

# DEFENDING EURO-ATLANTIC VALUES

*Capacity Building and Resilience Enhancement  
through Strengthening Research and Debating  
Capacities of Young Professionals in Bosnia and  
Herzegovina*

*Winning the brains back: How can  
Bosnia and Herzegovina be more  
attractive in the race for its own  
talent?*

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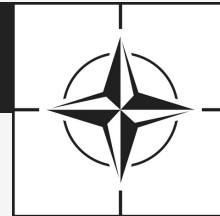
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# WINNING THE BRAINS BACK: HOW CAN BOSNIA AND HERZEGOVINA BE MORE ATTRACTIVE IN THE RACE FOR ITS OWN TALENT?

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## INTRODUCTION

Despite its political popularity, the issue of brain drain in Bosnia and Herzegovina (BiH) represents a dead-end street when it comes to very much needed political action. Ongoing emigration of youth and highly skilled workers, makes the problem widely discussed in various constellations and media outlets. Yet, there is no single national action plan or strategy to deal with the concern in a constructive way. Since the dissolution of Yugoslavia, 1.3 million people have left the country, which makes it roughly a third of today's population (1). Other sources say Bosnian diaspora counts 2 million people across 50 different countries (2). To make the situation worse, a recent study shows that nearly half of interviewees under the age of 30 plans to do the same (3).

## LABOR MIGRATION IS NOT A JUVENILE PHENOMENON IN BIH, IT HAS BEEN AROUND FOR DECADES

The commonly known 'guest workers' program started in Western Balkans already in the 1960s when unemployed workers from former Yugoslavia were offered to work abroad to flatten the high

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1. Source:<https://radiosarajevo.ba/vijesti/bosna-i-hercegovina/odlaze-bez-vjere-buducnost-bih-napustilo-13-miliona-gradana-iako-je-ekonomija-u-porastu/296700>

2. Mapping the Bosnian-Herzegovinian diaspora, Hariz Halilovich, Jasmin Hasić, Dženeta Karabegović, Ajlina Karamehić-Muratović, Nermin Oruč, 2018 pg. 73.

3. Youth emigration survey in BiH, Andrea Soldo, Lamiija Spahić i Jasmin Hasić, 2021, pg. 59



unemployment at the time (4). The emigration trend continued, and it is estimated that in the 1970s around almost 1.1 million people have left the country (5). The migration trend continued, with a significant increase during the 1990s due to war.

In 2004 UNHCR estimated that around 1 million of BiH refugees have returned while half a million are still displaced in neighboring countries, with another half had settled abroad (6). Despite numerous rough patches and vast international help over the years to support reconciliation and development, the overall situation in the country is stagnating. BiH is continuously experiencing brain drain, with ever more young people seeking their chances abroad. Research evidence shows their reasons to be rooted in poor labor opportunities and backwards in domestic politics (7). The same research, however, shows that almost one half of youth aged 18 to 19 years old have a positive attitude towards future economic prospects in the country (8).

## **CAN BRAIN DRAIN BECOME A BRAIN CIRCULATION?**

Brain drain is not a problem unique to BiH or to countries of the Western Balkans. It persists in other neighboring regions and it is part of a global migration trend (9). While considered damaging for the countries of origin, it is seen as valuable and necessary for the receiving economies. Often times, brain drain is a one-way road, but research shows that it has a circular potential too (10). Reverting brain drain could be a blessing for the country's outdated educational framework, as well as its poor professional prospects. Returnees with acquired knowledge and skills could provide the needed booster to the BiH economy in a much faster way than the country could develop it on its own. Therefore, embracing labor migration with the aim to turn it into labor circulation gives hope to future generations that there might be light at the end of the tunnel after all.

