Migration and Development Nexus; the Case of Bosnia-Herzegovina

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Best Participant Essays Series 2011/60

CARIM – VI Summer School on Euro-Mediterranean Migration and Development 2010
Migration and development nexus; the case of Bosnia-Herzegovina
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This publication is part of Best participant essays series, written by participants of the VI Summer School on Euro-Mediterranean Migration and Development, part of CARIM project.
CARIM

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Abstract

An intensive ongoing discussion marks the last decades the relationship between migration and development characterized by an alternation between pessimistic and optimistic responses to the effects of the potential link migration and development. Today, in a time that arguably the positive approach to the subject prevails, many countries portray their emigrants as “heroes” reinforcing the way towards development. In contribution to the discussion interrogating a link migration and development this paper presents a general overview of migration and development issues in the case of Bosnia and Herzegovina. Through the guidance of the empirical information regarding the migration and demographic background of this area, the history of the flow of remittances to this area and the Government policies regarding migration and Diaspora engagement, the paper attempts to offer an account of the current situation in Bosnia and Herzegovina as the sending country and contribute to the emergence of further discussion and research in this area. The importance of Bosnia and Herzegovina as a significant case examining the impact of a link between migration and development is established in this paper in relation to the post-communist and post-war past and present transition periods influencing this area and the documented steady flow of emigration characterizing this area.

Résumé

Ces dernières décennies ont été traversées par un sujet fort de polémique se rapportant au lien entre migration et développement, à travers un balancement non arrêté entre pessimisme et optimisme quant au choix des réponses à apporter aux effets d’un lien incertain entre migration et développement. Aux termes de cette approche dite ‘heureuse’ de la migration, un ensemble d’Etats dressent le portrait de l’émigré acteur « héros » du défrichement de cette voie vers le développement. Cette analyse se propose, essentiellement, d’apporter une contribution substantielle aux discussions en cours portant sur le lien entre migration et développement sur la base d’une approche générale des questions se rapportant à la migration et au développement, et d’une étude de cas précis de la Bosnie-Herzégovine. Partant des données empiriques migratoires et démographiques se rapportant à cette région, de l’histoire de la trajectoire des flux financiers vers cette zone, et des politiques conduites par le Gouvernement en matière de migration et d’engagement de la Diaspora, cet article se propose de dresser un tableau exhaustif de la situation très actuelle en Bosnie-Herzégovine identifiée comme pays d’origine, et de contribuer à l’émergence d’un véritable débat de fond et d’un travail de recherche substantiel. Le choix porté sur la Bosnie-Herzégovine - en vue de dresser cette analyse des conséquences ressortant du lien entre migration et développement - se justifie au regard des importants développements enregistrés entre la période postcommuniste et post-conflit, et l’actuelle transition pouvant précisément impacter cette zone géographique et les importants mouvements d’émigration régulière caractérisant aujourd’hui l’ensemble de cette zone.
Introduction

Intensive ongoing discussion marks the last decades in the relationship between migration and development. Migration for development or development for migration present two sides of the same coin where the answer of which one is prevalent is still missing. Theoretical overview from the developmentalist and neoclassic perspective, through dependency and structuralist approaches over the new economics of labor market and livelihood approaches, have rotated the positive and negative “mantra” of migration and development relationship. Among public discussion on the subject, Stephan Castles stressed that “the two are part of the same process and therefore constantly interactive” (Castles 2008) and interrelated (de Haas, 2008). Hence, a high propensity that migrant’s should take initiative in the determination of the meaning of development and its possible practices, is still a questions mark.

Namely, the number of migrants across the world is increasing together with the number of the developing countries. However, the official statistics estimates that a number of international migrants still represent 3.1 per cent of the total world population. Despite the low percentage of the international migrants, the question remains about the origin and profile of those who are involved in the international migration flows and their ability to affect the sending and receiving societies. Because of the cost and risk associated with act of crossing border and settlement in another country, migration is consider as selective process where the poorest are not generally the one who migrate the most and certainly not internationally (de Haas, 2007). Therefore, the high propensity to international migration refer not to people coming from the poorest communities and families but rather to people with the human, financial, social resources and aspiration to do so. On the other hand, migration may influence even on the non-migrant population through the indirect economy-wide effects of the wages, prices and employment. That hypothesis is in the close connection with the definition of development, where the situation very often remains unclear. What do we mean by development; growth of the gross domestic product (GDP) or human development, human security, and development as capability or freedom and autonomy (the human capability, Sen 1999). Development as fundamental or structural change or development as action between the evaluative meanings; usage as improvement, good change, good outcome or as a platform for improvement, which enables or allows improvement from the other (De Gasper, 2004).

Therefore, simplicity in defining migration and development relationship is becoming a difficult homework where interdisciplinary approaches with empirical and theoretical evidence respectively may encourage the eventual answers. According to Castles, mobility of people is an integral part of the major changes currently affecting all regions and therefore, the inclusion of the migrants and the sending and receiving countries together with a variety of local, national and international organizations and institutions in the activities which addressed on “support to development” appears as the long standing discourse among policy makers, academia and media on the local, national, regional and global level.

