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Failed or Fruitful Migration?

A Critical Analysis of the Development Potential
of Migration in Bosnia and Herzegovina



Master's Thesis

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Abstract

This thesis explores the development potential of migration in an empirical context of Bosnia and Herzegovina. Since the breaking up of Yugoslavia and the following Balkan Wars in 1992-1995 which left Bosnia and Herzegovina at the verge of collapse, the country has been struggling with social, political, and economic challenges and are experiencing one of the world's largest emigration tendencies relative to the size of the population.

In the academic debate on migration and development, the potential of migration to promote development in migrant-sending countries has increasingly been highlighted. This thesis concentrates on three key assumptions identified in the literature in relation to characteristics surrounding migration from Bosnia and Herzegovina.

The first analysis investigates the contextual settings surrounding Bosnian migration based on official analytical documents and strategic papers, statistical data from international organisations, and academic research studies on Bosnia and Herzegovina or the Balkans. Here, central political, economic, and social factors are outlined to create an understanding of the current developmental conditions of the country. I argue that features such as ethnic disputes, segregation, lack of cohesion, corruption, lack of transparency, economic stagnation, poverty, unemployment, and population decline retain the country in an unsustainable deadlock.

In the second analysis I examine the theoretical assumptions present in the migration-development debate in the literature. The chapter specifically dives into three underlying assumptions identified in the literature, namely the development potential of respectively *financial remittances*, *return migration* and *social remittances*. I argue that the debate has a one-sided focus on *potential*, and only pay limited attention to possible consequences of migration. The theoretical emphasis on already existing developmental conditions in migrant-sending countries as a precondition for development highlights the challenge of the descriptive nature of research in the field. I therefore join the position that more research is needed to create a better understanding of migration-development interactions.

The thesis at hand culminates in a discussion treating the theoretical assumptions in the context of Bosnia and Herzegovina. This has led me to conclude that the potential for development that migration is assumed to have in the context of Bosnia and Herzegovina is overshadowed by the side-effects of migration, whereby the development potential of migration must be considered limited.

Keywords: *Bosnia and Herzegovina, emigration, development, financial remittances, return migration, social remittances, demography, population decline, corruption.*

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Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
EU	The European Union
FDI	Foreign Direct Investment
IASCI	International Agency for Source Country Information
IDP	Internally Displaced Person
IGO	Intergovernmental organisation
ILO	International Labour Organization
IOM	International Organisation of Migration
NGO	Non-governmental organisation
ODA	Official Development Aid
UN	The United Nations

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1. Introduction

25 years have passed since the Western Balkan country of Bosnia and Herzegovina (BiH) was a bloody hotspot during the War in the Balkans in the 1990s, where more than hundred thousand people were killed and millions were displaced from their homes (Nielsen 2018). At the core of the conflict were ethnic controversies, and disagreements on how to structure a future, independent BiH, if there should even be a future BiH. These conflictual themes have, even considering the time passed, not relinquished its hold on the country. Today, ethnic discrepancies and an almost total segregation of the country is still among the first things that comes to mind when thinking about the country. The national-associated identification as 'Bosnian' is almost obliterated and replaced by ethnically bounded predicates, just like the national flag, which is hardly used and create no sense of belonging (Kartsonaki 2017:497; Lakić 2017). Every inch on the society from infrastructure and school systems to government structure is marked by segregation and a lack of cohesion or common national identity.

Challenged by corruption, nepotisms, economic stagnation, poverty, demographic challenges, population decline, unemployment issues and indecisive governmental structures have hindered the country from setting off ground-breaking developmental mechanisms. Consequently, a penetrating dissatisfaction has grown in the society. Opinion polls unveils that 85 per cent of the BiH population do not consider the law applied equally to everyone, 78 per cent have distrust in the government, and 44 per cent of the population see it as an opportunity to leave the country (Balkan Public Barometer 2020:26, 70, 98, 100). Every year, thousands of BiH citizens emigrate the country, increasing the already massive amount on people originating from the country residing abroad. Estimates show that the number of people living outside BiH is larger than the amount remaining in the country (World Bank 2019:29) – but is it an expression that they have given up on their country? That they have had enough and do not believe in change? Or are they simply subscribing to the global trend of transnational migration? The academic debate about transnational migration has for decades focused on the relationship between migration and development, with shifting foci and perceptions. In the current migration-development debate, there exist an overarching optimism with a fixation on the potentials of migration in a developmental perspective, where migration is assumed to contribute positively to the development of migrant-sending countries. This resounding focus on the potential of migration has predominantly emphasised on the potential impact of financial remittances, return migration and social remittances, forming some of the bearing underlying assumptions in the migration-development debate in the literature. When the challenges of the country of BiH are so conspicuous, prospects of government-led development quite pessimistic and with the high emigration rates emphasising the severity of the situation, I find it interesting to investigate whether the academic assumptions of a development potential of migration can also be

apparent in the empirical context of BiH. This has led me to formulate the following research question:

What are the characteristics surrounding migration from Bosnia and Herzegovina and how do these characteristics coincide with or challenge underlying assumptions in the migration-development debate in the literature?

2. Methodical and Analytical Considerations

This chapter elaborates on the methodical and analytical reflections underlying the thesis at hand, the need for this specific study in the academic flow of corresponding research and the challenges I have met in the process of writing.

My interest for the area of the Western Balkans in general and the country of BiH specifically is rooted in experiences gained by visiting the area in 2016 and 2017. What initially evoked my interest was the presence of the history in all aspects of society, with different versions of the story dominating different areas, and diverse angles of its impact on the current situation in the country depending on who I talked to. Despite the fact that the War ended for more than 20 years ago, as a visitor to the country, I found myself left with a feeling that today, the same conflicts are smouldering in the country and is now part of the very foundation of the society, maintaining uncertainty, insecurity and discord in the population. At those times, I did not have a study-related reason of visiting the Western Balkans, but it arose my curiosity to dig academically into the challenges that BiH faces today and the consequences that these may entail. One of the most visible challenges, mirroring a widespread insecurity, uncertain future prospects, and conflict-ridden legacy from the War, is a high degree of emigration. BiH has experienced emigration for decades – most remarkably during the War – but people tend to continue to leave BiH to settle elsewhere.

The point of departure of this thesis is a wonder about the impact that the continuous BiH emigration will have on the country, when simultaneously, the country faces demographic challenges and population decline and in general carries the burden of unredeemed disputes dominating both state structures and the societal cohesion. This explorative starting point was based on a scepticism towards the sustainability of the country's situation – with a continuation of these trends, can we expect any progress for the country, or will nationalism and ethnic disputes rise to the surface and create another conflict? Simply speaking, I was wondering if there would even be a Bosnia and Herzegovina in 10 or perhaps 20 years if people continued to leave this wobbly country.

However, in an initial attempt to seek answers to these speculative questions and simple prophesy of doom in the literature, in order theoretically to throw light on the consequences that migration can have on migrant-sending countries, I realised that the academic debate dealing with impacts of migration had changed towards focusing almost solely on the development potential of migration – hence, the *positive* impact of migration on migrant-sending countries. The migration scepticism and focus on brain drain, dependency and under-development, as I had in mind when looking at BiH, had academically been left somewhere in the 1980ies, as I shall return to in chapter 4. With this approach, I would not be able to answer my question about the *consequences* of migration with a theoretical frame concentrating on *potentials* of migration. Thus, in order to place

my thesis within the current academic field of migration and development, I placed my scepticism in the back of my head to try and approach the BiH situation with a more up-to-date theoretical approach.

Even though the relationship between migration and development has been debated for decades, the number of theoretical publications in the area are somewhat limited and have been argued to be under-theorised (de Haas 2007a:36). One reason might be that migration theories and development theories have been developed separately by scholars of either of the fields respectively, creating shortages in the theoretical field of migration and development.

Another reason to be highlighted is that the empirical research in this field of investigation is descriptive by nature and thus not aiming at testing theoretical hypotheses, which makes much of the empirical work on migration and development interactions theoretically unexplored (Ibid:66). Thus, several scholars emphasise a need for further theoretical research in order to move further towards more generalised descriptions and deep contextualisations to create a better understanding of the relationship between migration and development (de Haas 2007a:66; Glick Schiller 2009:25; Adams & Page 2005). This developing middle-range or mid-level theoretical framework of migration and development is empirical and contextual by nature with some general statements reiterated (directly or indirectly) in the different academic contributions to the debate.

I have identified specifically three statements – or underlying assumptions, as I have termed them – which are dominating the debate the most as reasons behind the development potential of migration, respectively *financial remittances*, which is the most tangible and manageable link between migration and migrant-sending countries, *return migration*, which is also tangible yet harder to manage the effect of, and *social remittances*, which I find interesting to emphasise, as it has increasingly been highlighted in the literature as a development potential, but is neither very tangible nor manageable. These assumptions will constitute the theoretical foundation for my investigation in the thesis at hand. In this regard it is important to note that the underlying rationale behind the potential of return migration and social remittances respectively have some overlapping characteristics. In short, transfers of human and social capital can happen both upon return to the country of origin or from abroad through social remittances but is treated separately in this thesis, reflecting the academic debate in the literature.

The contextual nature of the theory can be argued to make these theoretical assumptions less generalisable and engenders prerequisites. This means that the utilisation of the development potential that migration hold is dependent on already existing developmental conditions in the migrant-sending country, as will be elaborated comprehensively upon in the analysis. Hence, this thesis aims at investigating the underlying assumptions in the academic debate in the empirical context of BiH.

The empirical basis of my investigation is formed partly by BiH government sources such as pieces of legislation, strategies, and official analytical documents. However, the BiH system is not very transparent, which has challenged the process of gaining access to official documents and information. One of the main obstacles in this regard has been the lack of translation of both websites and official documents for some of the ministries and political bodies – for instance the Ministry of Human Rights and Refugees of BiH and the Diaspora Department, which deals with migration and diaspora. As a foreign researcher of migration affairs in BiH, it is thus problematic that it is only possible to get access to certain information, documents, laws and by-laws in Bosnian, Croatian and Serbian languages. As I do not have any language competences in these three languages, I have not been able to include these relevant documents in this thesis, as I cannot guarantee the quality and correctness of the translations.

Similar challenges arose when researching academic empirical studies on migration in context of BiH, where several relevant articles and research projects has not been translated. For instance, the *Studija o emigracijama – Bosna I Hercegovina* (Emigration study – Bosnia and Herzegovina [ed.]) from 2019 representing some of the newest and most comprehensive empirical data on both intentions and motives for emigration and implications and recommendations for future governmental actions¹, could have been a highly rewarding empirical stepping stone for my study, if available in English.

Other empirical sources for this thesis include academic studies by scholars from different disciplines, amongst others sociology, development and economics, analytical and statistical reports from international organisations (both IGO's and NGO's), public opinion polls and media outlets from BiH or Balkan. In this regard it is relevant to note the challenges of obtaining and verifying statistical data about BiH, as the country lack tracking capacities (Judah 2019b; Josipović 2016; Flinterman & Kupiszewska 2009; Ministry of Security of BiH 2020:64f). This has resulted in inconsistent data and information depending on the source. Therefore, I have sought to confirm all country specific facts by seeking information from several sources, primarily to confirm tendencies rather than ensuring exact data, which is not in my power. This has also affected the focus of the thesis to be less about direct impacts and more about tendencies, whereby it does not require the newest or most exact statistical data.

The various waves of BiH migration, the causative factors, as well as the effects hereof, have been subject to academic research and approached from various academic disciplines and with different foci. Yet, the magnitude of migration during and after the Bosnian War has directed much academic attention to this part of BiH migration history, and especially the massive return migration

¹ The content is briefly introduced in English at the University of Sarajevo' website, where the study can also be found (University of Sarajevo 2020).

in the early post-war period have been of interest in the academic field². Contrary, the ongoing migration trend have received much less attention, as argued by Kupiszewski: “In view of the importance and magnitude of migration to and from Bosnia and Herzegovina, the amount of literature is rather disappointing.” (Kupiszewski 2009:23). Writing in 2009, he points to the absence of academic literature on reasons and consequences of migration on BiH besides lack of attempts to place BiH migration processes in a theoretical analytical context (Ibid.). Since then, more scholars have dealt with themes surrounding the BiH migration, albeit still to a limited extend and with few attempts to place the migration processes in a theoretical analytical context. This thesis aims at contributing to a more thorough picture of BiH migration impacts on the country through the theoretical analytical lens of migration and development, with a specific focus on the three identified underlying assumptions. Additionally, through the case of BiH, the thesis identifies some central deficiencies in the literature, which calls for further research and theorising in the area of migration and development with different contextual settings.

Before I move on to an explanation of my research design, I would like to devote some thoughts to the normativity of the thesis at hand. Since my investigation circles around the potential of *development*, it is important to mention that my perspectives as a researcher reflects a Western European position, whereby I do not move beyond the somewhat Western-centric focus that dominates large parts of the migration-development debate in the literature, where development roughly speaking is deemed successful if standards are getting increasingly westernised. A clear example on this is found in the debate on social remittances. At the core of the assumption that social remittances have development potential lie the normative conviction that the transferring of norms and values is be positive for the development in the migrant-sending country, as they are implicitly perceived to be Western and thus favourable for a developing country.

2.1. Research Design

In order to answer the research question of adequately, this thesis will progress as follows: Chapter three offers an empirical characterisation of current societal circumstances in BiH based on a critical desk review of relevant literature and secondary empirical data. The analysis is selectively highlighting central social, political, and economic factors deemed necessary for a characterisation of the developmental conditions of the country. The inclusion of general developmental conditions of BiH instead of a narrowed focus on migration characteristics has been made based on theoretical considerations that contextual characteristics are important to examine the development potential of migration.

² See for example Valenta & Strabac 2013; Jansen 2011; Ibreljic et al. 2006.

In the fourth chapter I will elaborate on my theoretical point of departure through a comprehensive examination of the academic debate on migration and development. As this scholarly field has developed remarkably over time with the latest academic change in approach happening around the millennial change, I have narrowed my theoretical search to after this change. Based on a review of the historical development and present theoretical currents in the literature, I have, as mentioned, identified three underlying assumptions that can be accentuated as explaining factors to the overall assumption that migration has development potential. These are the development potential of respectively 1) financial remittances, 2) return migration, 3) social remittances.

