearly identified, meaning that the additional group of paramilitaries or “weekend-fighters” is not included.

Jeremy King suggests the distinction of three phases of demobilization of the armed forces in BiH (King 2002, p.11):

- 1995/1996: Emergency demobilization following the DPA
- 1997/1998: Intermediate professionalization of services
- 1999/2000: Continuing professionalization process

Though the term professionalization is misleading in regard to the evolving structures and capacities of the armed forces in Bosnia, and the phases are hard to differentiate, a distinction of phases nevertheless seems to be useful.

The issue of demilitarization, demobilization and reintegration was handled badly after the signing of the DPA (Interview, G. Day 20 May 2003). Though it provided a strong military annex, no tasks were related to DDR. In Annex 1a, Article IV on the redeployment of forces, no clear measurement was agreed upon in regards to the reduction of forces. The only forces the conflict parties were obligated to demobilize were those “which cannot be accommodated in cantonment/barracks areas as provided in subparagraph (a) above. Demobilization shall consist of removing from the possession of these personnel all weapons, including individual weapons [...]. All personnel belonging to these forces shall be released from service and shall not engage in any further training or other military activities” (DPA 1a, IV, Phase 3, 1995).

Though IFOR was meant to oversee and control the military agreements, this was not realized in regard to demilitarization and demobilization of combatants. Instead, the demobilization that took place after the signing of the DPA was rapid and bogus; often soldiers and combatants had just to turn in their uniforms and were sent home (Interview, G. Day 20 May 2003). Jeremy King describes incidents three days after the DPA, when officers just disappeared and left confused soldiers of their units behind

(King 2001, p.18). The World Bank estimated that after 6 months—by June 1996—almost 300,000 soldiers or combatants had left the armed forces: 100,000 from Bosniak units, 45,000 from the Croat Defence Council (HVO) and 150,000 from the army of the RS (World Bank Technical Annex EDRP, 1996, p.1). This chaotic and rapid disintegration of the armed forces in Bosnia—though probably hard to prevent—hindered the process of registration of former combatants, which is the first important step for DDR. Instead of keeping all combatants in some way or the other under military hierarchy and in encampments until an international organization was able to register them for future integration assistance, no international organization assumed a leadership role for DDR. A clearer decision on the responsibilities and tasks of an organisation in that area should have been agreed upon in Dayton. To enable a significant DDR process in early post-war Bosnia, the OHR as the only civilian power in the country should have had—once it was set up and working properly—the major responsibilities for overseeing DDR and facilitating DDR programming (Interview, G. Day 20 May 2003). The war-scattered government of BiH was not able to approach DDR measures as state level structures or capacities did not exist. Therefore the only DDR game in town was the Emergency Demobilization and Reintegration Project (EDRP) of the World Bank, conducted from 1996 to 1999.

After a phase of training of the armed forces of the Federation by the US private military company MPRI—which, as a side effect led to some small reductions of the Federation Army—the next round of demobilization of forces in BiH occurred following the signing of the Madrid Agreement in 1998. In this agreement, the two entities of BiH committed themselves to a further reduction of their armed forces by 30%. The reduction was implemented in two phases of 15% in the years 1999 and 2000. The overall objective of these reductions of the armed forces in BiH was to improve the situation in regards to budgetary savings of 30% for the defence budget, to increase security in the region and to strengthen mutual trust between both entities. In regard to the budgetary situation in both entities with costs of personnel making up to 80% of the budgets of the respective Ministries of Defence (MoD), a reduction was indispensable (Interview, R. Eaton 16 May 2003). The total caseload of soldiers discharged in 1999 and 2000 was 12,038 with 7,384 from the FBiH and 4,645 from the RS armed forces (Bodewig and Tomasovic 2002, p.4). The MoD did not demonstrate to be very helpful in steering the DDR process and was discharging soldiers without informing them on potential assistance for reintegration. The World Bank set up a special programme, the Pilot Emergency Labor

Redeployment Project (PELRP), to target these demobilized soldiers (for details see chapter on PELRP).

The next round of reductions took place from 2002 on. This new period of downsizing the armed forces resulted again out of the threat of bankrupting the state of BiH because of the excessive spending of the entities' MoDs. Defense spending in BiH amounted to 10% of the overall state budget (Interview, R. Eaton 16 May 2003). Facilitated by the OSCE and SFOR, the Joint Military Commission agreed on a further reduction in spring 2002. The Federation agreed on discharging 8,936 soldiers out of 22,496 in the VF (6,436 Bosniaks and 2,500 Croats). The RS accepted a reduction from 8,292 to 6,600 (King 2002, p.12). After the World Bank decided not to expand the PELRP to this new round of demobilized soldiers, the International Organization for Migration (IOM) agreed on expanding their reintegration activities. Though the MoDs were again not able to steer the DDR process, the IOM was partially able to register and inform the soldiers about potential assistance while they were still in their barracks.

In 2003, a new phase of restructuring the armed forces in BiH was entered. This time, the reduction will not only happen due to budgetary necessities—which still prevail—but also for political reasons. The overall aim as formulated by the HR is the command and control of the armed forces of both entities at the state level (HR's Decision 9 May 2003, Art.2, (4)). This decision and the politics evolving afterwards showed that the goal of the international community is to pressure the entities to build a joint army under a joint military command at the state level of BiH. A joint military in BiH could constitute a first step to an overall change of Bosnia's state structures. Some members of the international community and also political and military officials of the Federation are even holding the opinion that the DPA is leaving enough space for the entity armies to be abolished and merged with a future army of BiH (Oslobodenje, 7 June 2003, p.3). It is expected that a new army would have only 9,600 to 12,000 soldiers, which would mean a serious reduction of about 50% or more of each entity's armed forces. In the first calculations, the FBiH would have to discharge 6,500 soldiers (1,900 from Croat and 4,600 from Bosniak units) resulting into 6,700 remaining soldiers (4,600 Bosniaks and 2,100 Croats). The RS would have to downsize its armed forces from the actual 6,600 to 2,900 (Dnevni Avaz, 29 April 2003, p.8). There are forces in both entities' armies and MoDs that clearly resent the reduction and the creation of a joint army in BiH (Interview, K. Owczarek 15 May 2003). Still, it is clear that the pressure of the international community will be strong enough to foster the

restructuring, especially after the scandal of Bosnian weapons being smuggled to Iraq and the revelations of the spying of RS military and intelligence service against the FBiH and international organizations in BiH. Representatives of the MoD in the RS also declared that they will finally bow to international pressure because they do not want to be isolated (Interview, M. Cekic 14 May 2003).

In regard to demobilization and reintegration, the new caseload of discharged soldiers will face some serious problems. So far, no international organization has agreed to provide assistance. Though the IOM will probably support future reintegration measures, it is struggling itself with decreased funding and interest from international donors (IOM TAFS Report, January 2003, p.12). The MoD in the RS will not be able to provide a severance payment to demobilized soldiers because no money is allocated to demobilization and reduction in the budget of the RS in 2003 (Interview, R. Brkic 14 May 2003).

3.3 Economic and Social Situation in BiH

Eight years after the signing of the DPA, Bosnian society and the economy still have not recovered fully from the impact of the war. Even without the war, BiH would have been faced with the challenges and problems of economic transition from socialism to an open market economy (World Bank Project Appraisal Document for PELRP, May 2002, p.2). But the war and the establishment of two (or de facto three) separate entities afterwards increased the burden and the challenges Bosnia has had to face (HDR 2002, p.17). The Human Development Report 2002 (HDR) of UNDP and the Economics Institute Sarajevo presented alarming figures: Bosnia-Herzegovina appears to be in a worse position than almost any other country in the Southeast Europe Stability Pact (SESP) (HDR 2002, p.3). GDP per capita places BiH 61% below the EU average, 21% lower than world average and even 19% lower than the average of all countries in the SESP. Because of the legacy of the war and poor governance ever since one is tempted to assume that these results reflect the real situation in BiH today.

But this is not accurate. There is no precise data available in BiH to allow clear-cut calculations. The HDR tries to correct some of the distortions to provide more realistic estimates. Unfortunately, there is also no sufficient data disaggregated by sex available for BiH. A fundamental problem for all measurements is that the number of people actually residing in BiH is not

known because there has not been a census after the war. Some people discuss the possibility that the actual population may be 10% lower than the official figures indicate (HDR 2002, p.4). All other statistics and measurements like the GDP, unemployment rates etc. depend on precise population figures. In addition, the impact of the grey economy and invisible money transfers from abroad can mean up to 20% more money being generated than the official GDP figures show. A 20% higher GDP spread over 10% lesser residents in BiH would change the general picture dramatically. This assumption would also explain why at a very high official unemployment rate of 28.1% only 19% of the population of Bosnia lives in relative poverty and no one in extreme poverty (HDR 2002, p.52).

Economy

The economic situation in BiH is far from being sufficient. The country is 65% poorer than before the war (HDR 2002, p.47). 19.1% live below the fixed poverty line—set by the BiH government—of KM 1,843 per year with huge differences between the entities: In the Federation, about 15.6% of the population live below the poverty line while in the RS it is 24.8%. The GDP in BiH grew by 5.6% in 2001. This growth accounts only for the FBiH with 7%. The RS economy did not expand much achieving only a 1.9% growth of the GDP (Pöschel 2002, pp.7-8). The HDR argues that the total GDP of BiH is probably higher due to cash flows from abroad of as much as 20% of the official GDP. The HDR calculates that around 300,000 BiH citizens found employment abroad and send money to Bosnia every month. In addition, small and micro companies often do not register the incomes of their employees, or they report the income to be at the minimum wage to reduce their social insurance obligations. Small and medium-sized companies lower their annual balance sheets in order to evade sales and profit tax. Last but not least, the grey market in BiH also generates income (HDR 2002, p.21).

Industrial production shows a high discrepancy between the two entities. While FBiH grew by 12% in 2001, RS declined by 12%. In general, industrial production is lower than the pre-war-period though it is methodologically impossible to compare the pre-war situation to today because often pre-war industries were not resumed following the conflict (Pöschel 2002, p.8).

The deficit of the state budget in 2001 was US \$ 1 billion, or one quarter of the GDP of BiH. The external debt of BiH had risen by 2000 to US \$ 2.97 billion which equals 69% of the GDP. The WB is the major creditor with US \$ 1.26 billion. Debt service requirement for 2001 amounted to US \$ 93 million; for 2002-04 it will increase to around US \$ 170 million per annum (Pöschel 2002, p.10).

