

Cooperation after War: International Development in Bosnia, 1995 to 1999

Eric C. Martin
Sue R. Faerman
David P. McCaffrey

This paper discusses how predispositions, incentives, the number and heterogeneity of participants, and leadership (Faerman et al. 2001) jointly influenced the international effort to develop Bosnia and Herzegovina. International coalitions, task forces, and advisory groups are increasingly charged with implementing reforms following civil conflict. This requires a complex web of interorganizational relationships among NGOs, donors and host nations at both global and 'ground' levels. To better understand development assistance, attention must be paid to the relationships between these varied players. We find that four factors influenced relationships between policy, donor, and implementing organizations; and those strained relationships, in turn, affected development success. The paper draws on interviews, conducted in Bosnia, with 43 development professionals, observation of development meetings in Tuzla and Sarajevo, and review of related documents from international development programs.

Key Words: international development, interorganizational relationships and cooperation

JEL Classification: O19, P41

Introduction

The development of collective action arguably poses the central orienting question for the social and management sciences (Arrow 1974; Ostrom 1998). How do individuals and other types of parties engage each

Dr Eric Martin is an Assistant Professor at the Department of Business Administration, Eastern Connecticut State University, USA.

Dr Sue Faerman is the Vice Provost for Undergraduate Education, Director of the Center for Excellence in Teaching and Learning, and a Professor at the Nelson A. Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York, USA.

Dr David McCaffrey is a Distinguished Teaching Professor at the Nelson A. Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York, USA.

other, and what factors determine whether conflict, cooperation, or indifference dominate this engagement?

This paper discusses how four factors jointly influenced cooperation in the international effort to develop Bosnia and Herzegovina (generally shortened to 'Bosnia', or 'BiH') between 1995 and 1999. These factors include (1) the initial predisposition of parties to cooperate, or not to cooperate, early in a process, shaped by personal experiences and institutions; (2) the issues or incentives involved in a decision; (3) the number and heterogeneity of the parties involved; and (4) leadership at various levels (Faerman, McCaffrey and Van Slyke 2001; McCaffrey, Faerman and Hart 1995). These four factors prove useful in the analysis below. And the situation in the Balkans provides a useful context to explore this interorganizational relationship (IOR) framework in a very complex setting.

International coalitions increasingly are involved in social, political, and economic reconstruction and transition following civil conflict. These efforts require a complex web of interorganizational relationships among NGOs, donors and host nations at both global and 'ground' levels. Effective, cooperative relationships among these many players seem vital to successful implementation of development projects.

Practitioners interviewed for this research, and other critics of development in Bosnia offered many reasons for limited success, despite the enormous amount of time, effort and money spent. Some argued that the ethnic divisions predisposed local parties not to cooperate. Others stressed that the international community did not respect each others' work. Many questioned the bureaucracy of bilateral organizations, the unilateral positions of NATO, WB and IMF, and the legitimacy of NGOs as partners. Others suggested that few stakeholders had the incentive to succeed. Contractors received their payment often regardless of accomplishing goals. Power brokers in the divided society retained control as long as the situation remained uncertain. And frankly, given other hotspots in the world, Bosnia's top billing as the darling of the development world in 1995 faded dramatically, reducing multilateral and bilateral enthusiasm. Some believed that too many players with too many different perspectives were working toward undefined solutions. Others suggested weak leadership, from the Office of the High Representative, to local governmental officials, to the major international heads of state that failed to secure Bosnia's future from the start.

All of these perspectives individually contributed to the Bosnian development story. However, in an effort to reframe and better understand

development assistance, we suggest that these problems might more appropriately be viewed as contextual features of a complex interorganizational puzzle. These problems did affect development, but more noticeably, directly and immediately, they affected the relationships between organizations trying to implement specific development reforms. This more subtle theme emerged repeatedly in our interviews.

