The Arizona Market: a Marketing Systems Perspective on Pre- and Post-War Developments in Bosnia, with Implications for Sustainable Peace and Prosperity

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Abstract
Through this longitudinal study of a historically significant, complex, conflicted and evolving macromarketing space, Bosnia’s Arizona Market, the authors reveal that marketing systems are not merely random artifacts of human behavior; rather, they are adaptive, purposeful, can be pernicious and/or provisioning, and ultimately—if they are to reflect our humanity—must be well integrated into other prosocial systems to affect the best possible outcomes for all stakeholders. By engaging with a marketing system in a post-conflict, divided society, we are better able to understand the genesis and evolution of markets and marketing systems; the relationships among war economy, peace accords, and the ways that post-war marketing systems create community, provide for community needs, and create new vulnerabilities for some community members. The authors conclude with a discussion of implications for sustainable peace and prosperity in Bosnia and in other post-conflict marketing systems, and suggestions for future research.

Keywords
Yugoslavia, Dayton Peace Agreement, marketing systems, macromarketing, post-conflict markets, European Union, Bosnia and Herzegovina, clandestine markets, Arizona Market, consumer vulnerability

Introduction
Markets and marketing systems are now so ubiquitous, one wonders what would happen to us if they ceased to exist. Consider a community disrupted by a dramatic structural break caused by political disintegration and violent conflict, which destroyed its marketing system. Such an upheaval occurred in Bosnia, following independence and then war, which lasted from April 6, 1992 to December 14, 1995. As news of the Dayton Peace Agreement (DPA), quickly spread to rural areas of Bosnia, an ad hoc market that would come to be called the Arizona Market emerged from a field (Dayton Peace Agreement 1995).1

The Arizona Market would transform over time, from a gathering place for gossip and exchange of rudimentary goods, to a regional market for illicit market activity, socializing, and exchange, to its current form as a commercial marketing system legally integrated into other systems. The emergence and evolution of this marketing system happened, despite the complex and often conflicting interests of players engaged in it, including combatants, former combatants, civilian victims of war, and local and foreign governments. Furthermore, as the site of the Arizona Market grew, obstacles such as landmines and other remnants of the war impeded safe exchange. As the market adapted over time, a new community emerged, albeit one with a new governing structure that emphasized ethnic identity-differences. That community continues to evolve, as do the systems – including its marketing system – in which it is integrated.

In this longitudinal study, we explore the Arizona Market to examine the evolving relationships among marketing systems, community, and the profound structural fractures caused by war, political revolution and societal disruption. In so doing, we pose the following questions: how and why did this market emerge, and how did it create community, or limit the creation of community? In the new marketing system, what was the role of exogenous forces, such as peacekeeping initiatives, the DPA, and the wartime economy? Our intent is to shed some light on answers to the preceding questions, while describing unique market and marketing phenomena – specifically, post-war, ad hoc marketing systems – with implications for sustainable peace and prosperity in Bosnia and in other post-conflict marketing systems, and suggestions for future research.

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sustainable peace and prosperity in Bosnia and in other post-conflict marketing systems.

**Conceptual Framework**

Some prior macromarketing research has similarly analyzed marketing systems, including their emergence, or recovery from natural and human-induced disaster. Duffy and Layton (2013), for example, studied the arrival of a touristic marketing system in the pristine Ningaloo Marine Park, Western Australia. Baker (2009) examined marketing systems in rural Wyoming, after small towns were disrupted by natural disasters, specifically, tornados, the ad hoc and commercial marketing exchange systems that emerged after natural disaster, and the ways that these marketing exchange systems meet community needs. Shultz (1997, 2015) has explored marketing system complexities and forces that both impede and enhance system-recovery and sustainable development following resource degradation, poor/failed governance and war. Barrios et al. (2016) most recently have studied the importance of stakeholder empowerment, communication, community building, and regulation to establish equitable and sustainable marketing systems, as vital to cessation of civil war and assurances of sustainable peace.

In an especially relevant contribution regarding ad hoc markets, Baker et al. (2015) theorize such markets as public-private alliances, often staffed and stocked by volunteers, government agencies, and non-profit agencies. They are neither solely commercial nor solely social. Instead, they are representative of the theory that marketing activities create value through the social discourse of exchange and community building; ad hoc markets provide solutions to unmet needs, as well as a sense of fairness and well-being (see also Mittelstaedt, Kilbourne, and Mittelstaedt 2006).

Ad hoc markets include representatives from government, nonprofit organizations and volunteers, and community organizations that “influence resource flows” (e.g., Baker et al. 2015, p. 337; see also Hunt 2010). Marketplace tension arises when the ad hoc market’s community-building goals conflict with consumer expectations that the market will be a place to satisfy individual needs that can be met in a commercial market exchange system, such as choices or identity; in times of crisis, such as natural disasters, when commercial markets might be destroyed, ad hoc markets temporarily replace the commercial marketing exchange (Baker et al. 2015). One can surmise that the size of the ad hoc market, relative to the commercial market, will depend on the degree of devastation experienced by a community following a natural disaster; in cases in which the size of the ad hoc market exceeds that of the commercial market, the former provides unmet needs, facilitates community relationships, and aids in the post-disaster evolution of the community (see also Barrios et al. 2016). Moreover, Baker et al. (2015) theorize that the ad hoc market expands community, serves as an intermediary in community relationships, and performs the role of catalyst for community-building in a liminal period.

Less well known or understood is how an ad hoc market would create value at the community level, in a post-conflict society, fractured by political reorganization and war. Given recent work in devastated and recovering markets (e.g., Baker et al. 2015; Barrios et al. 2016), we might expect the ad hoc market to build community, to create a new community order, and to expand the community’s resource capacity. For example, Arizona, in its original form, was logistically central to all the former combatants, which suggests that it could either be a site for re-igniting armed conflict, or building community.

In November 1995, the Arizona Market emerged on the Arizona Road, the main conduit for North-South movement in the region. The road was protected by NATO-led Stabilization Force in Bosnia and Herzegovina (SFOR), with the valorous or infamous, depending on one’s political orientation, US Army tank that is still part of local lore swirling about the market. Yet the road and the market site are outside the authority of the International Supervisor for Brčko, the international authority created in the Dayton negotiations to administer Brčko district until 2000, when it was planned to transition to local rule.

The location and security of Arizona suggest it was a convenient meeting point. However, Arizona’s central location also meant it could be a site for armed contestation of Dayton’s implementation, by former combatants. Furthermore, Arizona sat very close to landmine-laden fields, making it an unlikely meeting point. Nevertheless, that is what it became. While there were few success stories in Brčko and adjacent territory (see Figure 1 for map), Arizona was one of them, symbolizing hope for peace, as well as a point of contestation for local power. We explore how these factors led to the value community-members – from locals to representatives of SFOR – found (and did not find) in Arizona.

Our work is informed by findings from prior research in conflict and post-conflict divided societies (e.g., Andreas...
2004; Daly and Sarkin 2007; McGarry and O’Leary 1993; Nagle and Clancy 2010; Paris 2004; Sarkin 2008), including, for example, various regions of the states that emerged from the end of the Socialist Federal Republic of Yugoslavia (SFRY, former Yugoslavia, Yugoslavia, 1943-1991) (e.g., Shultz et al. 2005; Silber and Little 1997), Colombia (e.g., Bouvier 2009), Northern Ireland (e.g., Cox, Guelke, and Stephen 2006), and Lebanon (e.g., Salloukh et al. 2015), to name but a few countries that have recently experienced wars of secession (SFRY), protracted civil wars (Colombia, Lebanon) or “troubles” (Northern Ireland), with various peace accords and marketing systems now in place, albeit tenuously in some locations. Those works suggest that war usually does not end trade, it changes its structure and often is nefarious (Andreas 2004; see also Barrios et al. 2016; Marshall 2012).