In the current state of the Bosnian economy, foreign direct investment (FDI) is seen as the only solution to revive it. So far, however, it hasn't attracted much of it. Only KM 835 million of FDI came into BiH between 1994 and 2001. A new law on FDI in 1999 didn't create the hoped increase afterwards. Although some economic segments have become more attractive to FDI, investors in BiH face a labyrinth of formal and informal rules at the level of the state, the entities, the cantons and the municipalities, which are often contradictory or duplicative and create room for corruption (Pöschel 2002, p.15). Until now, BiH was able to cope with low FDI because of the high influx of international aid. Between 1996 and 1999 donors invested around US \$ 3.5 billion for reconstruction (HDR 2002, p.17). But now the flow of funds from international donors is decreasing. The government can provide public services to the population only thanks to this external support (Pöschel 2002, p.9).

Employment and Unemployment

Employment is a very difficult area of analysis in BiH. The HDR offers three different sets of figures (HDR 2002, pp.34-36): the official ones from employment bureaus and statistical offices, the estimates made by the Living Standards Measurement Survey (LSMS) of the World Bank, UNDP and DFID, and calculations based on various official figures to estimate how many people are in informal jobs, which could be added into the calculation of the formal employment sector. The official figures in 1990 showed 1,054,000 people in registered employment in BiH, 85% in industry and 15% in the public sector. By 2001, 633,860 people were registered in employment, 75% in industry and 25% in the public sector (not including armed forces and police which add around 60,000 more individuals to the public payroll). The number of employment in the public sector is even higher in the FBiH constituting about 30%. The number of people employed in the industry includes so called "wait-listed workers" who are not really employed in the companies any longer but kept registered for social

benefits. The overall number of unemployed people is officially, according to government sources at 421,198 which constitute an employment rate of about 28.1%.

Estimates of the LSMS show that the official numbers are not realistic but distorted by different factors. Some self-employed are not registered to evade insurance payments. Also, employers evade these payments by not registering their employees. People on the “waiting list” who are formally employed but do little or no productive work inflate the employment lists. Estimates show that around 35% of registered workers are in economically unsustainable jobs. Last but not least, the grey market is also a distorting factor.

Many of those considered employed are not in secure and stable jobs but only have informal subsistence income generation with no labor or social rights. Still, the LSMS estimates increase the figure of people generating some kind of income to 920,000 altogether. Informal labor is mostly found in agriculture, construction and trade. The PRSP Team of BiH estimates that out of the overall number of 920,000 generating income, about 41% in the RS and 32% in the FBiH are unofficially employed or working in the informal economy (PRSP Development Strategy for the BiH Labor Market, December 2002, p.5).

The LSMS comes to the estimation of an unemployment rate of about 22.2% in BiH, with employment in the grey market is counted as being employed. This rate represents the percentage of the workforce not able to access any regular income generating activity. There are only slight differences between the RS with 23.3% and the FBiH with 21.6%. This would amount to 414,800 unemployed people in Bosnia in 2000. One third of these are demobilized soldiers according to their estimates, which would constitute about 138,000 unemployed ex-soldiers (HDR 2002, p.38).

Accordingly, the traditional concept of employment is no longer an adequate measure for BiH because many individuals find themselves either with formal employers who pay only social and health insurances and are not providing any productive work for them or informal employers who provide them with work but no labor rights or social entitlements. The poor will pay the price for this distorted labor market and economy in the future if there is no major reform in that area soon. The only area, that the HDR sees for employment growth are small and medium enterprises, production and services and the financial institutions.

Another worrying result from the LSMS is the very high unemployment rate among young people. While only 9.7% of the persons at the age of 50-60 and 13.4% of the ones at 25-49 are unemployed, 34.8% of the young people at the age of 19-24 are looking for a job. As a result, 14.3% of the young population between 15 and 25 years of age and 8.5% between 25 and 29 left BiH between 1996 and early 2001, 92,000 altogether. 65% of young people in BiH today would leave if they had the opportunity to do so (HDR 2002, p.49).

Refugees and Displaced Persons

There are still 613,700 refugees outside Bosnia-Herzegovina, but 328,900 have resolved their status in the host country and are not potential returnees any longer. Since the signing of the DPA, 372,200 refugees have returned to BiH, most of them (92%) to the Federation. 84% of returnees to the RS were Serbs while 73% of returnees to the Federation were Bosniaks and 20% Croats. The ethnic division of the country has not been reduced, as intended by the IC. Instead it has been cemented by this process, because ethnic groups return to "their" entity. Internally displaced people still constitute a big problem to both entities. Currently, there are 555,700 displaced people in BiH, 283,900 in the Federation, 248,300 in the RS, and 23,500 in the district of Brcko. All the displaced people in the Federation are Bosniaks or Croats, while in the RS they are exclusively Serb (HDR 2002, p.73).

Mental Illnesses

Mental illnesses had increased as a direct consequence of the war, especially among more vulnerable groups, such as displaced persons, refugees, orphans, the elderly and demobilized soldiers. 15% of all people in BiH are estimated to suffer from traumas like PTSD, though rates vary by region or canton. Neurotic disorders and affective mood disorders account for 61% and 14% respectively. So far, there is no data available on the potential increase of murders and suicides due to these mental illnesses (HDR 2002, p. 57).

Political Responsibilities

The political system of BiH has hindered economic progress (HDR 2002, p.6). The DPA was necessary to stop war but it split the country into de facto three entities which is still the major obstacle to economic development. The leading local players of nationalist parties try to limit the cooperation between the entities to a minimum. It is clear that constitutional structures established by DPA are not adequate but the negotiation of new rules would require more confidence and cooperation of all political leaders in BiH.

The number of institutions implemented at the state level is increasing; the establishing of the central bank was a major step ahead politically for the Bosnian economy as it strengthened fiscal stability. But with political power shifting to the central level the public sector is coming under more financial pressure because it lacks a sound revenue basis as long as the Bosnian economy is not providing enough tax and customs revenues. Cutting expenditures to reduce the deficit is not an option because there is no room for that kind of measurement. Two thirds of the budget of the FBiH goes to the military and war-disabled veterans. In the RS, 46% of public expenditures cover wages of the public sector. That doesn't leave any room for public incentives to stimulate the economy (HDR 2002, p.25).

Massive reconstruction aid by the IC has been to a large extent frittered away in ethnic politicking and the pursuit of personal and group interests. The politicians failed to create a viable state and provide the preconditions for human security and human development (HDR 2002, p.99). In addition, the public administration hinders the development of an economy based on smaller and highly competitive enterprises. With no resources, no credits, bureaucratic procedures and the high corruption it is practically impossible to start a business of your own.

4. DDR Programmes of International Organizations in Bosnia

As mentioned before, the DPA was not providing any concrete regulations on DDR in post-war Bosnia. Moreover, there was no leading international agency for this crucial process. A strategic holistic vision for demobilization and reintegration of former combatants was missing and led to a rather chaotic and rapid disintegration of most of the war's military and

paramilitary groups as the Deputy High Representative of BiH, Graham Day stresses (Interview, G. Day 20 May 2003). The result of this scattered approach of the international community has been a continuing security risk especially for rural areas of BiH where former combatants are facing constant unemployment and weapons are still widely spread and available (Interview, J. Glazebrook 20 May 2003). The lack of adequate reintegration contributed to growing crime, violence towards returning minorities, smuggling of weapons and export of mercenaries to other global conflicts (King 2002, pp.10-11). Better results would have been possible with the OHR being in charge for coordinating DDR activities, assisted by OSCE and IFOR/SFOR (Interview, G. Day 20 May 2003). The post-war governments of BiH's entities were—and to some extent still are—not able to steer demobilization and reintegration projects (King 2002, p.10).

As a result, the international support for demobilization and reintegration after the war came almost exclusively from the World Bank and was channelled through its Emergency Demobilization and Reintegration Project (EDRP). Other international organizations and NGOs were dealing with these issues mostly as sub-contractors to the EDRP providing assistance for some of its activities. Because there is no data and only scattered information available on the rare national DDR projects implemented on the regional or cantonal level, no evaluation of these activities is possible.

This chapter will provide an overview of the three main projects that were and are implemented in regard of DDR in Bosnia. It will discuss their design, implementation and output to finally deliver an assessment of the projects' achievements, shortcomings and overall lessons learned.

4.1 Emergency Demobilization and Reintegration Project (EDRP)

In response to a request by the government bodies of the FBiH in early 1996, the World Bank's International Development Association (IDA) designed an emergency project for demobilized soldiers in the FBiH and the RS. The overall objective of this programme was

“to assist economic reintegration of displaced workers into the civilian workforce in order to reduce the burden on families, decrease dependency on eventual social assistance, and increase economic productivity. The primary target group is demobilized soldiers. Secondary target groups include refugees, war victims and

the disabled, widows and the general unemployed.” (World Bank Technical Annex EDRP, June 1996, p.3)

In accordance with the DPA, the conflicting parties had agreed on a balanced reduction of forces in all three competing armies of Bosnia-Herzegovina. Of the estimated 400,000 soldiers in Bosnia in 1995, about 370,000 soldiers were demobilized by the year 2000 (King 2002, p.11). At the start of the implementation of the EDRP, almost 50% of all soldiers of both entities had already been demobilized. The initial phase of this reduction emphasized on first demobilizing the soldiers who had the opportunity to return home and to their former employment, and those soldiers who could take up and complete an education that had been disrupted by the war (World Bank Technical Annex EDRP, June 1996, p.3). Originally, the EDRP was designed to establish employment through training and other activities for approximately 35,000 demobilized soldiers in Bosnia-Herzegovina, which would have benefited about 8% of all demobilized soldiers. The expected costs amounted to US \$20 million, with an average cost per trained and employed person of US \$500. However, the money received and spent for project implementation was only US \$8.5 million (US \$7.5 from IDA, a US \$ 400,000 Dutch Grant, a US \$ 300,000 Swedish Grant and US \$ 350,000 from USAID), with the FBiH receiving two thirds of these funds.

The Project Implementation Units (PIU) in BiH stressed that the design of the project was based on experiences of the World Bank in other projects that addressed economic reintegration needs of ex-combatants such as in Palestine, Nicaragua and Zimbabwe. It also would relate to the Bank’s work in other transition economies in Central Eastern Europe, regarding the successful integration of displaced workers (Implementation Completion Report BiH EDRP, 2000, p.3). In addition, it draws on field work in BiH in February 1996 and other missions by the World Bank to BiH in the same year. The implementation of the EDRP in the FBiH started in 1996. While it took until early 1997 for the project to begin working in the RS. The reason for this was the political situation in the RS in 1996; a large number of nationalist Bosnian Serb leaders were opposing the IC and therefore hindering its interventions to some degree.

