



Should I stay or should I go?

Case study of Bosnia and Herzegovina



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Abstract

Bosnia and Herzegovina has been one of the leading emigration countries in Europe since the war in the 1990s all the way until today. Given the huge Diaspora and the large influx of remittances sent to the country, this thesis explores the effects financial and social remittances have on Bosnian households. Based on the migration-development nexus theoretical framework developed by Hein de Haas (2010), this research aims to discover how these connections between people affect the habits, practices, and views of the local population, their perceptions of the state and their future decisions. To be able to discover this, six in-depth qualitative interviews were done, accompanied by field observations. Besides revealing the main reasons why people leave Bosnia in the first place, one of the central findings of this thesis is that people use financial remittances for everyday consumption, enabling them to lead “normal” lives. This thesis also highlighted that the exchange of social remittances impacts considerably on the decision of people to leave Bosnia. It concludes that due to the dysfunction of institutions, corruption, and nationalism in all spheres of public life, it is difficult to expect significant changes which ultimately leads to an increased emigration of the Bosnian population.

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1. Introduction

In the last few decades, Bosnia and Herzegovina (from here on, Bosnia) have been largely marked by migrations that significantly affect the development of the country. In the period from 1992 to 1995 during the civil war, it is estimated that about 2.2 million people had to flee their homes, of which some 1.2 million are considered to have left the country completely and moved to various countries around the world (Ibreljic et al. 2006, p.1). The aforementioned unnatural outflow of people did not only cause demographic changes within society but also created various social, economic, and political problems that will be accompanied by a decline in living standards, a large decline in GDP, and the unemployed (Ibid.). Signing the Dayton Peace Agreement, tried to establish, in addition to peace, the main parameters that will lead Bosnia towards the transition process (Tomas 2013, p.101). But the transition, which was supposed to be marked by the establishment of a democratic system and a free-market economy adapted to the state, failed to put Bosnia on the right path, and froze it between ethnic lines, which caused stagnation due to political turmoil, regional rhetoric's, and corruption (Perry 2018; Tomas 2013).

Apart from migrations caused by the war and the events that followed, migration flow in Bosnia continued until today precisely because of the slow transition, one of the highest unemployment rates in Europe, and corruption that drives people out of the country (Torkic 2012; Valenta and Strabac 2013). Due to the birth of a large Diaspora that is constantly increasing the number of remittances flowing to the state is remarkably high and significant. Therefore, Bosnia is one of the top receiving countries in terms of the number of remittances and their portion in the GDP, both in Europe and in the World (Oruc 2011). Given the above and the immense impact of mass migration on the economic and social prosperity of Bosnia, studying and understanding the impacts of remittances on the country's development will be one of the central imperatives of the state to be able to gain the most out of it.

My initial interest in this topic started when I came back to Bosnia after six years to do an internship, where I encountered many families who are directly involved in the exchange of remittances and discovering out that they largely determine their life decisions. I decided that to gain even more personal and deeper insight into the processes of the exchange of these economic

and social assets, I would like to directly explore the human life habits conditioned by the context in which they find themselves. Another reason why I chose this approach is that most studies dealing with this problem in Bosnia were macroeconomic in essence and focused on specific sectors of public life as for example on the labor market, and not focusing on the interaction between people itself.

Therefore, I decided that through conducting semi-structured interviews and discussing Hein de Haas migration-development nexus theory and his view of migration as a transnational livelihood strategy I will try to discover how the Diaspora affects Bosnian household's habits, practices, and views towards the state and situation they find themselves. This allowed me to raise the following research question:

How are Bosnian households receiving and using remittances; what surrounds these social and economic practices and what can this tell us about people's attitudes towards the Bosnian government and the country's future development?

Therefore, in this thesis, I will first discuss the main reasons why people leave the country and the things that make it difficult for them to lead a “normal” life. After that, I will go in-depth with exploring financial remittances and all the ways people spend money, and ways of navigating themselves through the system. Furthermore, we will look at the social side of this exchange and see how much remittances affect the life decisions of people in Bosnia. Lastly, we will explore what people think about mass migration and the future of the state.

2. Theory

This thesis explores the impact of the Diaspora on the Bosnian population through the Hein de Haas migration- development nexus theory that views migration as a transnational livelihood strategy. It investigates how social and financial remittances determine the habits, practices, and views of Bosnians and their influence on country development. Therefore, in the first two sections, I will present the debate on migration-development nexus and its evolution over the centuries. After that, I will present three new theories that emerged from the pluralistic views on migration and enabled the use of the theoretical framework that will be applied in this thesis. After explaining the Hain de Hass theoretical framework, I will finally define the concepts that will be used; “financial remittance”, “social remittances” and “development”.

2.1 The migration- development nexus

One of the central assumptions in the world of migration studies is that the major reasons for migration is that people are looking for a better and more secure life. Complex life circumstances force people to dare and embark on migration processes, and if they are successful, they lead to economic and human development (Nyberg-Sorensen 2012, p.64). Consequently, the connection between migration and development has drawn incredible attention from policymakers and scholars for some time now. The increased number of people emigrating has been seen as a challenge and opportunity for development.

Through the whole twentieth century, migration was principally seen as a problem of the internal public policies of the recipient countries, which were affected by various social, political, economic concerns (Ibid., p.64). Thus, most studies dealing with migration have focused on the countries that receive migrants and how they fit into the country upon arrival. Considering that, they have entirely neglected the enduring ties that migrants have with their home countries and with the people who have remained (Ibid.). It was even thought that such connections could only negatively affect the successful assimilation of migrants. Furthermore, when looking at the effects of migration, the links between development and migration were attached to the inequality between various states, regions, and societies (Ibid., p.65).

In recent years, great optimism and overall interest have awakened in the field of migration and development. Looking at the decades behind us and the great pessimism that dominated because of fear of brain drain, countries that are major exporters of migrants have regained their faith that Diaspora and transnational migrants can become feasible investors and thus become essential factors of development (de Haas 2010, p.227). The reason for this is the belief that large remittances can contribute to the country's development, poverty decline, and economic progress more than development programs or aid (Ibid.).

Yet, the rediscovery of migration development nexus has overlooked much of the earlier analysis and observations that have emerged over the years from both previous research and political practices (Ibid.). One of the central problems in the literature is that in most cases, the influences and reasons for migration have been studied separately, which has created isolated parts in literature. By some, it is considered as a bad thing, given that the development aspects that influence the very decision to migrate tend to affect the development results also in the sending countries (Ibid.). Moreover, the debate on migration has artificially separated the developmental causes and outcomes from the broader and overall process of social change. Hein de Haas (2010, p.228) explains that we must look at migration as: "(...) a process which is an integral part of broader transformation processes embodied in the term "development", but also has its internal, self-sustaining and self-undermining dynamics, and impacts on such transformation processes in its own right. This contextuality has important theoretical implications. Because migration is not an exogenous variable, but an integral part of wider social and development processes, the development impacts of migration are also fundamentally heterogeneous."

In order to fully understand this division between pessimists and optimists in the scholarly debate about migration and development, I will briefly outline the overall direction of research over the last decades.

2.1.1 Optimist vs. Pessimist: debate on the migration-development

During the 50s and 60s, two highly optimistic theories dominated; neoclassical migration theory and development theory. In neoclassical theory, migrations are seen as a form of optimal factors

from which both the receiving state and the sending country will profit (de Haas 2010, p.230). Taking the perspective of “balanced growth”, allocating the industrial sector and the distribution of labor from rural, agricultural to urban parts is considered a major requirement for economic development and, consequently, for the whole development (Ibid.). According to this view, the uninterrupted flow of labor and the free market will lead to less and less shortage of work, which will ultimately lead to an increase in wages (Ibid.). It is important to emphasize that neoclassical theory views individuals exclusively as atomistic entities who strive for a better life and neglects their motivations and belonging to a particular social group, family, or something similar.

As for development theory, it was thought that returned migrants could bring a significant change in the domestic population not only with ideas, experience, and innovations but also with remittances that would contribute to economic development; especially in developing countries (Ibid, p. 231). This view of the world was largely based on previous experiences of emigrations from Europe to America as well as in the years after World War II when large-scale labor movements occurred. Also, decolonized states were expected to follow a path of modernization and industrialization assuming the problem in which states find themselves will be solved through three mechanisms of transfers of large amounts of money: loans, assistance, and through the distribution of remittances (Ibid.). Scholars believed that remittance would be a vital source of hard currency and would improve income allocation and quality of life that other development projects were unable to offer.

Such optimism disappeared during the 70s and 80s being dominated by pessimistic views of migration- development nexus. The historical structuralist and dependency theory saw migration as an escape from the despair generated by capitalism which as such is unable to solve the structural problems that pattern migration itself (Ibid., p. 223). Migration is seen as a problem that depletes already weak human resources and affects most productive parts of the population which lead states into even greater underdevelopment (Ibid.). Faist (2007, p.26) states that “In a dependency perspective, underdevelopment led to the loss of the highly-skilled who migrated from the periphery to the centers in the dependent world, and above all into industrialized countries.” In addition to the great concern for the “brain drain”, Remittances were not

considered to contribute to development but to increase inflation in domestic regions where migrant money was rarely used for productive investments (Ibid.).

Another theory that we can also use hand in hand with historical structuralist views is the cumulative causation theory. One of its main features is that migrations impair the national economy and devastate them with both material and human resources (de Haas 2010, p.234). The regions are being exploited for the benefit of industrialized centers and developed countries in need of cheap labor. Migration in this respect impoverishes the local economy and increases dependence on the countries to which people move and stimulates and increases further migration, which ultimately creates an “asymmetric growth” thus increasing underdevelopment (Ibid.).

De Haas (2010, p.240) believes that neither pessimists nor optimists were right in the end. In real life it is difficult to encompass the heterogeneity of migration development interplays because it is quite hard to incorporate them into certain determinist designs that can predict the development results of migration (Ibid.,). It is therefore considered that there is never an automatic mechanism by which international migration will lead to social development. This assumption helps us to understand the factors that explain the heterogeneity of interactions between migration and development. De Hass points out that to accomplish this, it is necessary to set a theoretical structure that will be filtered enough to encompass the complexity and heterogeneity of interactions, but not to restrain them to relativism (Ibid.). This can be done if we systematically take the meaning of social “structures and processes” that never appear in the same manner but express the same “principles of enchantment” so that the main goal of the analysis should reveal the principles that determine the spatial and inter- temporal heterogeneity of this nexus (Ibid, p.241).

It is evident from the empirical researches that cumulative causation theory and its mechanisms do not hold water in all cases and that an ideal neo-classical setting likewise does not exist. Structural problems such as high unemployment, poor education, and other problems that influence poor countries greatly impede people’s ability to overcome poverty and overall underdevelopment (Ibid.). It is unlikely that migration alone can change inadequate local

structures and lead to change. The problems with neoclassical and developmental theories are that they greatly underestimate social structures, while in the case of structuralists views it overemphasize importance of structure and thus exclude agency from their equation (Ibid., p. 242). Therefore, we need a theoretical framework that will see the importance of structures (economic, political, social) in the context in which migration takes place, but also the agency of the individual who will try to bypass these obstacles.

In most of the 80s and 90s, the acknowledgment of heterogeneity in migration processes and thus impacts on the development started to move. Hence, a combined approach inspired by the post-modernist thinking of Giddins and his structuration theory began to be applied which tried to harmonize structures and agency (Ibid.). By acknowledging the relevance of both factors makes it easier to recognize interactions between migration and development. The results of such pluralistic views allowed a greater diversity of outcomes which were not possible as long as the two factors were viewed separately. Because, if we look only at how remittances are consumed, we would miss a large part of the effects that they have on economic behavior and outcomes on both households and the community as a whole (Ibid., p.243).

In the following subsections, I will explain three new theories that have emerged from such pluralistic approaches that looked at both structure and agency, thus enabling us to see the bigger picture between the migration and development interactions. Consequently, making it easier for us to see the real impact of migration on development and other way around in Bosnia.