In contribution to this long term discourse, this paper explores migration and development nexus from the perspective of Bosnia and Herzegovina (BiH) as the sending country. Namely, BiH is a country with a long migration history and one of the most intensive migration countries in the Southeastern Europe. During last century and onward, the country registered a high number of emigrants that result in significant number of its citizens living out of the BiH borders; according to the Ministry of Human Rights and Refugees in 2008 that number was estimate on 1.3 million people. According to the same sources, in comparison to the approximate number of 3.8 million people currently living in BiH, almost one third of the population counts to be out of the country. This factor represents an appreciable element for every aspect in the socio, economic and political life where diversity of migrant’s profiles emphasizes an opportunity but as well threaten to potential resources in rebuilding the country into an economic and political stable society. Keeping in mind that BiH is the
country with the ongoing “triple transition processes”; “[e]ncompasses democratic and economic liberalization coinciding with a quest for the creation of new nation-states (Kostavicova, Bojicic-Dzelilovic 2006), while the migration as a phenomenon that reflects economic, social and demographic imbalance across the countries (Barbone, Dabalan 2009), indicates the importance of understanding the migrants’ role in the country for the following reasons. Firstly, referring to some “measurements of the migration process” the inflow of the remittances and the export of the labour force, BiH is ranked as one of biggest recipients of remittances and the primary exports of migrants in the world (Dimova, Wolf 2009). Secondly, the World Association of Bosnia-Herzegovina Diaspora (WAD BiH) announced a high number of Bosnians who are willing to build up strong ties with their homeland (MARRI 2006, Questionnaire of Diaspora). For example, the Congress of the Bosnian Diaspora is organized every year in BiH with the aim to develop strong network with homeland, exchange ideas and together with support of FIBA (The Agency for Foreign Direct Investments of BiH) attract the new investors among Bosnian Diaspora. Thirdly, in the aim to reinforce the migrants’ involvement in the home country development the noticeable endeavors come from the BiH Government; “[t]he Bosnian Diaspora has potential to contribute to the development of the BiH economy and the country’s overall development, not only through the influence of money transfer but also through the transfer of knowledge gained abroad and the possibility of returning to his or her homeland” (The Migration profile of BiH, the Ministry of Security BiH, 2009). On the other side, the Government is warning on the demographic changes where migration may appear as a negative outcome; thus the low interest to return or the unfavorable distribution of the remittances remain to be introduced in detailed as the part of the new literature that emphasized a much more positive relationship between migration and development that that which was prevalent in 1970s and 80s (de Haas 2008, Bakewell 2008b).

Those circumstances return again to observation of the complexity in migration and development nexus and awareness that everything is “for and against”. In other words, “[n]either linear nor inversely proportional” relationship (De Haas, 2005), underlines the emergency to confront the migration and development issues in the case of BiH. Namely, communication on “migration and development from the international community: some concrete orientation” was prepared in the wake of the UN High Level Dialog and for the first time addressed “further steps of improving the impact of migration on development (rather than the other way around)”. To this end, it outlined four areas of activity: to facilitate the flows of remittances, engage Diasporas in the home country development; promote circular migration and brain circulation; and mitigate the negative effects of brain drain (Lavenex, Kunz 2008).

The paper is approaching this issue through account for the “opportunities” and “threats” entailed in the migration and through the discussion of “the cost and benefit” of migration process that reveals the issues on the table are complex and polices enhance the positive impact of migration on development need careful thinking. Namely, the discussion in the paper enhance the understanding of the issue by indentifying the size and nature as well as the dynamics of migration, providing empirical results related to the economic and social influence of emigration and discussing the most recent Government policies. The main aim of the paper is to serve as the empirical guidance through the most important data refer to the migration and development discussion in BiH and to underpin the further research and implementation of theoretical aspects of the issue. Therefore, through overview of the four main issues/parts, some of the main challenges and important questions, which require further research in the migration and development nexus in BiH are likely to be addressed. The first two parts look on the migration and demographic background of the country. The third is analyzing inflow of the remittances and their role in the country with possible direct and indirect effects. The last part describes the migration policies and Diaspora engagement towards BiH as the origin country. The analysis is based predominantly on data gathered from the various institutions in BiH, organizations and on secondary sources such as reports, academic research and on Diaspora associations.
1. Background of the migration flows in Bosnia and Herzegovina

Migration flows of population in this region are a longstanding historical phenomenon and BiH has been exposed to the numerous movements of population through the centuries. The complexity of the migration arises mainly within different cultural and civilization circles inherited on this territory, developed mainly during the periods of Austro-Hungarian and Othman occupation and the three wars that occurred in the period of the last hundred years together with shifts of the economic and political systems in the country. A consequence of this cultural confluence was the formation of a specific ethno-cultural and national mosaic of population (Marinkovic, 2007), while the historical, socio-economical and geo-political factors determined different forms of migration flows. Migration has impacts on the a home country in a variety of ways depending upon the magnitude, composition and nature of migration flows, as well as upon the specific context from which migration is drawn (Markova, 2010). Namely, the example from the 19th century emphasize the role of the dominancy of the Austro-Hungarian authorities who conducted planned resettlement of a population from all the parts of its the empire; in that period about 137,000 people, among whom were also Germans, Czechs, Polish, Ruthenians and others, immigrated in the direction of BiH, while around 260,000 citizens of BiH origin emigrated in direction of Serbia and Turkey (Pejanovic, 1955). Later, various forms of the movement on the BiH territory influence the homogenization of the population, creating today’s ethnic and demographic composition of the country that is describe in the following text.

In the last century the different historical circumstances divided the migration flows in the following categories; rural-urban migration, exile and forced migration, labor migration, illegal migration, assimilation and human trafficking, together with the processes of return of the refugees and internal displaced persons. Each of these categories appeared with influence of the circumstances inside and outside of the BiH borders at that particular moment. Firstly, in the World War I (WWI) and the World War II (WWII), the country struggled with enormous demographic problems; the high number of population was killed or resettled within the region and the rest of the world, living the country with the new structural characteristics of the population regarding to sex, age, ethnicity and economic indicators. Secondly, at the end of the WWII BiH was expose to process of industrialization, which accelerate the stronger urbanization and de-ruraliztion process together with the intensive demographic transition. Following de Haas observations that migrants face much more structural constrains in their complex realities and that circumstances should take a priority in description of the migration flows than simply division on voluntary and force migration.