The War in Bosnia, and the period during and following reconstruction after the DPA was reached in November 1995, suggest that reconstruction processes, including in Bosnia, have the potential to continue illegal market activity, as well as to exacerbate social divisions (Andreas 2004). The same market, political, and military institutions that stoked the war, such as smugglers, political party leaders, and military leaders, are often the peace negotiators on the part of combatants (Andreas 2004, 2005). For example, Slobodan Milošević negotiated on behalf of Republika Srpska (RS) and FRY (FRY, what was left of the old SFRY after January 1992) at Dayton. Thus, prior research implies that, in the process of creating a lasting peace and re-constructing markets, the structural relationship among local enterprise, both legal and illegal, the community, and local and global political interests should be taken into consideration so as to avoid creating an infrastructure that supports divisions that initiated and sustained the war (Ballentine and Nitzschke 2005; Goodhand 2004; Jeffrey 2006).

Another critique of the DPA in the related literature is the governing structure it created for Bosnia: consociationalism, which refers to a form of power sharing at the state level on the basis of ethnicity and/or religion, as opposed to a majority election system (e.g., Belloni 2004). Consociationalism is a governing process of cooperation among the (elected) leaders of each ethnic/religious group. In the process of reconciling social divisions, it also may affirm post-conflict social divisions. Socio-cultural markers of ethnicity, such as religion, language, or dress, during the period of the SFRY, were often understood in official politics as symbols of shared Yugoslav culture. Official political-cultural rhetoric during and after the war re-interpreted these markers as symbols of ethnic identity difference and the need for separate nation-states (Bringa 1995; Ignatieff 1993; Nagle and Clancy 2010; Sarkin 2008).

At war’s end, the political parties, which were defined by ethnicity and ethnic difference, tended to focus on maintaining division over reconciliation as a means of maintaining power. Although the conflict literature on the DPA and Brčko has studied Arizona’s emergence and privatization to demonstrate the limitations of peace settlements based on cartographic solutions, as was the case in Bosnia, and consociational governance, a marketing systems analysis and interpretation of Arizona as an ad hoc market system and its evolution into a commercial market system is needed to further understand how the community found (or did not find) value in the DPA, given its limitations.

The aforementioned marketing systems research suggests that Arizona, as an ad hoc market that emerged after a catastrophic event, would have a relationship with the former or current commercial market exchange system, such that when the latter is destroyed by war, the former takes over the role of provisioning, meeting needs, exchange, and the organized flow of goods. Yet, during the war, the region around Arizona was a wartime marketing system, supplied by smuggled goods that were often looted in war or stolen from international aid organizations. Given a symbiotic relationship between ad hoc and commercial markets, such that ad hoc markets seem to expand to take over the provisioning roles of the commercial market once it is destroyed, could we expect that the ad hoc market would take over the war economy? And if the ad hoc market resembles the wartime market, does the ad hoc market have a chance to build community, as we might predict? Our research explores these questions.

In sum, for at least five decades – from Alderson (1965), Fisk (1967), Slater (1968), and Bartels and Jenkins (1977) to Peterson (2013), Baker et al. (2015), Layton (2015) and Barrios et al. (2016) – marketing-systems research occurs or has occurred largely at sites where established social, political, ecological, economic systems exist in various forms to deliver goods and services to consumers and communities; the overarching objective is to understand, to change and/or “to improve” the system through “best practices”. Our approach to researching marketing systems and community in post-conflict sites – especially places where states have disintegrated or failed, and marketing systems have been affected by a dramatic structural break – builds on this and other work by examining the Arizona Market.

Methods

The design of this longitudinal study drew upon historical analysis and systems-oriented research methods often favored by Macromarketers. The multinational research team possesses rich, varied and nuanced experience with and understanding of the region and its people. The project, now in its sixteenth year at the time of this writing, is intended to enhance understanding vis-à-vis the genesis and evolution of Arizona Market, including its precise location, its physical parameters and metamorphosis, and various forces that affect(ed) the emergence, development and sustainability of the marketing system (e.g., Fisk 1967; Layton 2007, 2009, 2015; Shultz et al. 2012; Shultz and Pecotich 1997; Slater 1968). Moreover, the authors are keen to understand the intensive marketing dynamic(s) (Shultz, Pecotich, and Le 1994; see also Holtzman 1986) of Arizona, with attention to the flow of goods and services in and through the market; the types of retailers and consumers attracted, and
the reciprocal social/political/economic forces that affected and were affected by marketing and consumption in Arizona (see also Shultz et al. 2005). The principal foci explored were/are the marketing, consumption behaviors and policy activities in the market, in the surrounding community, in the larger Brčko District, and in the region and across borders to include Croatia, Bosnia and Herzegovina, Serbia, and even Hungary, Germany, Austria, Turkey and China whose products, services, people and marketing models were/are part-and-parcel evident in the Arizona Market.

The specific techniques included site observation (e.g., Lincoln and Guba 1985), interviews (e.g., McCracken 1988); photographic, video and audio recording of the site, excluding informants (e.g., Holbrook and Kuwahara 1998; Kozinets and Belk 2006) and historical analysis and reflection (e.g., Scott, Chambers, and Sredl 2006). Members of the research team have used these techniques to collect data throughout the region since 1993, during and following the various wars of Yugoslav succession/secession.

While conducting interviews and participant-observation, we follow the suggestions of Lee (1994) for protecting potentially vulnerable informants and for conducting dangerous fieldwork. The work of Lee-Treweek and Linkogle (2000, p. 7) on maintaining the safety of researchers and the safety of informants through painstaking efforts to ensure the anonymity of informants influenced our data collection and our write-up of this ethnography. Informants were accessed through the snowball method, starting with friends and acquaintances of a co-author, who is from Bosnia and Herzegovina. We sought informants who represented a variety of perspectives on the war: civilian and military, Serb, Croat, and Bosnian, politician, merchants, consumers at Arizona, refugees who had returned, and those who lived in houses that they occupied during the war. After describing to informants the goals of our research, assuring them complete and untraceable anonymity, and discussing the intended audience for our work, we asked for and received verbal informed consent. We decided not to pursue audio and video recording of interviews. From a local perspective, there is a potential for the comments of informants to be used against them; should armed conflict again erupt in the area, the potential for personal harm is considerable. One might see the legacy of not only the war, but also of the SFRY secret police (UDBA) and the use of state power to advance personal goals, in the reluctance of informants to have their exact words documented, either through audio or video recording. In this research, we rely on field notes. 2

Given the political discord and military violence that led to the emergence of the market and the ways in which it currently is administered—and which still simmers, thus affecting ongoing marketing system dynamics—considerable effort was made to access people and institutions that often have conflicting recollections of events, and have different perspectives on current activities in Arizona and the marketing system’s future. Through triangulation, and persistent engagement and observation, we were able to discern some emergent themes deemed indicative of the realities that fomented the destruction of an extant marketing system and the emergence of a new market and broader marketing system, in the forms of Arizona Market, Brčko and Bosnia and Herzegovina (see also Wallendorf and Belk 1989). Following the ethical norms of research that asks investigators to do no harm, when informants discussed illegal activities at Arizona, we did not ask informants to discuss their potential involvement in such trade. We use secondary sources as data in our discussion of illegal activities. In summary, we immersed ourselves in the Arizona market and its internal and external communities, over time. We add that the ethnic composition, cultural sensitivities, and language proficiencies of some members of the research team matched those of the informants, which facilitated an empathetic approach, reduced power distance, and increased trustworthiness. Trustworthiness is especially valuable at sites where ethnic and/or political tensions remain a concern.