Though it is acknowledged in the project report that both men and women were and are enlisted in the armed forces of both entities, there is no data available for the EDRP which has been disaggregated by sex. The special situation and needs of former female combatants in comparison to their

male counterparts is not the subject of a special targeting approach in the design of this project. Former staff members of the PIU that have been interviewed, perceived the group of beneficiaries as small and not identifiable—therefore, in their opinion, no special needs assessment was required (Interview, D. Vuckovic, 15 May 2003). An exception regarding this issue is the assistance provided by one of the subcontracted agencies in the EDRP, the International Catholic Migration Commission (ICMC). The ICMC established a school for secretarial education in the Canton Sarajevo, serving about 2,500 female ex-combatants (Interview, H. Valier, 13 May 2003). This assistance was requested by the Bosniak Veterans Association and was driven by the high demand of the international organizations coming into Bosnia for secretarial and administrative staff. Therefore, the IC, though willing in some parts to break up traditional gender relations, was reinforcing to some extent the old division of labor with male demobilized soldiers getting the biggest share of the jobs in reconstruction (where most jobs were created in the aftermath of the war) and female demobilized soldiers becoming secretaries in the offices of the international organizations.

Institutional Arrangements

To facilitate the project, the WB established two Project Implementation Units (PIU). Both PIUs worked with so called extension agents (EA) to deal with demobilized soldiers in the regions directly. There were three extension agents covering three regions in the RS, while five dealt with five regions in the Federation. The extension agents were in charge of identifying the whereabouts of the ex-soldiers and supply them with relevant information on the project, mostly through announcements in newspapers for initial information workshops in the regions. The EAs reported monthly to the PIUs on the employment situation of the demobilized soldiers.

The PIUs were established by the respective entity governments as autonomous and non-profit agencies. The staff of the PIUs received training through a team of consultants of the International Labor Affairs Bureau of the United States Department of Labor (USDOL). Based on experiences gained from projects designed for American veterans, manuals were adapted to the realities of Bosnia. In addition, the consultants from the USDOL managed the first period of the EDRP in FBiH, while the PIU of the

RS—due to the later start of the project—as receiving less training and oversight by the USDoL.

The cooperation with the MoD and other government institutions was not very close in the aftermath of the war. Especially in regard of the selection of beneficiaries, a close cooperation with the MoD would have been useful (Interview, D. Vuckovic, 15 May 2003).

It is important to mention that there have been major differences regarding the institutional set-up of the PIUs. The PIU in the Federation was only managing the EDRP. In the RS, an institution was established in charge of the implementation of the EDRP and other World Bank projects such as the Public Works and Employment Project (PWEP) and the Local Initiatives Project (LIP) (World Bank Project Appraisal Document for PELRP, May 2002, p.23). This institute was called the Employment and Training Foundation (ETF). Therefore, not only a cross-referral took place in the RS, but also institutional memory was maintained because the ETF in Banja Luka—now renamed The Development and Employment Foundation (DEF)—is also implementing the World Bank’s follow-up project for demobilized soldiers, the PELRP. Instead of being closed at the end of implementation—as happened to the PIUs for all the World Bank projects in the FBiH, not only the ones implementing the EDRP—there was a continuation of infrastructure, experience and administrative staff in the RS (Interview, Z. Miovcic, 14 May 2003). Coordination of interventions in the FBiH was therefore more difficult in comparison to the RS.

In addition, the ETF in the RS was working more autonomous from the consultants of the USDoL because it started implementation at a later time and with less support in the beginning of that process. This was seen as an asset for the staff of the RS’s PIU, because it allowed closer and more self-responsible monitoring and access of all sites for the partners in the EDRP in the RS. Moreover, it enabled the PIU to apply the suggestions of the American consultants better to the reality of the RS by making these “simpler”. The suggestions were sometimes seen as being “too complex and therefore not applicable to reality” (Interview, Z. Miovcic, 14 May 2003).

It is also important to point out that some municipalities in the RS were on “the black list” in the first years after the end of the war, meaning that there was no assistance provided in the framework of the EDRP. This happened due to political tensions between some of the factions in the RS and the IC.

Project Components

The EDRP consisted of four designed project components:

- Development of a Labor Market Information Data Base (LMI)
- Counseling and Job-Finding Services
- Education and Retraining Services
- Management Assistance

LMI:

The objective of this component was to develop a LMI that would match the skills of the unemployed workers with the specific needs of the enterprises that are emerging, restarting or expanding. As a final goal, the LMI was to be installed in all central, regional and local employment institutes in both entities. The project provided the hardware for the LMI and contracted organizations to develop the software. A major concern in the beginning of implementation of this component was that it would not be possible to reach a consensus on uniformity in system design with each entity's employment institutes (EI) at state and cantonal level representing Croat, Serb and Bosniak interests. Fortunately, a single system that every EI can use independently was agreed upon and developed. This LMI would allow—if political will existed—to exchange the same labor information and employment statistics of all regions of BiH. By now the LMI is installed in all employment bureaus in BiH—to what extent it is used couldn't be clarified by Bosnian officials (Interview, Z. Miovcic 14 May 2003).

Counseling and Job-Finding:

This component was established to develop the capacities of the EIs and also participating private companies to provide employment counselling and job search assistance to unemployed workers. There was also an effort to develop services for demobilized soldiers, refugees and others to work on PTSD related problems in the RS. Those problems can have an impact on the person's ability to conduct an effective search for employment and in then maintaining a job. The service to address these problems in the RS assisted 229 persons (180 male, 49 female). A team of clinical psychologists provided them with advice and psycho-educational training (Sawjak 2000, p.2). The aim of this activity was to screen the participants

and assess their mental health in regard to trauma-related problems. Moreover, it was meant to raise the awareness on post-war mental problems in demobilized soldiers and Bosnian society as a whole and to stress the importance of follow-up activities (Sawjak 1999, pp.2, 22). The main result of this small activity was striking: 41% of the clients showed clear symptoms for PTSD which is clearly an obstacle for any kind of reintegration assistance (Sawjak 1999, p.10). Though the psychologists emphasized the importance to extent activities in this area, there were no additional projects provided.

Job counselling services itself were also unknown to pre-war, socialist Yugoslavia. The EIs, which had a monopoly on job counselling after the war were not ready to provide efficient services like résumé writing, development of job-searching strategies and preparation for job interviews. Therefore, through the EDRP the EIs were not only sub-contracted for providing these services, but first received themselves capacity building activities. But this assistance did not prove to be sustainable. Without the financial support of the EDRP, the assistance was gone (Interview, Z. Miovcic, 14 May 2003). Still today, most of the EIs in Bosnia are perceived to be too bureaucratic and not very efficient in job counselling. Private companies and NGOs contracted for this component showed better performance ratings. The monitoring through the PIUs was quite strict, continuing the contract only if at least 25% of the assisted persons had found a job.

Because of the aforementioned history of job counselling and the still existing bureaucratic structures in this area, this component was seen quite sceptically before implementation, especially considering the economic situation after the war. Therefore the actual performance of this component can be seen as sufficient. Out of 3,324 clients served by 35 contracts with different partners (2,643 in FBiH; 681 in RS), 912 were employed after receiving assistance (678 in FBiH; 234 in RS)—a placement rate of about 28% (Implementation Completion Report BiH EDRP, 2000, p.8). Long term monitoring of the participants didn't take place, the placement rate reflects only immediate job placements. It may be assumed that the impact of this component will be to some extent higher, but also the possibility of those being employed to lose their jobs exists, of course. All measurements of served persons, meaning the overall placement rate—in all components—was made only once, 120 days after the assistance, which resulted in a lack of information about the beneficiaries. A longer monitoring process would have provided more information on the project's

performance and could have improved future measurements and activities for employment.

Education and Retraining Services:

This component was designed to finance sub-project contracts with appropriate providers for demand-driven education and retraining services primarily to demobilized soldiers. It could also include the provision of education and retraining resources to enterprises, which would then provide on-the-job-training to the unemployed. Moreover, education and training institutions were financed, which provided short-term retraining programmes. The contractors had to verify that there are reasonable expectations for an increased demand in the occupations they trained for. Contracts were only renewed after a certain, pre-negotiated placement rate of 80% of the trained demobilized soldiers had been achieved by the contractor. That means that training and education institutes were de facto responsible for getting the demobilized soldiers a job after the activity. When the PIU first published a request for contractors in this component, the feedback was quite surprisingly high. A lot of the jobs created were immediately related to the re-construction of the country. The conditions of the EDRP assistance were especially attractive to emerging enterprises, because they opened flexible and quick opportunities to hire employees, with the chance to pick only the ones, who had proven to have the needed expertise. The PIU has assessed that through these incentives “enterprises were able to provide services and increase production with appropriately trained personnel earlier than would otherwise have been the case” (Implementation Completion Report BiH EDRP, 2000, p.10).

1,233 clients were served in this component (865 in FBiH, 368 in RS), of which 916 were employed. The number for on-the-job-training at the enterprises was significantly higher; through 497 signed contracts (307 in FBiH, 190 in RS), 18,766 persons were assisted with the result of 15,380 being employed (10,794 in FBiH, 4,586 in RS).

Though the outcome of this component was quite impressive, there had been some criticism. A lot of funded contractors provided labor intensive jobs in reconstruction, which were only reducing unemployment in the short-term instead of providing the needed transformation of the Bosnian economy away from big state owned industries and enterprises mainly working in the construction business to small and medium enterprises (SME) providing jobs in the service sector. Mainly this was due to the

overall economic situation in BiH at that time. With US \$ 3.5 billion of reconstruction aid floating into Bosnia, it was easier for the PIUs to support employment in the area of reconstruction (HDR 2002, p.17). SME development was hindered by bureaucratic procedures and the lack of foreign direct investments or state incentives at that time.

Most of the funded projects of the EDRP “did nothing to address the underlying psychological tensions and post-traumatic mental illness (King 2002, p.11)”. The good approach of the PIU in the RS by integrating PTSD counselling into component 2 assisted only 229 persons—out of 23,000 clients in the whole EDRP. With an assessed 41% of the demobilized soldiers taking part in PTSD counselling in the RS still suffering from PTSD, more services provided in that area are crucial to the success of such a project (Savjak 2000).