The two analyses will finally culminate in a discussion in chapter five, where the theoretically founded assumptions will be discussed in relation to the empirical contextual characteristics of BiH. The discussion will tackle the question of whether the development potentials that migration in theory hold, can be exploited in context of BiH with the aim of assessing the underlying assumptions in the migration-development debate. However, based on difficulties of obtaining and validating data, as mentioned, the thesis does not aim at confirming or denying the assumptions directly, but rather whether country characteristics of the case of BiH can be said to coincide or challenge key assumptions in the literature.

3. Bosnia and Herzegovina – Country Characterisation

This chapter reviews selected focus points characteristic for the Western Balkan country of BiH and altogether contribute to a characterisation of the empirical setting surrounding BiH migration. I find it important to highlight characteristics about the country and not exclusively about migration, as an understanding of country specific conditions are vital to investigate the developmental impact of migration on BiH later in this thesis. With perspectives to the Bosnian War and the peace agreement that ended it, the analysis will examine some of the challenges that are dominating the country. In order to understand the conditions in BiH, the analysis will briefly outline the characteristics of the state structure, political system, and as an immediate extension thereof, dig into one of the pillars of instability, ethnicity. The economic situation and sustainability will briefly be touched upon as a background of understanding the current challenges of unemployment. The chapter further analyse the nature of BiH migration, including thoughts on the country's migration history, the current emigration trend and challenges measuring this. Lastly, the changing demographic picture of BiH will be included as an underlying issue to political, economic, and social challenges of the country.

25 years after the Dayton Agreement was signed and put an end to almost four years of fighting during the Bosnian War (1992-1995), which left the country on the verge of collapse, BiH still suffers from a range of social, political, and economic challenges. Although having gone through a development towards independency and democratic consolidation and now classified as an upper middle-income country with the proclaimed political desire to become a part of the European Union³, the country finds itself in an unstable condition with dysfunctional institutions, corruption, inequality, poverty, limited economic development, high unemployment rates, ethnic disputes, a fast-growing population decrease and a vast emigration – to name only the most obvious challenges (World Bank 2020a; World Bank 2020b; Kartsonaki 2017:497; IASCI/IOM 2010:39; Rønn 2018; Jakobsen & Strabac 2015).

The political system and the constitution of BiH is to this very day built up around the Dayton Agreement, which means that the solutions created by external powers to stop the War is still impacting every inch of the society. Without going into details about the creation and underlying considerations of Dayton, which have received a lot of attention, the agreement has been criticised for having created a weak state by decentralising the political system based on ethnicity (Kartsonaki 2017:498; Perry 2018:113; Nielsen 2018:267ff). The battle lines have been drawn up and differences rather than similarities have become defining for the country. As a consequence of this division, ethnicity has been given a fundamental role in the state structure of BiH with three constitutive

³ Since 2003, BiH remains a potential candidate country along with Kosovo. The rest of the Western Balkan countries have been granted either membership or status as candidate countries (European Commission 2020a).

ethnicities, respectively Bosnian Serbs, Bosnian Croats and Bosnian Muslims (Serbs, Croats and Bosniaks henceforth), and a long list of ethnic minorities, categorised in the constitution simply as ‘others’⁴ (Nielsen 2018:302). The clearest example of the impact of ethnicity is the division of the country into two political-territorial entities based on ethnicity, respectively the mixed Croatian and Bosniak unit, *the Federation*, and the Serb unit, *Republika Srpska*⁵ (Kartsonaki 2017:498; Perry 2018:113; Božić 2018:351; Nielsen 2018:302). The ethnically non-homogeneous Federation is further subdivided into ten cantons – also divided along ethnic lines and with a high degree of autonomy. BiH has nothing less than five presidents: two of them function as heads of Republika Srpska and the Federation respectively, and the remaining three presidents collectively form a *Presidency*. As determined by the constitution, the presidents must be of each of the constituent ethnicities. Besides having two entities with a high degree of autonomy⁶, three constituent ethnicities and five presidents, BiH has 11 prime ministers, 14 parliaments and countless ministers and public servants. According to Nielsen, “Bosnia simply has Europe's most expensive, most sumptuous official apparatus, which at the same time is one of the least effective.” (Nielsen 2018:303 [own translation]). The political system and the power-sharing arrangements has received a lot of criticism for being too complicated, too bureaucratic, and thus for decelerating the development of the country, since BiH’s decision-making process have been immobilised, making it extremely complicated and time consuming to obtain agreement about anything (Rønn 2018; Perry 2018; Nielsen 2018; Kartsonaki 2017:498; Bertelsmann Stiftung 2020:13).

In the early pre-war years, this division along ethnic lines caused a massive displacement of people, both among those who have remained in the country and those who returned, since the different electoral units should be ‘ethnically cleaned’ (Kačapor-Džihic & Oruč 2012:7; Perry 2018:116). These ethnically clean areas have created a new demographic picture of the country, with a much sharper division of the population than prior to the War (Ibreljic et al. 2006:7; Božić 2018:350). The ethnic division has trickled down through the society, and xenophobia and ethno-nationalism flows through the BiH society and makes its mark on everything from the educational

⁴ There has been a lot of criticism about creating such constituent status of specific ethnic groups, when the ethnic diversity in the country is much larger. Ethnic minorities such as Roma, Jews, Ukrainians, and Albanians etc. are not given equal rights to the three constituent ethnicities and are thus argued to have second-class status (Nielsen 2018:310; Human Rights Watch 2019).

⁵ The Federation constitutes 51 per cent of the territory and Republika Srpska 49 per cent. Additionally, the Brčko District in the northern BiH is a self-governing administrative unit (Nielsen 2018:302).

⁶ To exemplify, the entities have their own policies on taxation, pension and health care, and are responsible for most services, including environment, education, internal affairs, economy and justice (Poljašević & Trivić 2019:89; Bertelsmann Stiftung 2020:9).

system⁷, the electoral system⁸, the labour market⁹, infrastructure¹⁰, and ethnic or religious hate crimes and discrimination in many aspects of society are nothing out of the ordinary (Human Rights Watch 2020:77; Kartsonaki 2017:498ff). With this in mind, Dayton has been criticised for freezing the condition that the country was in when the War ended in 1995, and has on top of that only reproduced and even boosted nationalist attitudes and rhetoric in the society (Nielsen 2018:302f, Perry 2018; Human Rights Watch 2019; Higgins 2018; Kartsonaki 2017:498). The Dayton Agreement managed to end the war, but the country is arguably marked by a ‘negative peace’ where co-existence is a foreign word and where the nationally bounded self-identification ‘Bosnian’ is a disappearing term, replaced by ‘Bosniak’, ‘Serb’ and ‘Croatian’ (Kartsonaki 2017:497; Nielsen 2018:303; Perry 2018:122). The political and ethnic segregation of BiH challenges the cohesion of the society, and with continuous signs of unwillingness to be a part of a shared community, such as the recurring calls for a split of BiH by Milorad Dodik, the leader of Republika Srpska and member of the Presidency, put the continued semi-stability of BiH in question (Bak 2019:7).

The political institutions are accused of being unsuited for taking care of even everyday issues, and the system as a whole is accused of lacking essential qualities such as accountability and legitimacy, which resonates in the low levels of trust in official institutions and democracy among the population in general (Kartsonaki 2017:499; Bertelsmann Stiftung 2020:18; Bak 2019:7). Newly presented data show that 78 per cent of the population have distrust in the government (Balkan Public Barometer 2020:100). The low level of trust, which does not only count for the weak institutional system, but also e.g. banking system, has led to a weak optimism in the country, where people are disengaged and have low interest in the political world (IASCI/IOM 2010:40). Such structures risk creating a standstill and challenge the possibilities of addressing essential conditions in the society. As described by Perry: “as the majority of leading parties in BiH are explicitly designed to serve not citizens but certain constituent peoples, the outcome is a system that depends on continued division to maintain the now-entrenched system of divided spoils.” (Perry 2018:121).

The many layers of administration have created a massive issue with corruption in BiH, which the country have not managed to investigate nor prosecute due to ineffective institutions, police force and judicial system (Nielsen 2018:207, 304, Kartsonaki 2017:500f; Bak 2019:8). That makes corruption a serious issue in BiH, ranked as 101/198 at Transparency International’s Corruption

⁷ The educational system is completely ethnically segregated, either by separating students of different ethnicity on different schools, or through the phenomenon of ‘two schools under one roof’ securing separated teaching – including a mono-ethnic curriculum (Kartsonaki 2017:500; Higgins 2018).

⁸ Ethnic minorities or people who do not identify themselves based on ethnicity does not have an opportunity for representation and cannot run for presidency (Human Rights Watch 2020:77; Kartsonaki 2017:499).

⁹ There are many examples of people who cannot get employment based on their surname and ethnicity (Šarić & Herman 2014).

¹⁰ In Sarajevo, the main pedestrian street is divided by a physical line at the ground that marks that you are going from one ethnic district to another. Another example is in Mostar, where they have two separate fire brigades, one for the Bosniak part of the town and one for the Croatian (Higgins 2018).

Perception Index, with a score on 36/100¹¹, which even reflects a drop in ranking (Transparency International 2020). Political corruption such as undue political interference, abuse of public office, vote buying, bribery, fraud, nepotism, clientelism, and organised offence is widespread and regularly reported (Bak 2019:7; Lee-Jones 2018:4). There exist various examples of grand corruption where political elites abuses high-level power to the benefit of the few at the expense of the many – something that is currently reflected in every economic sector of the country (Bak 2019:7f; Lee-Jones 2018:2). According to Bak and Lee-Jones, there are limited anti-corruption activities and political will to tackle corruption, despite acknowledgment of the fact that this issue is important to combat for the EU accession process (Bak 2019; Lee-Jones 2018). 2015-attempts to bring the issue on the agenda with the creation of an *Anti-Corruption Strategy* and offices to deal specifically with these issues has yet to show its effect (Bak 2019:8; Lee-Jones 2018:2).

The various examples of corruption at all levels of governance resonates throughout the society and creates a general mistrust to power brokers in the country. According to the Balkan Public Barometer, corruption is ranked in the population as the third most important problem for BiH's economy, after unemployment and the economic situation (Balkan Public Barometer 2020:26). The many cases of corruption have caused that domestic as well as foreign businesses are restraining from investing in BiH, as the investment climate and the atmosphere for doing business is uncertain (Kartsonaki 2007:501). This tendency can have long-term consequences for the development of the country, as corruption carries lots of the responsibility for the stalled economic situation in BiH, and a stalled economy will arguably further sustain or even reinforce corruption (Ibid:500f).

Despite a stable growth rate at around three per cent in recent years¹², economic development does not move forward. With a low base and several challenges to counter, a three per cent growth rate is simply not enough to create ground-breaking and sustainable development. As underpinned by the World Bank; "Should BiH continue to grow at the same rate, it would take more than 100 years for the country to reach the living standards observed in the EU." (World Bank 2020c). With over 600 thousand BiH residents living in absolute poverty and half of the population vulnerable to become poor, an average income six to ten times lower than countries like Germany and Switzerland, and thousands of people emigrating each year to improve their standards of living in other European countries, the poor economic situation of BiH is highlighted as an extremely crucial issue for the country (World Bank 2020c; Cline 2018; Westminster Foundation for Democracy 2020:14).

¹¹ 0 = highly corrupt, 100 = very clean. The average country score is 43/100 (Transparency International 2020).

¹² The current COVID-19 pandemic makes the growth rate in BiH slow down to an estimated minus 3.2 per cent in 2020 (World Bank 2020c).

3.1. Unemployment

Historically, unemployment rates have been significantly high in the country, which does not help the lightening up the rather gloomy picture of the country, painted above. The low economic activity in the country in connection with a skills-mismatch between the needs of the labour market and the skills obtained in the educational system has resulted in a structural unemployment among the population (OECD 2019:55; Barlett & Uvalić 2019:50). Especially the highly skilled and skilled have difficulties finding employment and constitutes the largest share of unemployed (BHAS 2020). The newest data from the International Labour Organization (ILO) shows that the unemployment rate of BiH in 2019 were 18.4 per cent¹³ (ILO 2020; World Bank 2020a). This makes BiH the country in Europe with the highest unemployment rate and places the country in top ten countries in the world with the highest level of unemployment (World Bank 2020a). This problematic ranking of BiH shall even be seen in the light of a continuous decrease in the unemployment rate since 2012, where a rate on 28 per cent ranked BiH as the country with the world's second highest unemployment rate, as illustrated in the Graph. Although the numbers are still relatively high, this shows a positive development for the country in this regard. However, according to the World Bank, in the same period the country saw an increased inactivity, which suggests that more people left the labour market than found a job (World Bank 2019).



Figure 1. Unemployment rate in Bosnia and Herzegovina compared to the EU and the World, 1995-2019 (%) (World Bank 2020a).

Among the younger generation (15-24), the unemployment rate is even higher, at 39.6 per cent in 2019 (ILO 2020). Historically, youth unemployment in BiH has been high but shifting, when looking at data from the end of the War and onwards, with periodic youth unemployment rates above 60 per

¹³ These data on the unemployment rate differ from the national data. Newest data, reflecting the COVID-19 pandemic, show an unemployment rate on 34.7 per cent in July 2020 (Trading Economics 2020).

cent (World Bank 2020d). Considering this, the youth unemployment rate is at this time is at a historically low point, despite the fact that almost 40 per cent of younger people cannot get employment. This indicates a positive development but can also reflect the fact that a high amount of younger people is emigrating to get employment abroad, as I will return to.

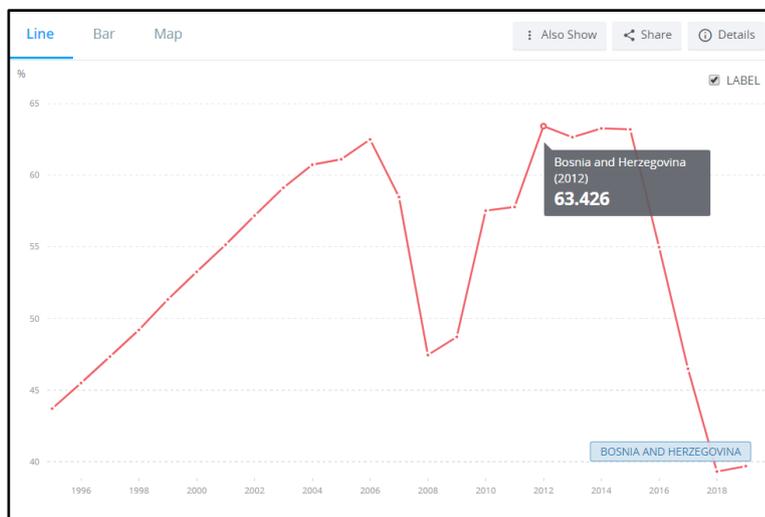


Figure 2. Youth unemployment rate in Bosnia and Herzegovina, 1995-2019 (%) (World Bank 2020d).