2.1.2 New economics of labor migration (NELM)

Research on NELM has theoretically expanded the domains of various variables that affect workforce decisions. It is emphasized that wider social influences and interactions between them define migration behaviors and decisions (Stark and Bloom 1985, p.173). Also, new connections between migrations and their involvement within labor market phenomena as well as the understanding of the process of economic improvement and development were recognized (Ibid.). Scholars in the NEML started to acknowledge that migrations set certain parameters that drive development dynamics, which enable an increase in production and reduce barriers to investment that families face in illicit market settings (Taylor 1999).

One of the biggest innovations introduced in NELM is that migrations are considered as a way for households to try to overcome certain local economic barriers such as flawed loan and insurance markets that push families to insure their jobs against losses themselves (Ibid., p.74). Migrants provide monetary liquidity through remittances and open up new opportunities for investment in new technologies and projects (Ibid.). It is therefore considered that one of the problems so far in migration theory is that in most cases migrants were viewed as isolated from their families and regions of origin. Concerning the empirical parts of previous research done in this field, such as surveys were used to investigate remittance consumption, which is considered a naive model to investigate the impact that remittances have on the consumption of the domestic population (Ibid, p.64). Taylor (1999) thus states that: “A whole-household economy approach and, in some cases, a community focus is essential to examine how migrant remittances affect investment and consumption expenditures by migrant-sending households and how these remittance effects reflect migration determinants.”

Migration is in most cases an agreement between those who have already migrated and some groups of non-migrants. In an agreement between two groups, the main rule is that the ratio of what is received and what is returned is divided between them. Stark and Bloom (1985, p.173) believed that this view supports the theory and better explains, for example, the ways in which remittances are sent if we look at them as a contract between migrants and a household that has remained rather than the result of simple altruistic thinking. It is from this approach that we see that this displays the capability, flexibility, and advantage of the family as it is not seen as an object that is separated but as mentioned above transfer's theory from individual autonomy to mutual independence and views migration as a planned strategy conducted by the family(Ibid.). This perspective also allows us to look not only at the part of the family that has migrated but also to have an insight into the non-migrants who have remained given that the exchange of commitments is reciprocal (Ibid., p.173-175).

2.1.3 Household economy, LIVELIHOOD strategy

The livelihood approach has many similarities with NELM, but unfortunately, these two theories have not been sufficiently researched in relation to each other. The livelihood approach

developed during the early 80's when many anthropologists, researchers, geographers began doing empirical research in underdeveloped countries and realized that their research did not fit well with the rigid structuralist schemes (de Haas 2010, p.244). They recognized that the poor could not be chained only to the static victims of capitalism but as they actively tried through livelihood strategies to ensure a better life in the environments in which they lived, pointing to the significant importance of human agency (Ibid.). Livelihood consists of possibilities, resources including both material and social, and actions that enable them to live. Livelihood not only encompasses income-related activities but also encompasses family relationships and the mechanisms through which they gain opportunities to make a living (Ibid.). So we can explain this strategy as a deliberate (decisive) combination of activities in which family individuals try to provide better living conditions for their family. Given that family-to-family strategies differ from each other, livelihood strategies are in nature heterogeneous (Ibid., p.245).

With this approach, both the livelihood approach and NELM allow us to see this diversity of strategies more easily, given that migration and economic activities are not mutually independent in nature, but are in most cases combined (Ibid.). This approach can much easier and better reveal the reality of everyday life of many people in developing countries. Another similarity it draws with NELM is that household well-being and prosperity are not strictly in their economic progress but are largely reflected in how families stand compared to other families in the same community. Therefore, if a certain number of families have a higher income, families who feel deprived will have more motivation to migrate (Katseli et al. 2006, p.28).

On the other hand, if deprivation prevails in society, the continuation of migration will improve the flow of information; so that the price that the household has to suffer to migrate will become much lower (Ibid.). This helps families to join the initial migrants, thus using migration as their livelihood strategy. Besides, those who remain in the country are increasingly investing in occupations that could benefit them if they decide to leave the country, so at the moment the whole economy of the sending state is adapted to migration (Ibid., p. 29). Moreover, social networks that are being formed in the host country will enable those who are migrating to find easier employment, acquire visas, and other documents. They can also help in finding accommodation and by doing so they considerably contribute to easier adjustment in the new

environment (Ibid, p. 32). Massey (1990, p.10) explains it this way: “(...) the self-feeding growth of networks that occurs through the progressive reduction of costs also occurs through the progressive reduction of risks. Every new migrant expands the network and reduces the risks of movement for all those to whom it is related, eventually making it virtually riskless and cost less to diversify household labor allocations.”

When choosing a household as a central unit in the analysis, it seems to be the optimal strategy that will allow us to look at both the structure and the agency, given that livelihood strategies vary depending on the period, area, and social group. As mentioned above, this view serves very well in underdeveloped countries where families cannot ensure security in society on their own and thus rely heavily on the family and the community (de Haas 2010, p.245).

2.1.4 Transnational livelihood approach

“The flow of ideas is ensured by reciprocity as exchange and reciprocity as a social norm” (Faist 2007, p.31).

Remittances are proof of the strength of the system like transnational practices that connect people over long distances and in different cultural backgrounds. They shape the societal status of the sender, who tries to help both his family and the community, and in some cases his country (Cohen 2011, p.106). It is evident that social connections affect economic transfers. So migrants send money to ensure the social security of those who are at home. They consciously determine which links to emphasize and which to ignore, given what seems to them to be an essential segment of the future that is coming (Levitt and Lamba-Nieves 2010, p.4).

Peggy Levitt as one of the main scholars on the translational livelihood approach states that the economic aspect is not the whole story. Cultural factors largely determine whether development is seen as an obstacle or an opportunity (Ibid., p.2). Migrants bring with them beliefs, habits, and stories that will allow them mobility and thus the ability to create associations and kinds of affiliations (Ibid.). Therefore, if politicians and scholars take only the economic aspect, there is a high possibility that a very important factor in the success of such projects will be lost. If we do

not take people's cultural habits as an essential value, we can fail to address the major factors of the social world that play an enormous role (Ibid.).

In recent times, more and more importance has been given to the formations of transnational networks, because it has been recognized that highly skilled workers usually do not return to the place of origin but create a cross-border association that in many cases spills over into countries of origin (Faist 2007, p.31; Levitt and Lamba-Nieves 2010). “Moreover, with the advancement of technical possibilities, it is realized that Diasporas can live transnationally and that they can affiliate transnational identities. Technical progress has spurred many connections as money has begun to be sent through globalized formal and informal banking systems allowing migrants to bond more easily with their families, to travel back and forth, and to do business in several places at the same time (de Haas 2010, p. 247)” (Puljic 2020, p.5)¹.

Given the transnationalization of migrants' lives, it is clear that modern political creations such as “nation-state” and nationality are under great temptation when looking at migrant integration. As De Haas (2010 p.247) elaborates it: “The implication is that clear-cut dichotomies of “origin” or “destination” and categories such as “permanent,” “temporary”, and return migration are increasingly difficult to sustain in a world in which the lives of migrants are characterized by circulation and simultaneous commitment to two or more societies or communities”. This view of the interactions between migration and development has cornerstone features as it views integration into recipient countries and commitment to their own society not as substitutes but as things that complement each other (Ibid.).

For the purpose of my research, I will combine those three pluralist views on migration development interactions to fully grasp the heterogeneity of this nexus that will also enable me to encompass a complex picture of Bosnia and Herzegovina.

¹ This part was previously used in the internship report I wrote in December 2020, which I use now as a base for this Master Thesis

2.2 Adjustments to theoretical frameworks; combination of approaches

For the purpose of this thesis I will merge those three theories and look at migration as a “transnational livelihood strategy” strived by households (de Hass 2010, p.248). However, even though these pluralistic views are more filtered and practical, we will have to adapt them to the idea of the research for the reason that it would be less loose and open to other forms of migration, and not for example exclusively for labor migrations (Ibid., p.252).

The problem occurs since conventional categories in most cases place migrants inside of specific labels such as economic migrant, asylum seekers, refugees, or similar, and do not outline the mixed motivations for which people migrate. Thus, it would be best to remove the "L" from NELM in order to broaden the theory to all forms of flows (Ibid., p. 253). Moreover, we would move away from the fact that migrations are used exclusively to improve the income of families who remain and separate migrations from the possible consequences of development. Finally, it allows us to go beyond the economic aspect and to see it in a broader context of economic, spatial, or political possibilities, and not just as differences in profit (Ibid.).

As we have already pointed out, these three approaches try to combine structures and agency, which can lead to more positive views of development possibilities on migration, and show how individuals have the opportunity to overcome fundamental problems in the country of origin. Hence, it is important to look at migration as de Haas (2010) states: “Migration is not an independent variable “causing” development (or the reverse), but is an endogenous variable, an integral part of change itself and a factor that may enable further change. This is why it is more correct to refer to the reciprocal relationship between migration and broader development processes instead of the - one-way – “impact” of migration on development.”

The domestic developmental situation in which people find themselves reflects the degree they can lead a normal life and how much they can improve the situation in general (Ibid., p.254). Another way in which the local situation influences the affection to migrate is the human capacity for financial, social, and human capital. Thus, their desire to migrate is seen as a function of their aspirations, and migration can increase as long as their aspirations grow faster than the opportunities developed within the local community (Ibid.).

Economic remittances are for sure a very relevant factor when looking at the development-migration nexus. As we can see from the World Bank survey, at the end of 2019, international migrants remitted around 550 billion dollars, and most of this money went to developing countries (KNOMAD 2019). But by concentrating only on the economic aspect, our analysis of the nexus will remain incomplete because we omit people, experiences, and beliefs that flow within transnational social terrain (Lacroix, Levitt and Vari-Lavoisier 2016). My analysis must go beyond remittances use studies only. Because, as mentioned above, even if optimistic or pessimistic, they simply cannot cover all the aspects and broad effects that remittances have on society and economic practices within households (Taylor 1999, p.74).

Consequently, I will discuss Hein de Haas theoretical framework and challenge the basic hypothesis that remittances as one of the central development factors are per se leading to societal development. What happens if we use bottom- up approach and explore how remittances are distributed and invested; how flows of ideas, connections and social ties with people who already migrated affect people attitude towards the state and what kind of future it opens up for people in Bosnia and Herzegovina; “given the poor economic picture accompanied by high unemployment, inefficient government, and widespread corruption. The theory will be explored through local households and thus explore how they use and perceive international remittances in their daily lives” (Puljić 2020, p.6)². Before moving on to analysis, it is important first to clarify how I understand the main concepts used in my research: financial remittances, social remittances and development that will be explained in the following subsections.

2.3 Concept of financial remittances

Remittances are considered to be one of the main techniques through which migrants send a certain part of their earnings to those who have stayed at home, and it is also the main route through which non-migrants benefit from the migration cycle (Nyberg-Sorensen et al. 2002; Katseli et al. 2006). In order to investigate the impact of financial contributions of migrants to

²This part was previously used in the internship report I wrote in December 2020, which I use now as a base for this Master Thesis

local households, I will use the concept of financial remittances developed by Nyberg-Sorensen et al. (2002) which explains them as: “remittances are a portion of a migrant’s earnings sent from the migration destination to the place of origin. Although remittances can also be sent in kind, the term “remittances” usually refers to monetary transfers only.”

Migrants transfer capital to their families for various reasons, above all to provide them with the necessary means of subsistence but also to maintain a social relationship. Households use remittances for numerous different social and economic objectives and thus get the opportunity to become agents of development (Nyberg-Sorensen et al. 2002, p.56). Money transfers i.e. remittances in most cases are split into two parts: formal and non-formal sending channels. The formal transfers are based on sending money through intermediaries such as international banks, Western Union, or other similar international institutions (Katseli et al. 2006, p.48). A non-formal channel for sending money is based on handing over money through private channels, as for example most famous one “fei ch’ien” in China. Informal ways in most cases occur when legal money transfer transfers are not available or if there is a lack of knowledge and security in legal systems. It is also considered that non-formal transfers reach rural and remote areas easier than formal ways of sending money (Ibid.).