Namely, in 1933 every fifth inhabitant in BiH lived outside of the place of birth and in 1961 that number arrived on every third person (The group of authors, Bulatovic, 1990 pp.281-295). After the WW II BiH, has continued to be affected by the diverse internal and international migration waves with periods of their stagnation and intensification caused by different reasons. The economic factors that affected a large negative migration outcome appeared out of the fact that BiH was less develop than the Yugoslavia overall and development had passed rather slowly. In 1950, the national product per capita in BiH was only 80 per cent of the Yugoslavian average and fall on the 65 per cent in 1989 (Bosnjovic, 2000). In the same time, significant growth of the population and economic downturn constructed the conditions where desire to move in direction of the other parts of Yugoslavia and the worldwide was dominant strategy among citizens. That reflects on the gradual increase of the

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1 Bosnia and Herzegovina is today home of the three ethnic groups; Bosnians 48%, Bosnian Serbs 37%, Bosnia Croats 14%.
2 In 1908 annexation of BiH from Austro-Hungarian, unresolved agrarian question and exploitation of natural resources increased significantly the emigration of Serbian and Muslim population. In the same period immigration involved population with professional occupation such as traders, engineers, medicals, craftsman originating from the other countries, Germany, Poland, Chez etc.
3 According to surveys, the negative migration balance of the population of BiH in the period between the two world wars was approximately 6,000 inhabitants per year; emigrations was mainly in direction of Western Europe and America. Demographic loss in the WWI was estimated on 320,000 while the WWII on 700,000 victims and resettlement persons.
emigration rate from 8.2 per cent to 14 per cent in the period between 1961 and 1981. In the same period, the ongoing processes of de-agrarization lead to more concentration of the population in the urban centers and established of a kind the new socio-economic environment in the country. Namely, the industrialization process pulled the population from the rural areas in the city centers with intensified polarization of the population; 40.1 per cent of population involved in internal migration and changed the place of birth (The Census from 1971, Belgrade 1973). In the meanwhile, during the period of the 1960s and 1970s, ongoing economic transformation in the country and demand for labour migrants in the other countries, pushed/pulled a significant number of citizens from the Yugoslavia, including BiH, in emigrations in the direction of the Western European countries, in particular Germany and Austria. A significant number of BiH citizens had an aspiration to move abroad as the guest workers or “gastrabteiers”; after the 1960s just in Germany went about 81.6 per cent of total BiH emigrants in that period. However, precise number of the labor migrants is unreliable and some statistics estimated that around 3,000 to 3,500 workers per year left the country in the period between 1971 and 1981. That number was triple afterwards since majority of the emigrants transformed from the first step and the temporary residency into the permanent settlers through family reunifications; “[h]abituation to the life in receiving countries and lack of opportunities in origin countries certainly a major role in explaining migrant’s settlement” (de Haas, 2007). Again the following period brought the negative migration balance and decrease of the birth rate, together with the negative migration balance; between 1982 and 1991 about 180,534 persons emigrated from the country (Marinkovic, 2007).

Furthermore, emigration from BiH has continued through entire periods afterwards while the explosion of the mass movements and the biggest change of the demographic picture occurred in the beginning of the 1990s. Under the political crisis provoked by the international and interreligious intolerance and conflicts between three most populated ethnic groups; Bosnians, Bosnian Serbs and Bosnian Croats, the composition of population changed completely. Just in the period between 1992 and 1995 the military operations pushed around 2.2 million people to fled from their homes as the refugees, asylum seekers and internal displaced persons. One million was displaced inside of BiH while other 1.2 million spread over the countries in the region and the rest of the world. For majority of the emigrants this was “a journey without return” (“Historie(s) d’imigration” according to: le mond diplomatique, Paris 2002). In 1996 UNHCR published that approximately estimated number of 1,050,000 refugees from BiH live in about hundred countries all over the world what was almost one quarter or 23.9 per cent of the pre-war population (Census of refugee and other war affected persons in the federal Republic of Yugoslavia, UNHCR, Geneva, 1997). Demographic map of the country changed and polarization of the ethnic groups on the particular territories inside the country borders, which later transfer on division of the country and establishment of two official entities; The Republic of Srpska, with dominance of ethnic group of the Bosnian Serbs, and Federation of Bosnia and Herzegovina, with ethnic groups of the Bosnians and Bosnian Croats. In a particular way, BiH became “a country in motion” where low level of the economic growth, high unemployment, poor social programs and constant political tensions determinate the following years of the demographic transitions. Afterwards, despite on the positive assessment of the country among the rest of the Southeastern Europe, stabile economic currency and low inflation, “[s]ocial fragmentation, persistence ethnic division, political cliantelism, the informal economy and disempowerment, together with the new forms of poverty, social exclusion and migration pressures, still mark the region” (Likic-Brboric, 2010).

4 The exile is very differently defined in local literature than in international sources and besides the international term “the refugee person”, in Bosnia-Herzegovina we are often faced with the following additional categories: “exiled persons”, “displaced persons”, “temporarily displaced persons”, (Marinkovic, 2007). Strengthening cross-border cooperation in the Western Balkan regarding migration management.