Findings, Interpretations and Emergent Themes

In the findings, we explore the ways that Arizona emerged in late November 1995 to repair the social ties of community that the war destroyed, as well as to create new identity boundaries as Arizona transitioned in 2000 from an ad hoc to a commercial marketing system. Likewise, we address the ways that Arizona served to replicate the inflow of goods from the wartime marketing system, thereby replicating new divisions and creating a new flow of provisions and space for exchange, thus creating community. In our discussion of Arizona’s evolution, we draw attention to unique barriers to building community at this site, such as demining and jurisdictional authority, that influenced the ways that community is expressed and is limited. We begin this section with a description of the war marketing system in Bosnia, as it set the stage for the system that Arizona both would replace and replicate.

War as a Marketing System


Although the goal of the arms embargo was to prevent further conflict, the outcome of the arms embargo was that it arguably created the conditions for a wartime marketing system. Andreas (2004), in analyzing the clandestine markets in Bosnia created by the blockade, and the relationship between these markets and peace, describes the control of the inflow of armaments and fuel (usually smuggled), food aid from
international organizations, and similar supplies necessary to sustain combat and civilian life, as economic blockades. These blockades, often implicitly supported by the states creating embargos, were sustained by local elites as a means of solidifying their power and increasing their wealth through controlling what was essentially a combat market (Andreas 2004). For example, arms smuggling into Croatia and Bosnia, from the United States or other countries, was largely overlooked by officials of the United States Department of State, and allegedly conducted by, for example, some military and political leaders in Croatia or Bosnia and Herzegovina as well as paramilitary leaders (Cohen 1994; Pomfret and Ottaway 1996; Schmetzer 1995). The source of armaments was often the sudden surplus of arms on the informal arms market after the break-up of the Soviet Union, including such symbols of the Cold War as the Kalashnikov rifle (Arsovskva and Kostakos 2008; Hajdinjak 2002).

In addition to the combat market, a further characteristic of a war marketing system, or what Barrios et al. (2016) have called a war economy, is what Goodhand (2004) has termed a shadow market. The shadow market functions to distribute the goods that the elites have allowed to pass through the economic blockade and into the war marketing system. These goods can supply militaries or be traded or bought by the majority of the civilian population, according to Goodhand (2004). In sum, the war economy functions in ways that maintain conflict and empower some groups over others (Goodhand 2004).

A synthesis of field notes from interviews with informants who fought in the war reveals the logistical operation of the three-tier wartime marketing system. The armies lacked supplies. The ARBiH and the HVO had to furnish cigarettes, food, alcohol and other supplies to their armies throughout the areas they controlled: the southern part of Brčko and BH. They also had to supply their soldiers fighting in Serbian (JNA, RS) territory in the north. To supply the armies, the leaders of these militaries sought passage through and trade deals with the leaders of the JNA and the VRS, at great profit to those elites functioning at the combat and shadow levels. The combat-trade dynamic was often surreal: at dawn, soldiers from opposing sides shot at each other across the front line. In the afternoon, they traded goods needed for sustenance, such as coffee, flour, and cigarettes. Trade was made much easier since most of the soldiers knew their trade partners; in many cases they had been neighbors. Through trade, military and political structures, and actors within the structure, were linked through the war economy, at various levels of supply, distribution, exchange, and consumption.

**Dayton, Brčko and the Transition to Peace**

The response of the international community to end the war in Bosnia (1992-1995) was to search for a “cartographic solution” (Jeffrey 2006, p. 209). From the attempts at peace starting with the Lisbon Conference (February 1992), to the Vance Owen Plan (January 1993) and the Dayton Peace Agreement (November 1995), the international community sought peace via a division of territory that all sides could accept (Jeffrey 2006). The cartographic solution had the effect of endorsing a divided society and the ethnic concept of statehood, nationhood, identity, territory, and citizenship. Because it put new political parties in power, based on these new divisions, the DPA also ended up emphasizing the social division created by war.

The Bosnia and Herzegovina state (BiH) created at Dayton is composed of the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS). FBiH consists of 10 autonomous majority-Bosnian or majority-Croat cantons with their own governments. Brčko District was created as a special unit of self-government in Bosnia, and as a buffer zone between RS and FBiH. Within Brčko District, borders were drawn, based on ethnicity.

The Inter-Ethnic Boundary Line (IEBL) within the District divided it into two zones. Brčko city was north of the line, and populated by Serbs. South of the IEBL were the Croat and Bosnian sections. The two-kilometers-wide Zone of Separation (ZOS) on either side of the IEBL served as a transition and disarmament point between zones controlled by IFOR. Per Dayton, Brčko would be governed by the International Supervisor for Brčko; the supervisor would be independent from peacekeeping forces. In effect, IFOR (peacekeeping forces) had more power in the IEBL than did the International Supervisor for Brčko.

In Brčko, IFOR was composed of Multi-National Division (North), led by American forces, specifically, the US Army’s 1st Brigade of the 1st Armored Division, under the command of Major General William L. Nash. The main points of US military responsibilities as peacekeeping forces were made explicit and included: compliance with the terms of the annex (Brčko), withdrawal of forces and establishment of zones of separation; monitor clearing of minefields, liaise with civilian and military authorities, assist with movement of humanitarian missions by UNHCR and other organizations, observe and prevent interference with the movement of civilians, refugees, and displaced persons, and respond to deliberate violence (Farrand 2011).

Noteworthy is the sparse consideration of the process of market reconstruction in the establishment of the International Supervisor for Brčko and IFOR, much less in the Dayton Agreement, relative to the attention given to the role of NATO-led IFOR in implementing the military aspects of the agreement (Scott and Murphy 2005). For example, the terms regarding the economy and markets refer only to the government of Bosnia and its responsibility to protect private property and its desire for a market economy. Likewise, the DPA states that the government will promote trade and economic development via establishment of and cooperation with other Chambers of Commerce, yet makes no suggestion who would be responsible, and how that responsibility would be divided among the ethnic groups (Dayton Peace Agreement, 1995, 141, Annex 4 p. 59). The implicit assumption of DPA is that market growth and economic development would emerge as a by-product or in tandem with peace.
In sum, the DPA and the creation of Brčko District institutionalized ethnic/religious differences and created a consociational government, in which decisions are made by leaders of each ethnic group, and the International Supervisor. The main framing of peacekeeping was how to implement the new structures of ethnic difference that were set in consociational governance and how to enact property restitution. Attention to continuation of the peaceful social norms of the shared society of the past tended to be overlooked. In addition, the framing of economic development as investment and trade, rather than building quality-of-life (cf. Shultz 2015), was instrumental to the birth of Arizona as ad hoc and community-level (Baker et al. 2015). However, as we shall see in the next section, the leaders of the peacekeeping effort quickly saw that ensuring peace meant creating safety for locals as they sought to return to the social norms of a shared society, including meeting to trade goods and information.

Community at Arizona. One of the first tasks of IFOR was to re-build roads and bridges, to allow for the safe movement of refugees and internally displaced persons. IFOR started the process by building “Route Texas,” running East-West along the Sava, and then “Route Arizona” running North-South from Croatia, across the Sava at the border with BH, through RS, and into Brčko at the International Boundary between BH, RS, and Brčko. Route Arizona also crossed the Zone of Separation; it continued from Brčko Entity South to Tuzla and then to Sarajevo. The safe functioning of Routes Texas and Arizona allowed for the peaceful and secure movement of civilians, most of whom were displaced from their homes. The secure routes were also necessary so that the aid community could access the area; IFOR used tanks and armored vehicles to patrol these routes (See Figures 2 and 3).