2.4 Concept of social remittances

The second concept that I will use in my thesis concerns “social remittances”. This concept will help me to explore in depth the migrant social contributions to local household practices. The concept was forged about twenty years ago to emphasize that in addition to money; opinions, standards, human capital, and identities travel through receiving societies (Lacroix, Levitt and Vari-Lavoisier 2016, p.1).

This aspect is important because it shows that the flows of ideas and habits when it comes to material restraints also affect people's life decisions. The transmission of social remittances is based on a mutual relationship between those who have left their homes and those at home (Levitt 1998, p.927). Their connections are embedded in local dynamics, national history, and other local contexts. For this thesis I will use Peggy Levitt's (1998) definition of social

remittances, which she made in 1998, explaining: “Social remittances are the ideas, behaviors, identities, and social capital that flow from receiving- to sending-country communities. They are the north-to-south equivalent of the social and cultural resources that migrants bring with them which ease their transitions from immigrants to ethnics. (...) Social remittance exchanges occur when migrants return to live in or visit their communities of origin; when non-migrants visit their migrant family members; or through interchanges of letters, videos, cassettes, and telephone calls. ”

Globalization whether in a political, economic, or cultural sense has laid the foundations in which transnational communities arise. Peggy Levitt (1998) argues that although we understand to some extent the mechanisms of social dispersion of global culture, there is a large gap in understanding the global flow of ideas and practices at the local level that hugely adds to creating transnational collectivity. Therefore when migrants come into contact with the place of origin the exchange of social remittances happens. They use their experiences and interpret them through the frames they carry with them, so new traits and views are reflected on people and things at home (Ibid., p.930).

Levitt (1998, p.933) emphasizes that social remittances can be divided into three parts: “normative structures”, “systems of practices”, and “social capital”. Normative structures are views, values, and opinions that include norms such as social behavior, the distribution of responsibilities in the family, various standards and principles of behavior in the community. Systems of practices are acts that are conditioned by normative structures and thus for individuals they constitute family labor, religious practices, and civic participation (Ibid., 934). Social capital which by definition denotes expectations within the collective that affect economic goals but also behavior in fulfilling the goals themselves *vis-a-vis* values and norms on which social capital is based (Ibid., 935).

As mentioned above, social remittances will enable me to explore how much the norms and practices of people who have left the country affect the daily lives and decisions of those who remain. How much does this exchange of knowledge affect their decisions about the future and their views of the world around them but also the world beyond.

2.5 Defining development

The big problem with migration studies is that the term development has never been explicitly explained and that there is essentially a lack of debate on how the term should be properly framed. In most cases, migration-development nexus research focuses on income parameters and thus the focus is on the effects remittances have on income growth, investment in projects, and similar economic aspects (de Haas 2010).

Since this research is not only focused on economic aspects of migrations but also on social factors that encompass various societal issues beyond income I will use the Midgley James definition of development. Midgley(1995)proposes the term “social development”, which as its main feature highlights attempts to connect social and economic development efforts. He also believes that it is necessary to integrate both spheres as integral parts of general development because social development cannot happen if there is no economic progress but on the other hand, economic progress is senseless if not accompanied by the development of social welfare of the whole population (Ibid., p.23). I will use his definition of social development as: “the process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development” (Ibid., p.25).

We can thus see social development as a way of promoting people's wellbeing. Social welfare occurs in societies that can create social opportunities for people to thrive and realize their potential. Some of the examples of wellbeing are education opportunities, job opportunities, healthcare, and human rights (Ibid., p.15). Following James' approach, this research will attempt to explore the impact of social as well as financial remittances on the ways in which people try to improve their situation within society. Also, this approach will allow us to see a broader picture of social changes caused by migration and how these same migrations affect development in a region under constant poor political governance and economic pressure that leads to increasingly difficult living conditions.

3. Methodology and research design

In the following section, I will go through the reasons why ethnographic qualitative research was used as a method for the thesis and reflect on my positionality as a researcher. I will also explain the interview process, selecting informants and context of interviews. In the end I will explain the qualitative method of observations and ethical considerations that were taken into account.

3.1 Methods

As the objective of this research was to investigate how remittances affect the local population of Bosnia and Herzegovina, and thus the development of the state, I decided to use an ethnographic qualitative research method that will allow me to achieve a more in-depth understanding of social processes and their changes within society. Because qualitative research in most cases allows the researcher to represent, portray and explain a particular social phenomenon within a particular social space (Brayman 2012, p. 430).

If you look at the root of the word *ethnos* itself, it is a Greek word that expresses folk, people, race, but usually, in research is explained as describing people. It is necessary to emphasize that ethnography deals with people as a whole and does not consider them as individuals (Angrosino 2007, p.1). Thus, it is a way of studying people in associated groups that we call communities or societies. Angrosino (2007, p.1) states that the thing characterizing a particular group is culture. Therefore, studying the culture of such societies involves the analysis of their shared behaviors, practices, customs, and norms.

An ethnographer collects data about human experiences and thus tries to create specific patterns of behavior more than to describe every event that happens during the creation and interaction between them (Ibid., p.14). Consequently, I as a researcher, have been a very important part of the research process because I have been constantly present in the research field, and with my awareness and knowledge played an active role as a member of the research area.

Although the results of ethnographic research may in some cases be placed in certain tables, graphs, and similar algorithmic systems, complete ethnographic research should take the form of

“narrative” (Ibid., p.15). It should be a kind of extensive story whose central aim is to open readers to new perspectives on the community in which the ethnographer lived and interacted.

Angrosino (2007, p.15) further states that in most cases these narratives are in the form of a literary type of prose that represents writing in loose unbound verse or rhyme and consists of complete sentences placed in paragraphs. It is for this reason that I have decided to not use quantitative research since they are based on the fact that a particular problem can be studied if they have certain predictable connections such as changing factors and predisposing factors that condition them (Ibid., p.22). But when looking at real-life issues it is hard to fit them into specific conclusive formats. Another advantage of ethnographic research is that it allows the researcher to connect with the environment and thus create a richer understanding of diverse social actions in different contexts (Reaves et al. 2008, p.514).

To conclude, the essence of this type of research is such that it tries to identify what people do, what happens to them, and how they form the world around them while allowing us precious insight (Angrosino 2007). To achieve these valuable insights, various ethnographic methods are available and include collecting data on material products, social ties, beliefs, and values of the community (Ibid.).

3.2 Positionality

“The nature of qualitative research sets the researcher as the data collection instrument. It is reasonable to expect that the researcher’s beliefs, political stance, and cultural background are important variables that may affect the research process” (Bourke 2014, p.2). Therefore, it is very important that before explaining how the interviews were made and the process of finding the interviewees, I would like to position myself within the research itself.

My initial interest in this topic started when I returned to BiH after 6 years to do an internship as part of my master's program at Aalborg University. Working at the Humanitarian organization St. Antony in Sarajevo, I had a chance to meet many families whose members have left the country in search of a better life. Also, I am like that myself, in search of a better education I left the country where I was born and raised. All of this greatly influenced my choice to choose the

topic of the impact of migrations and remittances as a central point of the research. After completing my internship, I returned to my hometown of Novi Travnik, as the situation with COVID-19 did not allow me to return to Copenhagen and continue my studies there. Coming back to Novi Travnik, I realized that the situation is the same here because most of my neighbors and childhood friends also left the city and moved to various countries, mostly in the European Union. However, the good thing about all of this is that I still have many personal and professional contacts within the country and sharing the same language has greatly helped me in finding my informants. “Furthermore, I could refer to standard Bosnian customs and events. Thus, I was positioned as an insider in the research itself. Whereas such “insider” research is one in which the researcher and the interviewees share similar cultural determinants such as language, ethnicity, origin, and religious inheritance (Ganga & Scott 2006, p.2)” (Puljic 2020, p.7)³.

Whereas the before-mentioned can in most cases serve the researcher as an advantage, they can also bring disadvantages in the event that the differences between the researcher and the one being researched become too small (Ibid., p.2). As Kusow (2003) elaborates: “Insider ethnographers, unlike outsiders, face an inherent contradiction between community expectations and their role as credible researchers. Thus insiders are pulled between their intellectual impulses and that of the immigrant community, which implicitly encourages them to present their subjects in a positive light.” Therefore, I have tried to display the life and life stories of my interviewees as realistically as possible throughout the thesis. The only thing that happened a couple of times during the interviews was that my informants assumed I knew certain things about the community and thought they don't need to explain things to me, but whenever that happened I would stop them and ask them to explain those certain things. But either way, I don't think it greatly affected their responses in total.

3.3 Interviews

In order to explore the effects of social and financial remittances on the development of Bosnia, I have decided to interview people who are directly exposed to this exchange with the Bosnian Diaspora. I, therefore, conducted 6 semi-structured interviews with Bosnian households receiving

³This part was previously used in the internship report I wrote in December 2020, which I use now as a base for this Master Thesis

remittances from abroad. Among them, five were with the head of the family and only one with one of the kids. The interviews were conducted- between November 2020 to March 2021.

Main reasons for using the semi-structured interviews were because, as Kvale (2007, p.11) states: “A semi-structured interview attempts to understand the themes of the lived daily world from the subject's own perspective. This interviewer seeks to obtain descriptions of the interviewee's lived world with respect to interpretation of the meaning of the described phenomena.” Since the focus of such interviews is on personal beliefs, meanings, and views of participants it is considered a pretty good way to explore practices, norms, and ideas that influence people's behavior within society and their life decisions (Ibid.).

“As interviews were designed to be semi-structured it contained an outline of topics that I wanted to be covered. The topics as distribution of remittances, ways and reasons of spending, and thoughts on social contributions of Diaspora were inspired by the literature review and my previous knowledge of the country's situation, therefore, serving me as a guide for my interviews” (Puljic 2020, p.8)⁴. The setup of semi-structured interviews allows us to enable our participants to actively engage in the interview and to leave room for them to initiate some new topics that they consider important and thus cover some that the researcher himself has not considered before the beginning of the interview (Galletta 2013, p.24).

3.3.1 Selecting informants

Since the central focus of my research is how financial and at the same time social remittances affect people's lives and development in BiH, I decided to interview people who receive money abroad directly and have family ties outside the country. Concerning the selection criteria, I decided to exclude people who are under 18 and retired older than 65 because they are not able to actively participate in business ventures and therefore can hardly invest in certain activities.

I used different strategies to find my informants. My colleague, with whom I worked together during the internship, is responsible for finding two of my six participants. The other four

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families were found through my private channels. In most cases, this would happen when I was explaining to my friends and family the details of my research. They would give me suggestions and insights of families who have relatives outside Bosnia and help me get in touch with them. As for the difficulty of finding the participant, I noticed that on a couple of occasions the families I approached were not ready to talk about their private financial matters and accordingly refused the interview. But since most of my interviewees were found through the family connections it greatly helped me overcome this problem.

3.3.2 Contexts of interviews

Looking at the fact that I spent most of my time in two geographical positions- Sarajevo and Novi Travnik- in Bosnia, I think it helped to eliminate the related urban bias. Since Sarajevo is a big city where people in most cases do not have the opportunity to invest in certain agricultural activities compared to Novi Travnik, where this is achieved because most of my respondents had properties or land outside the city in addition to their apartments. As I found most of my participants through my private connections it probably led to ethnical homogeneity because the vast majority of them are Croats as I am myself.

When arranging the interview, my participants were given the freedom to select the places where the interview will take place. In all but one case, interviews took place in their homes which seemed to help the whole process as they appeared more comfortable and more engaging for answering the questions. Only one interview was done in the hair salon of one of the interviewees after working hours, but considering that this is also a familiar environment for my interviewee, it did not seem to make any difference.

The interviews lasted approximately between 40 and 60 minutes and were recorded with an audio recorder and transcribed literally, and the recording was accepted by all participants. All interviews were conducted in the official Bosnian languages, and since I have a great knowledge of the language, it does not pose any major problems.