Development settings require complex arrangements between organizations. It is helpful, perhaps, to examine development in Bosnia as a set or system of IORS (Martin 2004; Martin and Miller 2003). Doing so highlights ground-level implementation concerns. It also helps facilitate analysis by specifically targeting the IOR as the unit of analysis. This study anchors itself to those IORS, so we therefore view many contextual variables more directly as sources of influence or pressure on these relationships. Doing so requires multiple perspectives. Faerman, McCaffrey and Van Slyke's (2001) four factors emerged from the literatures in management, economics, political science, sociology and public administration. While acknowledging the relevance of each, disciplines weigh the salience of factors differently. However, generally, a desire to increase levels of cooperation, and reduce unproductive conflict or harmful indifference, motivates much of this writing. Below we discuss these factors as they relate to international development. We focus less on determining which of these factors proved most salient, instead recognizing how all of these factors combined to provide opportunities and obstacles for cooperative, coordinated collective action between organizations.

Interorganizational Cooperation in Bosnia

'Initial dispositions toward cooperation' refers, for example, to prejudices and stereotypes players have against others. Institutionalized practices, safeguards, norms, and culture favor certain kinds of behaviors. They can shape individuals' encounters with each other and can leave individuals more or less favorably disposed to cooperating on an issue. But these initial mindsets also can *undercut* cooperation, as in the case of 'traditional enemies.' Understanding this institutional background is essential to understanding interorganizational cooperation. Obviously, development dynamics are fraught with complex predispositions typically weighing heavily against cooperative activity.

Such initial prejudices might be overcome, however, depending upon the 'issues and incentives' at play. We recall a striking example of this after an international embargo was placed on Serbian goods. Serbs in

Bosnia, more favorably disposed to trade with Serbs in Serbia, very quickly learned to adjust and find markets with Muslims and Croats in Bosnia instead. Other issues, sometimes as seemingly mundane as the spelling of city names in documents, were simply too contentious to find common ground. Development settings necessarily include both reforms and issues that are highly contentious as well as those that are much more acceptable to all.

The 'number and variety' of players also proves important in this setting, as the Dayton Peace Accords solidified the partition of the country into two entities to be split among three ethnic groups, divided further into cantons and municipalities. This made the logistics of cooperation difficult, regardless of the issues at play, incentives involved, or initial predispositions to even begin negotiations. Even intense cooperation can decay when the forces pulling people together—such as the compelling nature of a common task or a charismatic leader—no longer dominate the forces that pull them apart, like deep conflicts over values, or conflicting personal or group ambitions and concerns. The sheer number of stakeholders in Bosnia made differences in issues and incentives and predispositions, more likely.

We see 'leadership' as an ability to make sense of situations and orchestrate actions that is required throughout an organization; which actors play key leadership roles depends on the nature of the tasks involved (Graham 1996; O'Toole 1995). Leaders can legitimize solutions to problems; they can facilitate action that otherwise might break down; and they can 'nudge' people to act in ways that favor or inhibit cooperation (Faerman, McCaffrey, and Van Slyke 2001). Leaders help define situations for individuals often getting people to think about issues and incentives, and maybe even initial dispositions, in particular ways (Gray 1989; Weick 1995).

RELATIONSHIPS BETWEEN THE FACTORS

Each of these factors is important individually, but how they play out in particular situations depends on how they interact with each other. Each factor potentially moderates the effect of the others on cooperation (Faerman, McCaffrey, and Van Slyke 2001). As such, these features of the Bosnian case serve as important contextual variables to the relationships among those players involved in Bosnia. For example, institutionalized patterns likely shape the issues that surface in an area, the types of leaders that are rewarded, and the groups that become involved in an issue. Or,

as noted above, the types of issues that surface may lead us to reassess institutionalized practices, the desirable qualities of leaders, and the groups that *ought* to be included in a decision. Perhaps leaders' strongest source of influence is in how they might be able to shape followers' perceptions of the way things 'are' done (institutions), 'ought' to be done (issues), and *who* ought to be engaged in a decision (groups) (Gray 1989; Weick 1995). The number and heterogeneity of groups involved in a decision process influence the range of institutionalized practices and issues brought into play, and the pool of people from which leaders surface. These are only illustrations of interactions among the factors. What strikes us is the variety of ways in which they can weave together, often reinforcing the present situation, but also creating the potential for change, when change in one factor induces changes in the others.

Methods

This paper stems from research conducted in Bosnia in 1999. Forty-three different senior executives, mid- and upper-level managers, staff and consultants in national, international and multinational organizations were interviewed. Thirty of these were tape recorded and transcribed; others were reproduced using detailed notes. Nineteen participants were US citizens; five from the European Union; eleven from Bosnia; and eight from other nations.