Management Assistance:

This component was funded to provide and finance technical assistance and training to the staff of both entities PIUs. As mentioned the cooperation partner was the International Labor Affairs Bureau of the USDoL. It assisted not only in the development of the institutional structures but also in developing procedures and controls, and contracts meeting IDA standards. In addition, the American consultants assisted in the development of manuals, using experiences gained from job counselling for American veterans. Also the LMI was a major entry point for USDoL assistance. Though the overall support was perceived to be quite helpful and efficient, some approaches were seen as being too complex and not applicable to Bosnian reality (Interview, Z. Miovcic, 14 May 2003).

Most of the training of the consultants took place at an early stage of the project. The USDoL consultants spent a lot of their time and resources in the country before the PIUs in both entities were fully equipped and staffed. Because of this, greater technical assistance was not available at a later phase of the EDRP when it could have been an important contribution to better services by the PIUs. In particular, the extension agents (EA), and also other staff hired at a later time, did not receive the needed training in labor market and employment issues (Implementation Completion Report BiH EDRP, 2000, p.11). In the view of the PIUs’ staff, greater capacities could have been developed earlier to provide better services to the clients and monitor sub-contractors in a more efficient way.

In the RS, because of the late start and political reasons, even less training of staff was received, which nevertheless was perceived as giving the PIU more independence and accuracy in developing approaches that were more applicable in the RS (Interview, Z. Miovcic, 14 May 2003).

Achievements

The EDRP was successful in training and providing assistance to 23,323 persons, mainly demobilized soldiers. 17,208 of these, or 74%, were employed. This high placement rate was achieved in an evolving society struggling with the remnants of war and socialist planned economy. The PIUs also stress the long-term gain of the EDRP for Bosnian society as a whole, with employed individuals improving their families' economic situation, benefiting their communities through more consumption and payment of income taxes. In its implementation report, the PIUs stress that a similar project, paid by the Bosnian state, could have generated enough revenues to theoretically support the training of 30,000 demobilized soldiers on an annual basis, because each employed ex-soldier would generate income taxes and social payments to the state, while their households could strengthen consumption in general (Implementation Completion Report BiH EDRP, 2000, p.11). The training itself was much more efficient and cheaper than originally planned in the project's design. Instead of US \$20 million to train 35,000 demobilized soldiers, only US \$8.5 million was provided by the IDA and other donors. Still, the PIUs managed to assist 23,000 clients. Thus, based on the original estimate of US \$500 per trained person, the project was able to provide assistance at an average of US \$352 per served individual (for training, subsidized employment, etc.). This was almost one third less than anticipated.

The structure of the PIUs also proved to be very beneficial to the implementation process. This was especially the case in the RS, where continuation and cross-referral was guaranteed through the setting up of PIUs for all World Bank projects at the ETF.

The EDRP also raised the awareness of companies that training for employees on the job is needed, and that trained employees are beneficial for their companies' overall economic performance. In a country where structures from socialist planned economy still prevail, the project helped to

introduce new approaches for job counselling and to support private companies and state owned EIs to follow that new path.

A very important achievement was also the close and successful cooperation of the entities' PIUs at a time when contacts, cooperation and even communication between the former adversaries were almost completely prevented—one of the major constraints at the beginning of the project, for example, was the lack of a phone connection between the two entities. Apart from the already mentioned joint LMI, both PIUs met regularly, shared materials, experiences and other information, and also took part in common seminars and conferences.

Shortcomings

Though the PIUs have shown to be successful structures for the project, the EDRP with de facto three separate implementing agencies was clearly not the optimal organizational structure. It nonetheless, reflected the reality in BiH (World Bank Project Appraisal Document for PELRP, May 2002, p.23). Both PIUs stressed in the interviews their good cooperation in sharing information and material, but joint projects that could have addressed common problems were not implemented due to the political tensions at that time.

Though gender is mentioned in the implementation report of the PIU, female ex-combatants were neither a special target group of the programme nor even distinguished in the data of the overall programme performance. With women constituting around 10% of the armed forces in BiH, a closer look at their special situation and needs after discharging could have been fruitful (Walsh 1997, p.10). Moreover, the social implications of male or female ex-soldiers returning to their communities and families would have been worth measuring, especially in regard of their impact on gender relations.

PTSD still presents a major problem to Bosnian society today with about 15% of the whole population in Bosnia suffering from different mental illnesses related to war experiences (HDR 2002, p.57). Ex-combatants, with their experiences on the front lines compose a special problem with indications for all parts of social relations and also to their capabilities regarding job search and employment in general. With an assessed 41% of

demobilized soldiers in the EDRP activity mentioned above, it can be estimated that a high percentage of all former soldiers are suffering from trauma-related problems. Though the PIU in the RS offered PTSD counselling and training services to 229 clients, not enough had been done on this issue in the EDRP (King 2002, p.11).

In regard to the EDRP, there had been no sustainability, though the PIU calculated in their implementation report that a project similar to EDRP could have been run successfully by the government of BiH. The PIUs argue that circumstances in post-war Bosnia hinder such sustainability because economic development has not been stimulated in the same way as political structures and bureaucracies (Implementation Completion Report BiH EDRP, 2000, p.9). The World Bank itself provided a follow-up with the PELRP, targeting a special group of demobilized soldiers who had been discharged after the Madrid Agreement (see section on the PELRP). Ex-combatants from the rapid demobilization of all forces after the DPA are not eligible for that assistance.

The World Bank itself saw a shortcoming of the EDRP in not providing services for small and medium enterprise development and business skills training (World Bank Project Appraisal Document for PELRP, 2002, p.23). Instead, a lot of demobilized soldiers were employed in labor intensive areas, such as construction work, which often provided only short-term employment as long as international donors funded the re-construction of the country on a large scale. Long-term self-employment generation was not an aim in the EDRP (World Bank Project Appraisal Document for PELRP, 2002, p.5).

Especially in the Federation, a lot of international NGOs were sub-contracted to provide services for the EDRP, such as the International Catholic Migration Commission (ICMC) in the job counselling component. Maybe the support and training of local providers could have led to more sustainable development of the capacities of Bosnian organizations.

Because of the insufficient degree of cooperation with the MoDs and AFs of the entities, there was a lack of information on each ex-soldier in the beginning of the implementation period. Moreover, long-term monitoring seems to have been neglected. Measurements of the situation of demobilized soldiers were taken 120 days after they had been employed, following the completion of their one-year-training or job-subsidizing.

Lessons Learned

- Cooperation with small private companies was more efficient than with large state owned companies. Those companies trained a smaller number of demobilized soldiers and employed only half of the trained individuals, but these employments were sustainable. The RS turned down offers from big state owned companies that wished to take 100 persons on board without having any work to do at that time; the money they would have received by the EDRP was instead planned to boost the companies business first without offering any concrete placements for EDRP clients (Interview, Z. Miovcic, 14 May 2003). Monitoring of contracts that served so many clients was in general difficult to achieve in a reasonable way due to the scarce staff resources of the PIUs. Nevertheless, a lot of big contracts helped to assist a large number of clients in a rapid way.
- It was often stressed in interviews that SME development is crucial in improving the economic and labor market situation in a war-torn and post-socialist society in order to establish sustainable economic growth. This task proved to be very difficult not only because it was not approached enough in the EDRP, but also due to the lack of an enterprise mentality in demobilized soldiers in Bosnian post-socialist society in general. An overall passive attitude of employees, employers as well as government institutions in the labor market hindered even better results.
- Labor market assessment is needed before implementation to make DDR projects more efficient.
- Better monitoring of the project's outcome is important for follow-up and a general assessment of project performance.
- There was not enough cooperation of the PIUs with the respective MoDs, MoLs and AFs in both entities. This could have been a great asset in finding and addressing potential beneficiaries for the programme. During the first rapid, uncontrolled demobilization of military and paramilitary forces after the war, a lot of soldiers were demobilized without being kept on file or registered for later reintegration activities.
- The economic situation after the end of the war, and especially the time of the EDRP's implementation from 1996-1999, proved to be very receptive in regard to the quick creation of employment. This was

mainly due to the high amount of reconstruction aid provided by the international community at that time. Without that incentive the EDRP would have been less successful (Interviews, Z. Miovcic and D. Vuckovic, 14 &15 May 2003).

4.2 Pilot Emergency Labor Redeployment Project (PELRP)

The PELRP of the World Bank was designed to assist the demobilization and reintegration of soldiers being discharged following the Madrid Agreement (MA) in 1998. In this agreement, the two entities of BiH committed themselves to a further reduction of their armed forces by 30%. The reduction was implemented in two phases of 15% in the years 1999 and 2000. The overall objective of these reductions of the armed forces in BiH was to improve the situation in regards of budgetary savings of 30% of the defence budget, to increase security in the region and to strengthen mutual trust between both entities. The PELRP was active since December 2000 and the first contracts with service providers were signed in early 2001. Both PIUs started implementation in June 2001—almost 3 years after the Madrid Agreement was approved by both entities. The implementation was delayed because the MoDs didn't provide the soldiers with information on the project before they were discharged. Therefore the PIUs spent a lot of time on tracking the ex-soldiers, informing them and checking their skills and interests for assistance.

The two objectives of the PELRP were:

- To provide ex-soldiers with the means for self-reliant existence and to integrate them into the economically active population.
- To test different labor market measures to encourage employment generation and small business creation for the benefit of demobilized soldiers and local training and consultancy firms (World Bank Project Appraisal Document for PELRP, May 2002, p.3).

It is stressed that the PELRP is demand-driven, therefore being flexible to respond to the individual wishes of ex-soldiers. It aims at empowering the demobilized soldier to become self-reliant and able to make his/her own decision. That is why after a year of implementation the PIUs added another component for self-reliance in agriculture after a lot of its potential clients had requested such assistance.

The total caseload of soldiers discharged in 1999 and 2000 was 12,038 with 7,384 from the FBiH and 4,645 from the RS armed forces (Bodewig and Tomasovic 2002). No data disaggregated by sex was available. The number of potential beneficiaries was difficult to measure though both entities' MoDs provided a list with all soldiers discharged in 1999 and 2000. SFOR checked that list for potential war criminals before supplying a copy to the World Bank and the PIUs. The PIUs had difficulties to determine the real number of eligible individuals, because some had already found employment, others were pensioners, some were dead, and others had been discharged for disciplinary reasons. Therefore, the number of eligible ex-soldiers was changing and is changing still today, though only marginally. So far, 7,926 individuals, 5,021 soldiers from the FBiH and 2,905 from the RS (as of fall 2002) have been eligible for the services under the PELRP.

