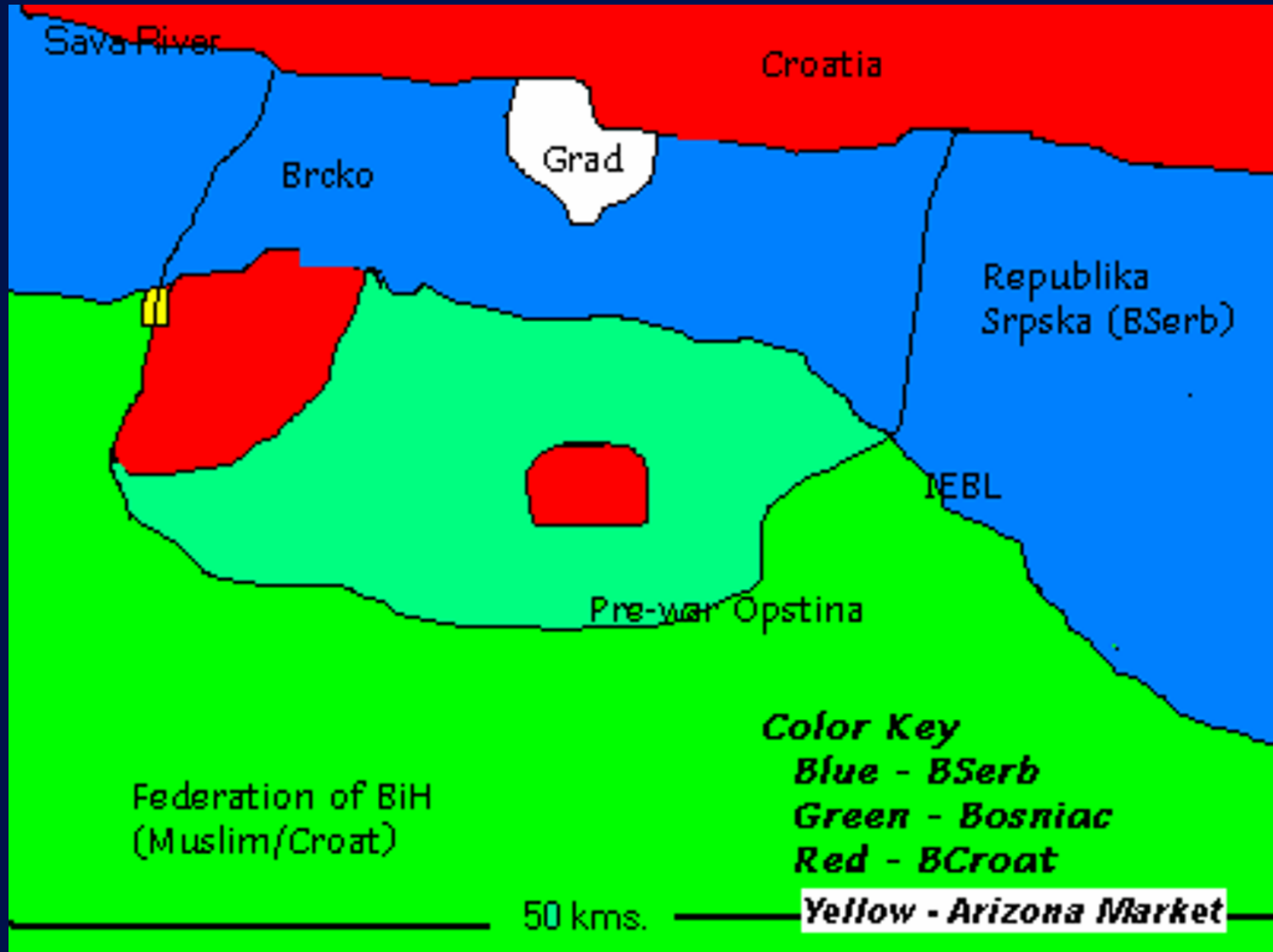




Brcko & the Arizona Market



The key decision

“Sir, can I have your permission to widen the road?”