IFOR, mostly represented in this area by the US Army’s 1st Armored Division (1st AD), started a checkpoint at the spot that Route Arizona met the ZOS. This point was also close to the borders of RS, BH, and Brčko. Civilians, travelling North-South into and out of Brčko, passed through the checkpoint; they could also relinquish their weapons at the checkpoint.

Word quickly spread among locals that an American tank was stationed at, and armed American soldiers were working at, the checkpoint. Croatians, Bosnians, and people from mixed backgrounds, began traveling to the location of the tank in the ZOS, to meet. Local civilians came for the purpose of sharing information and selling produce on the road at and around the checkpoint. Exchange was typically transacted with the facility of German Marks (DM). Merchandise was displayed on bed sheets, laid on the ground by sellers. This pattern somewhat replicated ways civilians traditionally sold produce from their domestic gardens, along the road, before the war.

Based on what we saw on the road during our site visits, locals continue to sell their produce on the side of the road. This practice was a return to “normal” trade; customarily, the primary purpose was to make profit. Produce was collected from domestic gardens and offered from the trunk of a car, or a table set-up in front of a car. Prices were marked by hand on a sign made of cardboard and posted beside the car, as they still are (but now in KM, the local currency). A typical sign we saw, printed in the Latin-alphabet Croatian, was: “cabbage, 8DM/kg”, or “domestic vegetables.” The nature of demand can be understood as a desire for the return to normal, meaning pre-war, ways of socializing and exchange, specifically of produce, as well as a desire for produce, which in winter, when the DPA was signed, would largely have been potatoes and cabbage.

The volume of cars, produce, and people gathering—in other words, the material symbols of a market—grew to a size that blocked the busy Route Arizona. The 1st AD, with the goal of keeping the road safe for movement and free of obstruction, encouraged local Croatian, Bosnian, and Serbian de-mining operations to clear a field on the side of the road. Then, the 1st AD brought in gravel to cover that field, with the intention that meetings could take place in and cars could be parked on the gravel-covered field—instead of the road, or in other areas, which still contained unexploded ordnance (see also Scott and Murphy 2005). The roadside meetings and small-time selling of produce moved immediately to the field, and more and more people came to meet and to trade at this safe place.
From the start, Arizona was a place that allowed locals to re-open communication, and to ask each other questions such as, "who set us against each other?" The people who started meeting at Arizona–Serbs, Bosnians and Croats–were people from inter-ethnic families or who were friends before the war. They wanted to ask about their old friends and their welfare, or if war had changed them: had they become extremely nationalistic? Were former friends and neighbors now showing a new identity or extreme nationalism through their dress or behavior, such as no longer speaking with friends of the other ethnicity, or wearing a long beard? A typical question would have been: is it safe for me to return to that area, or is it not hostile to people of my ethnicity? People also came there to exchange information about missing and dead family members, the whereabouts and welfare of refugees, and houses left behind. Civilians, and not officials, knew this information because civilians stayed in their homes during the war. It was difficult to believe that Dayton would guarantee peace in that area, and most people were afraid it would fail. Yet the 1st AD tanks seemed to represent a new period.

Officers from all three warring sides, and from the 1st AD, began to socialize at Mandicina Kafana, a café in Arizona. They came for scheduled meetings with US Generals and sat informally; their socializing contributed to the chances that a structure of peace would emerge, even in a context in which the two sides were still concerned that the other would attack on the battlefield, as tanks and guns remained around the periphery of Arizona. Since local leadership was organized according to ethnicity, and the military and political leadership and the leaders of the smuggling enterprises tended to share political and financial interests, these meetings tended to re-establish the political groups that created and sustained the war. Another consequence of US Army activity at Arizona, such as clearing landmines and safeguarding Arizona, also allowed underserved locals to participate in the re-construction of the marketing system and to experience a return to a sense of normalcy in the shared social relations of everyday life, similar to what Baker et al. (2015) theorized ad hoc markets allow to happen after events that are traumatic to communities. Market-building and community building activities at Arizona were ad hoc in that they were not within the mandate of IFOR, as outlined by Dayton. Yet they created a shared space where old social relations could be re-articulated, in a new political reality, shaped by focusing on political and ethnic identity differences. The political dimension of community building at Arizona adds to the idea of ad hoc marketing systems as building community, again as presented in Baker et al. (2015) and Shultz et al. (2005).

**Provisioning, Exchange and Assortment at Arizona**

The goods in demand, supplied, and exchanged at Arizona reflected the destruction of war and a need to create a new market. During the war, homes were destroyed. People had no meat to eat, a staple in Brčko. They had received humanitarian aid for a long period and were eager to have more to eat, as well as an assortment of foods. After the war, there was an influx of cash. First, the international community provided humanitarian assistance in Brčko and other reconstructed areas for re-building homes as a means of facilitating refugee return. Second, cash came in the form of remittances from the large number of Bosnians who were refugees in or had moved during the Yugoslav era to, for example, Canada, Germany, Austria, America, and Australia, and sent money home. Overall, there was a desire to rebuild houses that were purposely destroyed, and there were two steady sources of money with which to do it.

Some of the remittances and re-building money were used to start businesses, rather than to sell/build houses. War, and privatization, changed the way people in the region thought about money. Before the war, people in Yugoslavia could keep only a small amount of cash in the bank; the limitation on accumulating capital normalized grey-economy exchange and construction. The grey-economy practices of the pre-war era only increased during privatization and the relative lack of regulation in the early 1990s. A person in Brčko, for example, could start with 1,000 DM, travel to Turkey to buy t-shirts or jeans, and return to Arizona and sell it all for a considerable profit. Through remittances, and through aid foundations that donated money for reconstruction, cash flowed into Arizona; that cash likely supported much of the trade.

Arizona also offered a solution to the dearth of economic activity in the region. The territory that would become RS remained agriculturally productive after the war, though sub-optimally because of territorial and property disputes, and unmarked landmines. Northeast Bosnia had industry in the Yugoslavia era, including, for example, Izboro leather shoe factory, BiMex meat canning factory, and Bimal food oil processing factory, yet these factories were no longer operational, due to lack of investment in the 1980s and war-damage (Farrand 2011). Bosnians, however, did receive cash remittances from family members living abroad, the intervention of the international community, and the increased grey-economy trade.

The Croatian pharmaceutical industry remained intact after the war, which proved helpful to Bosnians when Croats ventured to Arizona to sell diapers, detergents, and medicine. RS was isolated from the international community by a trade embargo, and it had no trade relations with either Croatia or BH. Yet agricultural products in RS were priced very low, and there was a surplus, so Serbs from RS traveled to Arizona to sell or trade their produce, which was a solution for the market isolation experienced in RS. The market, therefore, was a place for building community through exchange and provisioning.

A marketing system, and a community, was taking shape: provisions were being marketed to meet demand, assortment increased, and the system was adapting, although not without concerns. Among them: quality, reliability and dubious origins of supply, such as from actors involved in supply or distribution in the war economy; poor-to-no regulations or standards beyond momentary and mutual agreement among buyers and sellers; infrastructure, storage capacity and security of...
inventory; hygiene; trends involving prostitution, human trafficking, and other illegal and “dark side” selling/consumption practices (see also Farrand 2011; Kennedy 2005).