The limited chances of employment are supplemented by a labour market haunted by corruption and widespread employment discrimination (Šarić & Herman 2014; Ivanova 2015:108; Božić 2015:351). Several examples show that the only prospect of getting hired is by having the right surname, ethnicity, party membership card etc. – indicating a labour market marked by nepotism, ethnicism and bribery. In the private sector, the high competition for employment has pushed both working conditions and wages to a minimum, and threats of layoffs makes the workers vulnerable for exploitation (Šarić & Herman 2014). In the public sector, the working conditions are considered much more stable, but it is almost impossible to get employment without influential contacts such as family ties or party connections (Šarić & Herman 2014; Kartsonaki 2017:501). When people cannot get employment in neither the private nor the public sector, their only opportunity for survival is to seek into the informal economy¹⁴, to turn to state pensions or to emigrate (Pugh 2004 in Karsonaki 2017:501). Many chooses the latter, as I will dig into in the following section.

¹⁴ Informal employment is widely believed to be significantly prevalent in the country, despite lack of concrete evidence. However, most recent data suggest that around 30 per cent of the country's GDP is the informal economy (Kartsonaki 2017:501; Pasovic & Efendic 2016).

3.2. Migration

Each year, BiH is experiencing emigration, as thousands of people cross the borders to get employment and improve their living standards elsewhere (World Bank 2020c). The country is experiencing a negative net migration rate on nearly minus 108 thousand, meaning that much more people are leaving the country than entering (Migration Data Portal 2019; World Bank 2020e). With a long history of migration and especially a tradition for emigration, the current trend is nothing out of the ordinary (Ministry of Security of BiH 2016:21). In fact, this picture has according to World Bank data been characteristic for the country ever since the organisation started tracking net migration in 1962 (World Bank 2020e).

From a historical perspective, it is possible to identify four big waves of BiH migration. The first wave occurred during the Yugoslav era in the 1970-1980s and bore the stamp of economic desires in the population concurrent with prevalent labour needs in the growing economies of the world (Valenta & Strabac 2013:7). The second wave was characterised by massive forced and refugee migration, as well as internal displacement during the Bosnian War from 1992-1995. It is estimated that more than two million people, over half of the entire BiH population at that time, were displaced in this period with approximately 1.2 million BiH citizens leaving the country (Božić 2018:349; Efendic 2016:339; Kačapor-Džihic & Oruč 2012:7; IASCI/IOM 2010:37). Most of these migrants sought refuge in countries with an already existing Bosniak, Croatian, and Serbian ethnic community, created during the first wave of migration (Valenta & Strabac 2013:8). This period indeed saw the largest wave of migration from BiH in modern times and accelerated depopulation trends in the country (Valenta & Strabac 2013:7; Božić 2018:349). The third migration wave started immediately after the end of the War in 1995 and continued roughly till the millennium change. This period was marked by a mass repatriation of the refugee population, as well as a substantial return of internal displaced people (IDP) to their homes (Kačapor-Džihic & Oruč 2012:6; Valenta & Strabac 2013:10). Yet, many people did not see it as a possibility to return to their pre-war home or even their country as a consequence of the newly agreed constitutional division of the country along ethnic lines (Ibreljic et al. 2006). Therefore, it is estimated that half of the BiH inhabitants did not return to their pre-war places of living, but instead went from refugees to IDPs upon return to BiH (Ibid:7). During the repatriation period, emigration continued parallel with the return – off course significantly less than during the war, but after some years, the emigration rate once again saw an increase (Valenta & Strabac 2013:10). This increase in emigration sets off the fourth and current migration wave.

Yet, despite that emigration has been highly characteristic for BiH for decades, the trend has continuously been highlighted in the media as problematic and damaging for the country (Judah 2019a; Vracic 2019; Cuen 2019; Kovačević 2018). The most economically active part of the BiH population; the young and educated people, who strive for better chances of employment and a

higher income, constitute a large share of the present emigration trend of BiH (Efendic 2016; IASCI/IOM 2010:11). In BiH's official *Strategy in the Area of Migrations and Asylum and Action Plan for the Period 2016-2020* (Migration Strategy and Action Plan henceforth), BiH emigration is argued primarily to be caused by the poor economic situation in BiH, and among the younger population, high unemployment rates and lack of future prospects in particular represents some of the main factors when deciding to leave for other pastures (Ministry of Security of BiH 2016:21). Similar factors have been highlighted by Efendic, who also point towards the political instability and ethnic tensions as primary reasons for emigration intentions (Efendic 2016:343f). Additionally, the country's history of migration affects current emigration, both since there is a tendency that people with previous emigration experiences tends to be more likely to leave again, meaning that all pre-war returnees and IDP's in the country are likely to emigrate, and since the well-developed BIH diasporas around Europe is creating favourable conditions upon arrival to a host-country (Efendic 2016:347; Halilovich et al. 2018:7). Newly presented data from the Balkan Public Barometer shows that 44 per cent of the population see it as an opportunity to leave the country to work abroad in 2019 – only two percentage points from people answering that they are not willing to emigrate (Balkan Public Barometer 2020:70). This represents a vast surge in the number of prospective emigrants up from 34 per cent in 2018 (Ibid.). Efendic have found similar results and his research further underline that the highest emigration intentions are found among the young respondents aged 18-35 (68 per cent), the unemployed (57 per cent) and among more educated individuals (42 per cent) (Efendic 2016:340).

However, the exact number of yearly emigrants is not possible to underline, as the statistical agencies of the country is having major issues tracking the people who are crossing the borders due to a lack of capacity (Ministry of Security of BiH 2016:21-23; Judah 2019b). According to the BiH *Migration Profile for the year 2019* (Migration Profile henceforth), the only data available for yearly emigration is the number of people who actively deregister their permanent residence in the country, which is underlined as misleading indicators for the emigration trend, since it is not all emigrants who are withdrawing their residence in BiH when leaving (Ministry of Security of BiH 2020:64f). For instance, an emigrant with an intention to reside in another country only temporarily is thus not part of the statistics, as deregistration is not obliged. Therefore, estimations about the extent of the emigration trend is often including data from countries hosting BiH migrants, as this can specify a development in the number of BiH nationals residing in foreign countries all over the world¹⁵. In that way, data from both BiH, host countries, institutions and organisations can arguably shed light on

¹⁵ Such data depends on each country's records, which in some cases are not available simply because not all countries keep records on immigration (Ministry of Security of BiH 2020:68). Since countries are keeping record of their BiH immigrants in different ways – e.g. by in- or excluding descendants of BiH nationals – the basis for comparison is low.

the significance and development of the emigration trend as the numbers, even though looked upon with caution, show a high degree of BiH nationals leaving the country and settling down abroad.

When looking at the overall number of people originating in BiH currently living abroad, World Bank estimates show a total number of 1.7 million people, making up more than 50 per cent of the entire population not residing the country¹⁶ (World Bank 2019:29; Migration Data Portal 2019). According to the IOM, BiH is ranked proportionally as number 10 in the world's top 20 countries of emigration (IOM 2020:27), and the tendency does not seem to stop. As Figure 3 illustrates, there has been an increase in the total number of BiH people residing abroad over time.

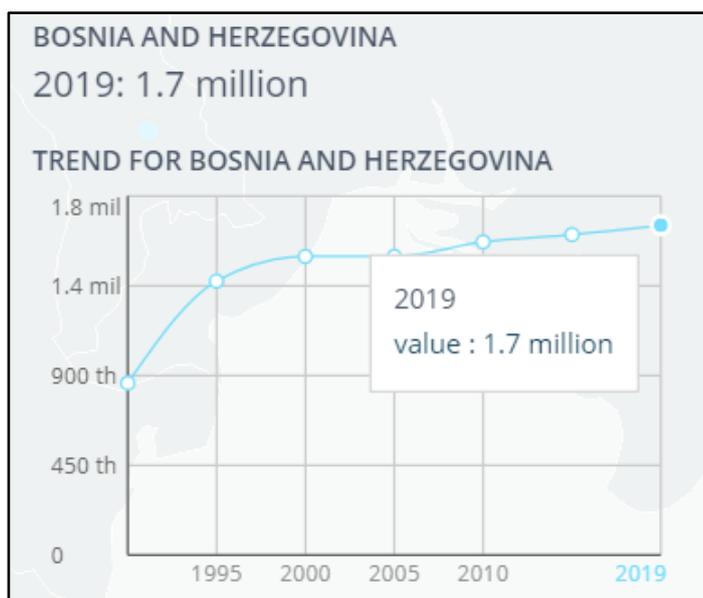


Figure 3: Total Number of Emigrants at Mid-Year 2019
(Migration Data Portal 2019)

Another indicator of the magnitude of the emigration trend can be found in the EU's statistical databases, keeping track on the residence permits issued in the 28 member states¹⁷. In 2018, the number of people from BiH having received a residence permit in an EU-28 country was more than four times higher than in 2010¹⁸ (Eurostat 2019:6). The data further show that over half of the permits are valid for more than 12 months (57.6 per cent), in comparison to permits issued for periods of either 6-11 months (36 per cent) or 3-5 months (6.4 per cent)¹⁹ (Eurostat 2020). This reflects that part of BiH migration is temporary and most likely also circular by nature, given the

¹⁶ The official national estimates from BiH, which include both first and second generation of emigrants, show that between 2 and 2.2 million people with BiH origin currently living abroad (Ministry of Security of BiH 2020:67).

¹⁷ Data from 2020 is not yet available, which is why the United Kingdom is included despite their departure from the EU as per 31.01.2020. Therefore, I refer to 28 instead of only 27 member states.

¹⁸ 11,013 BiH citizens received residence permit in 2010. In 2018, the number was 53,762 (Eurostat 2020).

¹⁹ The Eurostat data exclude renewals of existing permits but does not take into consideration whether a person have had a residence permit before if the last permit expired at least than six months earlier (Eurostat 2019:5). The data does not show whether a person is permitted residence in one country after another.

increased desire of many European countries to import workforce from the country, but secure the temporality (Ministry of Security of BiH 2020:65; Šabić and Kolar 2019:12). The circularity of the BiH migrants does not only count for temporary workers but is rather a general trend among the migrants. Several studies indicate that the vast majority of BiH migrants remain strong ties with their country of origin by visiting BiH at least once a year, keeping monthly contact with friends and acquaintances in BiH, upholding BiH traditions in the diaspora, continuously remitting money for their relatives in the country and keeping themselves updated on BiH affairs (Halilovich et al. 2018:33, 50; IASCI/IOM 2010:30). Based on such considerations, BiH migrants have been highlighted to be very loyal and attached to their country of origin. Although the migrants show interest in regular visits, they have generally no interest in returning their country of origin to earn a living. There exist no exact data on the actual number of returnees to BiH, but official national data show an increase in the number of returnees through a voluntary-return program assisted by the IOM since 2011²⁰ (Ministry of Security of BiH 2020:38ff). However, studies show that there is a clear tendency among the migrants not to have an intention to return BiH before at first when they are going to retire (Halilovich et al. 2018:63; IASCI/IOM 2010:14). Additionally, among the migrants who have returned to BiH, many consider leaving again, either for good or temporarily (Božić 2015: 45, 47).

The fact that a large part of people originating from BiH is residing abroad creates a large inflow of financial remittances to the country, constituting an essential contribution to the country's economy. In 2019, migrant remittances represent almost 11 per cent of BiH's GDP (World Bank 2020x). As the official level of remittances has been steady and even increasing since 2012 makes this financial inflow a stable source of income to BiH (Ministry of Security of BiH 2020:72; World Bank 2020f). However, most of the financial remittances are believed to be transferred via informal channels, making estimations on both amount and stability unclear (Shehaj & Oruč 2015:107; IASCI/IOM 2010:13).

There is no doubt that migration plays a huge role in BiH, both economically and socially. The increased tendency among the population to consider emigration point towards lacking improvements of the mechanisms behind migration and indicate that there is no prospect of the emigration trend stopping just yet. A continuation of this trend will have a negative effect on tendencies of population decline in the country, as the following section will examine.

²⁰ The number of returnees has been fluctuating but overall increasing. Yet, when only viewing the last three years, the number of returnees has been almost halved (Ministry of Security of BiH 2020:38).

3.3. Demographic Changes

Another societal development in BiH that is hard to overlook is the substantial population decline. The country stands before huge demographic challenges with an ageing population and a declining birth rate, and along with the high rates of emigration – especially of young people in their reproductive age – this development is critical (IOM 2020:86f; Ministry of Security of BiH 2016:21f; Šabić & Kolar 2019:3f). The country has experienced a steady decline in population growth since 1988, where the population were at its highest with 4.5 million people. Today, the BiH population amounts to 3.3 million people, which is a decrease of more than 20 per cent in 30 years, which is illustrated on Figure 4. This makes BiH the second country in Europe experiencing the most significant population decline over the past ten years (IOM 2020:87).