3.4 Observations

In addition to making 6 in-depth interviews with key informants, I also used the ethnographic method of participant observations in which Gold (1958) states that: “the researcher gains access to a setting by virtue of having a natural and non-research reason for being part of the setting. As observers, they are part of the group being studied.”

During the whole process of writing the master thesis, I observed and interacted not only with my informants but also with a large number of people in the local community. Interactions would happen on a daily basis whenever I would walk out of my apartment and meet people either on the street, over coffee, or some informal celebrations. These interactions greatly influenced my views about ongoing migration processes but also about how the Diaspora affects the local population.

Given the enormous number of people who are leaving, such topics occur almost every time people interact with each other and I would even say that people cannot socialize without talking about migrations and its effects. In addition to interacting with the local population, I also spend a lot of time with the Diaspora who would return to the city during the holidays, specifically during Christmas and Easter. I listened carefully to their stories about how it is to live “outside” and what are the main differences and shortcomings in Bosnia because of which they left the country. Although observations are usually recorded in the form of field notes, I did not use them because I needed the observations to understand the context and to understand the perception of the world in which people live, allowing me to see more clearly the impact of migration and remittances on society.

3.5 Ethical considerations

Whenever we have a direct relationship involving human beings, great attention needs to be paid to ethical considerations. As Arifin (2018, p.30) states: “The protection of human subjects through the application of appropriate ethical principles is important in any research study. In a qualitative study, ethical considerations have a particular resonance due to the in-depth nature of

the study process.” Therefore, protecting the participants from any harm concerning participation in the research was of fundamental importance.

After finding each potential participant, I made sure they understood what this project was about so that they could decide for themselves whether they wanted to participate or not. Before each interview, I also explained which topics I wanted to cover and asked if they had a problem with some questions to avoid possible delicate situations. It is important to emphasize that great attention was paid when formulating the questions in order to not approach the financial aspect of participants' lives too aggressively. Therefore, the questions about money always came after my interviewees themselves already introduced people from whom they receive money.

They are also guaranteed total anonymity in case they want to be anonymized. Almark et al. (2009, p.50) suggest the use of pseudonyms or initials should be used wherever possible. Additionally, all the participants were informed that audio recording can be stopped at any moment.

4. Context

In this section, I will describe the historical background of Bosnia and Herzegovina which directly produced large-scale migrations and complex economic situations in the country. Furthermore, today's situation the country finds itself will be also shortly presented.

4.1 Historical background

Bosnia and Herzegovina comprises an area of 51,209.2 km² and is located in the western part of the Balkan Peninsula (Kadušić and Sunjic 2018, p.77). Given that Bosnia had a very low industrial development mostly based on agriculture during its existence within the former Yugoslavia, it forced several populations of Bosnians to emigrate to more developed European countries. Most of the emigration took place during the 1960s when Yugoslavia was going through an economic crisis. During that period and until the beginning of the 1990s, about 300,000 or 5% of those days population emigrated from the country (Ibid.). Another important

factor of state instability that will escalate mostly at the end of the century is that Bosnia is a multiethnic state divided into three ethnic groups; Croats, Serbs, and Bosniaks (Ibid., p.77). In addition to being multiethnic divided, they also differ in their religious beliefs (Ibid.,).

Bosnia and Herzegovina spent more than three and a half years (1992-1995) in the war fighting for its independence. The war caused a severely segregated society that is politically, territorially and culturally divided (Bieber 2006 p.1). Although the Bosnian identity existed even before the war and to some extent retained to this day, the amount of nationalism that erupted before the conflict led to an incredible level of "polarization" and almost to the separation of the state (Ibid.). Given that BiH did not have any modern independence until 1992, it is largely connected both politically and socially with the countries in the region, mainly Croatia and Serbia (Ibid.).

Consequently the most prominent flows of migration that hit Bosnia were the years of war. The civil war was the most serious armed conflict in Europe since World War II. "The conflict between separatist and ethnic interests in the Balkans has led to a war that has astounded the world with the amount of violence against civilians. The scale of violence is also indicated by the fact that the term ethnic cleansing was coined to describe the use of cruelty, rape, killing, abuse, and expulsion of civilians from their homes to achieve ethnic purity (Alvarez 2015, p. 6). It is estimated that about 300,000 people were killed and over 2 million displaced of which 1.2 million fled to other countries, thus giving birth to a large war Diaspora (Ibid, p.6)" (Puljić 2020, p.8)⁵. According to the Ministry of Security, the percentage of people currently living outside the country compared to the entire population is at about 56 percent, which is one of the largest shares of the Diaspora in the world (Begovic et al. 2020, p.2575).

The war ended with the signing of the Dayton Peace Accord which was an adaptation of Vance-Owen's plan for a semi-autonomous canon. The agreement established and divided the state into two entities and one separate district; Republika Srpska, where the majority of the population is Serb, and the Federation, where the ethnic picture is complex due to the mix between Bosniaks (66%) and Croats (32%) (Divjak and Pugh 2008, p.3). For this reason, the federation is

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furthermore divided into 10 cantons each of which has separate ministries and parliaments. An additional arbitration was made in 1999 in the Brcko District, which is a separate territory with an independent administration, judiciary, and police (Ibid.). Moreover, The Dayton Accords led to the establishment of the Office of the High Representative (OHR), which is the largest legislative and judicial authority in Bosnia. OHR has the power to enforce laws without any legal actions and may also suspend any elected representative of citizens if it is determined that his election may lead to obstructions in the implementation of the Dayton Agreement (Tomas 2013, p.107).

The development of Bosnia in the post-war period can be characterized through different but simultaneous transition processes. As Tomas (2013 p.104) describes them: “(1) from socialism into capitalism; (2) from the war economy into the market one; (3) from totalitarianism into democracy; (4) from war exclusiveness into tolerance”. According to Thomas, the fact is that the Dayton Accords enabled institutional framework regarding the functioning of the state, but because it legitimized ethnic division, key reforms came at a very slow pace (Ibid.,).

Kurotvic and Hromadzic (2017) agrees with this and believes that “Peace institutionalized and legitimized what the war produced - the state that was an empty shell with the Serb Republic governing itself autonomously and the Croat cantons in the Federation having a comparable degree of self-governance.” It is important to emphasize that the international community has also played a major role in the introduction of new market reforms and the initiation of state-owned privatization (Ibid., p.268). Privatization was favored by the necessity to depoliticize economic life to achieve economic growth and repair, but it was soon realized that privatizations in BiH were going in the wrong direction due to slow bureaucracy and criminalized privatization process (Tomas 2013 p.105). Such a combination of political decentralization and privatization has led nationalist parties to take possession of all major industries, factories, and other infrastructure enabling them to gain political loyalty that will provide socio economic stability (Kurtović and Hromadžić 2017, p.268; Tomas 2013).

The rule of law in Bosnia was destroyed during and after the war, which, as we can see, went hand to hand with the ruling elites who did not even want such things to be developed due to their personal interests (Tomas 2013, p.103). Thus, in this period, Bosnia is considered a state in which corruption, gray economy, absence of human rights, and various unprotected economic

and media freedoms prevail (Ibid.). All of the above leads to political uncertainty which reduces the development of democratic institutions. Dayton was initially a helpful mechanism to stop the war, but it became clear that to form an institutional scheme that would lead to more comprehensive political stability and thus to the development of democracy and economic conditions in the country does not exist (Ibid., p.109).

Although 25 years have passed since the Dayton Agreement, which tried to shift democratic practices to the society and market economy in business, sadly in a country like Bosnia, the implementation of such practices is very complex and slow. We can conclude that Dayton was not a real instrument for solving economic problems, consequently leading to a successful transition (Ibid.,). This brings us to the next section in which I will describe the situation the country finds itself today and the reasons why it is one of the leading migration countries of Europe.

4.2 Today situation

“Today, according to the last census, Bosnia and Herzegovina have about 3.3 million inhabitants, although the exact number probably differs because the last census was conducted in 2013. Bosnia represents the leading European emigration country, but it is also one of the world leaders with 11th place, although if micro-countries are excluded, it climbs to a high 3rd place (Domazet et al. 2020, p. 18). Emigration includes the most productive part of the population. Motives related to emigration are linked to social and economic factors inside and outside the country, which include the level of wages, quality of life, and opportunities for personal development (Ibid., p. 12). It is important to emphasize that citizens are leaving the country not only because of economic difficulties but also as Vracic (2018 p.7) investigates because of corruption, primitivism, nationalism, and chauvinism” (Puljić 2020, p.9)⁶.

Bosnian economy is shackled with many severe structural difficulties. Strategies for the use of resources are lacking, which are displayed in the creation of a small social product, weak

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proficiency in the use of resources, and inadequate evaluation of economic contribution to GDP (Tomas 2013, p.101). Such a situation has been present for years and the country has been going through various crises continually. People face many hardships and are accustomed to a difficult life, low living standards, poor quality of public institutions, inadequate infrastructure, and many human rights violations as well as the loss of jobs and property (Ibid., p.104). It is believed that due to this situation, people had fewer reactions to the crisis because the crisis has become normal in society and an environment in which people live and perceive the world around them (Ibid.).

Labor productivity stagnates compared to wage growth. The poverty scale is one of the largest in this part of Europe and the possibilities of reduction are quite small. The purchasing power of citizens is far from the average of the European Union and the public debt of the state has a high percentage in GDP (Ibid., p.101). The fact that for every 100 employed persons there are 90 pensioners and 77 unemployed speaks for itself (Ibid.). Looking at public opinion, political parties are considered the most corrupt sector in BiH, and trust in incumbent structures, administration, and institutions, including the Office of the High Representative, is very low (Divjak and Pugh 2008, p.5). Clientelism persisted even in modern times in which ethnic politics continued in most state-owned companies. Perry (2018, p.121) explains situations: “In addition to the economic impact, the incomplete democratic transition has also led to the development of a civil service and public administration that has maintained the importance of party / group loyalty and officials through manipulation of hiring laws to ensure parties can place the people they want in their positions. The role of political parties in public and economic life becomes critical, leading to the application of the term *partitocracy*. ”

Today, Bosnia is placed in the group of upper-middle-income countries. It is characterized as mentioned earlier by various macro and micro economic difficulties. One of the biggest problems is high unemployment, which in 2017 amounted to a high 20% and among young people it even reached a percentage of about 50% (Begovic et al. 2020, p.2578). According to the World Bank, Bosnia ranks 90th out of 190 countries for the ease of conducting business, which is far from the average compared to the region (World Bank, 2020). For example, Croatia and Serbia are in 44 and 51 places respectively. Regarding the economic freedom index for

2021, BiH ranked 82 out of 178 countries, which is also below the regional average; main reasons are the lack of rule-of-law indicators: property rights, judicial effectiveness, and government (Index of Economic Freedom, 2021). And as for the global competitive index for 2019, it is in 92nd place out of 141 positions (Schwab 2019).

The number of people leaving BiH is continually increasing and is remarkably high. One of the main consequences is the brain drain that impoverishes the country in all aspects. The lack of a workforce is expressed in almost every sector which also affects the pension sector given the median age of the country is very high. As Begovic et al. (2020) emphasize the departure of people not only leads to a decline in productivity but also in the social effects of migrations. Changes in family composition, separation, and abandonment of older people as well as outcomes in the labor, health, and education sector contribute to the unsustainability of the social security system (Ibid.,).

Important to highlight is that transnational practices of Bosnian emigrants have not diminished over the past century and it is believed that emigrant trends will continue in the future and that their practices will remain stable with some new ones also emerging (Valenta and Strabac 2013). Also, brain drain and economic migration should continue in the period ahead (Valenta and Strabac 2013; Domazet et al. 2020). Increasing visits to Bosnia have become more frequent and the flow of remittances, which has become the largest inflow of foreign currencies, could remain stable. In addition to all this, a great number of the population is ready to emigrate as well, and according to several studies, as many as 70% of the young population has expressed a desire to leave (Valenta and Strabac 2013; Begovic et al. 2020).