It was outlined in the World Bank Project Appraisal Document that US \$ 15 million would be provided for the PELRP from the International Development Association (IDA). An additional contribution of US \$ 1.5 million was to be contributed by the government of BiH and US \$ 1.01 million by the "Dutch Trust Fund". Almost two thirds of this money would be spent in the FBiH, one third in the RS. There is an upper limit of money spent per served client in each of the components of the PELRP of KM 5,000 to 6,000.

The World Bank tried to draw on past experiences on DDR in Bosnia when establishing the PELRP. For that reason, workshops with project managers from the EDRP and PELRP were organized to inform the PELRP staff on lessons learned from the EDRP. In addition, the task team leader for the World Bank's PELRP visited sites of the EDRP in the RS and the FBiH. The preparation of the PELRP was perceived to have been quite efficient (Interview, Z. Miovcic, 14 May 2003).

As with the EDRP, female demobilized soldiers have not been designated as a special target group in the design of the PELRP. No official data about the served clients disaggregated by sex is available. Though the Mid-Term Review Report of the World Bank acknowledged the possible existence of female beneficiaries in the project through the use of the terms "he or she", no section deals with or provides concrete data on this issue (Bodewig and Tomasovic 2002). An exception had been the PIU in the RS, where disaggregated data was available upon personal request. Female demobilized soldiers constituted 11.8% or 557 of all beneficiaries of

PELRP activities in the RS as of April 2003 (Interview, J. Rokvic, 15 May 2003).

Institutional Arrangements

As mentioned above, the World Bank tried to maintain the institutional memory gained in DDR projects in Bosnia by setting up workshops and meetings of PELRP and EDRP staff. This guaranteed that lessons learned by the EDRP were taken into account for the new project. As with the EDRP, there are separate PIUs for both entities, which differ in some aspects. The PIU in the RS is again managed by the Development and Employment Foundation (DEF) which has been and is still in charge for all World Bank projects in the RS. The PIU in the Federation has been established exclusively for the PELRP, the former PIU for the EDRP was closed at the end of the project. The governments of both entities nominated the heads of the PIUs. Both PIUs work again with extension agents (EA), as did the EDRP, to deal with demobilized soldiers in the regions directly. There are three EAs covering three regions in the RS, while five deal with five regions in the Federation. The EAs are in charge for identifying the whereabouts of the ex-soldiers and supplying them with relevant information on the project, mostly through announcements in newspapers for initial information workshops in the regions. The EAs report monthly on the retention of subsidized ex-soldiers. Again, there are some differences between the two PIUs. While the EAs of the FBiH cover all components of the project and deal with all clients personally, the RS PIU subcontracted providers to act as extension agents in the agriculture component because they felt that they were lacking the needed capacities and knowledge in that field.

Though the PELRP is split as the EDRP between the two entities, both PIUs perceived their communication and cooperation as well developed and efficient. The representatives of the PIUs meet every second month.

Project Components

The World Bank designed two project components for the PELRP:

- Counseling, employment and training

- Project implementation

After initiating the PELRP, the PIU made some changes, and with the addition of the abovementioned agriculture component, the PELRP currently has four different components:

- On-the-job-training and employment
- Self-employment in agriculture
- Self-employment in small-scale business
- Institutional education and training

On-the-job-training and employment:

In this component companies can take on demobilized soldiers for up to a year, providing them with training on-the-job. Salaries are paid by the PIU; employers have to pay social insurance contributions and relevant taxes, but receive funds for training purposes. The aim of this component is that the clients will be retained by the employer at the end of the PELRP-financed contract.

Training and employing of demobilized soldiers in construction work
Slobodan Stupar, an architect from Banja Luka, founded a construction company in 2000. When he heard from the PELRP through a newspaper advertisement, he saw it as a chance to train his own future construction workers on the job. He had to draft a business plan that was checked and agreed upon by the PIU, which then provided him with a list of 300 potential employees he had to contact. That process took about 2 months. From these only 30 responded to his request and finally 9 participated in the training. The training was seven hours per day, six days per week, mostly practical but with some theoretical lessons. After six months they started to work practically on a construction site. The company received KM 5,000 per ex-soldier, which resulted in a salary of KM 420 per individual per month, limited for one year. The company paid the training expenses. Slobodan perceived the working discipline of the employees as being very low in the beginning. Moreover, the level of drop out was quite high:
after 3 months 1 left: he was fired because of bad behavior
after 6 months 4 left: they were not satisfied with the job
after 9 months 1 left: he found a better job
Finally, after one year, the company had completed the training of three soldiers which were then given a renewed contract, two of them being now very good construction workers (Interview, S.Stupar 16 May 2003).

By September 2002, 1,510 ex-soldiers were receiving on-the-job-training, 797 in the FBiH and 713 in the RS. The World Bank's midterm review team (MTR) interviewed a sample of the clients. Most of the ex-soldiers were content with this component and expected to have their contract prolonged at the end of the PELRP's assistance, though some were sceptical about it (Bodewig and Tomasovic 2002, pp.6-7). There is a general distrust of dependent employment with no job security for life. This clearly reflects perceptions remaining from the socialist era and also the status they had in the armed forces, which now can hinder their flexibility.

There were huge disparities in the salaries paid to the ex-soldiers in this component, depending on the entities' average wages (higher in the FBiH), local economic situation, and the companies they're working for (some tend to pay the minimum required salary under the programme). Some have to take up an additional job or work in agriculture, mainly on their own piece of land to sustain their living conditions. A lot of the interviewed soldiers expressed that they prefer the on-the-job-training to receiving a one time severance payment by the state when discharged from the armed forces. Another observation in this component was that placing ex-soldiers in state-owned companies is problematic when these companies are not sure to be sustainable. Therefore both PIUs tried to focus on small companies which could provide better and personalized training. This clearly depends on the future economic development in BiH. A growing private sector could boost employment.

Though the World Bank's MTR came to quite optimistic results, there has been some scepticism about this component. On the one hand, World Bank managers stressed that up to 75% of the subsidized ex-soldiers could keep their job after one year. On the other hand, the MoD of the RS perceived the breaking up of contracts to be one of the biggest problems in this component—either the ex-soldiers just leave the company on short notice or the companies fire them due to a lack of working motivations or other problems (Interview, M. Cekic 14 May 2003). The example of the construction company mentioned above seems to underline that fear. New numbers for this component provided by the PELRP in the RS showed for the RS only 704 ex-soldiers being employed by the end of April 2003—which constitutes a reduction of 9 individuals compared to the numbers in September 2002 (Interview, J. Rokvic 15 May 2003). That is not a big difference, but taking into account that in a period of seven months, not only no new employment opportunities were created, but even less people

were employed, this result is quite critical for the overall performance of the PELRP in regard to generating sustainable employment.

Self-employment in agriculture:

The PELRP project appraisal document did not include such a component. As mentioned above, the PIUs saw their initiatives as demand-driven. The component was added and active since April 2002 because many ex-soldiers had expressed the wish to become involved in small-scale farming instead of being employed. Under this component ex-soldiers receive livestock, technical equipment and counselling to become self-reliant. They are obliged to keep the livestock and goods for 6 (RS) up to 12 (FBiH) months at a minimum.

The PIUs felt that through this initiative not only individuals but whole households could benefit, especially in rural Bosnia where people live in extended households with all family members contributing to its sustainability. The midterm review team of the WB assessed self-employment in agriculture to be an important safety net in post-socialist Bosnia (Bodewig and Tomasovic 2002, pp.9-12).

Though the activity has been only implemented since April 2002, it is by now the biggest part of the PELRP regarding the number of served clients in both entities. 2,207 ex-soldiers received assistance for agriculture by September 2002, 1,606 in the FBiH and 541 in the RS. The PIUs as well as the MoDs praise this development because it guarantees some income in this time of economic stagnation in BiH. The popularity of this component largely draws from relevant knowledge of the ex-soldiers regarding farming and agriculture. Moreover, as mentioned above, the ex-soldiers prefer to work on their own rather than being dependent on one single employer in a private business.

Because the programme didn't differentiate between ex-soldiers in terms of income levels, the assistance is of different value to the individual. While for some it is somehow the last resort, others saw it as kind of a hobby and did not rely at all on the received livestock. Some were able to work at another job while the family took care of the agricultural work. In some cases, the midterm review team didn't find the ex-soldier at her/his address. Still, misuse like selling livestock immediately on the market happened rarely. The quality of the livestock and the bureaucratic procedures to obtain it were sometimes criticized.

Numbers from April 2003 of the PIU in the RS seem to indicate that a majority of ex-soldiers favour this option. Since September 2002, almost all new clients were supported for self-reliance in agriculture; the number rose in the RS from the abovementioned 541 to now 856. In April 2003 alone, there were 35 ex-soldiers assisted in that programme; not one individual served any longer in any of the other components. There is some scepticism about this approach of the PELRP. While the PIUs argue that in an unfavourable economic environment, as in Bosnia at the moment, this approach is the only way for demobilized soldiers to earn a living, others perceive it to be unsustainable (Interview, Z. Miovcic 14 May 2003). Moreover, self-reliance in agriculture does not create any new jobs as the other components can.

Self-employment in small-scale business:

As with the agriculture component, the self-employment in small-scale business was added in April 2002, almost a year after the implementation of the PELRP had begun. So far, only the RS is providing this assistance to demobilized soldiers. Implementation of this part of the PELRP in the FBiH is planned but has failed thus far because of the lack of capable providers in that area of the Federation (Interview, G. Tinjic 26 March 2003).

Under this component, ex-soldiers receive the necessary training and assistance to set up their own business venture. In addition, they can receive goods and equipment for their start-ups. The service provider in the RS is the Enterprise Development Agency (EDA) in Banja Luka. The EDA had been established by the International Labour Organization (ILO) in 1998 as one of three SME agencies in BiH. By now it has been working independently for 2 years. Besides being subcontracted from the PELRP in this small component, its main areas of work include business training and consulting, capacity building, research, job creation and technical assistance to local governments.

In the PELRP, the EDA provides a 7-day advisory course for interested ex-soldiers in SME and start-ups. After completion of the course, the clients have 7 weeks to prepare a business plan, which then is presented in front of a panel from the EDA. The business plan, if accepted by the panel, is then suggested to the PIU which supports it with KM 4,500. So far, 50 demobilized soldiers have taken part in this activity. The EDA perceived most of the set up businesses as sustainable, with only one clearly having failed (Interview, Z. Miovcic 14 May 2003). It is stressed that SME development and self-employment in general can not only be sustainable but also has the potential to create new jobs when these businesses grow.