Initial access and preliminary interviews were obtained through the help of a key informant at USAID. A conference held in Tuzla entitled, 'Development of Production in Bosnia and Herzegovina for 21st Century' provided entrée into the community. During this conference, the first author was invited to attend the Industry Task Force meeting, an official coordination meeting of all the major players in private sector development, sponsored and led by USAID. Most participants at this meeting were subsequently interviewed, as were additional representatives of nearly every other member organization involved. Several interorganizational coordination meetings were then observed, as were bi-weekly macroeconomic and privatization meetings covering topics like Payment Bureau Reform or Tax Harmonization. Many of the same players tended to reappear at these various forums, suggesting subjects indeed represented the core organizations involved in private sector development. Interviews with more peripheral or niche players also proved rewarding and balanced the sample.

This paper also relies on documents, reports, flyers and websites, pro-

duced by the various organizations involved in the effort. We especially rely on the reports prepared by the International Crisis Group. This organization has established a reputation within Bosnia for compiling detailed, influential analyses. For example, its April 1999 report on the failure of plans to encourage private investment in Bosnia became an unofficial focus of the conference at Tuzla, mentioned above, and an important piece of work known to nearly everyone we interviewed.

Findings

Our findings reveal how relationships between development organizations in Bosnia were shaped by the four factors. We focus below on elements of the case that we believe fundamentally shaped outcomes.

INITIAL PREDISPOSITIONS TO COOPERATE

Reliable procedures are the distinctive advantage of bureaucratic forms of organization (Gerth and Mills 1958), and are key to successful economies (North 1990). On the other hand, weak legal structures, group threats and insecurity, and ongoing hostility reinforce each other, as people come to rely on political force and actual or threatened violence. The development effort in Bosnia and Herzegovina tried to reverse such a situation. The Dayton Peace Agreement outlined a process to rebuild the nation's infrastructure, reduce social tensions and foster economic growth and transformation; and establish a political and legal order that recognized ethnic identities, but prevented them from dominating social, political, and economic life.

All of the major national donors participate in annual meetings of the Peace Implementation Council (PIC). These are 'scorecard' meetings where governments and institutions pledge millions to certain efforts, define broad task areas, and identify lead parties. Participation at these meetings is at the ministerial level. Beneath and answerable to the PIC are smaller Steering Committees. These committees target broad areas of activity and establish reasonable 'benchmarks' given the funds and direction expected from the PIC. At this level, cooperation seemed overt, effective and tangible, but implementing those policy directives seemed more difficult.

Informal, ground-level meetings were, according to one respondent, 'just something that kind of started. Initially, these task forces just tried to keep track of who was doing what; and now it has gone very much beyond that to, OK, what needs to be done, who's going to take care of it,

what kinds of policies need to be respected in proceeding with this operation . . . its not just a show and tell.' Another official described them as 'meetings with different parties that are active in this reform process . . . to discuss relevant issues; . . . where are we, what are the next steps to take, how are we going to get there?'

Many respondents described these ongoing conversations as, 'A matter of doing good work, you want to do good work so you need to know what else is going on out there; also, a lot of these people you know, or if you don't know you might have heard of, and if you don't know at all you want to get to know – you learn from other people – it's just professional to explore what programs . . . are in your area.' Social networks are important in this 'industry'; 'There is a small arena of people who do this. A lot of the AID people I worked with in southern Africa somehow appeared here in the Balkans, you know people's credibility, professional conduct, skill levels . . . and then at the appropriate time it is referenced.'

The OHR represents the organizational embodiment of the peace accords. The OHR formally has the authority to remove national and local officials, and has other strong powers to direct implementation of the Dayton Peace Agreement; in effect, it presently is the highest legal authority in Bosnia and Herzegovina. Yet, this formidable international presence has had a difficult time coping with the ethnic tension that continues to dominate Bosnia; the forces that produced the war have consistently undermined the effort to rebuild the country after it. The idea was that this tension could be reduced through the establishment of reliable institutions, economic growth, and security for the different groups; the Office of the High Representative would have the power to force changes when necessary. However, a report by the International Crisis Group in November 1999 (1999c, 42) observed that,

The OHR has – at least on paper – 'final authority' to interpret and implement the DPA [Dayton Peace Agreement]. In some regards the OHR constitutes the highest legal authority in Bosnia and Herzegovina, higher even than the Annex 4 constitution. Nonetheless, the OHR's authority does not translate into actual power. Lacking an enforcement mechanism, such as a loyal constabulary, the OHR is forced to rely on the goodwill and full co-operation of the parties to implement its decisions, as well as to implement DPA. Often, the High Representative is reluctant to remove obstructionist officials, fearing

that the OHR's lack of power will become apparent when those officials remain in office. The result is an implementing body that lacks the ability to implement.