“The large Diaspora is significantly strengthening the Bosnian economic space (Oruc 2011). In the period after the war until today, Bosnia leads with the number of remittances received from abroad (Jacobsen 2015, p.14). Hence the economy depends heavily on remittances given the small number of FDI (foreign direct investments) (Oruc 2011). According to the Central Bank of BiH, the total inflow of remittances from abroad amounts to 2.69 billion convertible marks, and this number is expected to increase and remain stable in the next year (Domazet et al. 2020). That number is thought to be much higher and climbs to 6 billion given the informal ways of transferring money. For comparison, the share of global personal remittances in the world is 5%,

while in Bosnia the average is 11.2% per employee (Ibid.). Given the deep imprint left by the war as well as the slow transition process, understanding how remittances can help or hinder will be crucial to country's economic and social development” (Puljić 2020, p.10)⁷

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5. Analysis

Four Scenarios: Local manifestation of migration- development nexus

My analysis helped me to discover the various ways in which financial and social remittances affect the development of the local community in BiH. But as I stated before, according to James' (1995) definition of development, it is necessary to connect these two spheres in order to be able to see a broader picture of the impact of migration on social change in society, but also development as a whole. Therefore, in the first part of the analysis, I will look at the main reasons why people leave the country in the first place. After the first part, the following two sections will look at the exchange of financial and social remittances within the households. Finally, in the last section, I investigate people's perceptions of the state and its future.

Participants

In this section, I will briefly explain my interviewees to get an overview of their background. This brief description will include age, work experience, family members they live with, and members living abroad.

Ivan Bralić

Ivan is a 32 years old man, born and raised in Novi Travnik. He finished high school for hairdressers and shortly after graduating he opened his own hair salon. Ivan is married and together with his wife Mirjana who works in a glass processing company have a 4-year-old daughter. As for close relatives, he states that over 40% of them now live somewhere abroad and that he is in regular contact with them, but the person who often sends him money is his first cousin who left for the USA after the war.

Karlo Kvasina

Karlo, the youngest of my interlocutors, is a 25-year-old young man born in Novi Travnik. He has a master's degree in informatics where he graduated from the Faculty of Mostar. After graduating, he got a job in the profession and works for the IT Company Cornet as a junior front-end developer. He lives with his father in his hometown and has three older brothers, all of whom have left the country and now live in Croatia and Germany. Throughout his studies, in addition to pocket money from his parents, which was not enough to last for a month, he received money from his brothers who sent support and enabled him to eventually finish college.

Gabrijela Matekalo

Gabrijela, a 49 years old woman, who has been working as a secretary in an elementary music school for 25 years, married to Milan, a carpenter and war veteran, working in his profession but on sick leave due to liver problems. Gabrijela and Milan are from Travnik and together they have one son, Bruno, a chef, who left the country immediately after graduating from high school and went to Austria to secure a better life for himself and his family.⁸

Mile Pljuco

Mile, originally from Šipovo, RS, moved to Novi Travnik as a baby with his parents and never left town again. He is 62 years old and although able to work, he has been unemployed since firing from a private company in 2017. He and his wife Duška make a living from her salary, which she earns in primary school by teaching Croatian. They have two sons, Šaša and Goran, who left the country after graduating from college and went to Austria and Germany. Although Mile opposes the children sending him money, they still do it to help them live easier.

Ljubica Galić

Ljubica is a 35-year-old woman who graduated from high school in economics and currently works in a local socks factory. She lives in Sarajevo with her daughter who is going to primary school. Her husband has been in Stuttgart for 10 years now, leaving the country because of the low salary that he had here. Since Ljubica also has a small wage, her husband sends her money every month so that she and her daughter can lead a normal life.

⁸ The interview of Gabriela and her family is the only interview that was also used in my internship report. Consequently some of the quotes may re-appear in this thesis.

Martina Kovač

Martina is a 40 years old woman from Sarajevo. She has been divorced for 8 years and in her previous marriage, she has two boys aged nine and thirteen. Martina lives with her parents and works as a chemistry teacher in two schools. Given the difficult situation and problems with her ex-husband, the biggest support in life is uncle who lives in Austria and helps her repay the loan and support the children. Also a year ago she met a new boyfriend who went to Germany as she states for social reasons. In addition to helping her financially, he also tries to convince her to move in with him.

5.1 Go West! Why do people leave?

For the beginning of the analysis we will firstly take a deeper look at the main factors that make people decide to leave BiH. Talking to my interviewees about life in Bosnia, we often touched on the topics that regularly bother them in the functioning of the country, but also the main reasons why people leave their home in the first place. Interestingly, my interviewees on many occasions used examples from their relatives abroad to describe their situation. Since they had a lot of similar overlapping answers, I decided to divide this section into two sub-topics related to the financial and the social security aspect.

5.1.1 Finances

Several of my interviewees refer to financial stability as one of the main factors why people decide to leave the country. Ivan thinks that the huge problem in Bosnia is that people with their salaries never manage to save something so that they can afford some basic things that are necessary for the functioning of the family. And here is how he perceives it: “That is the key to the whole story. In my opinion, a large number of people live here to cover their monthly expenses, buy food, pay for utilities, internet, television, and push through the month. Specifically in my case, my family is based on what you earn you spend. It is difficult for anyone to create some surplus to accumulate it and have savings or to buy some real estate so that they have safe money in it. Especially for me, I do another job, as a guitar player in a bend, so I try to create some surplus, but more or less everything is spent. It’s not about any luxury, it’s standard

things like a little family vacation so I mostly spend that excess on it. And that's the way it is from year to year.”

We see that Ivan who, although doing two jobs, thinks it's hard to achieve a certain surplus, and takes his cousin as an example who visits him at least twice a year from faraway America: “Their household budget does not suffer to come to Bosnia. This is not the case with us, because when we are preparing to go somewhere else, we have to plan money a year in advance, so we prepare and deny ourselves the things in order to achieve that. My cousin from America comes to Bosnia twice with a family of five, spends 5,000 euros on tickets, which is not a small amount of money, but he can afford it with all the expenses they have at home, which is a big deal for a Bosnian. If I could get plane tickets and go to America tomorrow, I would have to work here for five years.”

A similar matter bothers Karlo who explains that with the money he earns here it's hard to be economically secure and afford a good life: “What does it mean to be economically secure? to live and survive, pay utilities, go to lunch with a loved one once a week. With my 500 EUR salary, I couldn't even afford a car, I didn't even have an apartment, so I didn't have anything that would mean that I was insured in life. When would I achieve all this? I would have to take out a 30-year loan from the bank to buy an apartment and I have to work my whole life to make that money. I don't think I could ever progress as fast in my business here as I felt I could do progress during those summers when I worked in Germany.”

From all of the above, we see that people have a hard time coping with the fact that they have to watch each month over and over again to raise enough money to survive the month. Martina looks to the near future when we talked about the main problems she and most people face, and states that due to the difficult economic situation in which the country finds itself, she is afraid of what will happen if next month there is not enough money in the state budget for salaries: “I think that if the salary is late for only one month it would not be a problem solely for me but also for everyone else because we all live from salary to salary. And in case you get fired, they would send you to the bureau and you would get 200 euros minimum wage. And what is 200 euros here, I could not even cover the utilities.” Considering that Martina is a single mother, she looks at this situation from the position of her children and explains to me: “For my children tomorrow, if they both don't study somewhere outside, they will go to Germany for sure because

they have nothing to do here or they can work as waiters and have a salary of 250 euros trying to survive. I try really hard not to raise my children as losers.”

Martina's words about her children have an interesting connection with Ivan's thinking about how migrations affect the fact that less and less money is available for all service activities in the city: “Every service enterprise lacks work. Foreigners do not enter my salon during the holidays but local people who left. They also bring their kids to me, then I double my work, the same children who are now growing up in the west and speaking a foreign language, and we are all silently watching. I just imagine that those days when the holidays come when everyone comes here en masse if it weren't for the situation as it is I would have so much work every month. Consequently, I would spend more money here and everyone would be better (...) Everything suffers, it's like a domino effect.”

Apart from emphasizing that finances are one of the main reasons why people leave the country, my interviewees also agreed to live in a country with poor social security in which the main sectors as appropriate conditions for work, pension, education, and health are very poorly developed which ultimately makes them as others think about leaving.

5.1.2 Social security

It is clear that people in Bosnia are very dissatisfied with the level of their salaries, but this is not the only problem they face while working here. Karlo specifically believes that he cannot have adequate working conditions here and that the worker is not respected as much as I should be: “(...) They (employers) do not respect you as a worker, they do not respect the work that you provide. No one cares about non-working days, and weekends, also the rest of the day after you're done with work. No one thinks about having families to devote yourself to. I agree that work is a priority, but up to the working time limit. And up in the west, politics and the state do not interfere in what you do. When I went to my brother, I realized that my work was respected, that is, from 8:00 to 4:00, and that after that I was a free man if I didn't want to work anymore.”

A similar story was told to me by Ivan, who thinks that Bosnian workers are being exploited and that there are no laws that would provide security for workers, and those laws that exist are in

most cases violated: “Salaries vary literally from 200 to 10,000 marks. We do not have a law on the hourly rate, which is strictly guaranteed in the West, and within that, the salary and everything else is regulated. Employers have total freedom to create a worker’s destiny with a small salary and with the exploitation of working time. Everything that stands on paper is not respected. Like a vacation, paid transportation. So everything on paper stands as a law but in reality and practice it is not so. (...) There is lawlessness in our country in every respect, and I try to live by obeying the law, as I am told, but Bosnia is a ruthless terrain, and if you want to live by the law, there is no place for you.” According to the latest information from the media, the Federation of Independent Trade Unions of Bosnia and Herzegovina has proposed a law on the minimum wage, but no one from the government has expressed readiness to put this problem on the agenda. Therefore BiH remains the only country in Europe where the lowest wage is not defined by any law/act (Tuzlanski.ba 2021).

Apart from the fact that most people are dissatisfied with the conditions under which work takes place in Bosnia, another very pronounced problem is the pension sector, which is under constant pressure. Due to the growing number of pensioners and thus the reduced number of insured workers, there is a constant decline in pensions. Although in theory pensions meet all the standards prescribed by European law, which imposes a minimum rate of 40% of the average salary in 30 years of working, in practice a problem arises (Obradovic 2010 p.8). Due to the declaration of the minimum base salary and minimum contributions for the payment of lower taxes, the official medium salary does not represent the actual average (Ibid.). Therefore, the actual relative pension rate is much lower and explains the big problem of why it is difficult to survive with the average pension in Bosnia.

Gabriela is aware of this and afraid of how she will live after retirement. Now, with 20 years of work experience, she is thinking of leaving everything and fleeing the country to provide herself with “normal” life after retirement: “Because realistically, when I earn my pension, I will be poor like all other retirees. Throughout my marriage, I strive for life insurance because I think it’s a great thing but it’s hard for the reason that I don’t have enough money left to pay the installment for it. But in my opinion, although I am in my mature years, I would be ready to start from scratch and would be ready to leave Novi Travnik and go to earn a pension, work for five

years in Austria or Germany to return to Novi Travnik and have a decent pension in which I could enjoy.”

What Gabriel is afraid of is happening to Mile, who after the end of the war got a job in a private company that sells additives and yeasts for bakeries, and after 20 years of service, he was fired only one year away from retirement. Looking at me sadly, Mile explains: “I got a job in a private company and he kept me there as long as he could use me. When he saw that the same job could be done by someone else, the younger I was fired. I worked for him for 20 full years and made a gentleman out of a peasant. (...) When I got a job, the annual turnover of the company was around 300,000 convertible marks, and with me, he made 9 million. I did everything in the company and even more than him and his children and after all this, he fired me.”

What's worse, Mile now has to wait another 2 years to be able to receive an early retirement that will be minimal in any case: “I am not able to receive a pension even though I have over 30 years of service because I did not want to give a bribe that would allow me to retire early. The problem is that I have 63 years and 30 years of work experience. Since they changed the law, I have to have 31 years of service to retire at 63 years old. Now I have to wait for 65 to be able to. This is not happening in any state, that I with 30 years of work experience can not retire. What kind of politics it is, the system is a disaster. And when I get it, it will be a minimum pension of about 180 EUR.”

