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Contestation and Reconstruction: Natural Capital and Post-Conflict Development in Borderland Regions

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Though often remote and underdeveloped, borderlands are contested territories. The incorporation of borderlands into the post-conflict state highlights many important land-related paradigms, including the conversion of natural resources for economic, political, and civic purposes. This article explores the relationship between the natural resources of borderlands and their post-conflict development, management, and sustainability. Based on case study data and secondary material drawn from Croatia and Cyprus, the paper seeks to establish how the interplay of cross-border, national, and sub-national interests in post-conflict settings may contribute to the creation of new opportunities for economic development and the reconstruction of borderlands. It considers how the exploitation of natural resources may advance the agendas for the political development and incorporation of previous sites of contestation; and equally how their incorporation may constrain policies of sustainability, potentially giving rise to new conflicts. The paper sheds light on issues such as: the conversion of borderland natural capital to political capital as post-conflict states assert sovereignty claims and consolidate territorial identity; the ways in which the non-monetary value of natural capital is reconceived as commercial use value in post-conflict reconstruction; and the involvement of non-state actors and civil society in promoting environmental agendas, often as a counterbalance to state power.

Introduction
Land is contested territory, both literally and metaphorically. The aim of this paper is to examine the nature of that contestation in a specific context: that is, by shedding light on the relationship between natural capital and post-conflict development in border regions. The particularity of border areas and the nature of contestation which takes place in these locations offer the potential for original insights into the ways in which natural resources are valued and converted.

We argue that post-conflict economic conditions enable states to reconceptualise the value of natural resources and convert them for both commercial and political uses, through tourism development, substantial urban expansion, and more intensive exploitation of agricultural resources.
While this may be a general feature of development in many states, we note that in post-conflict situations the conversion of natural capital, especially in border areas, has a particular symbolic political value, in that it is through their exploitation that the post-conflict state may assert or re-assert its claims to sovereignty by consolidating its territorial identity. Further we argue that such conversion is of additional political relevance since, even though borderlands may appear to be at the physical periphery of the state, given the legacies of conflict in often devastated regions the symbolic value of these border areas elevates their standing in post-conflict state. Finally, we argue that the processes of post-conflict conversion are multi-levelled, involving not only national actors but also local institutions and supranational organisations, and that there is a profound temporal dimension to the exploitation of natural resources in the post-conflict state. These factors create opportunities for more sustainable development in the post-conflict state and the protection of natural resources.

The first part of the article reviews the context and outlines the problematic before elaborating a conceptual framework which seeks to establish how the interplay of cross-border and national interests in post-conflict settings contributes to the creation of new economic opportunities and political demands for the development and reconstruction of borderlands. We suggest that an understanding of the processes which shape post-conflict borderlands can be represented by the conjuncture of developmental, political, and environmental interests.

The following section explores the conceptual framework by drawing on our research on Croatia and Cyprus, contexts in which post-conflict border areas have remained politically and environmentally sensitive and contested. We argue that the contested nature of post-conflict border areas, notably where new (or reconfigured) states have been formed from that conflict, creates a novel context in which the economic exploitation of their natural capital constitutes a crucial mechanism for political incorporation and ‘territorial consolidation’. Natural capital is considered one of the five assets that sit at the centre of the Sustainable Livelihoods Framework (SLF); however, the degree to which it is captured by the post-conflict state is under-theorised. Although the SLF recognises that institutions and political actors shape livelihoods, and that sustainable rural development is intended to improve the well-being of poor households, it is not focused at the level of the state and the questions of territoriality which arise from consideration of border regions. We suggest the value of our approach is that it offers new ways of understanding the significance and impact of this borderland conversion process on the social, environmental, and commercial landscapes, the almost inevitable depletion of natural capital, and the associated challenges of sustainability.

While there are other situations where one might explore contestation over natural resources in borderlands, the selected case study states (Cyprus and Croatia) are located in one of the world’s most environmentally-protected regions, namely the European Union; furthermore, their particular histories are revealing regarding the ways in which these political spaces have been affected by post-conflict development. Unlike other regions the extraction of natural resources and the level of environmental protection in the European Union are highly regulated. While Croatia only joined the EU on 1 July 2013, it had previously been subject to international oversight as part of the concluding peace agreements which saw the eastern part of the country administered by the United Nations. Similarly, we note that Cyprus, an EU member state since 2004, was also home to a longstanding UN presence and the subject of much international diplomacy, as well as legal rulings by the European Court of Human Rights that set out objective legal norms for resolving outstanding territorial claims on the divided island (Zetter 2011; Williams & Gürel 2011). We therefore suggest
that these two examples provide some of the best case studies by which to examine the political conversion of natural resources.

Conflict and the creation of borderlands

Border areas, notably in less economically-developed regions, are often remote and relatively inaccessible. Until the past two decades or so, the relative stability of state territoriality and borders has complemented this sense of isolation and neglect in preference to the exploitation and incorporation of the territorial ‘heartland’. Although exceptions exist, seclusion and lack of contestation have afforded a means of safeguarding their natural capital from large-scale intensive exploitation; ecological wealth and bio-diversity have been protected, in some sense, by default. In this setting it is important to note the particularities of ‘natural capital’. While it may have direct uses - for example through consumption of foods - or indirect uses - in the form of convertible materials such as timber - unlike other forms of capital the value of natural capital cannot be restricted to an instrumental calculus. This is one of the shortcomings of the SLF. Indeed, there are many aesthetic, non-material, and post-material ways in which natural resources are given value today (Dasgupta 2001; Dasgupta 2010). The Millennium Ecosystem Assessment (MEA) emphasises natural capital as services and creators of value, rather than as stock (2003), a view which is shared in much influential writing on ecosystem and natural resource management today (Benton 1996; Moog & Stones 2009; Perkins 2007; Van Dyne 2012).