For the MTR not all of the evaluated businesses in this component gave the impression of being sustainable for the future. Sometimes the business plans lacked a clear labor market assessment when a business was established in a town where a long experienced competitor offered the same service in a more efficient way. Other than the agriculture component, SME development requires a more complex knowledge that not all demobilized soldiers have or are able to obtain in a week-long course. Moreover, the amount of money paid by the PIU is not sufficient to set up a business, which calls into question that part of the activity. The MTR suggested that instead the PIUs should focus on providing the ex-soldiers with the necessary skills and then link them to micro-finance programmes. Once they have obtained the funds and set up a business, the EDA/PIU could assist them with advisory services for one year (Bodewig and Tomasovic 2002, p.13).

Institutional education and training courses:

This component provided demobilized soldiers with scholarships to go to secondary school, university and other educational institutions to upgrade their skills. Though only a small number of ex-soldiers have chosen this activity so far, the MTR perceived those who did as being highly motivated to reach their goals. By September 2002, 168 ex-soldiers were receiving support in this component, 57 in the RS and 111 in the Federation.

While both entities offer well-established educational institutions in terms of universities and secondary schools, private training agencies are less well developed. The PELRP was able to finance some special courses for ex-soldiers. Many soldiers decided to improve their language and computer skills.

Again, the progress report of the PIU in the RS seems to indicate that the demand for this activity is declining. Seven months after the MTR report, only two more ex-soldiers have taken up educational training. Though most of the demobilized soldiers can offer almost no educational background or any valuable skills, a higher participation rate in this activity would have been desirable.

Achievements

The PELRP has already served about 45-50% of the eligible beneficiaries from the reduction of the armed forces in BiH in the years 1999 and 2000. This is especially impressive regarding the overall economic situation in BiH today. A lot of the subsidized contracts in the on-the-job-training component have been prolonged—though there has been some doubt about the percentage being between 70-75% or lower.

The PIUs identified three times more open positions than were actually filled with ex-soldiers. They were not willing to take offered positions. Ex-soldiers often did not recognize the need to work, the participation in the war led them believe that they are entitled to benefits; many are working on the black market.

Through self-employment in agriculture assistance, the PIUs were able to provide ex-soldiers with an important instrument to rely on and become self-sufficient. The MTR, as other interview partners, stressed the importance of this activity as a social net in Bosnia because households, not just the individual ex-soldier, can benefit from it.

The PELRP is providing important insight into the current Bosnian labor market situation and can stimulate institutional reforms. Moreover, it can give experiences for future reductions of the armed forces and help to facilitate them and improve the public acceptance of military reform and reductions. It also tests different labor market measures to encourage employment generation and—to a lesser extent—small business creation for ex-soldiers.

By focussing on a demand-driven approach, the PELRP allowed ex-soldiers to choose for themselves what route they take for employment or self-reliance. This supported a change of attitude, away from thinking in terms of entitlements and the state being responsible for them, to taking initiative in their own regard.

Shortcomings

There has been some scepticism about the approach of the PIUs to focus on supporting demobilized soldiers to become self-employed in agriculture (Interview, Z. Miovcic 14 May 2003). This may be an important part of the social net in Bosnia, especially in the current economic situation.

Nevertheless, it has to be questioned whether or not this approach is sustainable in providing long-time income and employment.

It is still not clear how many of the subsidized jobs in the training component will be sustainable. Some examples seem to indicate that there is a problem in terms of employers cancelling contracts or ex-soldiers leaving their jobs before the end of the one-year assistance programme.

The second year of the implementation of the PELRP saw a reduction in the variety of chosen assistance by the ex-soldier. By now, the PIUs almost exclusively provide support in the agricultural component; all other components show no new clients or even decreasing numbers of beneficiaries, which stresses again the problem of contracts that have not been prolonged. Because the PELRP is demand-driven—what is seen by most of the staff and the MTR as its biggest advantage—it can be concluded that ex-soldiers no longer show interest in other components of the PELRP.

There is no SME activity under the PELRP in the Federation so far, because the PIU has not been able to identify any capable provider for this service in the FBiH. Bearing in mind that the EDA in the RS is working quite successfully it is not understandable why it should not be also providing its services to demobilized soldiers from the Federation. The primary activity in this programme takes only a week which could be easily implemented in the FBiH. Even the follow-up counselling and monitoring would not create problems for the EDA's capacities as long as the number of applicants is about the same as in the RS. The EDA has not been approached for that service by the PIU in the FBiH so far, although it would be possible for it to provide it (Interview, Z. Miovcic 15 May 2003).

Though the demand is now focussed on the agricultural component, the SME activity should be improved in terms of numbers of beneficiaries. It has proven that the one-time payment in this component is not sufficient to start a business. Therefore the SME participants should be connected to organizations that provide micro-finance.

The MoD of the RS saw a problem in terms of eligible persons for the PELRP. 12,038 soldiers were discharged after the MA. 7,926 individuals were assessed to be eligible for PELRP assistance with 3,885 served by September 2002. Though a lot of the demobilized soldiers were either pensioners, found a different job, or went abroad, the MoD of the RS holds the opinion that about 1,000 of the ex-soldiers of that case-load are “now on

the street” and have not even received a severance payment (Interview, M. Cekic 14 May 2003).

Identification of laid-off soldiers proves at times to be difficult. The PIUs tried to contact many ex-soldiers long after their dismissal, but this was difficult. Soldiers were misinformed by the MoD about the PIU services—allegedly they would receive cash. Soldiers were kept “on hold”, but were not informed about their definitive dismissal. There was no pre-discharge information about the World Bank’s project which was the fault of the Ministry of Defense. While “on hold”, the soldiers were still paid by the MoD from three months up to one year—technically, it was possible for ex-soldiers to receive their military salary as well as support from the PIUs. The PIUs had to exclude those soldiers who could actually support themselves (Interview, N. Amrudin 27 March 2003).

Lessons Learned

- The PELRP and the MoD spent too much time tracking down the demobilized soldiers and filtering out the eligible ones. There was no information on the PELRP disseminated while the soldiers were still in their barracks. Providing the soldiers with orientation and counselling courses as well as surveying their skills before the discharge greatly improves the implementation of any reintegration project. That is why screening of the soldiers while they are still in the barracks is important.
- Because of their low skills and education, demobilized soldiers face huge difficulties in the Bosnian labor market. The lack of work habits and enterprise mentality, the passiveness and thinking in entitlements together with a complaining mood often constitute additional problems for a successful reintegration.
- As with the EDRP, the relationship and cooperation with government ministries or EIs at the regional and local level was poor. EIs still lack the capacities in job counselling and referral.
- Employment and training is preferable to a one-time severance payment. Future activities should take that into account and train and employ demobilized soldiers instead of the government just paying them off.
- The PIUs identified three times more open positions than were actually filled with ex-soldiers. They were not willing to take offered positions.

Ex-soldiers often did not recognize the need to work; their participation in the war led them believe that they are entitled to benefits from the state.

- The economic situation at which the PELRP is implemented is completely different to the one at the time of the EDRP's implementation. With less international reconstruction aid provided to Bosnia, it was more difficult to support employment in the area of construction work, which was a major reason for the success of the EDRP. SME development, which is seen as the key to future economic development in BiH, is hindered by the lack of foreign and state investments, and the lack of options for micro credit schemes (HDR 2002, p.25).

4.3 IOM Transitional Assistance to Former Soldiers in BiH (TAFS)

The International Organization for Migration (IOM) has been involved in providing assistance for demobilized soldiers for over a decade in almost a dozen countries. The target groups of the TAFS in Bosnia are soldiers and civilian personnel who served either with the armed forces or the MoDs and concluded their services by April and May 2002. In addition, the programme serves soldiers discharged before who have not been assisted by other programmes and institutions like the PELRP. This new period of downsizing the armed forces resulted out of the threat of bankrupting the state of BiH because of the excessive spending of the entities' AFs and MoDs. Defense spending in BiH amounted to 10% of the overall state budget (Interview, R. Eaton 16 May 2003). Facilitated by OSCE and SFOR, the Joint Military Commission agreed on a further reduction in spring 2002. The Federation agreed on discharging 8,936 soldiers out of 22,496 in the VF (6,436 Bosniaks and 2,500 Croats). The RS accepted a reduction from 8,292 to 6,600 (King 2002, p.12). Soldiers were promised by the MoDs in RS and FBiH to receive KM 10,000 as a one-time severance payment if they would voluntarily agree to end their contract. Most of the contracts had been originally signed for four years—there are no life-time positions any longer in either of the armed forces. Most of the soldiers left “voluntarily”, only 1,500 were forced to leave (Interview, F. Soda 26 & 28 March 2003).

The IOM conducted an information campaign from April to August 2002. In November/December 2002 bill boards and posters were placed in public transport and other traffic areas with information on the IOM's programmes. During June and July 2002, a radio jingle was aired five times per day, for 41 days on 18 radio stations in the FBiH, financed by the

British government. Also, posters were sent to all municipal offices, employment institutes and offices of the ministries of defense. A second, similar, information campaign was conducted in December 2002.

The first interviews with soldiers were conducted in June 2002. After the first interview, the former soldier was either referred to a business consultant, agricultural consultant, vocational training or given assistance in résumé writing, job search and interviewing skills. By January 2003, the IOM had registered 3,772 soldiers in the FBiH and 842 in the RS (by June 2003 registration is now up to 7,200 in BiH). 2,039 were interviewed in the FBiH and 161 in the RS. So far, the TAFS has assisted 446 in the Federation and 89 in the RS.

The objective of the TAFS “is to facilitate the financial independence of the former soldier and to assist them in their transition to the civilian community and workforce with as little economic and social disruption as possible (IOM TAFS Report, January 2003, p.2).” The project tries to achieve this goal by the following activities:

- Profiling, registration, and establishing a database of soldiers who have been discharged
- Information and counseling of discharged soldiers about post-military opportunities
- Enhancing marketable skills
- Providing trade and agricultural tool kits aimed at sustainable employment

Though it is acknowledged in the project report, illustrated by the use of the terms “he/she”, that both men and women were and are enlisted in the armed forces of both entities and work in the respective MoDs, there is no data available in the report for the TAFS which have been disaggregated by sex. The IOM report on the TAFS distinguishes only once between male and female clients when mentioning employers at a textile company, by adding “two of whom a women” in parenthesis (IOM TAFS Report, January 2003, p.10). The special situation and needs of former female combatants or former female employers of the MoDs in comparison to their male counterparts is not the subject of a special targeting approach in the design or review of this project.

Institutional Arrangements

The IOM project was developed in coordination with the OSCE and donors interested in such an activity. It was meant to complement the World Bank's PELRP activities, but because WB did not extend its services to soldiers discharged in 2002, The IOM had to expand its programme to provide more comprehensive assistance.