5 Some of the main economic indicators; expected GDP in 2008 12.5 billion euro with real growth rate of 7.1 per cent with continuing trend of growth around 5.5 per cent
What are the results of those circumstances; when and how to think of the migrants and migrations as the opportunity and/or as threaten in the process of development of the sending part? What are the costs and what are the benefits of those who left the country and those who remain; are there arguments of the direct and/or indirect effects? Those are some of the most general questions about migration and development relationship. The historical overview of the migration flows in BiH is not just transmitting complexity of the migration and development relationship; it is almost doubling it from the various reasons among which the most important refer to the constitution and subdivision the country in the circumstances of difficulty of ongoing economic and political transition processes. Namely, after the war in the 1995 the two new formed entities, the Republic of Srpska and the Federation of BiH that again had been divided into ten cantons, and the 142 municipalities in overall for both entities where the new problem appeared; “[a]fter the destruction of the war in the period 1992-1995 and the subsequent, massive international reconstruction support, the country now finds itself at a crossroads between economic, social and political dependency on one side and the sustainability and local ownership of its development on the other” (UNDP MDG BiH, 2004). In the transformation to open market economy and democratic society that rather pass to slowly and with a lot of difficulties, the ongoing demographic transition together with the new emigration flows, appeared as one of the intrinsic factors for development. The more detailed on discussion is given in the following part.

2. The present demographic and migration processes in Bosnia and Herzegovina

Demographic transition in the last century together with the economic and political transitions pushed BiH in shortage of the most productive population. In addition, there are indicators that approximately 40 per cent of the population of some small opens economies such as Bosnia-Herzegovina is out of the country (World Bank, 2009). Together with the overview of the earlier migration flows that indicate how country has struggled with demographic gaps in many previous periods and the lack of detailed data in the last twenty years, induce the complexity of the current situation. Namely, even in the last official Census from 1991, the data is consider to be incomplete due to ongoing political problems in that period. Hence, according to the other official statistic, BiH currently has about 3.8 million inhabitants while estimated number of inhabitants in the last Census in 1991 was estimated on 4.4 million. In 2005 the estimated birth rate was 9.1 per cent, the mortality rate was 8.5 per cent and the population rate growth of 0.6 per cent (Report about the state of the human rights in BiH, Helsinki Committee for Human Rights in BiH, 2005). In comparison to the last Census from 1991 when the birth rate was estimated on 15.4 per cent, the morality rate was estimated on 6.7 per cent and a population growth rate was estimated on 8.7 per cent, the country today face a serious demographic problems. Moreover, in the last years the demographic problems have increased since many of the local communities, around 80 per cent, suffer from a deep depopulation that threatens to lead to their disappearance. Recently research based on the labour force surveys estimate that BiH population has a significant lower figure of 3.31 million; according to the United Nation projections, the crude birth rate is likely to decline slowly and crude death rate is likely to increase sharply. this trend is certain to continue till 2050, when according to the World Bank the population share over 65 years of age will almost double (from Red to Grey the Third Transition of Aging Populations in Eastern Europe and Former Soviet countries).

6 Statistics of the World Bank 2009 show that according to the emigration rate of population by the country from 2006 Bosnia-Herzegovina is on the second place, just after Jamaica.

7 The last official census from 1991 occurred in the pre-war atmosphere where the final results were influenced by national polarization and therefore incomplete on the level of the pre-war Bosnia-Herzegovina.

8 In the absence of the census, the data is gather from the Institutes of statistics in both Entities, Ministries of Civil Society and the other National Institutions.
Those circumstances return to needs of inclusion in development definition the human elements and as well to overcome the formal demography methods of estimating migration which more or less underline those devised for measuring fertility and mortality (Fargues, 2005). In addition to other case studies, in BiH the criteria’s such as qualification, age and employment appear as well as a considerable element for better understanding of migration and development relationship. From the total estimated number of population in BiH about 68 per cent make up the working contingent, at the age from 16 to 64 years; the rate of active working population is approximately 43 per cent while the official unemployment rate is about 44 per cent. Further, the work-ready population includes the next education structure; 60.6 per cent have a secondary school, 25 per cent primary school and 14 per cent have higher education. According to the statistics of professions, the majority of workers are employed in the service and trades 48.7 per cent, in the economy 30.7 per cent and in agriculture 20.6 per cent. Since the process of industrialization diminish the role of the agriculture, in search for the better living conditions continuing intensive migration from rural to urban areas over the years have not been surprising. The city centers such as Sarajevo, Banja Luka, Mostar, Tuzla and Zenica have been witnessing a dramatic increase in population when compare it to the rest of the territory and the municipalities. In the same time, villages in BiH as a traditional place of living, has been slowly disappearing together with the smaller local communities in the geographically distant areas. A glimpse of these internal migration patterns can be observed by the growth of concentration of economic activity within countries and the constantly changing spatial distribution of the population (Barbone, Dabalen 2009). Namely, in some parts of the territory where numerous problems such as war damages, higher rate of mortality, the refugees and socio-economic problems, ageing of the population and the low level of fertility prevailed, depopulation increased rapidly. In contrary, opportunities for employment in the cities have been lowering and the economic and political pressures have not left a lot of opportunities to the population in the working ages (MARRI Questionnaire for Labor Migration Workshops in Zagreb, February 2006; completed by BiH authorities). Consequently, in comparison to 1991 the economy structured changed dramatically in 2007 and more than 200,000 jobs were lost in manufacturing sector and number of people working in agriculture sector decreased almost five times.