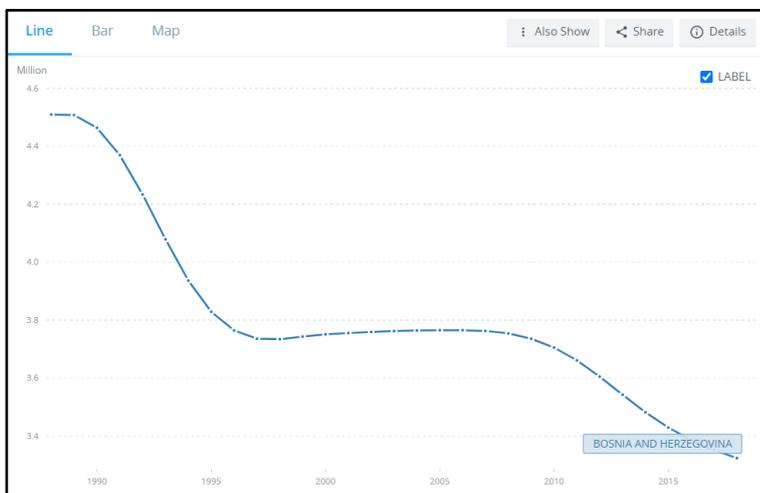


Figure 4. Population in Bosnia and Herzegovina, 1988-2018
(World Bank 2020b)

This decrease in the population is caused by a combination of several aspects. The first thing to note is off course the Bosnian War, during which the country experienced a population decrease on more than 12 per cent during the four years of duration (World Bank 2020b). Besides a standstill in the first years after the War, the population decline went on, almost unaffected by the many returnees. Alongside a decade-long negative net migration, low fertility rates are highlighted as a causing factor of constant population decline (IOM 2020:86; Ministry of Security of BiH 2016:22; Šabić & Kolar 2019:3). According to Šabić and Kolar, the birth rate has declined concurrently with social changes of the country, where women to an increasingly extend have higher positions in society, albeit gender equality is still an issue struggling with in the country (Šabić & Kolar 2019:6; UNICEF 2020). A growing number of women have enrolled in educations, and with that, an increasingly number of women have entered the labour market, which thus has delayed motherhood (Šabić & Kolar 2019:6; World Bank 2020g).

The fertility rate has decreased drastically ever since it was recorded in the country, as Figure 5 illustrates, whereby the country places itself among the ten lowest in the world and the second lowest in Europe (Judah 2019b; World Bank 2020h). Today, the fertility rate is 1.2, which is a fall on 66.5 per cent since the highest year of record (1966) (World Bank 2020h). This means that the birth rate in BiH has fallen way below the level of replacement on 2.1, leaving the country in an unsustainable situation.

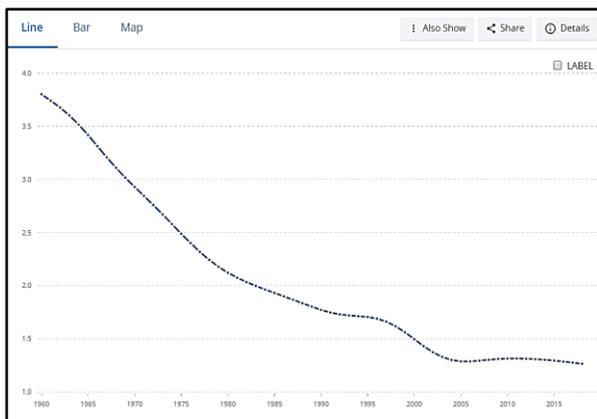


Figure 5. Total Fertility in Bosnia and Herzegovina, 1960-2018 (World Bank 2020h)

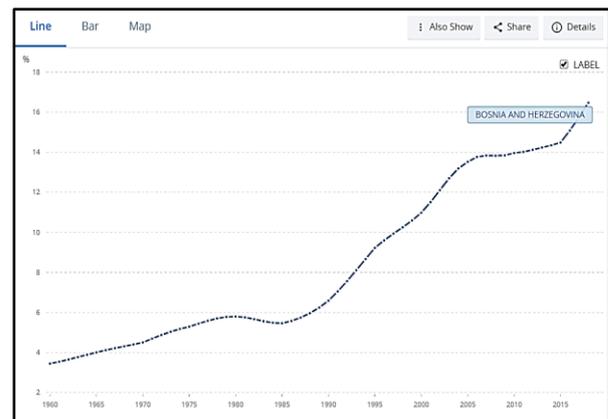


Figure 6. Population aged +65 in Bosnia and Herzegovina, 1960-2018 (%) (World Bank 2020i)

Emigration of primarily the younger generation along with low fertility rates and longer life expectancies has changed the demographic balance of BiH. The median age is 43.1, which is far above the world average on 30.9²¹ and likewise above for instance Denmark, where the median age is 42.3 (UN 2019). In BiH, only 25 per cent of the population is below the age of 25, and the country is currently experiencing a negative population growth rate on -0.6 per cent (Worldometer 2020). Nothing indicate that the demographic unbalances and the population decline will change any time soon, which must be considered highly problematic for the future sustainability of the country.

3.4. Sub Conclusion

In this analysis I have selected several social, political, and economic factors to characterise the Western Balkan country of BiH. There is no doubt that the country faces a long list of interconnected and mutually reinforcing challenges, restraining the country from progression but calling for responsibility. With ethnic disputes dominating every inch of the society, political systems and institutions characterised by unfavourable bureaucracy, lack of transparency and corruption, a stalled economy, high unemployment rates, a continuous emigration trend and demographic unbalances leading to ageing and population decline, the situation of BiH can be characterised as unstable, unsustainable, and deadlocked.

²¹ The median age in the world ranges from 16.3 in Mali to above 48.4 Japan (UN 2019).

4. Migration and Development – the Academic Debate

This chapter explores developments and present currents in the academic debate surrounding the field of migration and development in the literature. The analysis aims at clarifying that the overall assumption in the current migration-development debate is that migration has the potential of being beneficial for development in migrant-sending countries. To further explain this theoretical optimism, I have identified three prevailing assumptions in the literature, underlining this thought, respectively the development potential of *financial remittances*, *return migration*, and *social remittances*, which this chapter is structured around.

The relationship between migration and development has been source for academic debates – and of interest for policy makers, international institutions and organisations – since the end of the second World War, and the attitude towards the effects of migration has changed over time. The perception of and approach towards migration has been fluctuating, moving from a positive, developmentalist perspective on the impact of migration in the 1950-1960ies with an actor-oriented view on the opportunities migration was understood to have on development, over a widespread scepticism including thoughts on structural dependency, brain drain, and vicious circles of development caused by migration in the 1970-1980ies, over a theorising of the so-called *migration-development nexus* such as New Economics of Labour Migration theory and Transnationalism in the 1990ies to almost echoing the migration-euphoria from the 1960ies once again from the millennial change and onwards (de Haas 2010; Faist 2008; Glick Schiller & Faist 2009). According to Glick Schiller and Faist, the main ideas from the developmentalist period, where the beneficial impact of migrant remittances and the potential of return migration was highlighted, has resurfaced, and even increased today (Glick Schiller and Faist 2009). They argue that there is a broadened understanding of remittances, not only focusing on financial remittances, but also social remittances, meaning the transfer of social capital such as Western values and ideas sent from migrants in the North to relatives in the South (Ibid:6). Nevertheless, the much more tangible financial remittances remain the core of enthusiasm (Faist 2008:22).

As the world has development into a globalised and transnational era, the academic understanding of return migration has also expanded towards embracing the circularity of migrant movements (Ibid.). The transnationality has increased the focus on the potentially beneficial role of diasporas on development of their country of origin, not only as transmitters of financial, human, and social capital, but also as potential agents of change abroad through investments, savings, political activities, lobbyism, networking etc. (Efendic et al. 2014:15). In that way, diaspora engagement in a broader sense can, beyond the focus of this thesis on financial remittances, return

migration and social remittances, also be understood as a potential migration-induced contribution to development.

For years, the dominating focus of academic research in the field of migration and development has been to understand causes and consequences of migration, however, current research presents a shift in focus towards investigating and understanding the different types of migration that promotes development (Glick Schiller & Faist 2009:4). In that sense, the *potential* that migration hold is the pivotal point for the contemporary theoretical debate. This one-sided tendency has been argued to create an unbalanced academic debate where shifts in the academic focus has happened concurrently with changes in the dominating discourses in society. Several critical scholars point towards a tendency where the discourses and policies surrounding the field of migration and development – which to a high degree has been shaped by international organisations and OECD governments – are somehow being adopted by mainstream scholars in this field, whereby the theoretical research and the academic debate to a large extend have been reproducing existing truisms (Delgado Wise & Márquez Covarrubias 2009:87; Glick Schiller 2009:15). This further makes it complicated to distinguish between theoretical and political considerations in this field, and underlines that perhaps they cannot be completely separated. Moreover, the academic debate on migration and development is argued to be asymmetric. Perceptions regarding the relationship between migration and development are to a large extend dominated by Western and northern approaches and understandings, and the point of view of the migrant-sending countries are often forgotten, since most studies are made by scholars from the global north (Delgado Wise & Márquez Covarrubias 2009:88; Glick Schiller & Faist 2009:5). This means that the scholarly arguments in this field of investigation are shaped by Western and northern understandings of the world, where development in the migrant-sending countries roughly speaking are perceived as positive, only if the development is aimed towards a Western ideal. This tendency specifically expresses itself through the underlying assumptions of the migration-development link where for instance the transfer of social remittances i.e. Western values and ideas to non-Western developing countries are generally perceived positive for development.

The academic field of migration and development is very descriptive and empirical by nature, which according to de Haas has made the theorisation of the field limited (de Haas 2007a:66). The empirical research underline to a large extend that migration-development interactions are complex and heterogeneous by nature, which is the reason why attempts on trying to prove a positive or negative relationship between migration and development is rather unfortunate. Thus, the current celebration of migration as a 'self-help development from below' tend according to de Haas to forget the nuances of a heterogeneous field and relegate the importance of and limited possibilities for individuals to overcome structural constraints in migrant-sending societies (Ibid:69). Integration of the general developmental conditions such as the structural and social environment of specific

contexts is in his eyes paramount to determine the prospects of realising the development *potential* of migration (Ibid:67).

The debate surrounding the link between migration and development has shifted back and forth for more than seventy years, but since the impact of migration is conditioned to a wide range of other developmental factors than migration exclusively, the developmental effect of migration cannot be predetermined or generalised, but will always be potential. In recent literature, migrants have been portrayed as a lifeline for the remaining population (Collier 2013:223); as providers of investments, trade relations, knowledge exchange, innovations, information and attitudes (de Haas 2005:1272); as donors of a “decentralised aid program” through migrant remittances (Collier 2013:223); as transnational actors who are vital for development not only at national but also at local level (Sørensen et al. 2003:22), to name a few. Such portrayals are echoed among policy makers, international institutions, and organisations, forming the basis of a celebration of bottom-up migration-induced development potentials²². This widespread enthusiasm about the development potential of migration, circling especially around the impact of migrant remittances and the spill-over effect that migrants can pose on their country of origin, the so-called ‘migration mantra’, has created a perception of migrants as ‘agents of change’, and a homage of a maintained level of temporary migration (Faist 2008:39; Glick Schiller & Faist 2009:5). However, scholars criticise this unsubtle enthusiasm and call for more nuances. According to Delgado Wise and Márquez Covarrubias, it is a mistake to hold migrants accountable for developmental promotion in their countries of origin (Delgado Wise & Márquez Covarrubias 2009:102). Hornstein Tomić agrees, and point to the risk of overvaluing or overburdening migrants as agents of change (Hornstein Tomić 2015:82), and Glick Schiller and Faist challenge the widespread actor-oriented optimism by emphasising that “migration alone cannot remove structural constraints to economic growth and greater democracy” (Glick Schiller & Faist 2009:11). In their eyes, there is a need to create a much more nuanced development strategy that does not completely rely on the potential of migrants, but rather where “the potential benefits of migration are small parts of larger plans to reduce inequality and to improve economic infrastructure, social welfare, and political governance.” (Ibid.).

The focus of this specific thesis is on the migrant-sending side of the migration-development debate, which in academic circles are often referred to as the *migration-development nexus*. The overall aim of the nexus is to describe the developmental effect of and on migration in countries experiencing emigration. In this thesis, I narrow the focus even more to solely focus on the developmental impact of migration on the migrant-sending country. The current academic debate contains an overarching assumption that migration has the potential to bring along development in

²² An interesting perspective in this manner is the counter-acting of the very same institutions and governments cherishing the development potential of migration, who are increasingly restricting immigration laws (Glick Schiller 2009).

migrant-sending countries if general developmental conditions are favourable. Several perspectives and underlying factors have been highlighted as developmental mechanisms to support the overall assumption. Yet, financial remittances, return migration, and social remittances have received most attention and are repeatedly accentuated as having development potential, and can thus be considered the most central assumptions in the debate. The proceeding sections of this chapter will dig into these three underlying assumptions with the aim of elucidating both arguments for and critical remarks behind these academic assumptions in the literature.

4.1. The Potential of Financial Remittances

Whether and in what way migrants contribute to their countries of origin is continuously debated in academic circles, but there is no doubt that the economic capital transfers called *financial remittances* have received greatest attention among scholars and policy makers. Perhaps this reflects the fact that financial remittances are the most tangible way of understanding the effect of migration on migrant-sending countries and are considered the most direct way of migrants to contribute to the economy of their country of origin (Ivus & Naghvati 2014:268; Kapur 2004:18; Levitt & Sørensen 2004:3). Financial remittances continuously flowing from migrants abroad to family and relatives in their countries of origin are thus one of the factors most often highlighted as having a potential developmental impact on the migrant-sending country. The level of financial remittances sent to low and middle-income countries has increased heavily over time²³ to reach a level of approximately \$554 billion in 2019 – an amount that is estimated to be even bigger, as a substantial amount of remittances are believed to be sent via informal, unofficial channels (Adams & Page 2005:1646). Financial remittances are perceived as a sustainable source of funding due to its continuous nature, as empirical evidence indicate that migrants are continuing to remit money, even in cases where the relatives in the country of origin gets more distant over time (Sørensen et al. 2003:22). In many developing migrant-sending countries, financial remittances constitute a large economic contribution to the society and unconditional inflow of money are arguably a more stable source than other capital flows such as Foreign Direct Investments (FDI) and Official Development Assistance (ODA) to developing countries (de Haas 2005:1277; Efendic et al. 2014:16; Levitt & Sørensen 2004:4f; Jakobsen & Strabac 2015:20).

Some of the things often highlighted as positively affected by financial remittances are poverty reduction, inequality alleviation, the possibility for investments, declining unemployment rates, improved level of education, health improvements, to name but a few (Adams & Page 2005:1660; Collier 2013:213; Hornstein Tomić 2015:75; Sørensen et al. 2003:22; Levitt & Sørensen 2004:5;

²³ Despite the newest World Bank data estimating a 20 per cent decrease in 2020 reflecting the economic crisis induced by the Covid-19 pandemic (World Bank 2020j).