The IOM began by determining the regional distribution of discharged soldiers and offices were set up respectively in Sarajevo, Mostar, Zenica, Tuzla and Banja Luka. The field offices are staffed with IOM programme assistants and business and agriculture consultants with experience in counseling, economic development and targeted assistance for income generation. In areas with a low number of ex-soldiers, The IOM uses the premises of Employment Institutes for interviewing and counseling ex-soldiers (Gorazde, Bihac, Livno). The IOM staff consists of 18 people in BiH, including two internationals. In addition, consultants from the IOM—mostly former USAID co-workers—assess the prospects of small business start-ups by making field trips to estimate the likelihood of competition in certain areas.

Though there is no complete separate structure as was the case with the World Bank's projects, there are some differences between the RS and FBiH. The RS's army provided access to barracks for the IOM to provide pre-discharge information about the programme, whereas the government in FBiH was divided. The Croats were quite critical of downsizing while the Bosniaks were, for the most part, in favor of it. In July/August 2001 a memorandum of understanding was signed with the RS MoD about the advance notice of soldiers about their discharge. In RS, the discharge has spread over three months; what made the transfer easier than in FBiH where all were discharged at once in April 2002. The Soldiers in FBiH received a briefing only on the very last day of their service, and were given the promise that if the severance payment would not be handed out they could return to the AF. Hard-line Croats in the FBiH army and MoD had no particular interest in further downsizing due to their political agenda; they demonstrated no particular interest in EU Stability Pact assistance. There are no significant regional differences in job placement or business start-ups. Areas engulfed in recession and experiencing a high rate of returns, like Central Bosnia or Northwestern Bosnia (Gorazde), where industry is down, are hindering successful reintegration.

Subcontractors for vocational training are chosen on a competitive basis; recognized schools for training are chosen. The IOM identifies schools and pays retraining institutions directly, who in turn report back to the IOM on the ex-soldier's attendance and performance. Soldiers were asked to contribute to financing the training or education through the KM 10,000 severance payment they have received, but not all were able to (for example, in cases where they had to repay debts). The average per capita cost of retraining was 700-800 US\$, but not upper limit was ever formally declared. IOM covered the funding of reintegration of soldiers discharged in RS and FBiH during the years 2001 and 2002. The fundraising is done bilaterally. All of the funding has been raised locally with support from the OSCE and USAID in the early phases. The main donors of the IOM programme are USAID and the governments of Italy, Norway, the Netherlands, Britain, and Poland. The case load is not fully funded, and OSCE is attempting to raise additional funds. So far, the IOM has received only about 20% of the funding that is required for full implementation of the TAFS. The IOM itself sees this as the main constraint in the future when even more reductions will take place and less funding is available either from the entities' MoDs or the IC (IOM TAFS Report, January 2003, p.12).

The IOM is using the database of PELRP which contains all the names of ex-soldiers that participated in that programme to check potential clients against it. If a soldier either received or rejected assistance from the PELRP s/he is not eligible for TAFS. An exception is the caseload of ex-soldiers that fell between the two projects those who had been discharged between April 2001 and March 2002. The IOM took an initiative together with the OSCE in order to assist these individuals. The communication with the PIU of the PELRP is reported to be good, but it is not clear how far the two organizations have shared materials and lessons learned from their respective projects. There seems to be some overlapping structures and set-ups, especially regarding the extension agents and experts in the field. Closer cooperation, particularly in the field of agricultural assistance, which both organizations implement, could have been very fruitful.

As mentioned before, there were some difficulties in the registration process for eligible demobilized soldiers. Especially the MoD in the Federation was unable to provide the IOM with sufficient advance notice when soldiers were discharged. At times, the IOM was notified on discharges only 24 hours in advance. Still, the IOM was usually able to react immediately and deployed staff throughout the FBiH to ensure dissemination of information

about the IOM's assistance. The whole registration process is continuing and an increasing number of clients register for support each day.

Project Components

The IOM introduced a new activity that has not been applied in the projects by the World Bank in Bosnia. All registered ex-soldiers have to attend civic education seminars organized by the IOM. The seminars focus on issues such as democracy, human rights and civil society, especially in terms of reintegrating the ex-soldiers into civilian life. In addition, the "Citizens' Guide to the Government of Federation of Bosnia and Herzegovina" produced by UNDP and the Japanese Government is distributed to the participants.

Education:

The education component of the TAFS includes continuing education like basic education for those who did not finish school before the war as well as higher education at universities, vocational training and courses in IT or foreign languages. This is quite similar to the activities provided in the respective component of the World Bank's PELRP. In addition, this component includes training which is geared towards the transportation sector. This activity, which is supposed to be the most popular aspect of this component, provides training to obtain a drivers' licence for public transportation or commercial trucks. Moreover, ex-soldiers can also become driving instructors.

Another part of this component is assistance for job searches. The IOM wants to strengthen the ex-soldiers' abilities in résumé writing, interview skills, communication techniques, etc. This is facilitated through workshops with exercises that are recorded on videotapes for further analysis. At the end of the workshop, each client has her/his own résumé, and the IOM will then continue to assist the individuals in their job searches.

Thus far, the IOM reports that approximately 37% of all assistance provided falls into this activity, which amounts to 198 ex-soldiers being served by January 2003. 70 of these are receiving the above mentioned training to become driving instructors. IOM expects that these 70 will be hired by the instructing school at the end of their training (IOM TAFS Report, January 2003, p.8).

Because some of these educational activities overlap with similar ones in the PELRP, it would be interesting to see how far the IOM and the WB cooperate in that area. Sharing of information and material could be a great asset, especially in regard to the institutions that provide the services for both organizations, because well evaluated contractors of the PELRP could be beneficial to the IOM's TAFS.

Trade Kits for Trades and Agriculture:

The IOM had already foreseen a strong demand for this activity in the design of the project. So far, around 43% of all assistance provided falls into this section of TAFS. 64% of the ex-soldiers are interested in the small business start-up, 36% in agriculture. The IOM in Bosnia has business consultants and agricultural experts that help the ex-soldiers to develop their businesses. They monitor the outcome and facilitate sustainable solutions. In addition, they ensure proper support by the IOM. The main areas in the agricultural part of this component are assistance with farming and food processing through providing livestock, greenhouses, etc. Similar to the PELRP, ex-soldiers receiving this assistance have had previous experience in farming and often own usable property or share it with other parts of their family. The IOM primarily supports existing activities. Still, the demand for this kind of support is lower than in the PELRP. 78 ex-soldiers (1 in the RS, 77 in the Federation) have chosen it.

151 demobilized soldiers have received assistance in the small-business activity, 126 in the Federation and 25 in the RS. It covers a wide range of services and sectors. Support is provided to carpenters, auto mechanics, electricians, locksmiths, tinsmiths and plumbers, mostly with tools and equipment (up to US \$ 2,000). There are also business activities like barber shops, retail stores and internet cafés which are assisted by the IOM.

Atlantis Coffee, Kladanj

Zlatko Cular, former soldier, FBiH Army

Before entering the military, Zlatko Cular worked in a large state-owned firm as an administrator. After serving in the army for 10 years, he was injured and suffers from chronic back problems, which hinder his employment opportunities. When he was discharged in April, Cular and his colleagues were informed about the IOM's TAFS programme. Cular admits that he and his colleagues were very skeptical about the IOM programme. A friend in Sarajevo had started a successful coffee roasting business and

suggested that Cular do the same. Zlatko Cular registered for IOM's programme and began exploring his options with an IOM Business Consultant. She agreed that this was a viable business idea. It was agreed that IOM would purchase Zlatko a roasting machine, digital scale, and coffee grinder, and he would cover the rest of his expenses with the 10,000 BAM grant he received upon his discharge from the army. In early November, Zlatko Cular opened the Atlantis coffee roasting business in Kladanj. He supplies coffee to two retail shops in Kladanj and three retail shops in the Sarajevo area. He says that his business is growing at a 'safe' level and that he has already begun to see some profits. In the long term, Cular hopes to continue to build his client base and offer other products including sweets and baked goods. Cular is currently marketing his business, running radio jingles on the local radio station and building his client base in the Kladanj area. Cular employs one person and hopes eventually to employ another.
(IOM "Personal Stories", available at www.iom.ba)

Like in the section on the IOM's education activities, there is the question of cooperation with the respective PELRP components. Sharing lessons learned in this process and contracting the same providers for livestock and other equipment could lead to some good and synergetic effects. The PIU of the PELRP in the Federation could benefit from the IOM's experience with SME development. While the PIU recognized no sufficient providers in that area in the FBiH, the IOM seems to have some impressive results with setting up small-businesses in the Federation.

Training and Job Placement:

This component of the TAFS is subdivided into three different areas: de-mining, fire fighting, and employment in the private sector. In terms of job placement, most ex-soldiers established contacts with employers prior to retraining. The IOM is contacted by employers who are interested in hiring former soldiers or contacts them on its own initiative. The IOM has been in contact with 15 employers who could offer jobs for approximately 350 ex-soldiers. 139 former soldiers are currently employed through this assistance. 29 of them are employed with de-mining agencies after the IOM provided training and purchased de-mining equipment for them. This area of work is promising a long-term perspective for employment due to the persistent high number of mine fields in BiH. The IOM is thinking about training 40 more ex-soldiers in this field of work.

200 demobilized soldiers will receive training and subsequent employment as fire-fighters in municipalities throughout BiH. This activity is supported by a British NGO and financed by the British Government. The ex-soldiers will be trained in four six-week training courses. The Mayors of the respective municipalities support this activity and agreed to employ the ex-soldiers for at least two years. Besides the training, the British government also provides equipment for fire-fighters and their future working stations in the municipalities. The side effects of this initiative, therefore also benefit the municipalities, which often lack adequate equipment for fire and disaster management. Ten municipalities in the Federation and 19 in the RS have signalled an interest to receive this assistance.

So far, only 12 ex-soldiers have found employment in the private sector through the IOM's support. Five of them, including two women, have found employment with a textile company, three in road construction, two in an air conditioning and heating company, and two women are employed in a manufacturing company.

The IOM expects that all ex-soldiers receiving assistance will be employed upon completion of their training. Secondary qualifications acquired during or prior to military service proved to be advantageous for a job placement, for example, mechanics, barbers, and cooks.

Achievements

The IOM succeeded in creating interest and trust for its services with demobilized soldiers. Because of the shown effectiveness and sustainability of its employment activities, the number of demobilized soldiers registering for assistance is rising.