In circumstances of the slow progress from the post-war and post-communist transition, migration has again run up as one of the most effective livelihood strategy. As for the total labor population migration, the Ministry for Human Rights and Refugee does not have that data but estimates of the IOM from the most important country of destination notes that the total number of BiH migrants workers increased from 160.000 in 2000 to 218.000 in 2007. Yet, the pessimistic signs are coming from the data about ongoing emigration flows and youth perspective of the present situation in the country. This data relates to only a small group of destination countries and generally according to statistical data and Eurostat, that the actual number is much higher. (The Ministry of Security BiH, 2009). Additionally, the use of data on migratory intentions as a proxy for probability to migrate has now become popular in the literature (Dustmann 2003; van Dalen et alii, 2005a, 2005b; van Dalen and Henkens, 2008). Applying this model to the case of BiH, the recent survey about attitudes of youth in the country shows that about 62 per cent of youth would emigrate straight away for the next reasons; temporary work, studying and gaining new experience that proved them with the possibility to save the money on the formal market outside the country and 25 per cent is looking for the permanent migration. The most common reasons described by examinees are; a weak economic prospect, frustration with the educational system and the high rate of unemployment while safety and political concern was marginal. Further, when referring to the data of the unemployment; while the unemployment rate among young population between 15 and 24 years is 47.5 per cent (Agency for statistics of BiH, 2008a), the situation has been in particular discouraging. Just in the period after the war the increasing number of regular emigrants includes mostly the young population. The main reasons for decision to leave the country are mention the lack of the job opportunities, studying and others. For example, 1,700 students from BiH who are currently attending the studies in University of Oslo in Norway have no interest to return home. That is not surprising since the aggravating circumstances arise from the data that only 0.2 per cent of national incomes is address on the
education and research activities and later on the perspectives for young people with university degree are extremely low. It can be generally noted that conflict in the Balkan and the consequent crisis in the region caused a certain level of brain drain, as many well-educated young people left BiH and permanently settled in the other countries. According to the World Bank, migration of the high qualified population is estimated on 28.6 per cent, of which 79 per cent were engineers, 81 per cent of those with the master degree and 75 per cent with the doctoral degree who left the country. For example, just in the US among 390,000 BiH migrants, 13.7 per cent have the university education while 22.7 per cent of youth are currently enrolled on the US University. The percentage of those who want to leave the country is almost the same among all ethnic groups, in rural as well in urban areas (UNDP 2006). Nevertheless, it could be included that the realization of the decision to emigrate may be more problematic due to higher incidence of legal or financial hurdles (Gardners et alii, 1986), the Visa system and others. However, the final decision to emigrate depend on the basic individual characteristics like gender, age, material status, number of persons in households, education, employment status, financial situation, wealth and living area (rural and urban); for example “[i]f we look at the gender structure of the Bosnia-Herzegovina emigrants in Slovenia in 2007, 11.225 were men and 1.254 was women” while in the other hand in the country male employment rate of 42.3 per cent is two time higher than female employment rate.

Consequently, due to the constant emigration flows and problematic development process the initial conclusion of “the successful prescribed win-win processes” may fail and entail the doubts about the new recipe of “win-win-win” situation where the circular migration are suppose to create a situation in which migrants, receiving and sending states would benefit. Yet, already negative demographic picture is deteriorated by the fact that majority of young population who left the country lack the initiative to return in BiH while the majority of returnees, who are recommended as one of “a problem solution” in BiH, belong to a group of the elderly population. Namely, in 2005 and 2006 the data about returnees was rather discouraging and UNHCR recorded just 50 per cent of refugees and displaced persons who achieved the right to return home from whom majority belong to the elderly population (the more details about returnee in the last forth part of the paper). Rethinking about the problem of “differing demographic feature” as one of the irresistible forces (Lant Pritchett, “Let their People come: Breaking the Gridlock on Global Labor Mobility), it is desirable to create an environment with the better living conditions and without challenges of appearance of the new problems. Though, is that happening in Bosnia-Herzegovina and weather the country opening the door to the new difficulties without resolving the previous is rather difficult to answer?

Namely, the new warnings from the IOM that in 2007 net migration rate was 29 emigrants per thousand inhabitants and the visa request in the 2005 included the following reasons; for work 36 per cent; for study 19 per cent; for permanent residence 17 per cent; for family reunification 9 per cent; for tourist 6 per cent; for visa assistance 3 per cent; for reintegration 2 per cent; for asylum 1 per cent; for citizenship 1 per cent; others 6 per cent. The first three positions contain the highly possibility to convert in the permanent settling and therefore exacerbate already unfavorable demographic situation. In the other hand, the emigrants are not indifferent to the home country and inflow of remittances continues to overwhelm the other forms of foreign currency inflow.

Therefore, possibility in replacement of the high number of emigrants by the high inflow of the remittances invoked on better understanding the role of the remittances and “the migration management” of the country with high number of population lives outside the country. Some of the high remittance-receiving countries around the world established the model of export labour forces; in this model, a country, particularly if its birth rate is high, specializes in exporting people, and finances its external accounts essentially through remittances. An alternative strategy, on the other hand is one that regards migration – particularly the spike in migration that has occurred in the past 10 years or so as a temporary phenomenon and attempts to pave the way for a future growth based in domestic

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9 MARRI Questionnaire for Labor Migration Workshop in Zagreb, Feb 2006. Completed by Bosnia-Herzegovina authorities
resources mobilization and export growth. This strategy would want to minimize the macroeconomic effects of remittances (assuming that this is possible, particularly in poor countries) and would want to concentrate on those things that will make the country more attractive to citizens to stay and/or migrants to come (Barbone, Dabelan 2009). Could those policies be applicable in the case of BiH when, “[v]arious economists claim that significant amount of remittances is transferred directly in the cash and that transfers from abroad are one of the most significant sources of the BiH economy sustainability”\textsuperscript{10}. The answer depends on the overview of the deeper discussion on the remittances inflow and migration policy in BiH, which contribute to further discussion in the best outcome of the migration and development relationship.