By the end of 1996, the Arizona Market covered an area of approximately 15 acres, with about 2,000 sellers. Land owners charged high fees to rent space to sellers, who began to build stalls. Locals came and charged for using the toilet—there were just five wooden toilets—and for parking. Prices were not regulated, and taxes were not paid on sales or profits. Sanitation was not regulated. “Night clubs” and casinos opened. It is widely known in the region that, after the war, at Arizona, drug smuggling, human trafficking, and prostitution were rife (Farrand 2011; Kennedy 2005).

Although they were not asked (so as to avoid the risk of doing harm) and did not volunteer information or evidence of direct involvement in drug smuggling, human trafficking, and prostitution, our informants frequently mentioned that these activities took place at Arizona in the post-war era. Moreover, we are able to triangulate stories of illegal activities, especially human trafficking, through news reports of UN police involvement in the enslavement of Eastern European women in brothels in Bosnia and the cover-up of UN involvement in illegal activity (Lynch 2001, see also Haynes 2010). Throughout the remainder of the 1990s, the International Supervisor for Brčko, Robert Farrand, wanted to close Arizona because of the illegal activities (Kennedy 2005). The local command of the US Army, however, was an advocate for Arizona—albeit with better regulation—as an obvious catalyst for building peace through building community and political ties, through trade of less nefarious goods and services, and socializing over coffee at Arizona.

In addition to the human rights violations and drug smuggling that were part of the supply and demand dynamics of Arizona, the sale of Smederevac brand ovens at Arizona helps to illuminate this paradox of building community while unoffi cially endorsing illegal and unethical behavior. This case suggests that smuggling at Arizona was linked to the war economy as well. In fact, the distribution of Smederevac at Arizona demonstrates that Arizona may have perpetuated the new divisions that emerged during the war, as the shadow economy of distributing looted goods supplied consumers who purchased them at Arizona.

The purchase of the Smederevac oven factory by a person from Brčko, similarly to most privatization transactions during war in the successor states, was described as heavily influenced by political favoritism and bribes. Furthermore, we were informed the buyer made a fortune in the privatization transaction and in the sale of smuggled Smederevac ovens at Arizona to displaced persons re-building their homes. Many other large and successful stores and factories from the SFRY-era were closed or destroyed during the war, the goods were stolen, and sold at Arizona to people rebuilding homes destroyed during the war. At night, dealers would meet to exchange large inventories of goods that were looted during the war, confiscated, or otherwise stolen.

The copper trade at Arizona provides another illustrative example of the ways that Arizona supported the legitimization of illicit enterprise, linked to the war, in the post-conflict era. Yet Arizona also supplied community needs for goods, as would a government sanctioned ad hoc market. Our informants told us that much of the copper piping that was sold at Arizona originated in war-time plundering of homes throughout the region. These pipes were plundered by military, then sold in the shadow economy, then re-distributed and sold at Arizona. Most of the buyers were probably returnees who were rebuilding their homes, perhaps buying at Arizona the same plumbing that was stolen from their house. Much of the funds to re-build homes came to the consumers living at the coping level from reconstruction donor countries and diaspora remittances. By not regulating who traded at the market, or the traffic entering Arizona, the US Army was complicit in continuing the dynamics and divisions of the war economy. The divisions continued across combatant or political lines as supplying Arizona tended to be aligned with the goods accessible across borders (Croatia and pharmaceuticals, Serbia and Smederevac brand ovens).

Divisions also continued between those who supplied Arizona, and therefore continued to make a profit from wartime activities or access to smuggled goods, and those who bought goods at Arizona. While Arizona provided for community needs, consumers were made vulnerable by the war and its aftermath, as they had to rebuild, and their choice for sourcing of goods was largely limited to what Arizona offered, and the terms negotiated there.

**Why a Market, Here?**

A begging question for the research team as we dug more deeply into the project: Why did a market emerge in the precise location of Arizona? We repeatedly heard from informants, when asked if the market could have materialized anywhere else in the Posavina Corridor, that while the presence of the tank and soldiers at the checkpoint indeed was important, given the international politics of the war, the most important reason that people came was that the tanks and soldiers were *American*. These armaments, under the authority of a US government that many local Bosnians and Croats perceived to be pro-Bosnia during the war, instilled a belief among informants that the space, which eventually would become Arizona Market, was now safe and would remain safe, even if hostilities resumed elsewhere.

The failures of the European Community and the UN Peacekeepers to stop the war and to stop the atrocities committed during the war created skepticism about Dayton, among locals. For example, the UN Peacekeepers in Bosnia, who did not intervene to stop the massacre at Srebrenica, were Dutch soldiers. Similarly, French military officials visited Sarajevo during the Siege of Sarajevo, yet neither France nor the UN intervened in ways that would have stopped the human suffering of the Siege. The US government cooperated with the smuggling that armed the ARBiH (tacit cooperation via overlooking), and the US led NATO airstrikes on ARS positions in Bosnia between 30 August and 30 September 1995, which are
generally understood to have facilitated the end of the wars. American troops and American tanks were the material representation of moral and political will to act on behalf of Bosnian citizens. A Lt. Colonel in the US Army, and a member of the unit that participated in the building of Arizona, Tony Cucolo, described the dynamic:

Near one of the task force’s checkpoints, the US brigade carved out and cleared a piece of land for roadside merchants that became known as the Arizona Market. Overnight, it acquired a reputation as the best four acres in the American sector for changing perceptions. There, Bosniacs, Croats, and Serbs mingled, shopped, bought and sold sugar, plum brandy, music, and livestock, and interacted with each other as though there had never been a war. It became a magnet for what can perhaps best be described as cross-boundary tailgate parties, and was a superb environment to begin rebuilding relationships and trust (Cucolo 1999, p. 12).

It should be noted that three stories in the region have emerged regarding the origin of the name “Arizona” for the market space. They are all true, in the sense that each story suggests the experience of meeting or trading at Arizona Marketplace. The first origin-story is that the name comes from the road, Route Arizona. Another story is from popular imagination among locals about Arizona representing the Wild West of the USA; a place where anything or anyone could be bought and sold if you could get your hands on it and if the price was right. The third origin narrative is from Emir Kusturica, who directed the film, Arizona Dream, in 1993. In this origin-narrative, Arizona is a fantasy place of sorts, where all things are possible, where dreams can come true.

Arizona, we suggest, was as a space in which locals could find common ground for re-articulating cultural similarities across ethnic lines through trade rituals, after a period of violence and political discourse that emphasized differences and precluded trade (Nagle and Clancy 2010, p. 93). At the level of macro-analysis, the American tank can be understood as emphasizing that the space of Arizona belonged to none of the ethno-political groups. By implication of no group controlling Arizona, it became a common ground, a space for building community through trade, specifically through the social interaction of trade (cf. Nagle and Clancy 2010, re Northern Ireland; Daly and Sarkin 2007; Sarkin 2008).

Institutionalizing Arizona

To some, such as IFOR, Arizona was a symbol of peace and community building based on the political system of consociationalism and shared society. For other political institutions, such as the International Supervisor for Brčko, Arizona was a symbol of post-war profiteering and a continuation of the war economy. In fact, it was both.