These types of tensions intrude on routine activities in development. One individual noted that 'In this whole area it's also about the past . . . As long as they continue to argue about who was actually the bravest at the Kosovo battle and who killed my grandfather or your grandfather we are going nowhere.' Another pointed out, 'For example last week we had a stupid decision at the Council of Ministers. They were fighting . . . nearly two years about a border crossing agreement between Croatia and BiH, they all agree on the border crossing, they all agree on everything except for the *names* of the towns in the written document.' A third added, 'If the Serbs say something then obviously the Croats and the Muslims say something exactly opposite.'

The various tensions and contextual concerns mentioned above seemed to create initial predispositions against cooperative activity. While certainly not, in and of themselves, insurmountable, coupled with the other concerns below, they made cooperative, coordinated action, or at least a cooperative culture of change and progress, difficult.

ISSUES AND INCENTIVES

It is easier to address some issues rather than others; thus, we expect development efforts to succeed in some areas and flounder in others. As noted above, perhaps the major contribution of the Dayton Peace Agreement was that it stopped the overt warfare. One individual commented that 'I value the [DPA] because it stopped the killing and I think everyone would agree that stopping the killing was paramount.' Furthermore, some development tasks are easier and more visible than other tasks. Activities like building bridges and roads, while difficult in this environment, were more tangible, more easily quantified and more visible to all constituents than the development of civil society, for example. Said a local Bosnian, 'people see the results, they build some bridge and you see that and can use it.'

The legal, political, and economic institutions in Bosnia, however, improved minimally at first, given the time, effort and resources devoted to them. Control of appeals processes, judicial decisions, business licensing, electoral administration, and other key activities were core political tools in the tensions among the three ethnic groups. Thus, leaders of local political factions valued highly their control over these institutions, and the

institutions did not remotely approximate the idea of bureaucratic equity and efficiency described by Weber (Gerth and Mills 1958). Studies by the International Crisis Group documented how there had been no substantial improvements since the Dayton Peace Agreements in the judicial system (1999b), the system of public administration (1999d), and in the development of functioning economic institutions (1999a). For example, with respect to external investment, the Group noted that, from 1997 to early 1999, private sector investment in BiH totaled approximately USD 160 million, a figure equal to 4.7% of total donor aid. Of this, 80% came from foreign investors, though many of these were in fact Bosnians using off-shore companies and funds. It characterized total private sector investment in BiH as being 'so low as to be insignificant'; interviews with Bosnian and foreign businessmen indicated a widespread reluctance to invest in BiH. Donor aid accounted for up to 30% of GDP, and, without it, economic growth likely would be negative (International Crisis Group 1999a; 1999c). Theoretically, the OHR had the authority to direct changes in institutions, but it clearly did not have the political and technical strength to effect or enforce such changes with broad societal support (International Crisis Group 1999c; 51).

Lacking an enforcement mechanism, the OHR is forced to beg, plead, negotiate endlessly, and occasionally 'bribe' local officials with the promise of donor funds . . . Local Bosnian politicians will typically co-operate only when it is in the direct interest of their political party. These politicians typically require the international community to undertake expensive and occasionally unwarranted projects, prior to complying with DPA. Unfortunately, after receiving international community aid, Bosnian politicians often refuse to comply with DPA or structural reform efforts. This is especially true of Croats, Serbs and to a lesser extent, the Bosniaks.

NUMBER AND VARIETY OF PLAYERS

Tensions among national groups in Bosnia certainly hindered development. However, we are not only concerned with the number and variety of ethnic groups within Bosnia. There were hundreds of institutions involved in reforms, each with a wide variety of perspectives on problems and solutions, often, not surprisingly, at odds with others'.