Efendic et al. 2014:16). This type of improvements in the society are argued to benefit both migrant households and non-migrant households, as non-migrants can benefit indirectly from the potential remittance-enhancing improvements in the society (Sørensen et al. 2003:22; de Haas 2007b:12). However, how the money is spent by the receivers impacts the development potential. To exemplify, investments can contribute to growth and job creation and are considered as having long-term effects on economic development. On the other hand, increased consumption improves the immediate living standard of households, but will have only short-term effects on development. Investments are thus often highlighted to be more beneficial for the migrant-sending country than consumption (Efendic et al. 2014:16; Ratha 2005:32). The fact that financial remittances are a transaction directly from person to person and thus without intermediators can be argued to limit the impact of potential corruption in the remittance-receiving country.

Yet, despite that most empirical studies on the effect of financial remittances finds a positive link, such purely positive considerations cannot be left uncontradicted in the academic debate. Even though the general scepticism towards the impact of financial remittances has been left somewhere in the 1980ies, the debate persists. Glick Schiller argue that in the existing neo-liberal restructuring of nation states, migrant remittances play a dual role (Glick Schiller 2009). In her eyes, the neo-liberal reduction of state services are canalising financial remittances to take over essential tasks in the migrant-sending societies such as school, health services, and infrastructure, which then are unprioritised areas by the public authorities (Ibid:24). Furthermore, existing disparities within a society are neither prioritised nor dealt with by the state in this neo-liberal restructuring. An inflow of migrant remittances thus creates a risk of highlighting and even furthering this uneven balance in a society, where towns and cities that are lifted by remittances are favoured by the state, hence creating conditions that treat people and societies without migrant family members unfairly (Ibid.). The immediate improvements created by financial remittances can at first glance be highlighted as positive effects of migration, but as has been underlined by several scholars, such perceptions lack the bigger picture, and leaves the responsibility for sustainable change and development to the migrants, resulting in a disproportionately burden on migrants instead of on states (Glick Schiller 2009:31; Levitt & Sørensen 2004:8; Delgado Wise & Márquez Covarrubias 2009:102). In line with Glick Schiller, Nyberg Sørensen, Van Hear and Engberg Pedersen argue that the societal responsibility that remittances eventually covers can create incentives for governments of developing migrant-sending countries to maintain the circumstances that sustain or increase the flows of remittances and can thus stand in the way for sustainable reforms in the economy (Sørensen et al. 2002:12). In that way, financial remittances are argued to create a dependency on migrants' contributions that can complicate rather than support sustainable development. Another critical stance comes from Kapur, who challenges what he calls the *remittance euphoria*. He acknowledges the immediate impact that financial remittances can have on migrant-sending countries but argue

that the long-term effect is questionable (Kapur 2004:18). Kapur emphasises that financial remittances can have a positive influence on poverty if it is transient, but that remittances do not have the power to alleviate or impact structural poverty (Ibid:11). Concordant with this scepticism, Collier argues that remittances in his eyes deserves to be recognised as a helping hand to the people left behind in poor countries but should not be taken for granted as a game-changer for the migrant-sending countries (Collier 2013:213). Contrary to Kapur, de Haas argues that there is a need to view the effect of financial remittances in a longer-term perspective, as it is “unrealistic to expect that the full development effects of migration and remittances will materialize within the first or second decade following the onset of large-scale migration” (de Haas 2007b:14).

Lastly, there seems to be scholarly agreement that the societal conditions in the remittance-receiving country is paramount for financial remittances to have any development potential. However, whether badly governed countries or countries with sound political institutions fosters development through financial remittances the most is up for debate. Most scholars argue that remittances have stronger effects on growth when political and public institutions are well-functioning (de Haas 2007b; Sørensen et al. 2002; Ratha 2005). According to de Haas, the potential of financial remittances is highly influenced by both social and economic conditions as well as the political climate in the country receiving remittances. He underlines that remittances barely have any effect on development in countries with unfavourable conditions. Development is simply not automatically generated by an inflow of financial remittances. In his eyes, this has to do with “the unfavourable investment climate, oppression and the lack of political stability and legal security in many sending countries.” (de Haas 2005:1275-1278).

Another argument is presented by Jakobsen and Strabac, who argue that we should think differently on the impact that the institutional environment has on the effect of financial remittances, as this financial inflow functions in a much more person-to-person way than other international capital flows. Countries with challenged institutional environments often face difficulties with upholding institutional intermediaries of long-term sources of capital, whereby financial remittances are argued to become an important compensator or substitute (Jakobsen & Strabac 2015:20). Financial remittances might not be enough to create sustainable solutions for further development in countries with a sound institutional environment, as these countries already have reached a certain level of development, whereby they will need more long-term, productivity-enhancing and investment-focused capital sources, capable of securing long-term development (Ibid.). Contesting the argument by de Haas, remittances are considered to have a significant positive impact on growth – especially in badly governed countries (Ibid:15, 20).

Adams and Page argue that one of the things that must be done to support further effect of remittances is for the international community to reduce the transaction costs of remittances. In their eyes, this will increase the poverty-reducing effect of remittances and will perhaps redirect

more of the money to be transferred through formal channels (Adams & Page 2005:1660). They also highlight the need for further research, which would be enabled for if countries experiencing emigration would publish – or in the first place collect – data on the number and destination of their emigrants (Ibid.). According to Glick Schiller, it is not only a shaped research on the effects of remittances on development that is needed. In her eyes, the sending of remittances has been taken for granted, and the research and discussion about remittances in general has not been prioritised in the academic field (Glick Schiller 2009:25).

According to de Haas, there is no doubt that financial remittances have paved the way for improved living conditions of households in sending countries. The fact that financial remittances has increased drastically over time – even without including the money transferred through informal channels in the calculation – has created a euphoria among governments, international institutions and NGOs, with financial remittances as the centre of the new ‘development mantra’ (de Haas 2005:1277).

That financial remittances are assumed to have the potential of improving developmental conditions in migrant-sending countries are generally agreed upon in the academic debate, yet with objections to a risk of free-riding states and reliance on migrants for development. Contrary to the so-called remittance euphoria in the political realm, many of the academic arguments emphasise the importance of nuancing the picture, including thoughts on short- or long-term impacts and the importance of developmental conditions and societal circumstances in remittance-receiving countries. However, there is no direct opposition to the assumption that financial remittances have development potential in migrant-sending countries. The following section will in a similar manner analyse the theoretical arguments in the academic debate concerning the assumption that return migration has development potential.

4.2. The Potential of Return Migration

In the academic debate surrounding the migration-development nexus, the concept of temporary migration is often laud as having development potential to the migrant-sending countries (Olesen 2003; Wahba 2014; Collier 2013). Emigration has popularly been juxtaposed with the concept of *brain drain* from the migrant-sending country, as a significant share of migrants from developing countries are graduates and skilled (Olesen 2003:144). In this regard, return migration is often highlighted as having the potential to reverse this trend and contribute to a *brain gain* (Olesen 2003:146; Wahba 2014:20). From a development economic point of departure, migrants who return to their country of origin are argued to represent an inflow of both financial, human and social capital, as they have the opportunity to utilise their newly acquired skills and accumulated savings gained by working abroad upon return (Wahba 2014:14; Collier 2013). The overarching idea is that

the skills and knowledge acquired abroad will spill-over to the relatives in the country of origin and eventually spread throughout the society. The same is argued to be the case with behaviour and attitudes, as migrants working and living abroad are likely to be influenced by norms in the host country and may adopt similar behaviour (Wahba 2014:20). Such considerations overlap with the concept of social remittances transferred from abroad, which I will return more comprehensively to in the following section. Yet, one example of this effect is presented by Collier, who points to empirical studies underlining that returning migrants are much more likely to vote and in general participate in democratic activities than non-migrants (Collier 2013:186). Beyond that, non-migrants who live near returning migrants are copying this behaviour and are more likely to vote as well – and, even more remarkable, the less educated of the society are argued to be the ones most prone to copy the behaviour of the returning migrants (Ibid:187). Accordingly, returning migrants can be considered potential catalysts for change.

This can also be by transferring political ideas and raising awareness for societal and political challenges, affecting the attitudes in the country of origin towards e.g. the quality of political institutions or political accountability, potentially influencing the population to pressure for change (Wahba 2014:19; Collier 2013:181). However, such shared experiences of returning migrants makes explicit the disparities between home and host countries, which risk encouraging more people to emigrate (Sørensen et al. 2003:8). When people continue to migrate to get better life-chances, better jobs with better working conditions, educations, living-conditions for themselves and their families in more stable countries, and continue – directly or indirectly – to highlight the differences between home and host country, it risks generating a picture of ‘other’ countries as attractive as opposed to the home country, increasing the incentive to emigrate. Collier calls this a risk of creating a sense that “life is elsewhere” (Collier 2013:222). However, such influencing powers of return migration can also be argued to have the potential to create movements for change instead of emigration. As Hirschman have noted with his catchy concept of ‘voice or exit’, people have the choice to protest for change or they can migrate to escape the problems (Hirschman 1990 in Collier 2013:181).

Whether the potential of return migration will be utilised and benefit local development is underlined to be impacted by the societal circumstances in the migrant-sending country (Sørensen et al. 2002; Sørensen et al. 2003; Collier 2013; Olesen 2003; de Haas 2007b). First and foremost, it is argued that for return migration to start in the first place, improvements in the country of origin is required (Olesen 2003:145; Sørensen et al. 2003:14). Furthermore, political, economic, and social factors must be good enough to take advantage of the economic, human and social capital of the return migrants and provide an environment where the returnees are able to use their improved capabilities productively (de Haas 2005; Ghosh 2000 in Sørensen et al. 2002:23). According to Božić, continued emigration can have negative effects on the possibility of a migrant-sending country to take advantage of their returnees. He argues that countries facing a vast emigration also face a

“chronic shortage in terms of the expert workforce”, which in his eyes creates a “lack of ability to recognise the professional competence and potential of highly qualified returnees” (Božić 2015:36). Another perspective is presented by Collinson, who argue that in many cases, return migration is constituted by the old or unsuccessful migrants, which in her eyes are limiting the possibility for transferred skills to have any developmental effect (Collinson 1996 in Sørensen et al. 2002). Contrary, Collier argue that gaining experiences and skills is not reserved for the successful – even unsuccessful migrants return with new perspectives and extended capabilities (Collier 2013:201).

In the newest contributions to the academic debate, several scholars underline that migration increasingly is characterised by circulation, and that return is not necessarily a natural end goal (Faist 2008; de Haas 2005; Sørensen et al. 2002:23). Faist stresses that permanent return migration generally has been replaced by temporary returns and regular visits to the country of origin, and the increasingly transnational nature of migrants is argued by de Haas to make possible to have commitments to more than one country or society simultaneously (Faist 2009:43; de Haas 2005:1273; 1276). Such on-off migration patterns with temporary returns, regular visits to the country of origin and perhaps shifting host countries has the possibility of creating a continuous transfer of both human and social capital, which repeatedly can affect the country of origin.

Such migration pattern has also directed intention towards the potential role of migrants abroad to e.g. affect national development and state consolidation (Faist 2009:43; Sørensen et al. 2003:17). With a specific focus on skilled migrants, Ivus and Naghvati argue that; “it is not required that skilled emigrants return to their home countries or make direct financial contributions to their home economies. Instead, skilled emigrants can speed up the flow of knowledge between source and host countries.” (Ivus & Naghvati 2014:284). Thus, the assumption that return, whether permanent or temporary, have development potential for migrant-sending countries is based on the idea of natural transfers and subsequent spill-over of human and social capital from returning migrants to their countries of origin, conditioned by favourable societal circumstances and a welcoming atmosphere. In the following section, the potential of contributing to development in the country of origin from abroad will be analysed.

4.3. The Potential of Social Remittances

The more recent assumption in the academic debate that transfer of social remittances from migrants abroad have development potential in migrant-sending countries often have many similarities to the arguments behind the assumption concerning return migration. Return and circular migration is more manageable than social remittances, which by nature are abstract and therefore require a longer perspective to see the effects of. This is perhaps the reason why return and circular migration has experienced greater attention in the academic debate. However, skills,

knowledge, ideas, behaviour etc. can be transferred both via long distance relations and physical presence as visits and return. When migrants return for a limited period or permanently, they can be argued not only to be *providers* of resources but also to *be* a resource themselves. They have the possibility to make a change from the bottom up and create a sustainable development from within the country.

Social remittances should be understood as the possibility for a migrant-sending country to continuously learn from its migrating population abroad. This development potential does not only refer to the transferring of skills, and knowledge, that migrants are acquiring by working in host countries, but also, and with increased emphasis, the transfer of behaviour, attitudes, practices and values, that are considered positive for development (Glick Schiller & Faist 2009:6; Levitt & Sørensen 2004:8). Like migrants acquire skills and knowledge by working in the host countries, they are assumed to be influenced by Western values while living and being a part of a Western, developed community. In that way, migrants are perceived as bearers of *Western values* that constitute the core of social remittances. These values include ideas about gender equality, anti-corruption, human rights, democratic participation etc., which the migrants are expected to have adopted and subsequently to pass on to their relatives, who then have the possibility to broaden this mindset and behaviour further in the society (Faist 2008:22). This is understood as a way of impacting local development but can be criticised for having a narrow Western-centric point of departure, and for taking for granted that migrants will be affected and are willing to pass on Western world views.

The impact of social remittances is harder to identify and measure than the visible, quantifiable financial remittances. According to Levitt and Sørensen, social remittances are an under-utilised development resource that have the potential to positively improve socioeconomic conditions in migrant-sending countries (Levitt & Sørensen 2004:8). The development potential of social remittances lies according to Hornstein Tomić in the advancement of the democratic political culture in migrant-sending countries, fostered by the continuous transfers of experiences (Hornstein Tomić 2015:75). Kapur also emphasise the potential of social remittances and argue that because of an increased accessibility of transnational communication methods, the flow of new ideas is exposed to all social groups of a society, which increases the development potential (Kapur 2004:19). By systematically encouraging the relatives at home to e.g. vote and whom to support through a constant flow of ideas and information, migrants have the potential to play a significant role in shaping their country of origin (Collier 2013:185). In that way, migrants are expected to impact their relatives by transferring expertise, skills, and knowledge, as well as influence their relatives with Western values, ideas, and behaviour that they are likely to acquire in the host country, which altogether are understood as contributing to development.