As we can see from my examples, it is really tough to expect that Mile, like other retirees, will be able to lead a “normal” life with such low pensions and the knowledge that the prices of basic necessities are rising from year to year.

Another factor that my interviewers have highlighted is that they are concerned about the health sector. Although employees in the country, such as Ivan and Martina, pay money for public health insurance every month, they believe that they have no rights when they come to the doctor and are also required to pay extra for their services. Martina explains the situation to me as follows: “As far as health insurance is concerned, it should all be paid because we buy stamps for a year and you have no right to charge extra money. We have to go to private doctors to do some scans and findings, and we have to pay additionally for that. You have no right as if you are not paying anything for the healthcare system.”

Ivan believes that the healthcare system is full of corruption and that it is very difficult to get a doctor's appointment in an honest way: "I must touch on corruption in health care. Here, a man who has money can do whatever he wants, he will be the first to see a doctor, and we who do not have money are standing in line, trying to find some justice where there is none. Literally, if you don't have money, you are not welcome anywhere, so if you have an operation that is important for life, you will get your turn sooner if you pay for it, although no one is officially asking for it, but it goes without saying."

It is very clear that the main reasons why people leave Bosnia are that workers' salaries do not correspond to the standard of living. Furthermore, conditions for working are very poor, complemented with low pensions making it hard to live with those. Apart from this, my interviewees are also very dissatisfied with the health sector, which, in addition to being non-functional, is also full of corruption. My results go hand in hand with the conclusion of the latest research on the sustainability of migration in Bosnia conducted by Friedrich-Ebert-Stiftung Institut, which states that the number of students, including primary, secondary, and university education, is rapidly declining. The functioning of the healthcare system is also compromised by the shortage of doctors and medical staff. Furthermore, expenditures for the unproductive and elderly population are increasing, which results in weaker human and social capital (Domazet et al 2020).

5.2 Patterns of financial remittances

Given that all my interviewees receive money from members of their family living outside Bosnia, in this section, I will show the different methods they spend money but also the reasons that greatly influence their decisions and ways of spending remittances. In most cases, my interviewees emphasized that due to the poor economic situation in which the country finds itself and low wages; they are forced to spend money in most cases on everyday consumption and for some necessities that enable them to live a "normal" life.

So when I talked to Gabriela about how her family spends the money that her son Bruno sends, she first of all happily emphasizes: "Thank God Bruno is successful in his work and decided to help us because the situation at home is like that Milan has been on sick leave for a long time and

is on a minimum income, and Bruno sends and helps us as much as he can. (...) He sends us approximately one additional salary that is somewhere in the state average. He used to send it to us through Western Union, but due to high fees and commissions, we decided to open a foreign currency account and now he sends us money that way.”

She then goes on to explain how she actually spends her money: “Depending on our needs each month is different. Sometimes we run out of some basic groceries so we spend on household necessities or sometimes Bruno knows we have to pay a car registration fee or similar things so he sends us money for it. But sometimes it's purely for let's say “luxury”, for example, dinner or a short trip for the weekend.” I witness this myself when I saw Milan and Bruno bringing new kitchen elements into the apartment a few days ago. I remember that when I was with them before the interview that Gabriela complained that her old stove was not working well and that she would need a new one soon.

Ljubica is in a similar situation, which, given her small salary, she is not able to cover all her expenses. As she elaborates: “He sends me money to enable us to live a normal life. Because my salary is around 300 EUR and with that money here the only thing you can do is „kill yourself”⁹. Every time he receives a salary, he sends us about 500 EUR, and we already know approximately how much our living costs are and how much we need, so we are already well-established. He sends us money through a foreign currency account because Western Union takes too many commissions. (...) For a start, we always spend on utilities, food, car maintenance, and in case we have something left, we spend on shopping or similar small things. Of course, whatever my child wants, I will try to fulfill it, even if it is a mobile phone or something like that.”

Ljubica has repeatedly indicated that it is not realistic to expect that she can finance herself and her daughter for a whole month without her husband's help: “I don't think I could do that, realistically what can you finance if your salary is 300 euros every month, I only pay utilities at least 175 euros. And that doesn't include food and child expenses. Impossible. I may be selfish too but let me tell you nowadays if you want to afford your child something it is impossible to

⁹“Ubit se”, which literally translates to “kill yourself” comes from a common Bosnia jargon. It used to emphasize circumstances in which people cannot find a way out of their situation or when it is difficult to believe that something is happening because the situation is either too stupid, too crazy etc.

have more than one child. If you will afford him something normal or enroll him in some training or something like that.”

Stef Jensen (2015, p.2) believes that people in Bosnia often use the term “normal lives” as an object of longing for normative standards of living that are unable to be established due to the political stagnation and dysfunctionality of the Dayton Bosnia system. That is evident from Ljubica's story where she believes that she could not enable herself and her child to live a “normal” life in the near future and that the remittances she receives from her husband are the main way for obtaining that.

So far, it is visible that both of my interviewees have more or less the same problems and that the prices of living considerably exceed the average salaries. This brings us to Martina, who lost her house due to problems with her ex-husband and left with a large loan that she has to repay. But Martina is not the only one who has a loan in the bank, the vast majority of people in Bosnia are shackled by loans from which it is difficult to return to financial stability. Martina talks very openly about what she had to direct her uncle's money to: “Very often he sends me money but not only him but also his whole family. From the money his family sent me, I actually lived because I had to direct most of my income to the loan I had in the bank. He may not have sent money monthly but when he is sending it is some larger sum of money. He also paid for my entire library course, paid for my car registration, it also helped when I was buying a car. As for the kids he took care of all the things I needed to buy for them. It also used to happen when I went to see him in Austria and he gave me 300 EUR, his wife 200 EUR and his son 200 EUR to buy something for myself and of course for children. So in most cases I spent the money on loan installments, and on daily necessities like food and things like that, so I never managed to invest all that money I was getting into some private projects.”

Aside from Martina touching on the fact that she could never save enough money to try to realize some of her private projects as she tried with natural cosmetics, Gabriela also looked back on why she and her husband also failed to invest money in some productive activities. This is how she explained to me how they look at the problem: “It is very difficult to start anything without some big capital and to tell you the truth, the situation is such that I don't know if it is worth investing in anything: (...) Even if you can do something, there is always a problem that hinders you. Is it paperwork, bureaucracy, or larger companies that took over all the small jobs that an

ordinary person could do, plus the state takes too much through taxes to do anything legally and to be profitable. As we can see in our surroundings before every house had cattle but now there is nothing left because they have no incentives from the state. Why should we start a business when it will fail? The state is corrupt and irresponsible.”

Exactly for this reason, because most of my interlocutors think that the state gives very little support in all sectors, it is important to look at how students like Karlo look at it. He emphasized that he had never succeeded to sustain the whole month with pocket money sent to him by his parents, so he needed to rely heavily on his brothers. Karlo states the following: “Until the third year of college, I was financed by my parents and received a monthly allowance of EUR 250 per month, which included rent and food. Although it wasn’t enough for me to push through the whole month. Luckily the brothers also sent me money as long as I was studying. In most cases, it was around € 100 to help me survive the month and to provide myself with some book scripts and other college supplies. Student life in Bosnia is beautiful as anywhere else in the world, but it is quite inconvenient and difficult since you have no help from the state.”

Mile is especially bittered about the situation in the country, and maybe the reason is that he is the oldest of my interviewees, so he had the opportunity to remember how he lived in other systems. He is hurt by the fact that he has to take money from the children and even more with the way he currently lives: “The children keep asking me how they can help me and constantly offering me money but I don’t want to receive too much money from them because I think it’s not right. They also helped me buy a car that I needed to transport my sick mother to the hospital every day. The money they send us is also in most cases spent on firewood, to fill the fridge and to make life easier overall. I really don’t know how long it will be like this and until when we will live this way, but maybe I wouldn’t want to live too long because a person doesn’t need this kind of life. There are few young people who remember how well we lived and what kind of beauty and peace was during Tito’s time.” In Bosnia, this kind of statement came across very often from people Mile’s age.

The fact that all my interviewees receive a steady inflow of remittances appears to help them endure the month. Furthermore, it is also evident that they rarely have enough money left to be able to invest or to leave something for savings. In addition, many of them emphasized that even if they had the opportunity for such things, it would be difficult to realize something due to the

critical economic situation and great distrust in the governing structures, because of which all but a few at the top suffer. The Bosnian economy is hampered with long-lasting difficulties that have not changed for years. So the gray economy, enormous bureaucracy, low productivity rate accompanied by the ineffective tax system and corruption are at the top of the list of problems (Bakota 2019, p.2). Also, most state-owned enterprises have a very moderate rate of total turnover in GDP, although, with such poor performance and debt of about 26% of entire GDP, wages in these companies are on average 40% higher than in the private sector (Ibid., p.3). That this provokes the exceptional anger among the citizens of Bosnia is evident from Stef Jensen's (2015, p.xi) research in which he emphasizes that inequality between “ordinary citizens” and “politicians” who enjoy the benefits of a corrupt state system organized around political parties and processes of privatization that sealed this relationship. Therefore, the main longings of citizens are directed or revolve around the desire to secure an equal and effective system that will allow people to get out of the deadlock and thus enable “normal lives” (Ibid.).

5.3 Effects of social remittances

Since one of the main aspects of James' definition is that “social development” is a way of promoting wellbeing, that is, creating possibilities for people to realize their potentials such as job opportunities, education, health, and other things (James 1995, p.15). During my interviews and observations the topics of how my respondents' relatives live in the “west” and how they present themselves, constantly reoccurred. Furthermore, my interviewees often began to talk about how these interactions with family and their perception of the world changed life decisions and attitudes towards the situation they find themselves in.

When I talked to Ivan about his knowledge of how his relatives live abroad, he replied that it depends on who left when because there were more waves of migration. He thinks that everyone did well, especially the people who left during the war, and states that they brag a lot about the “western” system. He also thinks that in a very short time after leaving the country they managed to accomplish plenty of things, buy some real estate and establish their businesses. Here is how he describes the difference between the lives of his relatives and himself: “(...) I see in my friends and relatives that they live in a safe world where they are not afraid of being fired at work, there is no fear of whether there will be a place in the kindergarten for the child. (...) It is

about in the west is much easier to come up with some things that you have to work enormously to achieve here, something that is normal in the west. For example, in case they get fired, the state finances some 60 to 70% of your existing salary and helps you find your next job. I have never heard that the bureau found a job for someone here and I communicate with a lot of people, no one ever came and said the bureau found me a job for my 32 years. And in the west it's a normal thing (...) it means the state helps all the time. I must also touch on child support, which in Bosnia is 7 Euros, but in order to receive support, you must not own a car because it is considered a luxury. (...) Furthermore, when people get married, they live even easier, while in our country the situation is reversed. With the arrival of children, they live even easier financially. Why? Because the state deducts some taxes from them again, they have the right to more days off, they have the priority of going on vacation. In Bosnia, the situation is different because when the husband and wife get hired they lose child allowance, then logically more children here is a huge problem because they are not taken care of, they have no privilege in society, even if they had ten children.”

I have to admit that I was astonished by the amount of things Ivan knew about things happening outside the country even though he was only visiting relatives on a few occasions for a couple of days. I also noticed several times when we would meet for coffee that he often talks about how it would be nice to try what it's like to live in the “west”, although he worked hard for ten years to run his business successfully. Therefore, through the perception of his relatives, he gets a picture of the outside world and sees that his concerns for safety, living standards, dignity, and moral values that are lacking in the state are possible but not in Bosnia.