Much of the criticism of the OHR involved weakness in enforcement. Groups did not make concessions partly (though certainly not entirely)

because they did not believe that other parties could be forced to make concessions. Thus, the most prominent proposals for addressing the problems in Bosnia involved either abandoning the project, or intervening with a force and police powers sufficiently strong to enforce the Dayton Agreement (International Crisis Group 1999c; Daalder and Froman 1999). The idea was that this would give reform elements within the country enough confidence, and political leverage-backed by external powers-to try to effect change, which would set in motion the slow process of building economic and political institutions within Bosnia, and developing internal administrative capabilities. The criticisms of the proposals were that they would be politically unacceptable externally-because they might constitute an 'open-ended' commitment; and, internally, they raised the image of 'external occupation' of the country in such a way as to antagonize nationalistic sentiments.

Finally, we cannot fail to recognize the sheer volume of players in this environment. In addition to the three ethnic divisions, reforms in Bosnia were implemented (or not) through the massive public sector, with national, entity, canton and municipal levels, dozens of multilateral and bilateral programs, and by 1999, over 500 NGOs. The number and variety of players operating in this small nation was enormous, each with their own funding streams, political persuasions, constituents, opinions about the causes and suggested solutions.

LEADERSHIP

Successful projects in challenging environments require a large number of professionals with high levels of technical and/or managerial skills (Van de Ven, Polley, Garud, and Venkataraman 1999). 'It is much more hands on than a lot of other places, because there is a political dimension to everything here, and while the contractor can go out and implement a complex technical program, he'll inevitably get caught up in the back and forth between counterparts who aren't of the same ethnic group or areas that are in competition with each other or bureaucrats who don't like each other.' A number of factors work heavily against developing effective leadership in such a setting.

First, global and domestic politics tightly constrained major decisions on site. We already discussed the challenges of dealing politically with the three factions, each of which refuses to make concessions partly because it worries about the others refusing to do so, or making concessions and then renegeing on them. One way to address this collective action problem

is to have a central authority that, after consultation and careful thought, can direct and enforce decisions. Clashing parties may be willing to compromise if they believe that settlements can in fact be enforced—that cooperation will not lead to a ‘sucker’s payoff’ (Axelrod 1984). In fact, the OHR was expected to play this role, but (ICG 1999c, 51–2):

Lacking an enforcement mechanism, the agency responsible for implementing the civilian aspects of DPA – the Office of the High Representative – began life permanently handicapped. The OHR, along with the UN, OSCE, and the donors have been forced to rely largely on the good will of Bosnia’s ruling ethnically-based political parties to voluntarily comply with DPA, the same parties who agreed to DPA in the first place . . . [A]nxious to achieve anything that could be categorised as progress, officials in many organisations often follow the path of least resistance. Rather than enforce DPA, they reinterpret it to fit the political distortions that they lack the political will to change, particularly the refusal of local officials to co-operate with DPA implementation.

Second, there was a vicious circle affecting recruitment and retention of skilled people at all levels (Huddleston 1999). Bosnia was a difficult place to work, leading to high turnover; high turnover means that the system did not retain a sufficiently large core of people with the commitment and talents to work effectively there; and this in turn prevented substantial improvements in the situation, and created difficulty for leaders to emerge. This surfaced repeatedly in the interviews.

You can’t consistently keep the chain of communication open with all the turnover; it takes people too long to learn their job and what they’re doing, and then to do it and retrain the next guy, there’s so many people to learn all the places and what they’re supposed to do for you it’s just crazy.

That’s a problem. They come for half a year, it is difficult. It is not a team for a long time. They just come together for a short time and try to work together. It’s a difficult circumstance.

It is very difficult to create organizational entities [with] a strong team and corporate spirit, and also a unified system of testing individual performance [and] accountability.

That was the main problem, that people would only stay for

4 or 6 months and then the memory was lost, and we had to start again from the beginning,

Third, there was a vicious circle impeding development of managerial skills within Bosnia. That is, foreign donors generally did not trust individuals in Bosnian institutions with major projects; host country national skills therefore were not developed internally, leading to further mistrust – and again, undermining any potential benefits from strong leadership.

The international community tends to not put money through them because when they did put money through, things went wrong, and so it's a vicious circle. They are not empowered so people don't use them, and people don't use them because they continue to show themselves incompetent.