While the efforts of the US Army in Brčko, and in Arizona specifically, played a role in building peace via renewed communication, socialization and marketing activities, some members of the international community, especially the International Supervisor for Brčko, who concurrently served as the Deputy High Representative for the northern sector of Bosnia and Herzegovina, Ambassador Robert Farrand, viewed Arizona as a site of human rights violations and smuggling that destroyed community (Farrand 2011). These latter two activities raised questions about whether the efforts toward peace-building and democracy were successful, or at least not without serious social costs. Furthermore, any peacebuilding that occurred at Arizona could not be categorized as a successful outcome resulting from the international community’s activities because Arizona was in the ZOS, making it outside the geographic sphere of authority held by the International Supervisor for Brčko.

As the decision of the International Supervisor for Brčko regarding the future governance of Brčko reached its deadline in 2000, attention turned to finding a success story. Serbs were upset by the political decision to remove the IEBL and create Brčko Canton in 1997. There were very few examples of implementation of free-and-fair elections, along with just a few examples of the safe return of refugees and other displaced persons to their occupied homes. No group was collecting taxes on trade in Arizona. Mayors of ethnically organized villages wanted control of Arizona, and often asked the Supervisor to demolish it or to give it to their jurisdiction. While Arizona represented a potential source of re-emerging conflict, it also offered a rare opportunity to present a success in Brčko, as Arizona symbolized a return to more peaceful inter-ethnic social relations. Yet its “Wild West” status was not acceptable as part of the success story. The Supervisor wanted the current site demolished and a new Arizona opened within Brčko, and under control of the Supervisor, as opposed to the political limbo of the ZOS and IFOR.

A tender for demolishing extant Arizona and construction of a new Arizona was issued. ItalProject, an Italian-Bosnian company, was the winner, with a tender that included plans for parking, power, water, sanitation, and space for police presence. In 2004, Arizona reopened as an “out-of-town mall and tourist attraction” (Jeffrey 2006, p. 216). It remains state-owned, yet managed by ItalProject. The new Arizona consists of two halls, one on the West and one on the East side of a four-lane, paved road that has ruts in all of its lanes. There is a grassy median in-between the roads, as well as a traffic circle – anchored by signage with “Arizona” and “ARIZONA Market” – that directs cars to either of the halls, as seen in Figures 4 and 5.

Arizona, Today

Arizona, at the time of the researchers’ last visit, June 28, 2013, is markedly more institutionalized in its organization, infrastructure, and cleanliness. Ramshackle huts, make-shift wooden stalls, and muddy fields have largely disappeared. Paved roads, brick-and-mortar or corrugated-metal buildings, and indeed a generally clear, predictable, market-space with regulated merchants possessing a wide assortment of goods and
services have risen, as seen in the aerial photo in Figure 6, which demonstrates the scope and scale of today’s Arizona.

Today’s Arizona is, for the most part, a contrast to the dynamic we found in the immediate post-Dayton era. Goods sold include hardware, underwear, purses, carpets, rugs, blankets, curtains, housewares, sports clothes and trainers, cosmetics, women’s clothes, men’s clothes, children’s clothes, shoes, electronics, toys, jewelry, toilets, sinks, paint, tiles, rope, washing machines, patio bricks, car tires and car-related goods, CDs and movies, and cafés and restaurants serving grilled food and an assortment of traditional snacks as well as ubiquitous food and other brands—or counterfeit brands—one would find in just about any market. As in the regional cities, small stores typically sell one category of goods: hardware stores sell only hardware, clothing stores clothing, and so forth. Images of some of these retail spaces are found in Figures 6–10.

Some of the clothes in the stores were identical to items the authors have seen in small shops in Zagreb, Sarajevo, Skopje, Ljubljana, Podgorica, Belgrade, Tirana, Thessaloniki, Bucharest, and indeed throughout the former Yugoslavia and the Balkans more generally. The presence of similar goods in Arizona as in the small shops of regional cities suggests to us that there are probably strong connections between Arizona and commerce throughout the region.

The language of religious symbols in the stores offered potential interpretations of Arizona as a site of continued political maneuvering and the transformation of the shared space of the old Arizona into a divided space, a divided society, and a political dynamic of between-group antagonism and within-group solidarity.

In many stores throughout Arizona, either a crucifix (Roman Catholic, associated with Croats and Croatia) or a nazar (amulet to ward off the “evil eye” that is often associated with Bosnia, rather than Croatia or Serbia) were displayed inside the shop, by the door. The objects, as we understood their meaning, communicate the ethnic identity and political allegiance of the shop and the people affiliated with it, which are Croatian and Bosnian, respectively. There were more stores marked-out for identification for those with insider knowledge by displaying a nazar than stores marked by a crucifix by the door. The semiotics of religion and politics in Arizona’s stores, as symbolized in the nazar and the Roman Catholic cross,
suggested to us a larger presence of Bosnian-managed stores at Arizona, than Croat or Serb-managed stores. Extending that line of thought, we understood that more stores at Arizona had links to local Bosnian political parties than Croat or Serb, in the continued consociational political organization of Bosnia.

Looking at the spatial distribution of these religious/ethnic/identity/political symbols in the West side of Arizona, stores with the same symbols tended to be in the same areas. That is, Bosnian stores, or stores with the nazar on display, tended to be found together, while stores with the crucifix tended to be located in the same area. While the diversity of symbols at Arizona suggest that it is a shared space, the clustering of symbols, suggest that Arizona is also a symbol of the institutionalization of ethnic identity in politics and markets.

The retail spaces on the West side of Arizona also offered us new cultural symbols of identity in the marketplace, in the form of Chinese Shops. That is, in local terms, shops owned and operated by ethnic Chinese, the number and scale of which have not been seen by any of the authors in any other part of the former Yugoslavia. Notable in the Chinese shops, as compared to other shops, is the absence of the nazar and the crucifix. However, we did see traditional Chinese cultural and/or religious amulets and artifacts, discreetly placed in retail spaces or in back rooms of Chinese shops. We glimpsed into these “back stages” from the shop floor and saw cooking equipment and food for preparation, along with the amulets and artifacts in the back of the store.

The Chinese shops we encountered on the West side were unique in that we never saw a consumer in a store, browsing or purchasing, or even speaking to an employee or owner. Chinese shops were filled with merchandise that we describe as trinkets, plastic goods, t-shirts, and toys wrapped in clear, plastic packaging marked “Made in China.” These stores seemed to be managed by the Chinese people who were sitting at the cash registers, while rudimentary stocking and retailing tasks were administered by local employees. The East side of the road contained only vacant stores and shops that fit the description, in their offering, staffing, and identity symbols, as Chinese managed (and perhaps owned) shops, as seen in Figure 11.

In stores that we perceived to be owned by Bosnians or Croats, the staff, either on the retail floor or behind the cash register, interacted with us; for example, they said hello or asked if we were looking for something special. At Chinese shops, the staff did not engage us through a greeting or an inquiry. If we witnessed no buying or selling, and there was no interaction with potential customers, then how were they surviving? What did Croats, Bosnians, or Serbs understand to be their reason for working at Arizona? Most importantly for our research: what can the presence of Chinese shops at Arizona teach us about Arizona as a marketing system?

According to our informants, many local Bosnians find employment at Chinese shops. Bosnians apparently do not like working in these stores, yet they may not have access to other employment. Locals suggested that Milošević smuggled the Chinese into Serbia and Republika Srpska (RS) during the war, in exchange for citizenship, their political allegiance at election

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**Figure 8. Typical Retail Spaces in Today’s Arizona Market.**

**Figure 9. Typical Retail Spaces in Today’s Arizona Market.**

**Figure 10. Typical Retail Spaces in Today’s Arizona Market.**
time, and weapons and armaments. After the war, so informants tell us, these newcomers migrated from Serbia and RS to Arizona. We sought to corroborate the Bosnian perspective through the media and through scholarly works. Our most fruitful lead was mention of a memorandum of understanding between the government of the RS and a Chinese firm (China Road and Bridge Corporation) to build a road in RS, beginning in 2011; perhaps the Chinese shops at Arizona are related to legitimate commerce, and not, as many Bosnians suggested, smuggling (Kuzmanovic 2011). The Chinese shop owners, according to informants, are considered to be quite culturally dissimilar from Bosnian culture. For example, according to informants, the Chinese shop owners reportedly are known for driving expensive cars while living in miserable conditions; they live many to a room, and they rent very rundown houses and they are often perceived to be people who became wealthy through dubious deals during the war.