The assistance for SME development seems to be quite successful, and is in some cases creating additional employment (see Box 2), which is surprising taking into account the current economic situation, the lack of SME credit schemes and the bureaucratic problems those businesses face before they are finally set up.

The IOM established a better cooperation with the MoDs, AFs and entities' governments than the World Bank's projects did, enabling a more efficient dissemination of project information. In the case of the reductions of the RS, the IOM was the first implementing DDR agency in BiH that was able to contact and inform soldiers while they were still in the barracks.

In the current economic situation and with problems regarding the overall funding of TAFS, the IOM's performance in terms of sustainable employment opportunities is quite impressive. The focus on sustainable employment instead of short-term subsidizing of jobs seems to be valid, especially regarding the appreciation of this by the ex-soldiers and the growing positive image of the IOM with the public.

Shortcomings

The IOM received only 20 percent of the funding needed for full project implementation so far. Given the financial limitations of the Bosnian MoDs and the expectation from the IC that another round of reduction will take place soon, the continuance of the provision of services for discharged soldiers is at risk.

Though an early cooperation with the MoD at least in the case of the RS, helped to inform soldiers prior to discharge about the IOM's project, the registration of ex-soldiers has been protracted mostly due to belated information of ex-soldiers.

Closer cooperation with the PELRP PIUs, using their structures, extension agents and service providers could have created synergetic effects for the TAFS. The IOM explained that the use of PELRP structures may be possible but that they are too costly for the IOM, because PELRP is using too much staff (Interview, F. Soda 26 & 28 March 2003).

Lessons Learned

- Elements of the IOM project worth to be considered for transfer: Stimulation of self-employment, self-reliance; individualized, needs-based approach to counseling, financial assistance, supporting business start-ups; constant update and cross-checking of data-base; public information campaign; close cooperation with chief of personnel in all FBiH and RS army garrisons; civic education component.
- The IOM is contemplating preserving its facilities after the project comes to an end, e.g., using them for employment policy in general. The existing municipal and cantonal labor or employment bureaus are neither transparent trusted or functional. The inexpensive parts of the

IOM programme could be technically taken over by the government. The IOM is reflecting about possible spin-off effects of the experiences gathered in Kosovo, particularly pertaining to the cooperation with the Ministries of Labor (Interview, Carl Jenkins 28 March 2003).

- Future reintegration programmes will have to treat all unemployed equally, with no special status for ex-soldiers, yet the soldiers' role during the war provides them with a higher societal or political backing. Part of overall reintegration assistance should therefore be overcoming the psyche of special entitlements.
- Ex-soldiers usually have only vague ideas about their future business; counseling is then provided based on the feasibility of their business idea.
- Often only a few hundred KM are needed to help, without special retraining or counseling assistance.
- Some employers are sympathetic to ex-soldiers, others resent them, but there is no general stigma of ex-soldiers on the grounds of work ethics, employers appreciate instead their punctuality, discipline, and young age, even if the worker is unskilled.

5. Conclusion

Though the Dayton Peace Accord's main achievement to end the war was a success, some of Bosnia's main problems of today are related to its measurements. This also applies to the demobilization and reintegration process. It was a crucial mistake not to include regulations regarding DDR into the agreement and not to appoint an international agency to steer that process. Though some analysts perceived it as impossible to get the warring parties to agree on it during the Dayton talks, the rapid disintegration of all military and paramilitary groups following the agreement provides evidence against that opinion. With more pressure from the international actors to put DDR on the main agenda, post-war Bosnia could have been brought on a faster and more sustainable track in that regard. Even Richard Holbrooke, one of the key players in Dayton, assumes that one of the biggest mistakes was not to disband all armed forces in Bosnia and let NATO be in charge for the implementation of it (Dani, 27 June 2003, p.30). Together with the OSCE and the OHR a controlled demobilization then could have been possible, but NATO—as Holbrooke puts it—was not willing to take up responsibilities for it. The international players seemed to have had and still have different agendas in Bosnia, which does not enable a fruitful and

desirable cooperation (Interview, G. Day 20 May 2003). Still, the international community was able to at least implement some helpful projects for DDR. The success of these programmes relied immensely on the respective economic and political situation and the number of soldiers that constituted their target groups.

The first DDR project implemented by the World Bank from 1996 to 1999 had to struggle with the problematic basic settings mentioned above. Nevertheless, it successfully provided assistance to about 23,000 former soldiers and helped about 74% of them to find a job. This was mainly due to the huge amount of reconstruction aid coming into Bosnia after the end of the conflict. It is not clear if the provided assistance led to sustainable employment because the situation of the supported former soldiers was measured only 120 days after the end of the assistance. It can be estimated that a lot of jobs created in areas related to reconstruction were not sustained when the international aid began to decrease. A stronger focus on SME development could have contributed not only to improve the situation of demobilized soldiers but to foster the economic transformation and development of Bosnia as a whole. The same accounts for the EDRP's policy to sub-contract international organizations and international NGOs; establishing or training of local providers could have produced sustainable and autarkic structures for future activities benefiting more groups than only demobilized soldiers.

The second and third demobilization and reintegration programmes faced a completely different situation than the EDRP immediately after the war. The target groups of these two projects were smaller and much better defined, which allowed more tailor-made assistance. On the other hand, the economic and employment problems of Bosnia during the implementation period have made it more complex to create jobs for demobilized soldiers. Moreover, Bosnia is attracting less international aid for reconstruction and specific projects like the IOM's TAFS are struggling to receive enough funding. Both projects were able to provide assistance to a high percentage of their target groups. Though activities included SME development which proved to be quite successful, the projects' focus turned intensively to the provision of assistance for demobilized soldiers for self-reliance in agriculture. This may help the beneficiaries immediately to secure income and improve their situation but some questions have been raised in terms of the sustainability of that approach.

All DDR projects of international organizations were completely “gender-blind”, meaning that there was no distinction made between male and female former combatants in the project design, implementation and evaluation—as far as the received project documents and interviews with project managers in Bosnia showed. That one subcontracting agency of the World Bank’s EDRP, the ICMC, established a program for female combatants didn’t evolve out of strategic and gender aware project planning, but was driven from the request of a veteran’s union in Sarajevo. It also didn’t lead to an overall gender aware approach by the ICMC in its other projects. Estimates say that about 10% of the armed forces in Bosnia were female (Walsh 1997, p.10). Not all of them were in combat units, of course, but still it is important to acknowledge that female members of armed forces encounter different problems when demobilized and reintegrated. The special situation and needs of former female combatants in comparison to their male counterparts was not subject of a special targeting approach in the design of the projects. Data disaggregated by sex was available only in one project—and only upon request.

The “social side” to the problem of reintegrating demobilized soldiers was not tackled either in the analyzed activities. The implications that the return of former combatants can have on their home communities, families, husbands and wives, and gender relations in general can be crucial for the success of any reintegration project. Domestic violence is only one possible impact that has to be named in this regard. The small activity in the RS with demobilized soldiers to work on mental problems uncovered that 41% of this group was suffering from PTSD. This small activity doesn’t allow to conclude that half of all demobilized soldiers suffer from PTSD, but it should have been a alarming sign, which should have led to accurate activities dealing with this issue. This illness has a fundamental impact on a person’s ability to function in society: to look for a job, to stay employed, or just to live with his/her partner or family. A first step to deal with these issues could be to include other groups of people in training and counseling activities for demobilized soldiers; through such an approach they could engage in a social discourse with society again.

Unemployment is high in Bosnia and many people lack confidence in the future. As mentioned before, demobilized soldiers constitute one third of all unemployed individuals in BiH, also due to the fact that such a high percentage of the population as a whole was engaged in combat during the war. There are other parts of the population like refugees, displaced persons, war invalids, widows—all deserving help and assistance to overcome their

problems. But ex-combatants still constitute a special case for Bosnia that can be decisive for its future development. As Graham Day, the Deputy High Representative to Bosnia put it, “semi-demobilized”, combat-trained, unemployed, and traumatized former soldiers especially in rural areas are still a security risk for this state and its society, because small arms and medium sized weapons are widely available (Interview, G. Day 20 May 2003). These groups of people are often used by extremists for their political agenda, and also have become to, some extent, part of organized crime. In particular, they pose a danger to the international communities’ effort of enabling minority returns to the two entities (Interview, J. Glazebrook, 20 May 2003).

A new way and effort toward reintegrating these people is needed in Bosnia and it seems that neither the international community nor the Bosnian entities’ governments are really considering this.

6. Recommendations for Future Activities

1. Regulations regarding the implementation of DDR measures have to be fixed in peace agreements in order to react immediately after a conflict before military forces disintegrate.
2. A holistic vision for DDR is needed which includes the participation of military powers or peace-enforcing services (like NATO), the different international organizations dealing with DDR issues (like World Bank, IOM, ILO, etc.) and respective national and international NGOs. National structures (MoDs, employment bureaus, etc.) have to be included or build up as early as possible. All players have to agree on a concrete agenda. A leading agency has to coordinate that process, most likely the UN or UN-sponsored structures like the OHR in BiH.
3. Reconstruction aid is helpful in post-conflict settings, also to create short-term employment at a rapid speed. Many demobilized soldiers benefited from that approach. Nevertheless, the overall goal of any international aid and projects must be to create and develop sustainable national structures that can provide employment and economic growth. Small and medium enterprise development (SME) can lead to added value for the society as a whole.
4. Mental illnesses caused by the war like Post Traumatic Stress Disorder (PTSD) have to be dealt with immediately after the

conflict. Though the main focus needs to be put on the victims of the war, ex-soldiers as victims and perpetrators need psychological counseling too. With the overall goal of creating security for the society as a whole and to increase the prospects of development, ex-soldiers with mental problems can be a risky legacy of the war that has to be addressed.

5. Every reintegration activity has to be aware of the implications that homecoming soldiers, men or women, can have for their communities, families and partners. Often, gender relations have changed during a conflict, putting pressure on returning individuals and leading to domestic violence. Therefore, a gender analysis—as part of an overall situational analysis—is crucial for designing a project for demobilized soldiers.
6. Though the numbers of female soldiers are often low—depending on the conflict—every project has to make a clear distinction between male and female soldiers because they face different problems when demobilized. Right from the start, international organizations working in the area of DDR have to make women visible. The provision of data disaggregated by sex should be made mandatory for every implemented project.

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IOM Bosnia and Herzegovina: www.iom.ba

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Note: Interviews in Sarajevo were conducted by Andreas Heinemann-Grüder; in Banja Luka and Belgrade by the author.

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