In recent years, the seclusion of borderlands has declined, not least through the advent of war. Almost by definition, intra- and interstate conflict frequently spill over into border areas in both protracted and more episodic situations. Examples of this trend include Israel/Palestine, Kashmir, Afghanistan and Pakistan, Darfur and Chad, Rwanda, Burundi and the Democratic Republic of Congo (DRC), Myanmar and Bangladesh, Liberia and Sierra Leone, and also where new states have emerged from within former national entities such as former Yugoslavia and the Caucasus region in the 1990s; these conflicts increasingly pressurise natural capital both during and after war.

In several ways war, and the immediate aftermath of war, produces dramatic impacts on the natural resources of a country: the borderlands may be particularly vulnerable to these impacts. The artefacts of war - munitions, mines, chemical weapons, military movements - have produced highly destructive and sometimes very visible impacts on the natural environment (Barakat 2005; Goudie 2013), not just in borderlands. For example, Goudie writes that, decades after the end of hostilities in North Africa, wheel tracks and degraded vegetation produced in World War II are still present in the desert' (2013: 49). The civil wars in a number of Central American states and in Southeast Asia in the 1970s and 1980s also illustrate these consequences. Paradoxically, the natural capital of borderlands may also be protected during and in the immediate aftermath of war, since landmines and military exclusions zones limit human intervention. The Green Line buffer zone separating the Greek-Cypriot and Turkish-Cypriot after the 1974 invasion has become an, albeit thin, haven for the natural landscape to reassert itself.

Contemporary conflicts can produce large numbers of refugees, whose spontaneous cross-border migration and encampment severely impact borderland economies and their natural environments both during and after the conflict. In the early 1990s, the impact of more than one million Mozambican refugees on the natural capital of southern Malawi, for example, has left a generation-long legacy of severe deforestation and erosion. The massive influx of Rwandan refugees into what is now the DRC has had dramatic and enduring negative impacts on the fragile equatorial flora and fauna of that country.

Similarly, in many recent violent conflicts - notably in Bosnia, Croatia, West Africa, and
the Caucasus region - the mass forced expulsion of people from their habitual places of residence and the expropriation of their land and property have been the principal instruments, if not the defining characteristic, of the conflicts themselves. Although of course not limited to border regions, these locations are nevertheless particularly susceptible to ethnic cleansing through ‘deterritorialisation’ and thus ‘re-territorialisation’ to assert newly formed nationalist interests (Blitz 2005; Blitz 2011).

Conceptual framework

The above evidence demonstrates that our analysis cannot ignore the impact of war on the natural resources of border regions and, more especially, the carry-over effects in the aftermath of war, often as a driver of development. For example, Besley & Persson note that state capacities, including natural resources, are often considered in the process of state-building in order to promote development and growth (2010).

As significant as war and its legacy are, longer-term post-conflict situations pose much more enduring impacts on the natural environment of border areas. Far beyond the post-war peacebuilding and reconciliation processes of land and property restitution or restorative justice (Alden Wiley 2003; Fitzpatrick 2002; Pankhurst 1999; Pantuliano 2009; RSQ 2000; UNHCR 1995, 1996, 1997, 1998; Zetter 2005, 2011), a consistent feature of post-conflict adjustment is the revaluation and reconceptualisation of the role, purpose, and resources of border areas, especially water (Weinthal et al. 2014). In contrast to war, the post-conflict impact of human agency on these areas is deliberate rather than a by-product, tends to be spatially extensive rather than localised to conflict-affected areas, and is both highly symbolic and instrumental. Paradoxically, it is post-conflict adaptation and conversion - not war itself - which accelerates vulnerability and intensifies pressures for natural resource exploitation as an enduring rather than incidental process.

Three bodies of literature inform our understanding of the processes which shape the above post-conflict paradigm.

Development as conversion - towards a political economy approach

One of the central features of economic development theory is the notion of conversion. In classical accounts, conversion serves as an analytical bridge describing the relationship between capital inputs and economic output; it also applies to alternative theories of development which claim that other forms of capital, traditionally considered exogenous to the production process (e.g. human, social, and cultural capital), nonetheless influence the process of development (Coleman 1990; Putnam 1993; Putnam 2000; Stiglitz 1975). However, scholars are divided over the way in which conversion takes place. Investment theories of development (Rostow 1960) contrast with human capital theory (Arrow 1973; Spence 1974; Stiglitz 1975), whilst sociological analysis stresses conversion as an essentially cultural exchange that reinforces positions of power (Bourdieu 1990). Inevitably, in whatever way conversion takes place, the context is defined by political aspirations and processes taking place at local, national, and international levels.