The options are

- 1. Clear the road and send the people home**
- 2. Widen the road ***
 - Clear the land-mines
 - Lay gravel
 - Create parking and market space

*** This is nation-building**

The outcome: 1996/97

- ◆ **You get a small informal market**
- ◆ **Second-hand goods**
- ◆ **Undocumented items**
- ◆ **Unsanitary conditions**
- ◆ **Flea market**

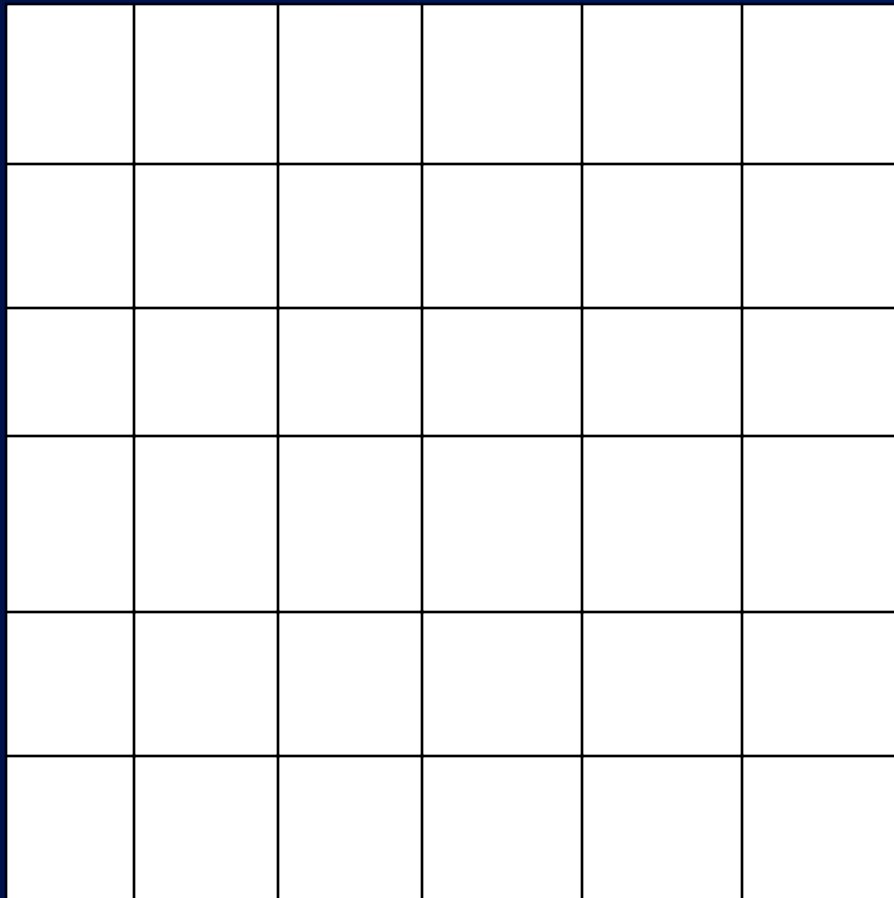
The outcome: 2004/05

- ◆ **300 acre market**
- ◆ **2,000 stalls**
- ◆ **Approximately 20,000 employees**
- ◆ **Wide selection in prices and qualities**
- ◆ **All utilities**
- ◆ **Foreign investor**
- ◆ **“Largest shopping mall in the Balkans”**