3. Inflow of the remittances in Bosnia and Herzegovina

BiH is not exceptional example of the remittance inflow; its rather exceptional example in the level and continuity of remittances inflow. Namely, beside of being one the most substantial exporters of emigrants to the OECD, BiH represents the second largest recipient of remittances in the Southeastern Europe after Moldova and the remittances share of GDP is about 19.7 per cent (the World Bank, 2008). In addition to many other countries, remittances have been an intrinsic element in development discourse in BiH and recognized as a pertinent element of development due to a few reasons. Firstly, the noticeable role of the remittances in sustaining citizens of BiH over the conflict and post conflict period; there are evidence that remittances are increasingly important and relatively stable sources of external finance that often play a critical social insurance role in countries affected by economic and political crises (Kapur, 2003). Secondly, remittances have been considerate as a livelihood strategy and support for overcoming various market constrains, potentially enabling households to invest in productive activities and improve their livelihoods and/or the poverty reduction in BiH (Migration profile of BiH, 2007). Moreover, the remittances have continued to maintain the living standards of people while indirectly contribute to economic growth of the country. On the macro level the role of the remittances have been presented as less volatile, less pro-cyclical and therefore a more reliable source of foreign currency; when combined with informal economy (the other major source of foreign currency), the remittances succeed in total over 1 billion USD in income for the country per year.\textsuperscript{11}

Furthermore, during the last years inflow of the remittance has been extremely high. Data from the Central Bank of BiH states that the influx of the remittances in the country sent by banks or through informal channels in the last five years significantly increases, and there are six times higher than foreign direct investments and three times than foreign aid to BiH. The Central Bank in BiH announced that official remittances in 2008 run over 2.4 billion KM (convertible mark or BAM) while in the same time the migrants practice to use mostly the informal channels is practically doubling official number of remittances on 6 billion KM (The Central bank of BiH, 2008). Main reason for sending money through private channels is a lack of trust in banking system accompanied by unfavorable political and economic climate in the country. Moreover, that goes together with fundamental criticism on the weak methodological foundations, poor analytical quality or empiristic character of much prior research, which often failed to take into account the complexity, often indirect, positive impacts of migration and remittances on migration-sending communities as a whole, including non-migrant households (Taylor et al.1996).

\textsuperscript{10} Statement of the ex-Minister of Finance Mr Nikola Grabovac.

\textsuperscript{11} Financial Times (February 2003): Rate of Change – Bosnia

Note: An interview with Peter Nicholls, governor of the Central Bank of B&H from 1998 to 2003, revealed that upon the introduction of the Euro and the conversion of the Deutschmark and other currencies, Bosnians brought in over 3.4 billion USD, three times the amount that was expected. Nicholls speculated that the combination of the grey economy and the inflow of hard currency from remittances accounted for 1 billion USD a year.

Namely, the previous studies very often demonstrated the positive impact of the international remittances on the sending countries. That rather remains questionable and required forward observation through elements such as the more detailed expenditure structure. It is also important to return on definition of development and applied development processes in the country; whether on the remittances is looked just through the direct contribution to the GDP or more indirect impact through the elements of the human development is included; positive implications of remittances mainly thorough increase in investment in human and physical capital (Hanson and Woodruff 2002; Cox Edwards and Ureta 2003; Hildebrand and McKenzie 2003; Mesnard 2004). In BiH the remittances receivers listed the food and clothing as the most common purpose for the money expenditure. On the second place is education and hope repair, while savings, property purchase and medical expenses come afterwards. Therefore, the relationship between migration and remittances through indirect and direct effects on the family members and community remain as an important part in the further research, including the following discourse. The one is to consider the relationship between the remittances and reduction of the poverty that may have negative or insignificant impact on inequality in the region or country of origin (Adams 1992; Taylor and Wyatt 1996). The another refer to recommend possibility that migration would reduce the rural productivity of labor-constrained households and communities (Lucas, 1987; Rozelle et Alii, 1999), leave children unprotected and hence decrease the investments in human capital (Hanson ad Woodruff, 2002; Cox Edwards and Ureta, 2003), increase the level of inequality in the region or country of origin (Stark et alli, 1986l Milanovic 1987; Adams 1989; Taylor and Wyatt 1996; McKenzie and Rapoport 2004) and induce moral hazard problems and inactivity among recipients of remittances (Azam and Guber, 2006).

Finally, the interest in investing remittances in the business and durables is still not visible in terms of effects and results in the long run.

However, since the money refer on the two sides, those who send and who receive, return to initial stage and question in motivation of sending the money to the home country preserve important place in the completing the picture in BiH; confronting altruism versus self-interest to secure inheritance and to invest in home assets in the expectation of a return. “[T]heir motives were… arising from social obligations to family members, specific events such as a death in the family, of bureaucratic matters such as those relating to housing or land. A number of Bosnians in particular felt ambiguous or were even opposed to visiting Bosnia, but felt compelled due to such obligations” (Al-Ali, Black, Koser, 2001). In outcome of one of the research is that for many the visits led them to decide to remain outside the country. However, Lucas and Stark (1985:904) argued that the motives of altruism and self-interest are often inextricable, what in the BiH case may be even more complicated due to use of the remittances as financial source for the chain migrations (Dimova, Francois-Charles, 2009). The study from 1999 about Bosnian Diaspora in Britain noted that: “[d]espite various obstacles to return, Bosnian refugees have increasingly sought links and contact with their country of origin. Both as individuals and as members of community organizations, there have been few yet growing attempts to get involved in ongoing developments with Bosnia i.e. sending remittances, organizing cultural and social events, and regular visits to see friends and family” (Al-Ali, Black, Koser, 2001). Enlargement of the networks and links with the home country may create a different possibility in the development discourse of the home country. Nevertheless, effect of the remittances on the BiH together with motivation for sending and remaining in connected with the home country depend as well on the government perspective in terms of the migration and policy as the framework of the migration and development nexus. Remittances must be accompanied with political and economic reform from the one side and on the other increase of migration may also require improvements in governance, creation of effective institutions, construction of infrastructure and the emergence of an investment-friendly climate and therefore be a part of the solution (Castles, 2008). What answer the Government in BiH offers on those challenges?
4. The migration policies and Diaspora engagement in Bosnia and Herzegovina