In the case of natural capital, the debate over conversion has shifted over time. The contemporary period introduces new and often contradictory challenges at both the micro and macro levels regarding the role and use of natural resources within the wider economic and political framework. Reflecting the evolution of concepts of sustainability, natural capital is increasingly defined as a state’s stock of natural resources that are fed into the production process, but rather as potentially renewable resources and services that may bind the environment, economy, and society together (Dasgupta 2001; Dasgupta 2010; MEA 2003; Millennium Project 2005), though they are often captured by political elites in the post-conflict state (Kurz 2013). In this context, conversion cannot be separated from the
concept of sustainability, which relates to the way in which states maintain and enhance their natural resources, as well as human and social resources (Hawken et al. 1999), often in support of largely urban-based development agendas (Zetter 2004). How natural capital is valued by different stakeholders is therefore a pressing question for states and environmental activists (Benton 1996; Cairncross 1991; Dasgupta 2001; Dasgupta 2010; Gilpin 1999; IUCN 1998; Kurz 2013; Wood & Glasson 2006.).

In respect to post-conflict situations, the ways in which natural resources in general (and borderlands specifically) are valued, audited, and converted in the context of development discourse - and sustainability conceptualised - are a source of considerable political and economic contestation. Challenging notions of sustainability, post-conflict states often opt for rapid economic growth and typically use natural resources to revitalise agriculture and building materials industries (Zetter 1992; Zetter 2005), as well as other commercial activities such as tourism (Baldwin 2000; Winter 2007), and mineral and timber extraction for high-value international commodity markets (Kurz 2013). Yet the presence of natural wealth does not necessarily promote effective development, as Kurz argues in the cases of Chile, Peru, Argentina, and Uruguay, where extensive natural resources did not enhance state capacity (2013). The dialogue between complementary and competing interests, use and non-use values, exploitative and sustainable methods of production, cultural symbolism, and the legacy of conflict thus provides a vital arena for the analysis of changing perspectives on the potential for natural capital development (Dasgupta 2010).

In other contexts, expansion of oil extraction in Angola at the end of the civil war, precious minerals extraction in the DRC throughout an unrelentingly turbulent period of civil war and fragile peace, and the rapid expansion of ‘environmentally-friendly’ international tourism in Slovenia exemplify diverse ways in which post-conflict economic strategies have been pursued by the state, in both border and ‘heartland’ locations. Where it is deployed, external development assistance may mediate the environmental impacts by making development conditional on the creation of sustainable practices. We note, for example, that the World Bank has recently developed an Environmental and Social Framework which lays out its commitment to sustainable development, through a policy and a set of environmental and social standards designed to support borrowers’ projects (World Bank 2014); the European Bank for Reconstruction and Development has similarly sought to embed sustainability across its projects (2014).

But despite the high level discourses on development at UN fora - such as the UN General Assembly’s Resolution The Future We Want (UNGA 2012) and the Rio+20/UN Conference on Sustainable Development (See also: Millennium Project 2005; MEA 2003, World Bank 2014) - until now such instances of environmentally sustainable development have been very limited. Rather, these long-term objectives have been subordinated to market-driven imperatives of neo-liberal economic policies and structural readjustment programmes enforced through donor-driven reconstruction programmes and the adventurism of transnational corporations. At the same time, competing domestic interests over access to, and use of, natural resources place post-conflict states under increased pressure and may challenge their very legitimacy, for example as we witness in South Sudan.

Post-conflict transformation
Exponential growth in the study of post-conflict peacebuilding and state transformation is particularly relevant to the analysis of natural resource management in borderlands. Recent studies of ‘regional conflict formation’ (Rubin 2001) and the so-called ‘new wars’ (Duffield 2001) argue that in this setting national and transnational conflicts arise as a result of mutually reinforcing linkages between military, political, economic,
and social networks across states. Extending this argument, others have made a powerful case for reviewing these linkages in order to promote post-conflict transitions, which is our point of entry (Barakat 2005; Blitz 2005; Carbonnier 1998; Cooper & Pugh 2004; Doyle & Sambanis 2000; Kurz 2013). Similarly, the work on transitions to democracy, which highlights the importance of pacts for political change, is also central to our argument (Diamond & Plattner 1996; O'Donnell & Schmitter 1986; Shain & Linz 1995). Although the extant literature does not integrate the exploitation of natural capital and the territorial phenomena of borderlands within this nexus, it implicitly forms part of these linkages as follows.

Within the context of these linkages, the now well-established international and national machinery of post-conflict (re-) construction - humanitarian intervention, restitution, peacebuilding missions to support civil society, governance structures and institutions, and the imperative for economic recovery and development - combines with domestic political agendas to establish (in the case of newly formed post conflict states), or re-establish (in the case of pre-existing states), the claims for national territorial control and integrity.

First, as noted above, the imperative for economic development after conflict demands a re-evaluation of the country's resource base, a process which is frequently driven by external donors. The same donors use aid and development conditionality in peace accords in order to rebuild civil society and governance structures. Intending to reinforce peace and reconciliation, these objectives often become instruments for asserting national/ethnic interests, territorial control, and thus border consolidation - notably in Bosnia-Herzegovina and more recently Kosovo and South Sudan.