By uniting in diaspora networks and organise into lobbies, migrants have the opportunity to push for change in and advocate for the interests of their country of origin (Sørensen et al. 2003:17;

Ivus & Naghvati 2014:284). As expressed by Sørensen, Van Hear and Engberg-Pedersen, this makes migrants “potential ‘ambassadors’ or lobbyists in defence of national interests abroad.” (Sørensen et al. 2003:17) but can also threaten e.g. government interests in the country of origin, as the migrants’ interests are not necessarily concordant with those of the government.

Similarly, social remittances can pose a threat to the home state, as the continuous flow of new ideas and interests from abroad cannot be controlled (Faist 2008:34). So as much as migrants united in diaspora communities abroad are considered latent, strategic assets with the potential to foster development in their country of origin, they can be considered a challenge to the country of origin, as they have the power to push governments and influence policies from outside, for instance by influencing social protests, elections and civil societies in the country of origin and encourage to take affair (Collier 2013:181; de Haas 2005:1272f; Faist 2008:35). Such a threat to migrant-sending governments is not a counterargument to the underlying assumption of social remittances having development potential, as pushing governments might provide further development. On the other hand, the ‘uncontrolled’ social remittances also elucidate an uncertainty that social remittances *per se* is equal to Western values.

4.4. Sub Conclusion

In this chapter I have clarified that the current academic, theoretical debate on migration and development is founded on an overall assumption that migration carries the potential to foster development in migrant-sending countries. Especially three aspects have theoretically been emphasised as potential catalysts for development, respectively financial remittances, return migration and social remittances. These three factors are assumed to be positive for migrant-sending countries, as transferring of financial, human, and social capital to migrant-sending countries from abroad or upon return have the potential of spreading further into the society and thus the potential of kicking off development mechanisms.

The analysis further underline that since this debate deals with the concept of development *potential*, the impact of migration on development is contextually determined, and since migrant-sending countries diverge, the potential for migration to spur development varies accordingly. In the migration-development debate, already existing developmental conditions of migrant-sending countries are deemed conditional for the potential to be met, accentuating that migration is *part of* a development process. As a consequence of the descriptive and highly context-dependent nature of research studies on migration and development, there exist no definitive checklist of which developmental conditions that are deemed crucial, but political stability, sound institutions, a safe investment climate and adaptable societies and communities are factors often referred to as important. Based on these considerations, I will approach the migration-development interactions

in the empirical context of BiH by looking at the three prevailing assumptions analysed in this chapter. The overarching aim is to investigate whether the development potential of migration, as underlined in the literature through the assumptions, is apparent in the context of BiH, based on the societal circumstances and developmental conditions of current BiH, analysed in chapter 3.

5. Discussion

I have chosen to use the case of BiH as the point of departure for this discussion, as I consider this migrant-sending country to have the possibility to challenge prevailing assumptions in the migration-development debate in the literature. The case of BiH is interesting as more than half of the population are currently living in diasporas abroad. With continued high numbers of BiH citizens emigrating and a limited intention among individuals residing in diasporas around the world to return to their country of origin, the tendency only seems to intensify in the years to come, as previously discussed. Desires of replacing corruption, poverty, unemployment, ethnic disputes, and political and economic instability in BiH with stable lives and possibilities abroad is some of the driving motives for emigration for many (Efendic 2016:343f). This creates an immediate picture of BiH being abandoned by its population, but in fact, BiH migrants often remain connected to their country of origin through upholding traditions in the diasporas, keeping updated on developments in BiH and maintaining connections with friends and family both through financial remittances and through regular visits and communication (Halilovich et al. 2018:33, 50; IASCI/IOM 2010:30). Nevertheless, the gradual population decline that emigration causes in BiH can have severe long-term consequences, and the national situation with increasing demographic imbalances where the younger generations become progressively smaller makes the picture even more gloomy. In the newest wave of academic debate on migration and development, however, a high degree of migration is not *per se* deemed problematic for migrant-sending countries. An overall assumption in the migration-development debate points towards migration as having a development potential for migrant-sending countries, given certain developmental conditions are already present in the countries. Favourable societal conditions are argued to be conditional for exploiting the potential of financial remittances, return migration, and social remittances – constituting three of the most prominent underlying assumptions in the current migration-development debate in the literature. This chapter will discuss the characteristics surrounding BiH migration in relation to each of these assumptions, in order finally to answer the research question:

What are the characteristics surrounding migration from Bosnia and Herzegovina and how do these characteristics coincide with or challenge underlying assumptions in the migration-development debate in the literature?

5.1. Financial Remittances in BiH Context

This section aims at assessing the theoretically assumed development potential of financial remittances through the case of BiH. As existing developmental conditions of the migrant-sending country is deemed conditional for financial remittances to have a development potential, this section

use the characteristics of BiH, as analysed upon in chapter 2, to discuss the effect of remittances. This allows me to test the underlying assumption of financial remittances.

Financial remittances transferred from migrants to relatives in BiH play a central role in the country's economy. Besides representing almost 11 per cent of the country's GDP, these financial inflows are crucial for a large part of the population, forming a significant part of household budgets in the country (Shehaj & Oruč 2015:105; Halilovich et al. 2018:6). Financial remittances are one of the most tangible links between migration and development and thus often the first factor to be highlighted as a positive outcome of migration to migrant-sending countries. In the case of BiH, the large number of migrants has made the country among the world's top receivers of remittances, relative to the size of the economy (Jakobsen & Strabac 2015; Valenta & Strabac 2013; Efendic 2016; Shehaj & Oruč 2015:105). Despite uncertainty on the actual amount of remittances, as a substantial part is assumed to be transferred via informal channels (Shehaj & Oruč 2015:107), such large inflows of financial remittances are theoretically speaking positive for the development of the country, as financial remittances are assumed to have a potential to influence a wide range of social, political, and economic aspects, if already existing developmental conditions are favourable, as discussed. But how the remittances are spent and whether conditions in BiH can be considered favourable for this potential to manifest itself, will be discussed below.

Complicated political structures, a division of the country along ethnic lines, a high degree of bureaucracy and lack of transparency are all factors that can be argued to contribute to the characterisation of BiH's institutional infrastructure as weak. The fact that the political system is built to serve the few instead of the many causes uncertainty, instability and dissatisfaction, and according to Glenny, the future prospects of BiH does not rely on the BiH state, but rather on the continued stabilising effect of international troops²⁴: “[t]he Dayton Agreement is so fragile that the war will start again should the international troops ever leave” (Glenny 2012:652).

Despite limited evidence on the use of remittances in BiH, there seems to be a tendency that these societal circumstances play a role in the receivers' management of the large inflow of financial remittances to the country. The general picture show that the majority of remittances, over 80 per cent according to some estimates, are used for subsistence and everyday consumption such as food and clothes (Shehaj & Oruč 2015:106; Efendic et al. 2014:64; Halilovich et al. 2018:57). A limited part of the remittances is also used to finance education, health- and social care, while almost none of the financial means are used for e.g. investments, savings or to pay off debts (Halilovich et al. 2018:6; 57; Efendic et al. 2014:64).

²⁴ The EU took over the stabilisation role in BiH from NATO in 2004. Today, the EUFOR/Althea mission is present in the country with around 600 troops (European Commission 2020b).

Theoretically, investments are highlighted as having long-term effects on economic development as they can support job creation and contribute to economic growth. In a development perspective, investments are thus more desirable for a country than increased consumption, having smaller and only short-term effects (Efendic et al. 2014:16; Ratha 2005:32). However, consumption cannot completely be set aside as not contributing to developing, as the multiplier effects that this can involve also can have an effect on the GDP of the country, albeit in a smaller scale than investments (Ratha 2005:32). In the longer run, an increased consumption can also be argued to entail e.g. a better public health, as the recipients of remittances have an increased opportunity to eat enough and well.

That a limited proportion of the financial remittances is spent on education can theoretically be highlighted as positive for development, as the overall level of educated people in the country increases. Oruč, Jackson, and Pugh have found that remittances have a significant positive effect on education attainment in BiH, but only among the well-off households, whose liquidity can be relaxed by an inflow of financial remittances giving economic space to prioritise education. Poorer households, on the other hand, cannot afford education despite an economic raise created by remittances (Oruč et al. 2019:100). This can be argued to risk having a long-term side effect of increasing the level of inequality in the society, as poor households will be disadvantaged in the competition for employment. Despite not having a positive impact on poor households, this creates an improved level of educated persons in BiH, which in theory is positive for the development of a country. However, research from Božić points to the fact that increasing levels of persons completing educations in BiH creates equivalent levels of persons without any prospects for employment in the country (Božić 2018:351). Furthermore, a positive impact on education *attainment* does not influence the *level* of education, which in a BiH context is often criticised for being poor (Božić 2018:351; Ganić 2019:65; Halilovich et al. 2018:216). The low level of education can be argued to be an obstacle to the integration of educated people in the labour market and the possibility for employers to find suitable employees and, in the longer run, an obstacle for economic progress and economic development.

Another possible downside in this regard, depending on the perspective, is the fact that an improved level of education in BiH increases the probability of emigration (Božić 2018:352) and a higher rate of education enrolment of women has caused later first births in the country (Pobric & Robinson 2015:36f), which both are influencing factors of the demographic challenge that the country faces. From a development point of perspective, it is hard to argue that a general raise in the educational level of a country and an increased gender equality in the society should not be considered positive. Yet, if the expected human resources that education immediately entail is causing more problems than solutions for the country, disregarding the perspectives of the individuals, it indicates an acute need for reforms, both to improve the teaching standards, the

creation of new jobs and general initiatives to reduce the incentives of emigration. However, in the longer term, an increased level of education in BiH can arguably create bottom-up demands for reforms and structural change among the population – especially if increased enlightenment can relieve xenophobia and ethnic segregation – and thus be just what it takes to improve the conditions for development.

When it comes to poverty reduction and inequality alleviation, which in theory can be positively affected by remittances, there is a tendency that remittances sent to BiH have no effect. According to Shehaj and Oruč, the impact of financial remittances in a BiH context is neglectable, as these funds target more people in the middle of the income distribution, whereby they have hardly any effect (Shehaj & Oruč 2015:129). Similar arguments are highlighted by Oruč, Jackson, and Pugh, who underline that since non-poor households on average receive twice the amount of remittances than poor households, remittances can neither be considered ‘pro-poor’ nor as contributing to inequality alleviation (Oruč et al. 2019:92f). However, Adams and Page argue that the poverty-reducing effect of remittances in any country will increase if the transaction costs of remittances were reduced (Adams & Page 2005:1660). This consideration can imply that for poor migrants remitting only a small amount of money, a substantial part will be absorbed by transaction costs, canalising fewer finances to the relatives. It indicates that with political intervention creating more favourable conditions for financial remittances, perhaps the potential of poverty-reduction and inequality alleviation is more reachable. Nevertheless, the above-mentioned empirical evidence can be said to challenge the academic assumption of the development potential of financial remittances.

The way that financial remittances are utilised in BiH indicates that the recipients to some extent depend on the remittances sent from migrant relatives abroad to maintain their daily lives. If the BiH state prioritised to secure such basic needs and services and create a stable institutional environment, it would most likely affect how the remittances were managed by the recipients. With a higher level of political stability and trust, people would probably be more willing to invest their remittances rather than having to spend them on securing their livelihoods. The fact that these essential tasks have been unprioritised by the public authorities is consistent with immanent risk highlighted by Glick Schiller, that an inflow of remittances are strategically canalised to take over essential duties of the state (Glick Schiller 2009:24). This suggests that spending the remittances to make up for the state’s failure to attend to its field of responsibility does not foster development. Furthermore, as BiH is characterised by a high level of corruption, an almost stagnated economic growth and a low level of trust in political and public institutions and in the banking system among the population, it is hard to argue that this creates a safe investment climate. It can thus be argued that without improvements on the institutional framework of BiH, the achievability of the potential of financial remittances to support long-term and sustainable development are highly reduced.

With another perspective on the role of developmental conditions and the institutional framework of remittance-receiving countries, Jakobsen and Strabac argue that especially in a country like BiH with a poor institutional framework, financial remittances *can* play a vital role. Where other financial flows such as FDI fail to play a developmental role, both since the country cannot attract the investments in the first place and since the institutional framework is highly deficient, remittances can act as a substitute for such institutionalised financial inflows (Jakobsen & Strabac 2015:19f). As BiH in their eyes are not able to live up to productivity-enhancing and investment-focused sources of capital, the person-to-person nature of remittances enable at least some economic improvements (Ibid:20). The high level of emigration play an important role in sustaining a high level of remittances, albeit posing challenges for the society as well. In a careful manner, they underline that: “moderate levels of emigration are not necessarily negative for the country’s economic prospects.” (Ibid.). Yet, it can be argued to be quite risky for BiH to rely on financial remittances from migrants, as it is not possible to ensure a persistent flow of these funds due to their voluntary character. However, when the other obvious option is to improve the institutional framework and the business- and investment climate, which is a time-consuming affair, especially in a highly bureaucratic, non-transparent, and segregated society lacking political will to cooperate, providing for a constant flow of remittances is perhaps the easiest way to ensure at least a moderate level of economic development in the country. Nonetheless, considering e.g. the demographic and depopulation challenges of BiH, encouraging emigration to secure the inflow of financial remittances seems like a short-term strategy.

The potential of financial remittances to foster development in BiH can be said to be quite limited. The fact that the institutional framework of BiH can be considered weak can be argued to make financial remittances the best alternative for the country in terms of financial inflow. However, the weak institutional framework is also a mark of unfavourable developmental conditions of the country, hindering the remitted finances to provide for ground-breaking and sustainable development. The underlying assumption of the academic debate that financial remittances have development potential can in the case of BiH thus be challenged.