In the last decades there has been a revolution of contentious public policy issues from integrate of the migrants in the receiving countries to involvement of migrants in development processes of the origin country. New strategies designed to encourage “migrants mobilization for development” (see DFID 2007) are based on the acknowledgment of financial and social support from the host country through transfer of financial assets, knowledge and know-how practices and realized mainly by traditional forms of development cooperation and partnership between states, development agencies and migrants in development cooperation. The migration is not “one way process” and in some countries “[r]turn migrants who have studies and worked abroad has played an important role in reforming domestic policies” (Massey et al, 1998). Therefore, engagement of the 850.000 emigrants in Europe, 450.000 in the U.S. and 50.000 in Australia (The Ministry of Security, Migration profile 2009), could be a golden contribution in the improvement of the worsening economic, political and social situation in the country? That refers to already mention transfer of the knowledge, better redistribution of the remittances through collective utilization as well as attracting on the returnee act and therefore overwhelming the demographic gap. On the other hand, division of the country accompanied by political tensions remain as the biggest potential obstacles to conduct such initiatives, which aftermath may even create the deeper gap between already divided country and exposed it to the new dilemma that look back on the period of the war and post-war trauma.

Namely, division of BiH build up by the Dayton Peace Agreement has been transferred on division of the country including migration, refugee and asylum policy and therefore the stakeholders on the local, entity and national level became responsible for migration policies while in the same time the national migration policy has been missing. In the absence of the national migration policy and disturbed cohesion of migrant related activities in BiH, influenced on the Government to develop polices and strategies related to specific migration areas. Namely, the main challenge for BiH is a development of coordination and leadership with regard to migration policy and management in the country (Migration profile, 2006). The Council of Ministers with support of the international community (EC, IOM, OHR, OHCHR AND UNHCR) in 2003 introduced the National Action Plan for Combating Trafficking in Human Beings and Illegal Immigration in BiH, National Integrated Border Management Strategy for Bosnia-Herzegovina. The Law on Movement and Stay of Aliens and Asylum (LMSAA) and the other key national legislation was also adopted by the different Ministries in BiH. The importance of the LMSAA is significant since it reveal to more coherent and centralized migration-related issues together with responsibilities of the relevant national bodies. It also endorsed the previous legislation including trafficking, irregular migration, while entail the more enhanced the migration management outlook in BiH. The Law corroborates mechanism for precursors imposed international principals and international conventions ratified by BiH, including “Protection of Rights” in order to secure the rights of foreign nationals in BiH (LMSAA Article 88).

Another two issues that the Government tackled in the regulation of the migration path refer to the returnees and the Bosnian Diaspora. Firstly, the issues addressed on the returnees are integrated into the Law of Refugees and Displaced Person in BiH on the state level, as well those on the entities. It looks on the refugees and internal displaced person during the war in BiH. Namely, the strategic goals in the Strategy for Returnees in BiH outlines: to complete the process of return and refugees from BiH and internal displaced persons in the country; to complete the process of reconstruction of housing units for the needs to return; to accomplish the property return and occupancy rights repossession; to create conditions for sustainable return. The return process was intensive in the post-war period between 1996 and 1999, while the number of returnees after 2000 decreased gradually and the number of refugee return in the period between 1999 and 2007 is lower than the number of returnees in 1998; UNHCR estimates that total return of the refugee was 447.000, out of which just 3.000 returned in 2007 (Social protection and social inclusion in Bosnia-Herzegovina, The European Commission 2008). However, the country still suffers from achievement of those commitments and despite on
attempts of the Government in establishing the new strategies, doubt of the success of the return remains mainly because of the political and economic circumstances in the country.

The connection with population settled abroad and the lack of the adequate policy and legislation from 2000 has been partly substituted by establishment of the Department for Diasporas within the Ministry of Human Rights and Refugees BiH. The Department primarily attempted to establish the effective relationship with Diaspora from two side perspectives; bringing the Bosnian Diaspora closer to the home country and the home country closer to the Bosnia Diaspora. Moreover, presently the Department is involved in the several activities; gathering the data about BiH population and citizens in the world, establishment of the collaboration in the education, scientist and cultural field, collaboration with the Diaspora organizations and associations as well as other information that enable constructive work among the home country and the its population in the world and make it transparent through the publication. Besides, one of the latest initiatives correspond on the participation of emigrants in creating the Development strategy in BiH12, particularly the parts addressed on the high skilled migrants and their reconnection and reintegration in the country with possibility of return and circular flows. Following that pattern, encouraging fact is that significant numbers of BiH population with high education have not stopped to be devoted to the homeland. That is well seen in case of the scientific collaboration between Australia and Bosnia-Herzegovina. The number of Bosnia-Herzegovina Diaspora in Australia counts approximately 50,000 thousand people from which majority arrived under refugee status during and after the war. Many of them utilized the opportunity offered from the Australian Government and according to the immigration rights on the education, work, social and health care. Therefore, the number of people with BiH origin who are attending the Universities in Australia together with those who already hold the Master or Doctoral degrees is significant; many others like previous describe the case of US follow this path.