Next, typically, the constricted land areas of new nation states carved out of larger, pre-existing entities combine with population growth caused by the mass influx of those forced to migrate, or as a result of ethnic cleansing, to create both additional pressures and the potential to bring new land into productive use - for example in the Israeli occupied Palestinian areas of the West Bank. Border areas are far from immune from the demand for land for new housing as well as commercial, industrial, and agricultural use: the case of Cyprus, as we shall argue below, illustrates the extremity of these pressures.

Underscoring these outcomes lie the political and military objectives of defining the ‘identity’ of the newly-formed or reconfirmed state. Challenging Anderson’s classic account of ‘imagined communities’ with boundaries unknown to the majority of the population (1991), our contention is that boundaries are highly salient to post-conflict communities. Despite their potential vulnerability, protecting and incorporating border areas through development becomes a vital objective since, in both a material and symbolic sense, boundaries are an existential definition of the limits of newly-found national sovereignty and identity, hence the Israeli push to create new homes and settler communities in E-1 between East Jerusalem and the West Bank, and the rapid urban expansion by Chinese interests in Lhasa, Tibet, to name just two examples.

Theories of sustainable development and critical accounts of natural resource management

The ‘existence value’ of natural capital has frequently been conceptualised as a public good, borne out in both recent studies and policy documents which consider the impact that environmental conservation and sustainability policies have on economic wellbeing and human development (Benton 1996; Dasgupta 2001; Dasgupta 2010; Korten 1995; Sen 1999; Seers 1979; Pearce 2002; World Bank 2014). Following this line, a significant divide in the literature on natural resource management is between policy-based and instrumental approaches (Glasson 2005; IUCN 1998; OECD 1995; Therivel 2004) and critical accounts of power. This has particular relevance to our argument.
Studies of the ways in which natural resource management operates in a global economy with pressures above and below the state (Cairncross 1993) are complemented by social ecology perspectives which provide environmentally-oriented accounts of the relationship between ecological infrastructure, the economy, and cultural, political, and social structures which mobilise local actors (Benton 1996; Guha 1994; Pepper 1993).

The neo-liberal development paradigm of market enablement, combined with the assertion of state sovereignty, challenges these precepts of sustainability in borderlands. For example, for many years the Chittagong Hills Territory on the Bangladesh-Myanmar border has been the location of low-level conflicts based on ethnic disputes over natural resources and settlement rights, in part following the Kaptai Dam construction and hydro-electric project. This region has witnessed the erosion and degradation of fertile soil and important stocks of timber and bamboo are under threat as populations are forcibly moved and new economic activities are exploited for territorial consolidation.

Exploring the borders
Offering contrasting post-conflict situations, Cyprus and Croatia reveal a range of paradoxical and contradictory outcomes from these national developmental, political, and environmental processes and the reinforcing linkages between military, political, economic, and social networks across states, which define the paradigm that we observed above. While their histories of conflict may be separated by more than 15 years, the problematic resolution of past invasion, not to mention their status as old and new EU states, raises interesting points of contrast.

Cyprus
After more than a decade of low-level intercommunal conflict since independence in 1960, and following a swift and powerful military intervention in 1974, the Turkish army took control of over 40 per cent of the island of Cyprus to protect the Turkish-Cypriot minority from their perceived political annihilation by the substantially larger Greek-Cypriot majority - at the time, protégés of the mainland Greek military dictatorship (Hitchens 1984; Koumoulides 1986; Calotychos 1998). Mercifully limited combat and violence between the two ethnic populations - at least in comparison with later civil wars in Bosnia, Rwanda, and the Sudan - was counterbalanced by a rapid and total ethnic separation of the two previously mixed communities. Nearly half the country’s then-population of about 500,000 became ‘refugees’ in their own country.

Dispossessed of their land and livelihoods, Greek-Cypriots forcibly migrated to the south of the UN demilitarised Green Line, Turkish-Cypriots to the north. The Greek-Cypriots - approximately 80 per cent of the then-population - remain the internationally recognised de jure government of the island; however, de facto, and despite numerous international peace efforts, two mono-ethnic mini-states have developed. For 30 years they had been rigidly separated by the mile-wide Green Line ‘buffer zone’ which weaves a coast-to-coast east-west alignment across the island for 180 kilometres, dividing the national capital Nicosia en route. In effect, it has operated as a national border and virtually no cross-border population movement by the Cypriot population was possible. Since 2005 a thawing of relations between the two sides has opened up several border crossings, but, as yet, countless UN-brokered negotiations have not resulted in political reconciliation or economic reintegration.

This brief résumé sets the context for examining the borderlands. Although never considered permanent, the protracted division of the island has created a strong physical barrier with a number of significant impacts on the natural capital of the borderlands. Of several processes of natural capital conversion of this borderland, three are highlighted here. For the first few years after the conflict, the borderland, on both sides, was immune from economic and political development pressures. Neither those areas
(which had commercial or agricultural value because of their location or pre-war use), nor other areas of natural landscape value which had remained un- or underdeveloped, were exploited in any significant way. There were two reasons for this. First, as in so many civil wars, a fragile peace held out the (unrealistic) prospect of repatriation; this uncertainty was counterbalanced by the continuing potential threat of further territorial incursions by the Turkish army occupying the north. In this way the borderlands, and of course other lands vacated by the population exchange, temporarily fell into neglect or remained unexploited. Second, dispossession of land ownership and use rights - immensely strong cultural and economic symbols for both ethnic communities (Bryant 2010; Hadjipavlou-Trigeorgis 1998) - accompanied the massive forced migration and exchange of population; this caused an enormous upheaval in property entitlements across the island. As a result, land left by departing populations remained unused for a number of years until spontaneous occupation began to take place and the modalities of regulating temporary occupancy/use rights were established.