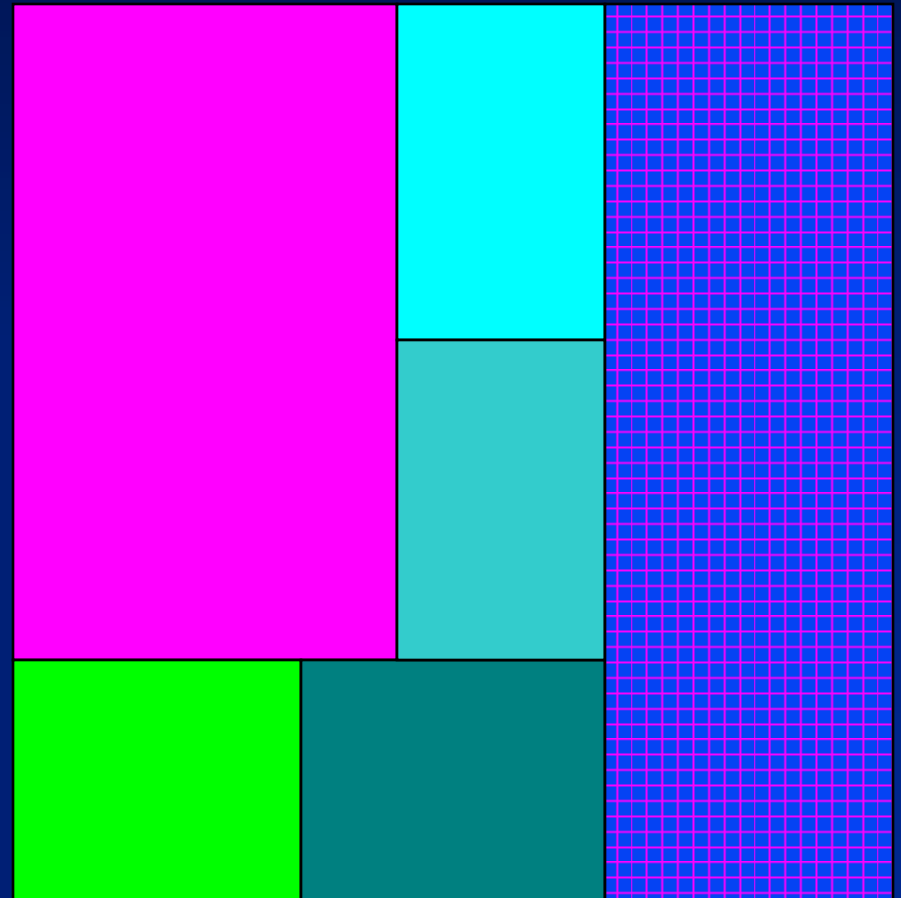


Socio-economic foundations of democracy

Country A

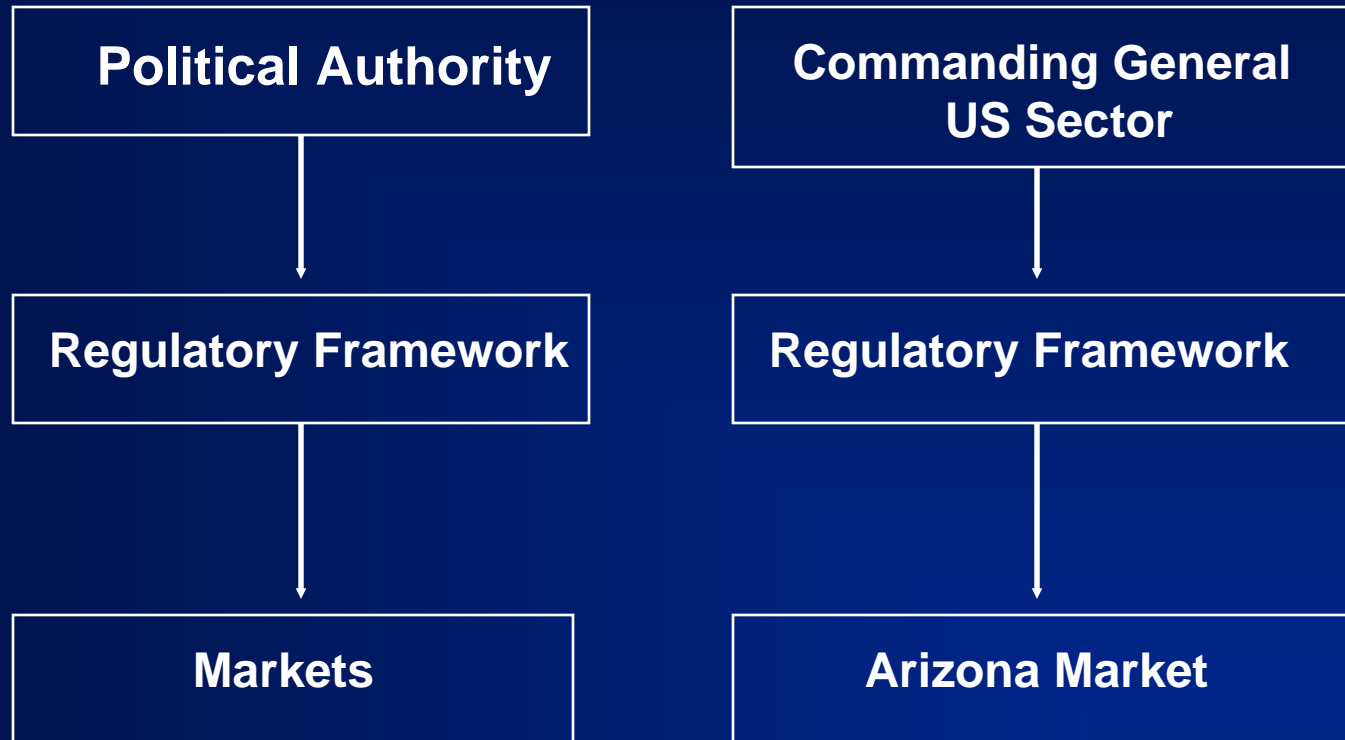


Country B





Capitalism is a three-level system





Brcko District now leads in:-

- 1. Re-building the city**
- 2. Integration of the schools**
- 3. Integration of the police force**

Brcko receives \$17 million per year tax revenue from the Arizona market



What are the lessons?

The foundations of capitalism are:-

1. Physical safety
2. Rule of law
3. Regulatory framework
4. Institutions within and institutional framework
5. The absence of war does not equal peace

Not necessarily “democracy”