Implied in informant discussion of the presence of Chinese shops is the notion that these shops are suspected by locals to be linked with political corruption, smuggling, war, and illegal trade. We do not suggest that the Chinese presence at Arizona is nefarious. Yet we argue that the use of criminal—or at least poorly regulated—trade and its ties to politicians as explanatory framework by the informants suggests that this structural connection between criminal smuggling, money, and politicians, at the local and international levels, so prominent during the war, is understood by locals to continue at the new Arizona. The Chinese shops, if we view them as “new” cultures in the marketplace, have not displaced or challenged the political/ethnic/religious/identity dynamics of the new Arizona. Instead, they have offered a new symbol of a new “other” against which community is articulated, in addition to the political elites who are maintaining the new divisions of consociational governance. Their origin story continues the narrative that Arizona is connected to the wartime economy, and that the people in power during that period are still influential at Arizona.

Security, safety, equity, order. Security, safety, equity and order—the assurance of a predictable and thus prosperous marketplace—were important to informants in the West hall. We had seen many cars marked “Police” and many men in police clothes at Arizona that day (June 27, 2013); many of these men were drinking coffee at the multiple cafes at Arizona; there were also people at the cafes who were not dressed as police. The casual socializing of police over coffee suggested to us the ease of a regular visitor. In addition to the police and other forms of security, there is additional evidence of a new Brčko, as seen in comparing new and old Arizona: metered parking spaces in a parking lot, with an attendant, a time-stamp machine, and a payment machine with automated gate at the entrance and exit to the parking lot.

These artifacts suggest there is a sense of predictability to the functioning of Arizona for visitors. Set working hours (8:00 am–4:00 pm) are another example of normalcy at Arizona. It is important to consider standard store hours, the monitored parking lot, and the police presence, as a change from the first Arizona. In these market artifacts and practices, we found evidence of Dayton’s goal of peacekeeping through re-building a state in Brčko, just as the International Supervisor intended. We suggest that these symbols of stability are similar to the “homeostatic markers” that Baker et al. (2015) suggest show a market, and a community, has transitioned from devastating event to normalcy.

Yet, fundamentally, according to our informants, the prevailing theme regarding police at Arizona is that they are vital, but also part of a structure of corruption, even if police activities are not necessarily corrupt. Consider, for example, a scenario an informant described: police may issue financial penalties for various license-related transgressions, real or manufactured. Informants contend that Mercator and Fis, multinational hypermarkets with stores in Brčko area, influence the police; furthermore, they suggest that these hypermarkets do not like competition from Arizona, and that the interests of the hypermarkets, the police activity at Arizona, and the issuing of fines, are all connected via a political system. Standardization of the market’s structure (hours, metered parking) may represent the institutionalization of a corrupt status quo that runs by emphasizing differences between groups, of insiders and seeming outsiders, into the everyday life of people working and shopping at Arizona, and living in the broader Brčko area. We suggest that these informants describe a system in which consumers and retailers are vulnerable to corruption, or perceived corruption, in the marketing system. Unlike the ad hoc market in Baker et al. (2015), this market does not emphasize equality and transparency, largely because of its seemingly continued relationship with market actors who emerged during the war.

We are sensitive to describing allegations or intimations regarding corruption. In our individual field notes and in our group discussion of our impressions regarding what was intriguing or disturbing during our participant observation and our interviews, we explore potential counter arguments about the ways that informants explained emergent themes. The second
The Future of Arizona

The curious case of underwear makes key points about the possible future of Arizona. That is, we were surprised to see the quantity of cotton underwear sold throughout the small and large shops of the West hall. The quantity seems vastly larger than anything that the local consumer-base could support through purchase and consumption. After touring the market, we returned to one of the stores we had previously visited, which sparked our curiosity about the quantity of underwear sold at Arizona. We had seen many tables holding rows and rows of underwear and t-shirts, which were for sale, in pre-packed 5-packs only, with a few samples hanging from the ceiling. The clothes offered in this store were neatly presented and organized. Our goal was to follow-up on comments about wholesale trade at Arizona. We approached the person behind the counter and disclosed, in the local language, why we were there.

This person has worked at Arizona since the end of the war, and at this store for six years, and explained that the atmosphere before the privatization of Arizona—when trade was illegal—was better than it is today. People visited for fun; they had more money then, and nowhere else to buy goods than at Arizona. Now, fewer people come to Arizona, and commerce is trending to wholesale. Many others talked with nostalgia about the old Arizona as a place where the social relations of Yugoslavia could resume. We learned that the underwear typically is sold to people from Herzegovina, who come to Arizona to buy wholesale and then re-sell the underwear in other parts of Herzegovina and elsewhere. In a similar way, the change from local retail to wholesale distribution represents a new role for Arizona as integrating the space further into the new regional marketing system, close to the border of the EU. We understood from many informants that firms from Turkey are present at Arizona, using the area as a warehouse for distribution of cotton garments that are made in Turkey.

Others confirmed that Arizona is moving to wholesale, largely because the local marketing system is changing, at micro, meso and macro levels. Mercator and Fis—established retail brands known for quality products, wide assortment, standardized pricing, superior retail service and clean retail spaces—now dominate the market for low-cost goods and food. Foreign investment in distribution tends to come from Turkey, while investment in retail and in re-building industry tends to come from Germany, Austria, and Croatia. The green market at Arizona is now 90% wholesale. Much of the rest of Arizona is also moving towards wholesale commerce. The location of Arizona, with inexpensive access to all countries of the former SFRY, adjacent and investing countries in the EU and Turkey, is a motive for wholesale. One interpretation of the move to wholesale at Arizona is that, as standardization of retail arrives in Brčko through multinational hypermarkets, the offering at Arizona is no longer competitive, except at the wholesale level, regionally integrating and perhaps even globally integrating Arizona. Thus, we suggest that Arizona, and the types of exchange witnessed there, are continuing to adapt, and address community needs, in this case, regional integration as part of economic growth, long after the adversity of war. The adaptation at Arizona now, as during the era of privatization, seems to be directed by the companies in charge of the wholesale operations, extending the views of Baker et al. (2015), Shultz et al. (2005) and Barrios et al. (2016) that post-disaster / post-war market evolution is natural and ongoing (see also Layton 2015).

What can Arizona as a site for distribution suggest about the political future of this divided society? Arizona is now linked to neighboring nation-states, and those states have representative ethnic/political parties in Bosnia. Thus, we argue, Arizona will continue to mirror social and political division, just as Arizona will likely function to integrate the region globally. The contradiction of Dayton is that it enforced peace based on territory and ethnicity, and in so doing, enforced the ideologies around which the war was fought (cf. Jeffrey 2006). We suggest that the tension of the new Arizona is that it is a shared space, in that the symbols of most of the participating, governing parties are present (although we did see few if any Orthodox Christian crosses). Yet it is a shared space in which identity — political, ethnic, religious and marketing and consumption — is defined through difference: symbols in stores, newcomers with their symbols and meanings, the presence of police and order as representing a corrupt system; an acceptable, if not fully shared, vision of the future; flexibility and adaptation; and perhaps most importantly, cooperation to ensure peace, prosperity and community, rather than fractious conflict, which could spiral to more violence, war and an inevitable destruction of a reasonably well functioning marketing system.