There is no state authority, so there is no big advantage to have relations with state institutions here. Because of that, the development institutions are quite powerful, and they bring money or expertise and there is, I think, quite an imbalance between the money and expertise from outside experts and from state institutions and this discourages cooperation between institutions.

We've just created this net, and unless we encourage the locals to get over the victim mentality to wean off this extensive donor support, which is creating a very skewed local economy with all the money we've put in here ... [and] until we force them to compromise and find joint solutions on their own, we are doomed to continue to be the babysitters for Bosnia.

As such, we view these three factors as important variables in reducing the effectiveness of leadership, at all levels, not only leadership in terms of the overall development initiative, but within each of the agencies designed to implement such tasks.

Discussion

The logic of this and many development programs is that stronger political and economic institutions induce 'virtuous circles' of economic growth and stability, clearing the path for further reform. Reformers in Bosnia have made strides towards this eventuality. We employed an interorganizational approach to provide insight into some of the reasons

why policy objectives did not always translate into effective implementation success on the ground.

Our unit of analysis, interorganizational relationships, provides a meso-level perspective often overlooked in development studies, useful not only as yet another source to analyze potential problems, but as a more easily altered condition than some of the more entrenched social, political and economic obstacles to change. More effective relationships between organizations might represent the proverbial low-hanging fruit in terms of best practices and lessons learned from less successful reform efforts.

Ethnic conflict clearly undermined development. However, it seems too simple or convenient to base an analysis of development failures on this. Agencies involved in post conflict work should be accustomed to social division. The ethnic conflicts, however, were so pervasive early on that only an external enforcer with extraordinarily strong powers could enforce change. Even if this was politically acceptable, it would have run into a host of problems characterizing central control of national development (Scott 1998). Forcing cooperation likely does not work and thus reaffirms the 'vicious circle' perspective. This calls into question the OHR's role as 'lead coordinator'.

The economic perspective of ownership also weighs heavily on any discussion. Which of the many players discussed above truly own development reform efforts? Who pays and who benefits from these? In complex post-war environments, ownership questions seem a secondary concern, second only to immediate action to secure peace and begin making critical reforms. Development assistance agencies must recognize the importance of local citizen engagement and the crucial role it plays in cooperative action, whether locals are directly or indirectly involved. Development organizations, though powerful, clearly are tightly constrained by contextual difficulties experienced by locals. Typically, development administration studies focus on flows from donor to host. This paper stressed the equally important flow from host to donor.

Related, development organizations also need to be concerned with the creation of a moral hazard to action – where the more they do, the less their local counterparts feel compelled to do. In something akin to dependency theory, the international organizations, while trying to do good, undermine local efforts, stifling local ownership of reform responsibility and accountability. As such, in an effort to turn things over to the locals, in something akin to a turnkey operation, the IC should be pre-

pared in some cases to try not to push through reforms, as the reform itself may not be the key outcome. The *process*, successful or not, might be the ultimate goal. Implementers, politicians and observers might be more patient with some reform efforts and more carefully select projects so critical as to necessitate bypassing local decision makers.

One might take heed of modernization theory's deterministic pitfalls in examining this case. Perhaps the lack of local engagement undermining cooperative activity (and thus reform success) was based, in part, on the international community's insistence that reforms take the forms that they dictated. In the immediate aftermath of the war, it proved difficult for international players to work effectively with local counterparts. Unlike in Poland, for example, where local control proved paramount, transition efforts in Bosnia were constrained by the divided local political environment. Thus is the paradox of development and international intervention. Regardless, efforts must be made to pass the torch on to locals from the very beginning, involving more mentoring at a time of great stress and urgency – painful perhaps, but possibly time well spent.

The notion of timing proves salient on a variety of fronts. First, development is a very long term process. Funding must be available throughout the life of necessary reforms, and not just early on when the conflict receives greater attention. Funding should be spread out over time, and when analyzing successes and failures, this longer time horizon must be considered. This study period (1995–1999) represented to many professionals an 'initial' phase of activity. Reforms continue to this day, and minor successes or even seeming failures made during that initial time period may have set in place the foundation for greater success later in the process. We caution observers to perhaps expect less from a society drained, exhausted, and tortured with the memories of an all too recent bloody ethnic conflict. Observer optimism about Poland's reforms, for example, may have altered interpretations of other more difficult settings.