Now, after 40 years of division, stability, and peace - but, of course no sense of permanency about the Green Line - significant new and permanent patterns of use and development have been established along the ‘border’. However, it is important to note that these changes to the natural capital are not just determined by the locational and resource attributes of the border areas themselves. In many ways they can only be explained by the long-term economic and political reformulation across the rest of the two quasi-independent ‘mini-states’.

As might be expected given the small size of the island, the border region environments lack diversity. For the most part the border crosses lowland plains with, prior to the 1974 division, mixed agricultural, urban, and natural landscapes. To this extent, differences in the subsequent patterns of natural landscape conversion either side of the post-1974 border tend to be far less significant than the overall similarities in conversion which have taken place.

The second issue is urban expansion and conversion of natural capital. While urban expansion would have taken place without the 1974 invasion, the forced displacement rapidly accelerated the pace of urbanisation. But, more important, the post-conflict period has injected new dynamics and patterns to that process. Around the divided capital, Nicosia, extensive urban development has taken place, notably on the Greek-Cypriot south side where the vibrant, pre-war economy picked up very rapidly after the division of the island, in part as a result of the housing development to resettle the displaced populations from the north. On the Turkish-Cypriot side, urban expansion to the north was initially much slower, given the economic isolation of northern Cyprus and the much lower pressure on housing stock. But the scale of urban expansion has increased remarkably in recent years.

An important feature of this expansion is that the earlier post-conflict phase, along a north-south axis away from the border, has now given way to equally strong east-west urbanisation along both sides of the border, alongside the buffer zone. Consolidation along the axis of the border would appear to reflect several factors: the sense of permanency of the 1974 ‘border’; the continuity of peace; and a state of affairs reinforced by the urban development plans of both communities which were deployed to give political legitimacy to and strengthen each side’s territorial claims.

The urban expansion has encroached upon both very fertile agricultural land which now commands a much higher use value for urban needs and, increasingly, the more environmentally sensitive landscapes previously immune from development. On the northern side, conversion of the natural capital is fast expanding into the environmentally sensitive foothills of the Kyrenia mountain range eight to ten miles from the city centre;
previously these landscapes were partially wooded rough pasture and Mediterranean maquis. Rapid population growth fuelled in the north by the importation of Anatolian settlers and a vibrant economy in the south has accelerated this process. On both the northern and southern sides the east-west expansion is now encroaching hilly outcrops and environmentally valuable limestone outliers, further diminishing the natural capital.

The urban development lacks a sustainable form. For the most part low-density and low plot ratios - typically preferred by Cypriots for many decades - characterise the urban growth despite intense pressure on land resources and growing awareness of the need to adopt sustainable policies in urban development plans. The political economy of post-conflict development along the borderland, as in much of the rest of the island, is taking precedence over other, longer-term development strategies.

In relation to the third conversion process - tourism - we can draw a similar conclusion. Mediterranean Cyprus is a tourist-dependent economy and it is the natural capital of the coastal areas which has been most impacted post-conflict, notably to the east but increasingly to the west and the north of the island. Prior to the invasion, Famagusta on the east coast, then the second city of the island, was the epicentre of the island’s tourism industry. Cut off and isolated north of the Green Line after 1974, Famagusta’s tourism industry instantly vanished. The many hotels of that era form a now deserted ghost town. However, a substitution process soon emerged given that the island’s economic survival was predicated on tourism. Coastal landscapes to the south of Famagusta, which had remained relatively undeveloped and isolated prior to 1974 (since they had less attractive and less accessible beaches and coves), came under enormous pressure. Now high-density tourism development on the Greek-Cypriot side extends south of the buffer zone for many miles and inland from the coast. Although it was not of particularly high landscape value, the natural capital of that area has been permanently lost.

Again, this impact is not exclusive to the borderlands. Further from the border area, in the far west in the remote and environmentally attractive Akamas peninsula on the Greek-Cypriot side, and on the equally attractive northern coast on the Turkish-Cypriot side, rapacious tourism development has converted the natural capital of these landscapes of mountains, coastal plains, low-intensity rough pasture, and maquis.

It cannot, of course, be argued that these post-conflict borderlands would not have been converted had there been no war. Nor were these outcomes only confined to border areas - towns and coastal landscapes further afield from the border have been subjected to the same development dynamics. Rather, we might conclude the following. Had it taken place, the conversion would have been at a much slower rate; loss of economically-productive land due to war and the scarcity of development land after the conflict has increased pressure on more vulnerable landscapes of natural capital which also happen to be in border areas; the twin imperatives of resuscitating the island’s principal industry and symbolically incorporating the border areas into the new polities of the north and south came together to drive a political economy of borderland conversion.