Furthermore, some authorities in BiH do not considerate that the geographic distance impact on the interest for the homeland; in contrary the initiative for the collaboration with BiH is rather noticeable what is confirmed by some research projects, common publications, organized conferences, study trips and student exchanges13 presented by following examples. One of the first steps taken in that direction was the project ToKtEN (Transfer of Knowledge through Expatriate Nationalities), well known by endeavor of the Government to enhance the high qualified members of the BiH society from outside to accept short-term consultancy contracts14. After realization of the project still 32 consultants carried out their cooperation in the future with the local institutions participants. Later, among the initiatives of Bosnia-Herzegovina government are mentioned Re-Connect that present the Community of Bosnia (CoB)’s flagship project. Again it included the transfer of knowledge of the young Bosnians from the United States and elsewhere to re-engage with their native country and help the country’s development by transferring knowledge and skills working abroad. Others initiatives that should be mention are Domestic Product Promotion Alliance (the program in which diasporas was expected to invest into production in BiH and support the country companies to compete more successfully on the open market-networks with business people), BiH Students (exchange of ideas and information flows between students in the country and outside in order to support development in BiH), Reconstruction, Capacity Building and Development through the Return of Qualified Nationals to Bosnia (RCDB)15.

\(^{12}\) Development strategy for Bosnia-Herzegovina 2009-2013, Strategic Planning and Policy Development (SPPD) Bosnia and Herzegovina by UNDP.

\(^{13}\) Doing business in Bosnia, http://www.bosniaconference.info/index.htm and link http://www.sourcesofsecurity.org/events/PathwaysToReconciliation.html. The first Conference in November 2003 was addressed on the economic reconstruction of the country, while the second in August 2005 considerate the subjects of social reconstruction and human rights.

\(^{14}\) A large number of ToKtEN consultancy were sent to institutions, companies and organizations to work on scientific, technological and socio-economic matters and provide specific solutions thanks to their expertise.

\(^{15}\) IOM implemented this program with aim to attract highly qualified nationalities back to their areas of origin and contribute to reconstruction and development; the target host areas were Europe, North America, Australia and Arab countries.)
Temporary Return of Qualified Nationals (TRQN)\textsuperscript{16}. Among others, it should be mention the small shoots of different aspects in returnee and reintegration; Sverige CARITAS, UMCOR, Mercy Corps and Care International. In 1996, Caritas Sverige established a center in the Sarajevo Canton in order to monitor the situation of the return migrants from other country. They have restored 1,700 residence, 120 of them were from Sweden return migrants. Further, Caritas has helped the return migrants with legal counseling, education in human rights and education which will increase the probability of getting a job. Caritas investigates the opportunities of becoming a resource for people who want to start a new company.

Hence, the members of a prosperous diasporic community “[c]an contribute more financial recources and that their access to powerful segments in the host country becomes easier… and the talent, acumen, and dedication that are needed for (homeland development) become more available” (Sheffer, 1996 p.61). Is that happening in BiH is again doubtful because of the existing political and economic environment where the new migration flows may appear as one of the expected outcomes but not the increase of the migrant orientation towards the activities in BiH.

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\textsuperscript{16} IOM project in cooperation with Netherlands to acquired permanent resident citizens to temporarily return to BiH to provide technical expertise in their field.
Conclusion

This paper attempted to demonstrate some of the main issues complicating the discussion about the migration and development nexus in the case of BiH. It argues that the potential of migrants’ participation in the development of the sending countries has been apparent in the past as well as in the present. However, in the context of BiH in the period examined in this paper, it is also argued that no clear indication of a positive versus negative relationship between migration and development has been confirmed. In other words, what comes first and whether migration may be seen as the cause enhancing efforts towards development rather than a symptom generated by the impact of development in the case of BiH requires more research.

Through the overview of the demographic and migration flows, the level of the remittances inflow, the interest for/of diaspora and the diaspora policies becomes apparent that both defining diaspora as a concept and the effects of attempting to regulate this phenomenon is very complex. Hence, how can we define the nexus point between migration and development, and who is responsible for creating the conditions to realize the best outcome of a link between migration and development? Are the institutions of the nation state able to take a leading role and establish the new policies and instruments for inclusion of migrants in the development of the country? Or the present model of development itself remains the main obstacle for the transformation of BiH in a more desirable environment for those with emigration aspiration? In order to attempt to answer these questions it is important to consider not only the national and regional circumstances but it is important also to contextualize this issue within the global environment. Thus to include consideration of issues regarding global power, wealth and inequality, examining migration as a part of global and international processes where the numerous stakeholders are intervene and participate in the effort to turn migration into a phenomenon “useful” for development.

It is furthermore very important to address questions such as how to distinguish between the part of the development process that has already been affected by migration and those that should become a part of the migration engagement in development; which dimension of the migration involvement in development activities is effective; or which are the possibilities of the policy to absorb and conduct migration in development processes?

In conclusion, the situation in BiH exemplifies the fact that migration is an integral part of major changes currently affecting all regions of the world and therefore the world’s most prosperous states needs to acknowledge the impact of their own policies on the dynamics of international migration and reconsider the consequences of policies inspired by the motto: “development instead migration” that have been recommended by the policy makers and for any bounds to fail (de Haas 2006).
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