5.2. Return Migration in BiH Context

Another reason that migration theoretically is believed to have positive impacts on migrant-sending countries is due to possibilities of return migration. In short, migrants are assumed to gain financial and human capital abroad which they are expected to spread in their country of origin upon return through employment, societal or political engagement or even through everyday social interactions, which is believed to positively impact the development of migrant-sending countries. The nature of BiH migration can, however, be argued to question this assumption, as the possibilities of

transferring financial and human capital upon return is challenged by the tendency that very few intend to return (Kovačević 2020). According to Collinson, there is a tendency that returning migrants in general often are old or people with people with unsuccessful migration experiences (Collinson 1996 in Sørensen et al. 2002). Without having the full picture of BiH returnees due to a lack of data, such a consideration nevertheless corresponds very well with data on BiH migrant's intentions in terms of return. The idea of returning to BiH to enter the labour market is unimaginable to many migrants, and the ones who voice a willingness to return, intend to wait until they reach retirement age (IASCI/IOM 2010:14; Halilovich et al. 2018:63). Not to say that retired returnees are not able to transfer their experiences and skills gained abroad, but when a widespread attitude among the migrants is to avoid employment in BiH, it indicates at most a moderate desire to act as 'agents of change' – a byname popularly ascribed to migrants. In fact, BiH migrants might in this regard even be attributed a byname as 'agents of status quo'.

In a society where younger people are becoming one of the scarcest resources, migrants who retire directly upon return will also be a financial burden. Roughly speaking, the migration pattern of BiH is characterised by young, working-aged emigrants and old, retired returnees, a pattern which reinforces the demographic imbalances of the country. A continuation of this trend will leave the country with long-term challenges of improving or even maintaining the economic performance of the country due to a labour force decline, challenging future development and sustainability (ILO 2009:3; Božić 2018:351; Halilovich et al. 2018:226). As a consequence of this, social security funding will be under increased pressure, as these are heavily dependent on labour taxation, complicating the heightened needs to provide for growing old aged dependency ratios (Halilovich et al. 2018:226). The current retirement age at 65²⁵ might have to be raised dramatically to restrain the consequences of an ageing population. In other countries with an ageing population and low fertility rates, high immigration rates have been a strategy to curb the population decline and specifically the decline of working aged population (Ray 2015). Yet, in BiH, highly nationalistic attitudes, xenophobia, and ethnic disputes as an integrated part of the state structure, besides almost uncooperative entities have resulted in a resounding absence of political initiatives to integrate – or even deal with – immigrants. Instead, the main political parties are continuously accusing each other of being to blame for immigration without ever considering immigration as a solution to demographic and labour market challenges (Kovačević 2020). In most cases, population structures with low fertility rates and a growing population of +65 is to be found in developed countries like Western European countries, but the population structure of BiH shows much more similarities with these countries than a large part of migrant-sending countries that generally have growing populations and much

²⁵ However, women have the possibility of retirement at age 55 with 30 years of insurance, whereas men have this possibility at age 60 with 35 years of insurance (ILO 2009:5).

younger median ages (Population Pyramid 2019). However, despite sharing characteristics with developed countries, BiH cannot be characterised as developed (Ministry of Foreign Affairs of BiH 2014), but at the same time some of the central societal circumstances in the country does not match other migrant-sending countries either, which makes it interesting to investigate how the case of BiH might challenge academic assumptions about the potential of migration for migrant-sending countries. However, characteristic features like segregation and deep political and ethnic tensions cannot be argued to be reserved for BiH, but characterises many conflict or post-conflict countries, that are also experiencing emigration. Basing this thesis on an empirical context of BiH can thus both stand out as a case distinguishing itself from other migrant-sending countries, and be an illustrative case in relation to countries with related post-war challenges and ethnic conflicts as a reason for emigration.

The academic assumption that return migration can have development potential in migrant-sending countries is argued to be conditioned by developed and improved political, economic, and social factors in the migrant-sending country, both in order to create incentives for migrants to return in the first place, as poor developmental conditions often play a role in the decision to emigrate, and for the country to create an environment enabling migrants to use and spread their improved capabilities. In the case of BiH, several studies show that the society fail completely in establishing such an environment (Ivanova 2015; Božić 2015; Božić 2018). First and foremost, BiH is argued to fail in creating sustainable improvements in the economic and political situation of the country, which according to Ivanova has direct consequences for the motivations or the lack of it for migrants abroad to return to the country (Ivanova 2015:107). Those who decide to return after all, are not received by a welcoming environment, hampering the possibilities for integration. This manifests itself both at a structural level, but also among the non-migrant population, who tend to view migrants as 'outsiders' and 'traitors' to the country, creating a cultural barrier challenging reintegration (Halilovich et al. 2018:203). Despite work experiences, education, and competences gained abroad it is difficult for returnees to get employment upon return, which is also a huge obstacle for returnees to get reintegrated in BiH (Ivanova 2015:108).

Acknowledging the fact that BiH faces a significant unemployment rate can at first sight make such a challenge understandable. However, according to several scholars, one of the underlying reasons for the high unemployment rate is an outdated and non-functional education system, providing a generally poor quality of education resulting in a mismatch between labour market demands and the competences that graduates hold (Božić 2018:351; Ganić 2019:65; Halilovich et al. 2018:212; Barlett & Uvalić 2019:50; Oruč et al. 2019:94). That the education system does not consider specific demands of the labour market is particularly pronounced in the fact that despite an enormous group of educated people available to employers, companies report challenges filling vacancies (Halilovich et al. 2018:216). Hence, difficulties finding employment among returnees who

have undergone education or gained work experiences abroad might not mirror these challenges of poorly educated people with skills out of date. Instead, structural factors such as nepotism, ethnicism and political party affiliation that are dominating the recruitment processes of the BiH labour market may also play a role for the returnees, as these factors are argued to be favoured at the expense of skills and knowledge, reflecting a low respect for knowledge in the country (Božić 2018:351; Ivanova 2015:108). Investigating return migration with a specific focus on highly educated BiH migrants, which theoretically can be argued to have a significant positive impact on the country, as highly skilled can be expected to have a high level of knowledge and skills ready to transfer upon return besides contacts abroad, which also can be a valuable resource that the country potentially can benefit from, Božić argue that even though there are experts returning to BiH with a significant potential for innovation and development, the country does not manage to take advantage of their skills and experiences (Božić 2015). He points at the existence of a downward spiral, where years of emigration has created a drain of citizens including the highly qualified, resulting in a long-lasting lack of expert workforce, which is influencing the competences and skill levels available at the labour market. According to Božić, this can result in “a lack of ability to recognise the professional competence and potential of highly qualified returnees.” (Ibid:36). With such obsolete labour and employment regulations, foreign qualifications do simply not fit (Ibid:40).

A more concrete example of this failure to recognise the potential of educated returnees is emphasised in different studies to be the difficulties of getting foreign diplomas recognised in the country as a result of chaotic, out-dated and inflexible registration systems, high expenses, and a long procedure time²⁶ (Božić 2018:359, 369; Ivanova 2015:107). In many cases, the diplomas end out not being translated, which hinders returnees to have their qualifications recognised and leaves them with limited possibilities of getting employment matching the competences, and in the end, the possibility of transferring the knowledge and skills gained abroad gets limited (Ivanova 2015:109). In Božić’s eyes, the BiH society is not adjusted to utilise the potential of returnees to a brain gain, whereby the return of this group of migrants may create what he calls *brain waste* (Božić 2015:40). In fact, the state authorities overall show unwillingness to deal with return migration, which according to Božić “ensures that the number of successfully reintegrated returnees remains consistently low.” (Božić 2018:369f). All these barriers and lacking political efforts to reintegrate returnees illustrate a failure to recognise the potential that these people have to share valuable human capital, that in the long run can advance and develop the country both socially and economically.

²⁶ There exists no central database, but instead 12 different authorities that are responsible for the validation process of foreign qualifications (Božić 2018:359).

Taking this into consideration, the fact that only a limited number of BiH migrants finds it attractive to return permanently to BiH is after all not so strange. They prefer living in a BiH diaspora abroad where the general circumstances i.e. living conditions, employment possibilities, level of education for themselves or their children, salaries and social services are better and more stable than in BiH. Or perhaps because there is no such thing as a 'Bosnian diaspora', but rather highly segmented, ethnic diasporas, where substantial parts of migrants originating from BiH identify with Croatian and Serbian diasporas instead of Bosnian (Božić 2018:368; Halilovich et al. 2018:73f, 122, 145, 170, 192). What is commonly understood as 'the Bosnian diaspora' is thus constituted by a much larger proportion of Bosniaks and so-called 'others' than of Bosnian Croats or Bosnian Serbs (Halilovich et al. 2018:145, 170, 192). This can be argued to enable the three constitutive but disputing ethnicities to live separated, without adopting homelike ethnic disputes and instability.

Notwithstanding their decision to live abroad, BiH migrants do generally not emigrate to dismiss their culture and country of origin and can, as mentioned, be characterised as somewhat loyal migrants. Despite the lack of interest in returning to BiH, the migrants often stay connected with their country of origin e.g. by visiting regularly. As many BiH migrants migrate to Western European countries, which geographically is close and practically is easy due to the visa free zone that BiH entered into in 2007 (Sabic & Kolar 2019:3), the opportunity of regularly visiting is easy and affordable to many. This increases the possibility of regularly transferring knowledge, but also social remittances, as I will return to.

In many Western European countries, the concept of temporary migration is lauded. This is reflected in the fact that more than 40 per cent of BiH labour migrants have residence permits for an EU-country with durations for under a year. Theoretically speaking, circular migration like visits and short-term migration creates a possibility of a continuous flow of knowledge, skills, human and social capital, which potentially can affect the migrant-sending country repeatedly. However, with knowledge on the unfavourable circumstances that migrants intending to return permanently are met with and the country's failure to exploit the potential that return migration theoretically hold due to a general lack of adjustability and refusal to change in the country (Božić 2018:360), one can question whether it will be any different with circular migrants returning temporarily and the abilities to exploit their inherent potential.

Instead, in context of BiH it seems more likely that the such circular migration will create further push factors for migration, as the migrants repeatedly make plain the disparities between BiH and host-countries through their continuous decisions to migrate. According to IASCI and IOM, four fifths of the BiH migrants have close family or friends in the chosen country of destination, making plausible that the transfer of other people's migration experiences have induced further migration (IASCI/IOM 2010:53). The very fact that almost half of BiH residents and even more among the younger generation see it as an opportunity to migrate indicate that there exists a sense

of 'life is elsewhere', as Collier calls it (Collier 2013:222; Balkan Public Barometer 2020:70). With decades of large-scale emigration and an apparent continuation of this trend, transnational mobility might not only be considered an immanent part of BiH history, but perhaps also of BiH culture.

Summing up, this means that return migration in the context of BiH have limited possibilities to contribute to the development of the country due to inflexible systems, unadaptable attitudes, and inadequate political action that makes utilisation of the human capital brought to the country challenging. In fact, return migration does either have no impact on development, as the resources that returnees hold have limited chances of being spread, or it has a direct negative impact on development by increasing some of the challenges that the country faces and encourage more people to emigrate. Characteristics surrounding BiH migration, both in terms of societal circumstances and the nature of the migration patterns, can thus be said to challenge the theoretical assumption that return and circular migration fosters development.

5.3. Social Remittances in BiH Context

To measure the impact of social remittances is complicated, as it is difficult to determine the reason behind changes in behaviour or attitudes towards something. Furthermore, as the changing of behaviour and attitudes of a society most likely will be a year-long process, it is hard to track. Therefore, it is challenging to discuss whether the transfer of social remittances to BiH can be said to have a developmental effect, as theoretically assumed and increasingly highlighted in the literature. Nevertheless, the fact that the migrants frequently communicate with friends and family in BiH as well as visit the country at a regular basis (Halilovich et al. 2018:33, 50), increases the potential of a successful transfer of social remittances.

Theoretically, this provides for transfers of skills and knowledge gained by working in more developed economies, as mentioned above, but also, at a more normative level, influences people in BiH with Western-minded ideas and behaviour, that the migrants are exposed to in the host country. However, where social remittances in the literature are perceived as positive transfers of Western-minded ideas, values, and norms with a latent development potential, it can be questioned whether social remittances are reserved only for transfers of ideas that in a Western understanding is deemed positive for development towards standards that, again in a Western understanding, is perceived as improving the society. This Western-centric theoretical assumption that migrants will adopt the ideas and values of their host-country and as a natural matter of fact pass these on to relatives in their country of origin reflects the fact that most scholarly contributions to the academic debate is by Western and Northern scholars. Based on a consideration that it is not possible to control which ideas the migrants are actually transferring, this assumption can thus be questioned. In a segregated

society like BiH with diasporas around the world echoing this dividedness, there could very well be a risk that the transferred social remittances are not supporting the same 'development project'.

To give a hypothetical example; substantial parts of Bosnian Serb emigrants have settled down in Serbia or in Serbian diasporas around the world, and with political currents in Republika Srpska fighting for secession from BiH it is interesting to question whether Bosnian Serb migrants are inevitably remitting Western democratic values and rights-based ideas, as theoretically assumed, or whether they could just as likely be remitting nationalistic values and secessionist ideas to their relatives in BiH. As Faist briefly mentions, diasporas can very well work as a 'nursery for nationality' (Faist 2008:35), whereby norms and values of the diasporas are not necessarily concurrent with norms and values of the societies where the diasporas are placed. Taking this into consideration, social remittances might have a side effect of reinforcing internal conflicts in an already disputing country like BiH, where one should look long to find a shared sense of community.

Another interesting question beyond the scope of this thesis is when, in fact, is it possible to say that the development potential that social remittances hold is met? Is the very transfer of social remittances enough, as the ideas transferred can smoulder among the relatives or acquaintances who perhaps are being influenced enough to adopt a similar worldview and even spread further in the society? If more people find it important to vote or are more open-minded towards e.g. homosexuality or gender equality, can the potential be said to be met and would this be considered developing? Or does it have to have a larger societal impact as well? Such questions inevitably occur when empirically investigating the impact of social remittances but would deserve further scrutiny to clarify.

Despite difficulties of determining the effects of social remittances, an acceptance of the theoretical assumption that the transferred social remittances will smoulder in the population and under the right circumstances bring along development can unfold in different speculative scenarios: One scenario can be that the social remittances can cause increased polarisation in the country, as nationalist, xenophobic or, as mentioned, secessionist values have been built up in distant mini-versions of the BiH society, or perhaps desired, mono-ethnic versions of the BiH, whereby the ideas transferred to relatives in the BiH might reinforce intolerance and further challenge homogeneity and cohesion. In another scenario, the social remittances have no impact, as the shared experiences that social remittances inevitably include elucidate the differences between home and host country, and make more people leave rather than voice their desires. A third scenario can be that the social remittances create an altered consciousness in the society which perhaps leads to a pressure for change.