**Croatia**

Natural capital conversion featured in Croatia’s post-war development planning in two important ways: first, the tourism sector was promoted, just as it had been rapidly expanding before the war; second, ethno-political tensions which had been exacerbated by the war and subsequent occupation played out in discriminatory housing policies which aimed, in part, to consolidate key areas of territory bordering on Croatia’s neighbours, in Bosnia, and, to a much lesser extent, Serbia. Though the greatest volume of damage to Croatian property was arguably in the Danube region neighbouring Serbia
in and around the city of Vukovar - Croatia's post-conflict development plan centred on shoring up support in the areas bordering Herzegovina, which were actively populated by Bosnian Croats. It is helpful here to review the history of the war in Croatia to explain how attention shifted from the eastern border with Serbia where the conflict was most intense, to a process of ethnic consolidation and settlement in southern areas which border on Bosnia and Herzegovina.

In response to increased centralisation by the Serb-dominated elite in Belgrade, and on the back of rising cultural and political nationalism, Croatia declared its independence from the Socialist Federal Republic of Yugoslavia in June 1991 and sought to carve out a new life as a sovereign state. Croatia's declaration of independence had been preceded by a period of increasing tensions between the ethnic Croat majority and the Serb minority that had lived on the territory for hundreds of years (and who had taken steps to create an ethnically Serb mini-state, Srpska Krajina).

Violent clashes between members of Croatia's two main ethnic communities took place in 1990, beginning with the August 'log-revolution' when rebel Serbs under the leadership of Milan Babić blocked roads to the Croatian resorts on the Dalmatian coast. In March 1991, Croatian security forces and armed rebels came into conflict in the Plitvice Lakes National Park, and in May twelve Croatian policemen were killed in Borovo Selo in Eastern Slavonia near the fated town of Vukovar. By the middle of summer 1991 the Serbian rebels were receiving full military support from the Yugoslav National Army (JNA), which already had its sights on the soon-to-be besieged cities of Dubrovnik and Vukovar. By autumn 1991, under the command of Slobodan Milosevic, communist demagogues and the Croatian Serb leadership had launched a full-scale attack on the newly declared Croatian state.

The effects of the Serb-led attack were overwhelming. Tens of thousands of Croats were expelled from their homes and scores tortured and murdered by the occupying forces. More than 30 per cent of the country was seized by the rebels. The besieged city of Dubrovnik attracted much international attention and was quickly reconstructed after the UN-sponsored ceasefire of January 1992. By contrast, the city of Vukovar on the eastern Danubian border with Serbia, which had been besieged for 87 days, was left in ruins for much of the 1990s. Eastern Slavonia remained under Serb control until it was handed over in January 1996 to the United Nations Transitional Administration for Eastern Slavonia (UNTAES) for two years. Other areas under Serb occupation, in Western Slavonia near the border with Bosnia and in the Dalmatian hinterland around Knin, were only returned to the Croatian government following two quick military invasions in summer 1995, operations Flash and Storm.

The demographic composition of Croatia has been particularly affected as a result of refugee flows in 1991, following the initial Serb assault, and in 1995 after military operations Flash and Storm. The return of the Danube region to Croatian government control in 1998 and the end of the conflicts in Bosnia also set in motion a third series of refugee movements.5

Yet, the history of the war in Croatia and post-conflict settlement cannot be divorced from the conflict in Bosnia, in which Croatia intervened through its support of Bosnian Croat militias and where it had strategic interests. Most controversial, Croatia was accused of pursuing policies to create a Greater Croatia in Bosnia, with several scholars calling attention to the historic meeting between Croatian President Franjo Tudjman and Serbian President Slobodan Milosevic in Karadordevo, Serbia, in March 1991, where discussions were held on the redistribution of territories in Bosnia between Croatia and Serbia.6 Both during the conflict, where Croatia supported the Bosnian Croat forces (HVO) who sought to create a mini-state of
Herceg-Bosna, and after the war, through its generous citizenship and settlement policies, Croatia actively intervened in Bosnia and invested considerable effort in the management of the bordering lands.

In the years following the war Croatia’s management of natural capital through tourism development has been especially noteworthy. Over 70 per cent of Croatia is covered in forest and, despite the expansion of airports and motorways, much of the coastline from Istria down to the southernmost point of Dalmatia has been spared from overdevelopment. In addition, there is an abundance of fresh water supplies along the borders with Bosnia and Serbia which also provide areas of scenic beauty. There are more than eight airports in the main cities, ports, and coastal destinations, and new motorways which enable quick transfers from Zagreb to Rijeka in Istria and Zadar in northern Dalmatia. Some coastal centres, such as Zadar and Pula, have drawn an important share of the tourist market away from southern Dalmatia and now act as significant gateways to both large and small resort islands.

There have, however, been significant regional disparities in terms of the conservation and management of the state’s natural resources and several political frontiers have been sites of intense national capital conversion. In parts of the former Krajina region - for example, in the central and south-western counties of Lika-Senj and Šibenik-Knin - Croatia has simultaneously sought to promote tourism and consolidate the territory around former strategic sites. It has done this by creating a museum dedicated to the war of independence in Karlovac just off the main road and by actively encouraging tourism to Plitvice Lakes National Park, a UNESCO World Heritage Site, along the north-western border of Bosnia. During the conflicts in Croatia and Bosnia the Plitvice Lakes region had been considered endangered but is now off UNESCO’s watch list.