For example, Karlo, a teenager at that time, long before he visited his brother in Germany for the first time, felt a great difference in the lives of his parents and brothers who had moved away. As he explains: “I didn't have to ask the brothers much, I saw everything when they came home. When you come from outside, when you cross certain kilometers and when you come back here, only then you see that the situation is bad, which I will later experience on my own skin. The oldest brother, who was perhaps the most successful of us, went abroad immediately after graduation as a telecommunications engineer with Siemens and toured the world. I was still in my teenage years and every time I saw his pictures from Dubai, Abu Dhabi, and so on, plus to be paid for it. You can't find that kind of job here. Every time my brother came and I had to go to

town or do something, he would give me about fifty EUR to go out, which is nothing in the “west”, and here my mom and dad couldn't provide me with that money in a week. He also always drove an expensive car, he always had good perfumes, he would have a new jacket on, a watch, you can't afford that here with the local salary.”

Every time his brother came to visit Bosnia he invited Karlo to Frankfurt so he could see how people live and work around there. For his 18th birthday, Karlo received an invitation from his brother who bought him a plane ticket so he could spend the summer holidays with him. Karlo says it was his first time going somewhere farther from Bosnia. The opening few days in Frankfurt were very boring because everyone worked late so he would have to spend most of the time alone. After that, he came up with the idea to help his cousin on the construction site to fill his free time: “For a start, I didn't do some important jobs, I would help people on the construction site and I was paid well for it. I would earn around € 1,500 a month even though I worked quite a lot. But every next time I went to Germany, they would give me better jobs and I stayed longer and longer.” Following that summer Karlo continued to come to Germany continuously until he got a job in Bosnia after graduation.

Shortly after our interview, I got a call from Karlo that he would love to see me to tell the news he has. It turned out that he had decided to resign from his job and to join his brother and cousin in Frankfurt. I had to ask him what most influenced his decision to decide on a move like this right now. Karlo stresses that: “To us who have been to some parts of the world and who have relatives in Europe and when I see how people live there and their system I fell in love with it. The last year that I spent in Novi Travnik, considering that I was working from home, created so much depression and I felt anxious because there is a lack of social and cultural events for young people.”

He then goes on to explain the main reasons for leaving: “Many people I spoke with say that the perfect time to leave Bosnia is between the ages of 21 and 25 because you have enough in you to learn that the system is crushing you and you are flexible enough to be able to adapt to the new one. So that big move of mine was for the reason that I was already there and I know what I'm going for. With the help of my brother, I was confident in my decision. First of all, I go there to have a normal life and allow myself to have enough money to afford some things that are otherwise out of the reach of people in Bosnia.”

It is pretty clear that Karlo, through interaction with his brothers and relatives, created a picture of a new better world outside in which he could enable himself a life as he says worth of living.

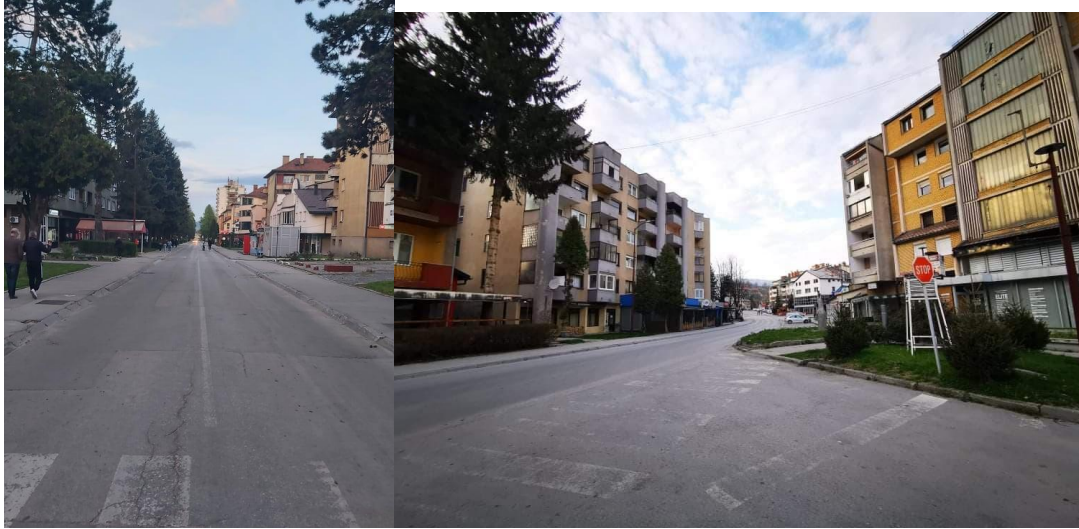
Martina had a similar situation because even before marriage, her uncle often offered help if she wanted to move to Austria, but she was never sure: “He told me a thousand times that I should decide to take that step, he was aware that with my profession I can very easily find a job in Austria. He offered many times, but since my children were small, I had to think a lot about it. He told me that when you decide to take that step, I am always at your disposal. He even told me that if I choose he would support me for a whole year until I make living for myself. (...) Whenever he told me about Austria, everything was in superlatives. And I know he made a lot of money, but I wasn't ready to leave.”

Considering that her children are older now and that she has met a new boyfriend for a few months now, she has been thinking intensively about leaving. Because, as she explains, her boyfriend convinces her that life there will be twice as good a life as here in Bosnia: “He told me I would live twice as well and he had already gone to check on the bureau and find out I could get a job very easily if I decided to come. Even without knowledge of the language, they would pay me extra to go to courses and educate me. Furthermore, which is very important, he told me that as a single parent he receives 500 Euros from the state and if I leave now I would have child support for both kids. Compared to Bosnia where I didn't receive anything from the state since my kids were born.”

But the two of them are not the only ones I talked to without having a similar picture of the “west”. Ljubica, who is also in constant contact with her husband, given the increasingly easy opportunities for travel and communication, often talks to him about differences in living standards and the gap between Bosnia and Germany. Ljubica elaborates: “If we are to be realistic, it is really good in Germany. In Germany, diapers are cheaper than here in Bosnia. I was in that period when my child was small, but not only were diapers cheaper, food and other things were also cheaper. And where is their standard and where is ours. My husband is surprised every time he comes, how much food prices are more expensive than in Germany. The only thing that is more expensive there is luxury, such as cigarettes and alcohol, and everything else is cheaper.”

Although at the beginning of the interview she repeatedly emphasized that life in Germany is really good and much better than here, at the end Ljubica indicated that she still thinks that people work there too much and spend most of their time at work so it's not all as fabulous as people here have perception: "(...) I mean everyone says it's hard up there because a lot of work is really done but again they have that security that they would never have here. But still, it's not exactly as people imagine it here, but everyone goes anyway because after you go there and get three payrolls, you have the opportunity to take out a loan to buy a car. So all these people who leave after half a year come home with a new BMW, Mercedes and then our people think that in three months he has earned a new car, but in reality that is not the case because he will be repaying it for a long period."

I also noticed that brand new cars with foreign license plates generate an enormous effect on the local population. The aforementioned happens mostly during the Christmas and Easter holidays, considering that this is the season when most Diaspora comes home. Since in Novi Travnik, most cafes are located on the main road that stretches from the beginning to the end of the city and that there are not many cultural events like my interviewees pointed out, people spend most of their time sipping coffee on the terraces that look straight into the street or the parking lot in front of the bar. During this holiday period, most passing cars with foreign license plates (CH, DE, A) are brand new, so they draw large attention. Whenever one of these cars passed people sitting at my table, in addition to admiring the look of the car, would start talking about the person driving it, where he now lives, and what business he does. Additionally, the conversation would continue with how much his income is and how they live now, referring to the "luxurious" life they allegedly lead.



(pictures taken by the author, on the 15th of May 2021)

Apart from cars, the difference also appears in clothing and consumption of drinks in cafes. Newcomers would mostly have branded clothing and footwear and would drink the most expensive drinks. I have to admit that it feels like this leaves a significant impression on the people who stayed in Novi Travnik. All these new cars, clothes and excessive spending of money at least at first glance leave the impression that the newcomers are living a prosperous life and that going abroad has really changed their lives. Especially because this is not a big environment and people know each other and their lives before leaving abroad. Similarly, when I would find myself in the company of my childhood friends who live abroad now, they would talk about how they adapted to the “west”. All the answers were positive and how well they live but I had to take that with a grain of salt every time, because none of them had any job that I could say was well paid because they mostly work as delivery men, builders, waiters, etc.

This section showed clear examples of how the ideas, habits, and behaviors of Diaspora greatly influence the life choices of my interviewees. For half of them, it directly affected a decision for a change that would ultimately lead them to leave the country or soon-to-be-planned departure. My interviewee's story goes contrary to most studies conducted about the positive effects of transfers of social remittances since these studies express that networks ignite positive effects with transfers of knowledge, technology, and business ideas (Bake et al. 2008, p.23). It seems that knowledge that they have the opportunity to fulfill their potentials outside the country considerably changed perceptions of looking at the situation in Bosnia. Also, the possibilities of

more effortless travel as well as the advancement of technology have greatly facilitated the flow of ideas and norms that lead to an increasing and easier emigration of the population.

5.4 Is there a hope? What will the future bring?

Now that we have seen the main reasons why people leave Bosnia so massively, we will touch on the topic in which my interviewees explain and give their opinions on the future of the country and whether they think this situation and emigration trend will change any time soon. Their answers were mostly based on the political situation that does not allow the state to function normally, and on the problems caused by the emigration of the most productive part of the population.

At the very beginning of the interview even before we started some deeper conversations about the country situation and how he spends the help his sons send him, Mile touches the topic of the future of the country and states: “Nothing will ever change here and whoever thinks that It will be better is wrong, because 30 years have passed. In 30 years, Tito built the entire former Yugoslavia; cities, factories, and asphalt roads, and so many years have passed since those people are in power and they have done absolutely nothing. It can only be worse here. The worst thing is that smart people leave and fools stay. Whoever had some knowledge left the country a long time ago. (...) Well, the very situation in which I, who do not see well due to diabetes, have to service almost the entire neighborhood because there is not a single craftsman speaks for itself. I have to help everyone because they are all old and sick and they can’t even bring themselves firewood. In my entrance alone, where I live, at least 15 kids have left the country. This is not only the case in our neighborhood but in the whole city. There are only pensioners and the sick left in the city.”

We can see that what Mile is saying is not only the situation in Novi Travnik but also in other parts of the country because Ljubica also complained about the same thing. She believes that in a couple of years, many of her neighbors will, unfortunately, die, given that in most cases they are quite old people.

“Too many people have left and every day I can hear the news that someone new is leaving. Well, it is most felt when you need craftsmen or something because you have to beg for the one who is left to come and help you. You can truly feel that. And the other thing is that I have neighbors around me who have returned from abroad to retire and still have children abroad. I always tell them what you would do if I were not here. I’m always in the emergency room with them so even the doctors ask me if I’m Mother Teresa or something. They ask me who all these grandparents are. There is no youth. Specifically, in my case, at least 15 families around me in the neighborhood will be dead within five years.”

The mass emigration that Mile and Ljubica are talking about is best seen from Martina's example, who, as I have already stated, is a teacher in a local school and sees from firsthand how many children have dropped out of school in the last few years. Here is what it looks like from Martina's perspective: “Our children are constantly leaving, for example, in my school where I work, there is an exodus of children. The family moved out en masse. When I started working eight years ago, there were about 900 kids in that school, and now there is a maximum of 450. So I'm afraid that if this trend continues, we will lose our jobs.”

Such figures are really worrying because the period of eight years is not so great and the number of children has decreased rapidly. Karlo, who is also directly affected by emigration, concurs with this because since he is the youngest of my respondents, he feels the lack of his generations the most.

“The biggest problem is that the young population has left and that it is really a lottery to see a young person in the city. It’s really hard for me to imagine the future of our city. When I just go back a few years when I was finishing high school, there were so many young people of our generation but also the generations between us. Whichever playground you come to in town, there is always something going on either basketball or football. There were at least 12 teams and it was really hard when we lost because we would have to wait for hours for a new opportunity to play. Now all the baskets are empty. (...) Families started to move, not just one family member, but people went with their families and left the country.”

I agree with Karl's words because at the same time I was living in Novi Travnik and it is easy to remember how many children would play together in our neighborhood every day. On many

occasions, we made so much noise that neighbors often had to call the police to calm us down. While now as I walk through my old neighborhood it's hard to see any of the kids playing. The places where we spent most of our time look really empty. Ivan also coincides with my observation, stating that in addition to the fact that there is a real lack of people in the city, cultural events are also rapidly declining.