According to Šabić and Kolar, civic pressure must be the solution to change the societal dynamics retaining emigration. They argue that there is a tendency that all Western Balkan governments are not willing to undertake the needed law reforms: "Fighting corruption, building

transparent and strong institutions, limiting clientelism and party patronage would make stronger states, but would drive the current elites from power” (Šabić & Kolar 2019:7). In their view, personal interests and securing of power positions are favoured at the expense of change. This leaves it with the population to demand for change, but including the argument presented by Collier that the people who are not emigrating tend to be more quiescent, which in his eyes provides a safety value for migrant-sending countries (Collier 2013:181), it remains unclear who will stand in the front of what seems as a hopeless mission. However, massive violent protests in larger cities of the Federation in 2014 demanded for a showdown with corrupt and unaccountable elites, and with that changes to the constitution, election laws and jurisdictions (Bassuener 2014; Jukić 2014). The so-called *Bosnian Spring* arose with a hope for change and faded out after a few days bringing about no lasting change (Latal & Jukić 2015). Such experiences manifest the perception of a paralysed situation in BiH, and with Hirschman’s concept of ‘voice or exit’ in mind, it is, after all, not surprising that people find it a better solution to emigrate than to voice their frustrations.

Theoretically, diasporic communities are believed to have a huge potential of putting political pressure to their home countries through lobbying and political engagement from abroad (Collier 2013:181; Sørensen et al. 2003:17). With a growing integration of the BiH diaspora in the country’s strategic apparatus to create development, the diaspora might have the power to affect the societal mechanism creating continued challenges in their country of origin and thus having the best prospects of creating development. The BiH diaspora are well-educated and generally interested in participating in the development of their country of origin (Ivanova 2015:103f; Ministry of Security of BiH 2016:21f). For instance, new data show that a record high number of individuals from the BiH diaspora have registered to vote for this year’s November-election (Ministry of Human Rights and Refugees of BiH 2020). The effect of such engagement and whether the diaspora interest for politics in the country of origin also entails an increased encouragement on relatives and friends in BiH to act, only time will tell. However, Hirschman’s concept might need to be changed to include the possibility of an ‘exit with voice’, as people might see it as a better opportunity to unite abroad and utilise their status as ‘assets’ for the country to put pressure for change. In that way, portraying the BiH migrants as ‘agents of status quo’ might, after all, not be fair.

Yet, despite the seemingly positive attitude towards participating in the development of the country of origin among BiH migrants, there are some fundamental obstacles to their engagement. There is a general negative perception in the diaspora when it comes to cooperation with governmental institutions and the state, mainly including concerns of lacking transparency and complex bureaucratic systems, making it difficult to understand e.g. banking or taxing structures, when planning to engage, invest, or starting businesses in the country (Halilovich et al. 2018:128, 173). Migrants have further listed various barriers to engagement in BiH including nepotisms and corruption on local and national level, bureaucratic barriers on national and municipal level,

underdeveloped and ineffective business environment, legal uncertainty, as well as a lack of trust in e.g. banking systems and government institutions (Ibid:88, 174, 203). All these factors, in addition to highly nationalist policies, are perceived as preventing further development in the country and instead creating an unattractive environment hindering future investments of all kind (Ibid:88).

This scepticism elucidates a lack of success to adhere to the political objective to actively include the diaspora in the development of BiH, as clearly expressed in the *Policy of Cooperation with Diaspora* from 2017, aiming at creating “more favourable conditions for investing in BiH and sharing their knowledge with the country of origin” (Ministry of Human Rights and Refugees of BiH 2017:21). Notwithstanding this political expression of will to take initiative and reach out, several scholars point to the complete lack of interest among the majority of public institutions in the country in creating dialogue or working with the diaspora (Ivanova 2015:104; Halilovich et al. 2018; Božić 2018:366f). As expressed by Božić: “It seems that outside of the Diaspora Department there is an obvious lack of interest among other public institutions to get involved in migration issues” (Božić 2018:368). This indicate that even though there is a reciprocal willingness to cooperate – at least on paper – central state structures and political decisions are counteracting the frail potential that migration hold, whereby financial, human, and social capital transferred to BiH risk having limited or even no effect.

Due to the abstract nature of social remittances, it is not possible to definitively determine whether they have a development potential in BiH. Nevertheless, the complicated situation of BiH with ethnic disputes and conflicting interests has pointed towards the uncertainty linked to the transfer of Western ideas, norms, and values. Theoretically, social remittances are deemed positive due to assumptions that migrants automatically will adopt the bearing values of their host countries, but when taking into account the fact that BiH migrants are clustered in segregated ethnic diaspora communities, it seems as plausible that disparities might as well be reinforced. In an empirical context of BiH, where the country is divided by enmity, transfer of political ideas from the diaspora will thus not benefit an entire population. This can criticise the theoretical assumption for being narrowly focused on development in only one specific – and positive – direction.

5.4. The Official Approach of BiH

When looking at BiH’s current official Migration Strategy and Action Plan, only a limited part refers to emigration, implying a priority to focus on immigration rather than emigration issues (Ministry of Security of BiH 2016). This priority is also reflected in the annual Migration Profile, where only nine out of 89 pages deal with emigration trends in the latest version published this year (Ministry of Security of BiH 2020). Instead of focusing on how to change some of the mechanisms that generates emigration, which can be argued to be a more sustainable solution in the long run for a country with

population decrease, the action areas of the Migration Strategy and Action Plan is focused on monitoring in- and outflow of migrants, boosting ministries dealing with migration, and as an overall umbrella, improving measures to take advantage of the possibilities that migration hold by strengthening the bonds to the diaspora (Ministry of Security of BiH 2016:54, 136). Despite emphasising some emigration-related issues such as “a constantly growing problem of “brain drain””, and the demographic imbalance and population decrease partly resulting from emigration (Ibid:22), nothing indicates that BiH politically intends to address the high emigration rate and reduce the trend. Perhaps BiH intends to maintain a certain level of emigration to sustain a constant flow of financial remittances and other forms of capital that migration potentially entail, in line with the arguments of Jakobsen and Strabac. Such a strategy would express some kind of dependency on migration and associated potentials. Perhaps the current somewhat idle priority areas reflect the highly bureaucratic political system, accused of being almost incapable of collaborating in decision-making processes, whereby the Migration Strategy and Action Plan can either be seen as an expression of a weak compromise or a top-down decision lacking broad political support²⁷. Or perhaps the action areas of the current Migration Strategy and Action Plan are more long termed than immediately assumed, where monitoring of migration trends, strengthening the responsible ministries and establishing a system to monitor emigration’s impact on development is aimed at forming the basis of directly tackling the emigration trend in the future. If that is the case, it can perhaps already be revealed in the coming Migration Strategy and Action Plan expected to soon take over from the 2016-2020 edition, which, based on the empirical examples highlighted in this discussion, requires significantly higher ambitions.

5.5. Challenging the Assumptions

Discussing underlying assumptions in the migration-development debate in an empirical context of BiH have in many ways put the theory to the test. I argue that all three assumptions can be challenged by characteristics surrounding migration from BiH, whereby I find reason to assess that the overall assumption that migration has development potential is limited in the context of BiH.

Various social, political, and economic challenges throw shadows over the Western Balkan country of BiH, altogether creating doubts on the future perspectives of the country. With a defined aim of becoming a member of the EU, the country needs to improve and develop. Areas on which the country needs to develop is politically and economically, where self-perpetuating and firmly anchored mechanisms such as widespread corruption rather creates a vicious circle than progression. Desires of keeping in power among the BiH elite brushes aside any idea of change that

²⁷ There is a general lack of interest in cooperating on the area of migration and diaspora inclusion, and the Ministry of Human Rights and Refugees, responsible for this area, is arguably quite alone in approaching the issue (Božić 2018).

challenge their position, even despite massive – albeit often evanescent – civic pressure. The division of the country along ethnic lines has reinforced disparities in the society, obliterating any national sense of cohesion and community, also challenging potential collective civic pressure for change. On state level, the ethnic segregation has created a highly bureaucratic system, aiming at securing the three constitutive ethnicities equal power. With almost nothing to agree upon and even tendencies of counteracting each other based on principles, this structure has stalled decision-making processes and thus progression.

Other aspects that give rise to concern for future sustainability, is the fast-growing demographic changes and high emigration rates, creating a vast population decrease. However, as scholars point towards migration as a potential benefit for the development of migrant-sending countries, the high emigration rates of BiH should, after all, not be considered problematic.

Through an investigation of three underlying assumptions of the migration-development debate in the literature; that financial remittances, return migration, and social remittances have development potential in migrant-sending countries, my initial gloomy picture of BiH has, however, not brightened significantly. In short, the potential of financial remittances is challenged by the weak institutional framework, failing at creating a safe investment climate or providing possibilities for starting new businesses. The potential is further challenged by political priorities to reduce basic state services such as health care and education, and the high unemployment rate reduced the disposable income in households. This has resulted in the tendency that the vast majority of the financial remittances are spend on everyday consumption rather than investment, and a small amount among well-off households is spend on education and health care. This can, however, also be argued to be developmental, as the possibility of e.g. eating enough and well can improve health in the society, and an increased level of educated people in the country can potentially create altered consciousness and perhaps demands for change in the future.

The development potential of return migration is challenged by structural constraints and a general lack of preparedness for change in the society. High unemployment rates and challenges of implementing new methods or ideas in workplaces makes reintegration in the labour market challenging, resulting in a general lack of desire among migrants to return the country before retirement. Cultural barriers and dissociation from migrants in the non-migrant population has further reduced the simplicity of return. The flow of skills and knowledge that the circular migration provides for can, however, not be completely brushed aside as having no potential development effect, but empirical evidence from BiH indicate that it might take decades before we can see a significant effect of this.

The potential of social remittances is, as mentioned, more complicated to investigate. Nonetheless, the lack of cohesion and very diverse and conflictual attitudes in the society makes it hard to imagine that social remittances transferred to the population can heal the dominating

fragmentation in the society. The ethnic segregation of the diaspora can possibly also entail a transfer of divergent norms and values to the different groupings of the BiH society, fostering further polarisation – and not necessarily Western values, as assumed theoretically.

Overall, the development potential of migration in context of BiH does not seem to be met and the developmental effect must thus be considered limited. The academic debate on migration and development can be argued to have a one-sided focus on possibilities and potentials of migration but tend to ignore possible consequences and risks. When dealing with a case where the assumptions more or less can be rejected and the potential that migration hold seems not to manifest itself, you are left with nothing, with lack of answers – if not development, what then?

My initial wonder on what a continuation of the BiH emigration trend would entail in the future and scepticism towards the optimism that I met in the academic debate, has, in fact, not changed. I do not feel more enlightened about the effect of migration on BiH due to theoretical deficiencies. Therefore, I can join the arguments calling for further research and theorising in the field of migration and development, and emphasise a need for more thorough contextualisation in different types of migrant-sending countries, in order to create a clearer picture of how the relation between migration and development should be understood.

6. Conclusion

This thesis investigates the assumptions in the academic debate on migration and development in the empirical context of the Western Balkan country of Bosnia and Herzegovina, based on the following research question:

What are the characteristics surrounding migration from Bosnia and Herzegovina and how do these characteristics coincide with or challenge underlying assumptions in the migration-development debate in the literature?

First of all, through selected social, political, and economic factors I argue that Bosnia and Herzegovina is in a deadlock, where the various societal problems are interconnected and mutually reinforced. Ethnic divisions and disputes are found in every aspect of society and dominates everything from the state structure to the curriculum in the school system. Ethnicity and especially segregation have become defining for the country and dictates an almost paralysed system and prevents all sense of cohesion and community. I further accentuate that the political system is characterised by a high degree of corruption and lack of transparency, which has created distrust in the population and challenged economic progression. High unemployment rates, dissatisfaction with the political and economic situation and lack of future prospects have been instrumental in creating a significant emigration trend. In combination with demographic unbalances, where birth rates for years have been below the level of replacement, the decade-long negative net migration rate has caused a vast population decline. All these country characteristics collectively paint a picture of an unstable, frozen, and unsustainable Bosnia and Herzegovina.

Secondly, by analysing the current wave of the academic migration-development debate in the literature I argue that there exists an overall assumption that migration has development potential in migrant-sending countries. I have identified three underlying assumptions as explanatory factors of this development potential: the potential of *financial remittances*, *return migration*, and *social remittances*. Theoretically, these factors are assumed to be beneficial for development, since transferring of financial, human, and social capital from the migrants abroad or upon return to relatives in the migrant-sending countries are believed to improve living standards, advance the level of knowledge and skills as well as influence behaviour, norms and values for the better. With favourable developmental conditions already present in the migrant-sending countries, these developments are further assumed to spill-over to the wider society and potentially kick off development mechanisms.

Lastly, I discuss the empirical analysis and the theoretical analysis up against each other, to assess how the prevailing assumptions in the literature correspond with case-specific characteristics.

I argue that in the case of Bosnia and Herzegovina, the side-effects of migration seem to dominate the potentials, whereby characteristics surrounding migration from the country challenge the possibility for migration to promote development.

The development potential of *financial remittances* is challenged by political tendencies to downgrade public spending, canalising the migrant finances to cover basic needs instead of human or financial investments. The substantial transfer of financial remittances cannot be rejected to influence the country, but I argue that the development potential is limited.

The development potential of *return migration* is challenged by a low adaptability in the society, both among the population through a dissociation from returnees, at the inflexible labour market not prepared to take advantage of new skills and knowledge, and in the political realm, where nothing indicate that the potential of return migration is taken into account. I further argue that the circular migration pattern risk having the effect of encouraging more people to leave the country, whereby large-scale emigration can be considered an immanent part of Bosnian culture.

I argue that the development potential of *social remittances* in the case of Bosnia and Herzegovina is challenged by ethnic segregation and enmity. As this is also reflected in the diaspora communities, xenophobia and disparities might be reinforced in the mono-ethnic diasporas and thus be transferred to Bosnia and Herzegovina. This challenges the assumption that ideas, norms, and values transferred to the country as a natural matter of fact is Western and thus positive for development.

This leads me to conclude that the potential for development that migration is assumed to have, is not consistent with characteristics of the empirical context of Bosnia and Herzegovina, whereby the development potential of migration in the case of Bosnia and Herzegovina must be considered limited.

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