In the eastern part of Croatia, prospects for development have been affected by inferior systems of communication and a shift in development priorities which have refocused the state’s attention to the coastal areas and major cities. As a result, cities such as Osijek are not as well-served as other regions: the airport operates on a seasonal basis and many travellers find it easier to go via Belgrade or Hungarian airports to reach the easternmost towns. Also, the eastern areas remain most affected by events in neighbouring countries. In Eastern Slavonia, where during the 19th century the Drava, Sava, and Danube rivers connected Croatia to commercial centres in Hungary and Serbia, the effects of war, occupation, and NATO’s bombing of the bridges in Novi Sad (in neighbouring Serbia) in 1999 have had a devastating impact on the local economy, which continues to the present day. Unemployment levels are significantly higher than Central European averages and economic opportunities remain concentrated around the city of Osijek and towards the west. In contrast to activities next door in Vojvodina (Serbia), the potential exploitation of oil and natural gas has also not been developed. While the border area had historically been a fertile region, much of the land around Vukovar and the border with Serbia remains mined and hence opportunities for agricultural production are restricted. In recent years Vukovar has featured on river cruises and has drawn some income from day-tripping tourists.

In the southern part of the country, away from the coast, the challenges of exploiting natural resources have been complicated by land ownership issues and the ethno-centric policies described above which sought to consolidate Croatia’s influence over Western Bosnia, above all the ethnic Croat areas of Herzegovina. In the early 1990s the Croatian government began a programme of settling Bosnian Croats along the borders of Herzegovina and in the Dalmatian hinterland where large communities of Serbs once lived. The settlers were formally invited and given full citizenship rights and housing; many were given access to the vacant homes
owned by ethnic Serbs while others benefited from an active housing construction programme (Blitz 2005). While tracts of this land are less valuable than in other parts of the country, and many of the inhabitants in rural areas supported themselves with subsistence farming, the relocation of ethnic Croats to this territory has helped nationalist forces retain considerable influence while their leaders reasserted discriminatory policies. Despite far-reaching efforts by the previous government to restore property to Serb owners throughout Croatia, settlement and land use policies complicated the return and reintegration of ethnic Serbs. 

The most politically-sensitive issue regarding the transfer of properties into Croatian government control concerns a small number of former state-owned apartments around Dubrovnik, a city which is central to the country's tourist agenda and a powerful symbol of its independence from Serbia and Montenegro. The case of Krstina Blečić, an ethnic Serb who left her apartment at the outset of war but did not return within the six months required by law to maintain her tenancy rights, was referred to the Court of Human Rights in Strasbourg which later declared it non-admissible on the grounds that Croatia had not been party to the European Convention at the time the confiscation took place. This case, and others like it, has called attention to the treatment of internally displaced persons (IDPs), not least because their number has remained constant for more than a decade.

Croatia has been fortunate to exploit its long coastline and the hundreds of islands which offer considerable opportunities for sustainable tourism. Away from the coastline, however, opportunities to develop Croatia's natural resources have been profoundly marked by war, occupation, and subsequent policies of post-conflict development and national integration. It should be noted that the country's development 'black spots' were former economic centres and once connected the country to important markets, especially along the Hungarian and Serbian borders. As suggested above, the main challenges for the peaceful conversion of Croatia's natural capital are essentially political and determined by regional disparity rather than opportunity.

**Conclusions**

The conjuncture of three perspectives has informed our novel conceptualisation and understanding of the processes shaping a post-conflict political-economy paradigm of borderland conversion: developmental, political, and environmental.

Recognising that post-conflict development does not proceed in a linear manner but rather results from the convergence of political aspirations, economic potential, and technical opportunities, the analysis employed here has illustrated the ways in which state interests and market forces interact and produce new valuations of natural capital and its conversion. We propose a number of preliminary conclusions regarding the natural capital conversion process of borderland regions.

First, the evidence of the two selected case studies confirms that, contrary to notable ecological and UN studies (Benton 1996; Dasgupta 2001; Dasgupta 2010; Moog & Stones 2009; Perkins 2007), post-conflict economic conditions lead to the reconceptualisation away from the often non-monetary value of the natural resources of border areas to their commercial use value. In the case of Cyprus this has been for tourism development, substantial urban expansion, and more intensive exploitation of agricultural resources. In the case of Croatia this has been through the development of tourism along the coastline and in the Plitvice National Park. The ecological value of these assets is challenged, or replaced, by their commercial use value. In the case of Cyprus this has been for tourism development, substantial urban expansion, and more intensive exploitation of agricultural resources. In the case of Croatia this has been through the development of tourism along the coastline and in the Plitvice National Park. The ecological value of these assets is challenged, or replaced, by their commercial use value, often for urban-based or export markets in the global economy. We do not claim that this exploitation is solely the result of the post-conflict borderland phenomenon; the economic propensity to develop the land, the locational advantages, and the aspirations of the land owners are significant.
drivers of the development process everywhere. However, our contention is that the economic imperatives of this conversion process in post-conflict situations bear on the next conclusion.

Second, the natural capital of border areas is often converted, not only for economic objectives, but also as a symbolic political investment as post-conflict states seek to assert (in the case of new borders) or reassert (in the case of existing borders) their claims to sovereignty by consolidating their territorial identity. This is most evident in southern Croatia, along the border with Herzegovina, where Croatia had strategic interests and sought to maintain influence with Croat communities in Bosnia. The evidence presented above demonstrates how official policies at the national level (for example tourism development strategies) and at the local level (for example urban planning and housing policies for settlement expansion and resource exploitation) reinforce the state's territorial claims with their focus on border areas. In Cyprus too there is evidence of 'settling' the border areas with both urban and tourist development. In both case studies, despite, or perhaps because of, the potential vulnerability of these border areas to further disputed claims, states actively promote the exploitation of the natural capital either ignoring or reconciling themselves to the concomitant risks of destruction brought about by further conflict.