Finally, we must respect the constantly changing environment in Bosnia. International priorities and policies changed over time, as hot-spots emerged all over the globe. But also Bosnia changed. Regional realities, elections, major investments, OHR leadership, NATO and UN involvement, etc. all changed dramatically within the short time period we discussed above, but also dramatic changes took place in the years since 1999. These changes reverberate through the 'system' described above, for better or worse, and must be considered, coupled with the other

concerns highlighted above, with any understanding of development success, or more immediately, interorganizational cooperation.

In conclusion, our work reduces some of the complexities of international development efforts into the potentially more manageable analysis of interorganizational relationships. As such, we found several key and somewhat obvious issues that moderated or mediated successful reform. Certainly, some political, economic and social conditions cannot be changed by international development assistance. However, a focus on being more effective and efficient with limited resources by working in a more cooperative, coordinated manner, seems more than just a passing desire. For us, it strikes at the heart of any successful development effort.

Acknowledgments

We thank Brian Fahey and the many professionals in Bosnia who graciously found time in their busy schedules to discuss their difficult and often misunderstood work. We would also like to thank the MGT Editor, Dr. Bostjan Antoncic, and the anonymous reviewers for constructive criticisms that strengthened this manuscript.

References

- Arrow, K. 1974. *The limits of organization*. New York: W. W. Norton.
- Axelrod, R. 1984. *The evolution of cooperation*. New York: Basic Books.
- Daalder, I. H., and M. B. G. Froman. 1999. Dayton's incomplete peace. *Foreign Affairs* 78 (6): 106–13.
- Faerman, S., D. P. McCaffrey, and D. Van Slyke. 2001. Understanding interorganizational cooperation: Public–private collaboration in regulating financial market innovation. *Organization Science* 12 (3): 372–88.
- Gerth, H., and C. W. Mills. 1958. *From Max Weber: Essays in sociology*. New York: Oxford University Press.
- Graham, P. 1996. *Mark Parker Follett: Prophet of management*. Boston: Harvard Business School Press.
- Gray, B. 1989. *Collaborating: Finding common ground for multiparty problems*. San Francisco: Jossey-Bass.
- Huddleston, M. W. 1999. Innocents abroad: Reflections from a public administration consultant in Bosnia. *Public Administration Review* 59 (2): 147–58.
- International Crisis Group. 1999a. Why will no one invest in Bosnia and Herzegovina? An overview of impediments to investment and self-sustaining economic growth in the Post-Dayton era. ICG Balkans Report 64.
- . 1999b. Rule over law: Obstacles to the development of an independent judiciary in Bosnia and Herzegovina. ICG Balkans Report 72.

- . 1999c. Is Dayton failing? Bosnia four years after the Peace Agreement. ICG Balkans Report 80.
- . 1999d. Rule of law in public administration: Confusion and discrimination in a post-Communist bureaucracy. ICG Balkans Report 84.
- Martin, E. 2004. Privatization in Bosnia and Herzegovina: Insights from and into the craft of interorganizational process analysis. *Organization Studies* 25 (7): 1115–57.
- Martin, E., and J. Miller. 2003. NGOs and the developing Bosnia and Herzegovina: Understanding large-scale interorganizational systems. *Voluntas* 14 (2): 145–66.
- McCaffrey, D., S. Faerman, and D. Hart. 1995. The appeal and difficulties of participative systems. *Organization Science* 6 (6): 603–27.
- North, D. C. 1990. *Institutions, institutional change, and economic performance*. New York: Cambridge University Press.
- Ostrom, E. 1998. A behavioral approach to the rational choice theory of collective action. *American Political Science Review* 92 (1): 1–22.
- O'Toole, J. 1995. *Leading change: The argument for values-based leadership*. San Francisco: Jossey-Bass.
- Scott, J. 1998. *Seeing like a state: How certain schemes to improve the human condition have failed*. New Haven: Yale University Press.
- Van de Ven, A., D. Polley, R. Garud, and S. Venkataraman. 1999. *The innovation journey*. New York: Oxford University Press.
- Weick, K. 1995. *Sensemaking in organizations*. Thousand Oaks: Sage.