Discussion

Our purpose in this unique longitudinal study is to facilitate understanding of marketing systems that emerge and evolve
after a dramatic and ultimately violent disintegration of an extant political and marketing system; the numerous factors, forces, relationships and trends— including political discord and war. We examined how and why a new system can, and indeed did, emerge at a post-conflict site following war, given the creation and enforcement of specific peace terms. In exploring three particular phases—emergence, growth, and institutionalization—of Bosnia’s Arizona Market, we highlight the role of the international community in creating a post-conflict market through its activity and inactivity and the resolve of various stakeholders to rebuild or to take advantage of a safe, functional marketscape to provide goods and services, and to build community.

The very first prosocial exchange at what is now the Arizona Market was a turn toward life and fundamental humanity. Were it not, there would have been no second exchange, no third and no marketing system that we now see, today. The emergence of Arizona thus supports the notion that we are “Homo Marketus,” the marketing animal (Shultz 2007); we seek to engage in exchange, often repeatedly and via simple processes and complex institutions, to build community and to enhance security and survivability. Due to the dominance of the elites in the market economy of the war, the ethnicity and geography-based peace terms, and the weak role of the civilian and market sectors as stated in the Dayton Peace Accord, Arizona made legitimate the new criminal elites of the wartime marketing system by allowing them to funnel their smuggled goods into Arizona, just as Arizona was a move away from conflict, towards peace.

Similarly to other macromarketing scholars (e.g., Baker et al. 2015; Barrios et al. 2016; Layton 2015; Shultz et al. 2005), we reveal the importance of marketing exchange as a means of building community. Community emerged through social interactions of exchange. Specifically to the case of Baker et al. (2015), buyers and sellers were members of a community; findings from field research at Arizona Market, the relationship between community and government institutions had/has both differences and ubiquitous, an idea less well developed by other macromarketing scholars. Arizona emerged from human-induced disaster and, fundamentally, (1) desire to end that which caused or is still causing disaster, (2) interest to build community, (3) a framework and resources for rebirth, engagement, institutionalization, and sustainability. At Arizona, the terms of the new institutional order, as largely promulgated by the international community, while carving-out boundaries, did not account for institutional support for exchange or provisioning resources. In short, there was no plan for a marketing system. This vacuum contributed to illegal activity that occurred during and continued after the war, often clandestinely but also through legitimate organizations, under the watch of the international community. Money that was used by consumers in exchange often came from donor countries and from the diaspora as well as from the continuation of the wartime market. All this occurred in various ways during war, under the cloud of war and its ongoing threat, and myriad complexities, rivalries and uncertainties related thereto; some of which still exist. Further to the matter of resources, what becomes clear in the case of Arizona is that markets not only “influence resource flows”, they are a resource; when administered well and safely, they engender trust and create social order and meaning; in Bosnia, and presumably in most if not all complex societies, they are indispensable to community.

Arizona moreover provided “solutions to unmet needs in times of adversity” (Baker et al. 2015, p. 337; see also Shultz et al. 2005) and proved to be an adaptive marketing system in the process (Barrios et al. 2016; Layton 2015). At post-conflict Arizona, the need was, at first, information and normal social relations, and, as the offering at the market was established, for food and other goods. The resumption of normal social relations meant coffee with friends and neighbors as well as the ad-hoc exchange. Our findings suggest that the social relations of exchange at Arizona provided a return to some of the old social relations. They also supported a new political and economic elite, based on control of and access to resources. The new elite seemed to reflect the power structures of the wartime economy, possibly casting doubts on the likelihood of a lasting peace from the start, as well as contributing to the “Wild West” origin-narrative of Arizona. Arizona reflects a dichotomy of creating community and institutionalizing political structures of difference (consociationalism), with connection to the structures of the war economy. The outcome of the dichotomy has been to create vulnerable consumers and retailers in a market that emerged after war.

Ongoing, new or deeper engagement with the EU, other states and blocs, and private investors continues to re-shape the marketing system of Arizona, which thus far has proved to be adaptive and to provide an assortment of goods and services, as well as a sense of community valued by many stakeholders. What also should become clear is that the stakeholders comprising the marketing system—e.g., politicians, businesspersons, soldiers, consumers, and virtually everyone in Europe weary of war—have choices and indeed make choices that can lead to three plausible outcomes: (1) marketing system devastation; (2) hegemony, exclusion, and exploitation; or (3) macromarketing structures, processes and practices that are inclusive and adaptive and offer an assortment of goods and services that enhance sustainable peace and prosperity for as many stakeholders as is possible. Arizona emerged from the first outcome, was dominated for a period by the second, and seems to be transitioning to the third. We are guardedly optimistic that a more macromarketing orientation by the development community toward post-conflict marketing systems such as Arizona Market, Brčko, and other post-conflict states that are characterized by consociationalism as a form of government, such as Northern Ireland and Lebanon, may help build lasting peace and well-being.

Findings from this research may be useful to practices and policies in other post-conflict marketing systems that are or are likely to be governed through consociational power sharing arrangements; they may also spur further research. Events in Iraq, Syria, Yemen, Central Africa Republic, Libya, Nigeria, South Sudan and other conflict and post-conflict areas, sadly
offer no shortage of opportunities for further study. Future research could and should assess the role of the international community in the conflict and in the peace settlement, and the role of the market as a site of shared space and shared society or a site for continuing the political dynamics of division that created and sustained conflict. Other noteworthy forces are likely to emerge, as macromarketing scholars determine which factors are most salient to stimulate and to sustain marketing systems conducive to peace and prosperity. Applications of multiple and plausibly new methods will be useful, but whatever the research tack and focus, a marketing systems perspective will be imperative.

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Note

1. Bosnia and Herzegovina is a successor state of the Socialist Republic of Bosnia and Herzegovina, which, from 1943 to 1992, was one of the six republics of the Socialist Federal Republic of Yugoslavia. Locals use the terms Bosnia, or simply BiH or BH. Locals also may refer to the northeastern part of the state as Bosnia, and the southwestern part as Herzegovina. Following the norms of our informants, we will use Bosnia to indicate both the geographic region Bosnia and the state.

2. Bosnian citizens who are Muslim are known locally as Bosnian. The term Bosniak is favored by some when referring to Muslim Bosnians, e.g., in US policy documents. Following our commitment to ethnographic methods, we use the local term, Bosniak. Ethnic Croats who are citizens of Bosnia are known as Croats, and ethnic Serbs who are citizens of Bosnia are referred to as Serbs.

3. ARBiH is the Army of the Republic of Bosnia and Herzegovina, JNA is the Yugoslav National Army, HVO is the Croatian Defense Council, and VRS is the Army of Republika Srpska.

4. While we are uncomfortable with the term “Chinese shop” and “Chinese presence,” as they imply reducing the phenomenon of market and political globalization to ethnicity, these are the terms that locals use.

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Author Biographies

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Ružica Brečić is Assistant Professor of Marketing at University of Zagreb, Faculty of Economics and Business. Her main research areas are SME marketing, food marketing, and the socialization of children. Her research has appeared in journals such as the International Marketing Review, Journal of Small Business Management, British Food Journal and Food Science and Technology. Ružica is the Croatian team leader of the EU Horizon 2020 research and innovation project - Strength2Food (No. 678024).