Third, despite our focus on borderlands and recognising that the resource and locational attributes determine the specifics of natural capital conversion of border regions, neither the political nor the economic drivers of these changes are unique to the border areas. Developments taking place elsewhere within the post-conflict state inevitably impact how the border regions are perceived and valued. Similarly, how the natural capital of border areas is valued and converted impacts political and economic change elsewhere within the national entity. Hence, while borders may be physically remote and on the periphery, they may nonetheless be of central political importance in the post-conflict state. This is most evident when one considers the legacy of Vukovar in Croatia, a town often described as the 'Croatian Stalingrad'.

Fourth, temporal aspects are crucial. The post-conflict impact on borderlands varies through time as the national entities assess the regions' potential - both economic and political - and explore the modalities for developing these areas. The threat or anticipation of further boundary changes by military incursion or peace negotiations, the simple fact that these areas may be mined or scattered with unexploded munitions, or the processes of establishing new ownership and use rights are amongst the main reasons for this hiatus. Our evidence suggests that this hiatus offers a vital but neglected opportunity for establishing measures for the long-term protection of the natural capital of borderlands, or at least for implementing more environmentally-sustainable economic development. Recognition that there may be gaps during the stages of transition that characterise the post-conflict process offers the possibility of bringing environmental concerns more squarely into the post-conflict planning process and hence guarding against the depletion of natural resources through non-sustainable development practices, including urbanisation, the building of new settlements, or the introduction of extractive industries. Such a response would go a long way to advancing the Rio+20 agenda and testing the commitment of international actors to promote sustainability.

Fifth, the processes of post-conflict conversion involve actors above and below the state. International agencies such as the World Bank, the UN, and the EU have promoted the instruments of civil society as the cornerstone of peace and post-conflict reconstruction in these two case examples. Additionally, NGOs have played a critical role in reforming civil society and in representing the interests of forcibly displaced persons. However, much less strong has been the promotion of environmental agendas in the development of civil society, though this is now recognised in
the Rio+20 agenda. Advancing the cause of sustainable development and protecting the natural heritage from commercial exploitation through citizen groups may provide a counterbalance to irresponsible state power. Neither in Cyprus nor in Croatia has the conversion of the natural capital of borderlands been significantly influenced by campaigns for environmental activism or social justice. These efforts have been noticeably muted although are growing in importance in other locations and sectors. It is tempting to conclude that given the political sensitivity of borderlands these agendas were subordinated to the wider political objectives of post-conflict states wishing to assert their sovereignty claims and consolidate territorial identity. We suggest that by including these environmental concerns in the post-conflict agenda earlier on, and by recognising the particularities of border areas in the Rio+20 agenda, it may be possible to build stronger coalitions to protect against the exploitation of natural resources for non-sustainable development projects. In this context, the role of supranational actors in the promotion of the Sustainable Development Goals offers an important platform for advocacy in support of cautious development.

Finally, although our evidence is primarily limited to locations where new borders/states have been created after conflict, passing reference to other examples suggests that the findings apply where conflict has contested existing borders without producing new ones. In this context, it is important to recognise that while borders mark physical territory they also demarcate sites of political contest which may be mediated through political awareness raising, environmental advocacy, and smart diplomacy.

NOTES
1 See: ‘Key Sheets for Sustainable Livelihoods: Overview’, Department for International Development (DFID).
2 Although Cyprus EU membership applies to the island, de facto it only applies to the Greek-Cypriot half of the island, the internationally recognised de jure state. The Turkish-Cypriot side has no international recognition.
3 The preservation of natural capital is a central element of the Millennium Development Goals: Goal Seven records a global aim to integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources (UNDP 2005).
4 Under international law, a refugee must have crossed an international border. Technically, those affected are described as Internally Displaced People (IDPs).
5 Official sources estimate that during the first refugee flow approximately 84,000 Croats fled from areas under Serbian control and another 70,000 ethnic Serbs, who had been displaced, settled in the Danube region. According to the Croatian government's former Office of Displaced Persons and Refugees (ODPR) approximately 300,000 Serbs had fled by the end of the war. Others left when territory around the Danube was transferred to the United Nations to administer in 1995 and again when this region reverted to Croatian government control in 1998 (See: Blitz 2005).
7 The region has historically been of great importance. Following the 1699 Treaty of Karlowitz Austria maintained a military frontier and invited ethnic Serbs to settle on the border with the Ottoman lands in Bosnia.
8 During the year the government neared completion of its program to return illegally occupied homes to their owners; however, the property law implicitly favours ethnic Croats over ethnic Serbs by giving precedence to the right of temporary occupants, who are mainly ethnic Croats, to that of original owners,
predominantly ethnic Serbs. Owners generally could not repossess their property unless housing was secured for the temporary tenants. (See US State Department 2007).

9 See: Internal Displacement Monitoring Centre (IDMC), 'Croatia: Housing rights and employment still preventing durable solutions'.

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