“There is drastically less work not only for me but also for cafes, restaurants, and all services in the city in general. There are no manifestations and cultural events (...), so that cultural level is remarkably felled down. Because there are no people there is no movies, no concerts, no cinema. We are falling in every way, not only financially, although it hurts us the most. I specifically lost over 30% of my customers. The situation is very depressing and those who are left are weighing whether to go or not, but the migration trend will certainly continue. To that extent, in the next 10 years, I think that in our environment, 50% of facilities will be closed, considering that about 30% of facilities have been closed in the last few years. (...) I'm sure I'll have to pack my bags too and leave Bosnia against my will. Because I won't have anyone to work for. I am angry with our politicians, they are the same people, three political parties that have been leading us for 30 years, so the trend will probably continue because people are leaving and they are just watching it, but no one is particularly interested in that. (...) Politics doesn't care about young people at all.”



(pictures taken by the author, on the 18th of May 2021)

Domazet et al. (2020, p. 187) consider that increasing migrations are the cause of great dissatisfaction of citizens by not satisfying their aspirations and needs. It is also believed that the society lacks major reforms that would strengthen the forces of entrepreneurial and democratically oriented social layers (Ibid., p.188). All these reforms are missing because the political scene is ruled by nationalism and the division along ethnic lines that I talked about in context, which allow political elites to stay in power.

Martina is the only one of my respondents who was actively involved in politics, and she shared her opinions with me and gave an inside look at what the politicians who run the country are like: “I was very disappointed. I was on the election list and only then did I realize that people are unrealistic and overestimate themselves. I was ashamed of the profiles of the people I worked with. These are people who will do anything for their personal success to trample on everyone and do nothing useful for our community. And that's how the whole country is. (...) I think it's pathetic, laws in general, the court and the state are at the very bottom. I have a feeling that a collapse of the state should happen in order to start from the beginning. First, maybe we should even start from the place where I work, and that is the reform of education, and from there all the other problems arise. There are worse and worse generations of workers who value themselves too much and provide little knowledge to our children. (...) The state is simply not developing in any respect, it is just going backward.”

It is obvious that my respondents believe that Bosnia is ruled by corruption, crime, lawlessness, and incompetent state institutions and that the government is trapped by its own interests and unrealistic visions for the prosperity of the state. Apart from politics, Ivan also touched again on the state's attitude towards his private business and emphasized: “The system simply does not work. Corruption is huge within the system. Somehow I have the impression that our state has not coped well in that modern age and democracy. In general, the picture is bad, I think politicians work strictly for themselves and for their own interests. There are no subsidies which is a normal occurrence in the west for small businesses. (...) Although it does not surprise me personally, I have experienced a lot of inconvenience through the system, through the registration of my company and the payment of monthly tax, which increases every month and I do not have any benefits. Through the years of my business, my expenses to the state have increased by at least 25% and in return, I have not received anything.”

In addition to all the lawlessness that rules the state and incompetent institutions, another thing that considerably affects my respondents is nationalism which is expressed in all the pores of the state. Mile is indignant at the fact that people can treat each other like that and believes that until the past is forgotten, it will be challenging to create favorable conditions for the country's progress in the future, and states: “I can't believe what we have become, we really behave like cattle and I cannot believe that such people can live on such a beautiful land. We are divided and

everyone sees only their own. If you are in the Republika Srpska, then Serbs are the best, everyone else is rubbish if you are a Bosniak, only Muslims are good, and if you are a Croat, of course, only Croatia is good. It's a disaster. Is it possible that we have two schools in one city and that the children are divided depending on their nationality. There will be no progress in the country until we all realize that our only salvation is our youth, who will not look to the past but to the future. The past has to be solved because you can't run a country like that, everything that starts happening in a country, politicians go back 30 years to blame each other. It can't be that way.”

With the above mentioned evidence, we can conclude that the future of the state is very uncertain, given that the political system does not care about the departure of an increasing number of people and that there are no indications that something could change soon. Domazet et al. (2020) argues that the trend of emigration will certainly continue in the future unless there are major reforms within the country which, due to depopulation and aging, greatly disrupts the already rather unstable social system.

6. Discussion

The results gathered in my empirical research reveal how Bosnian households use and perceive international remittances in their daily lives and how these economic and social flows affect their life and future decisions.

This research highlighted and showed that the financial remittances notably help many people in Bosnia to secure their livelihoods. However, this positive effect of remittances when looking at the bigger picture is less obvious for several reasons. First and foremost, it is evident that in most cases people spend all their money on everyday consumption and it appears that in rare cases they have enough left to invest or to save something for savings. Another obvious problem is that the state is in a critical economic and political situation and that there is a vast mistrust in the governing structures so people are afraid to take any serious steps and invest money. Consequently, even if there was enough money left from remittances received, according to my interviewees it would be difficult for investments to be realized due to lack of opportunities and lack of incentives from the state for ordinary people to achieve success.

This is also evident from other research on this topic, given that an enormous number of remittances have flowed into Bosnia since the war and their impact and macro-economic influence is very ineffective precisely for the reason I stated above, that a small number of remittances are invested or set aside for savings (Torkic 2012, p.6). The above stated is significant because if the money that households received could be spent for example on business projects and start-ups it could reduce the unemployment rate which is one of the highest in Europe (Ibid.).

Besides financial remittances this research highlighted how social remittances affect household everyday life in Bosnia. Given the increasingly easy ways of communication and the constant connection that my respondents have with the Diaspora, there is a continuous interchange of social remittances. It is pretty clear how new ideas, norms, habits, and behaviors of the Diaspora exceedingly alter the lives of my interviewees. Although they vary from case to case, transfers of ideas and practices affect recipients of social remittances in various ways. For example, looking at the differences in working conditions of their relatives living abroad and my respondents, it is visible that in addition to much higher salaries they have a considerably safer social system in

which they do not have to fear of losing their jobs and other similar things. Because in the case of such a situation, the state offers help to its citizens and tries to provide them with the best possible conditions for a “new beginning”, which is not the case in Bosnia. Additionally, my interviewees believe that in addition to the business perspective, they can have better conditions for children and their education, a better healthcare system, and, ultimately, the opportunity to realize their personal potentials that they are not able to achieve at home. Apart from the ideas and practices that are transferred between people, it is also apparent that since this relationship is based on the mutual trust that bears these social exchanges, it actually causes more and more people to decide to leave the country. Having a family abroad allows them to get familiar with the system that awaits and all its benefits that comes with it. Even though impressions sometimes don't match the reality we can see that two of my respondents decided to leave the country after consulting with their relatives regarding the conditions and risks of arrival.

Overall development situation at the national level considerably limits local household's possibilities to contribute to development. Apart from the fact that the current economic and political picture in the country prevents and discourages households from deciding to invest, people in Bosnia increasingly see migration as one of the main ways to overcome the fundamental problems that they face. These results contribute to a clearer understanding of Hain de Hass meaning of the reciprocal relationship between migration and development where migration is a fundamental element of the change and the factor that can allow future change (De Hass, p.231). Therefore, it is clear from my research that there is a possibility that the Diaspora with its contributions can help the local population to facilitate development in the country, but the impact of remittances is considerably weakened due to the poor economic circumstances in which Bosnia finds itself. Hence, there is a possibility that remittances could bring changes to development, but only if there are conditions in the country under which people could use their potential.

Stef Jensen (2015, p.72) argues that for people in Bosnia to lead “normal lives” the following is required: “The “normal lives” that people yearn for require a framework of institutionalized predictability that would provide a basis on which one could mobilize one's “agentive capacities”. (...) there would be an order to it that would to an extent be experienced as organized 'from above and which would persist independently from individual practice.” Therefore it seems

that as long as this is not effective and does not allow my interviewees the functioning of a “normal” life, migration will be one of the primary ways for most people in order to achieve that normality.

From all of the above, it is essential for policymakers to recognize the importance of this issue as soon as possible, and to understand the great potential that remittances can have on the development of the state. It is also very significant to act immediately because the enormous wave of people leaving the country will continue and migration will be very hard to sustain if they are not going to be integrated into development and economic policies at all levels of state institutions.

In my opinion but also from the stories of my interviewees, a reformation of the social justice system is needed to achieve the goal of reaching equal possibilities in the spheres of education, entrepreneurship, and access to public sources. In addition, a reform of the entire judicial sector is needed to secure the implementation of rule of law, strengthen the fight against corruption and crime, and reduce discrimination of citizens on ethnic, religious, political, and any other grounds (Domazet et al. 2020, p. 195). It is also necessary to make macroeconomic reforms that will be based on stimulating economic growth, intending to increase investment in all sectors particularly for public financing, innovation, research, and economic support. One of the most notable features that will be essential to the implementation of successful policies in the field of migration and development is the removal of business obstacles for investment and employment and the improvement of physical and entrepreneurial infrastructure such as start-ups, crafts, and self-hiring (Ibid., p. 197).

We could argue that one of the limitations of this research is a moderately small number of research samples so it is hard to generalize, but considering the results I obtained and also comparing them with similar studies published on this topic, we can clearly see how the state plays a fundamental part in building better conditions for its citizenship and finally more favorable circumstances for development.

One of the most valuable characteristics of this thesis lies in giving ordinary people the opportunity to tell their life stories and views on the ongoing situation in which the country finds itself. Explaining to me the various ways they use remittances, it seems they are in the state of

suspension because although they receive money, in most cases it's spent on everyday consumption, giving them very little room to maneuver with that money.

7. Conclusion

This research aimed to display and analyze how Bosnian households receive and use remittances and what those social and economic practices can tell us about people's attitude towards the Bosnian state and the country's future development. Furthermore, the overall goal of the thesis was to offer an in-depth analysis of how Bosnian households navigate through the complex economic and political picture of the country, and how the circulation of remittances, ideas, habits, and knowledge of Diaspora affects people's future decisions and what impact on Bosnia itself those interplays have.

The data based on a qualitative analysis shows that the influx of financial remittances plays a significant role in most of my interviewee's lives and allows them to lead a "normal" life. But it is also clear that the inflow of financial remittances is directly related to the social aspect of remittances because one always accompanies the other and directly affects it. From this, we conclude that through the exchange of finances, ideas, habits, and knowledge, my respondents, as they say, get a picture of a "better" outside world because of which they perceive life at home differently, leading them eventually to think about leaving the country. From my results, we can also understand why my interviewees want to leave. Bosnia is considered as a state where it is very difficult to live, where the social and political system has turned its own back on its citizens. In addition, their lives are filled with uncertainty, both financial and social, in which trust in public institutions has not existed for a long time, as well as faith and hope that something positive will happen or change soon.

What I can conclude from my interviewees is that as long as corruption, dysfunctional state organizations, and unrealistic views of prosperity accompanied by nationalism which is visible in all spheres of public life, prevail on the Bosnian political scene, it is very difficult to expect any significant changes. This could ultimately mean that an increasing number of the most productive population will seek happiness in some other parts of the more developed world, which could result in a major economic but also demographic collapse of the country.

One of the biggest contributions of this thesis to the field of migration and development lies in focusing on the concepts of financial and social remittances at the same time and thus allowing us to see how both aspects affect interactions between migration-development nexus. This is

something new in this field, considering that in the literature so far, in most cases, they were considered separately, and in most cases, the economic aspect prevailed. It also contributes to empirical research in the context of Bosnia and Herzegovina given the small number of studies that have addressed this problem by directly exploring the habits and practices of local households in relation to migration and development.

Although this research has enabled us to explore different ways of how the Diaspora affect the lives of people in Bosnia and Herzegovina and their ways of surviving within a rotten system, further research could enrich my findings and look at some different factors in this relationship. The following questions can be asked to extend existing knowledge on this topic: What are the future prospects of remittances in Bosnia given the growing number of migrants becoming naturalized in host countries; how much will COVID-19 will affect the amount of remittances received and what implications this can have for the economic crisis in the country?

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