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4. Source:

[https://ecfr.eu/publication/the\\_way\\_back\\_brain\\_drain\\_and\\_prosperity\\_in\\_the\\_western\\_balkans/#\\_ftnref29](https://ecfr.eu/publication/the_way_back_brain_drain_and_prosperity_in_the_western_balkans/#_ftnref29)

5. *ibid.*

6. UNHCR: Returns to Bosnia and Herzegovina reach 1 million

7. Youth emigration survey in BiH, pg. 127

8. *ibid.*

9. IMF: How Extensive Is the Brain Drain?; Human flight and brain drain index

10. Brain Drain, Gain, and Circulation, Zovanga L. Kone, Çağlar Özden, 2017



## AT A CROSSROADS

Sadly, reasons for leaving outnumber those for returning. With lack of opportunities at home, corruption, and an ongoing streams of people leaving, the brain drain seems to be an extending cross-generational issue that targets both low- and high-skilled workers. While high-skilled workers are driven by both financial and professional satisfaction, those on the lower spectrum focus on meeting the ends with low minimum wages that cannot cover their life expenses (11). Data shows that the minimum wage in BiH is 406 BAM (12), while estimated monthly costs for life are around 843 KM per person (13).

While it is no longer a secret that salaries in private sector are delivered partially via bank transfers and partially in cash under the table, this doesn't diminish the overall poor standard in the country and the urgency for policy improvement.

Seen from an individual's perspective, to return from prosperity abroad costs more than leaving in the first place. In theory, acquiring education and work experience abroad can be beneficial for both the student/worker and the country of origin. But it only adds value to countries with clear strategy on how to attract those students/workers back. This is particularly hard given that it is often in the receiving country's interest to upkeep the foreign labor force due to its receding population. And it is even harder to succeed without having any strategy at all.

However, it is not all milk and honey for Bosnian diaspora abroad either (14). Integration and language barriers are daily realities of many diaspora members. This makes some consider returning home once they either reach certain age or achieve their financial goals (15). As brain drain is essentially rooted in high unemployment and poor professional prospects, its solution needs to reflect those core issues.

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11. HOW MIGRATION, HUMAN CAPITAL AND THE LABOUR MARKET INTERACT IN BOSNIA AND HERZEGOVINA, Adnan Efendić for the European Training Foundation, under the supervision of the Vienna Institute for International Economic Studies (wiiw), 2021, page 20

12. [Bosnia and Herzegovina Minimum Wage - World Minimum Wage Rates 2021 \(minimum-wage.org\)](https://www.minimum-wage.org)

13. APD - Osnovni pokazatelji relativnog siromaštva 03.11.2021. <https://bhas.gov.ba/Home/>

14. [Mapping the Bosnian-Herzegovinian diaspora, pg. 222](#)

15. [USAID: After thriving abroad for years, Bosnian returns home to create jobs; Maximizing the development impact of migration-related financial flows and investment to Bosnia and Herzegovina, pg. 16](#)



Keeping in mind the country's structural limitations, the race for brains cannot be won overnight, nor with fingers pointed towards those who wish to leave. Migration of any kind should not be seen as a cause, but rather treated as a symptom. Luckily, research (16) shows that brain drain has potential to evolve into brain circulation when approached strategically.

## WIN-WIN FOR EVERYONE

When designing a set of policies with aim to shift away from the brain drain towards brain circulation, it is necessary to expand the pie for all parties involved. The final solution should have a certain flexibility for both country of origin and receiving country. Moreover, it should also include individual interests of the people involved. The strategy for winning brains back won't be a lucrative one if it entails constraining connotation on migration. Instead, policymakers should accept migration as inevitable and focus on establishing a proper framework for its management. Such approach must dwell on providing accurate information on labor migration prospects to support legal migration (17), while keeping the door to home open for those who consider returning. Furthermore, financial incentives should target those who hold potential for establishing business activity in BiH, without a demand for their permanent return.

The way forward should find a way to link up Bosnian diaspora to local domestic projects with emphasis on mutual benefits. To avoid old patterns of BiH private sector, the joint efforts should be put into fostering a corruption-free space for businesses that would benefit from this initiative. Thorough monitoring and counseling would be necessary to ensure fair working conditions for both diaspora investors and local workers.

## INSTITUTIONAL CHALLENGE

Lack of proper national action plan or strategy to deal with brain drain in BiH brings concerns to all stakeholders involved. The competency over the issue is split between various governmental

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16. From Brain Drain to Brain Circulation: Transnational Communities and Regional Upgrading in India and China, AnnaLee Saxenian, 2005

17. By promoting legal channels for labor migration, BiH re-affirms its commitment to stop illegal labour migration to the neighbouring countries.



bodies – Ministry of Foreign Affairs, Ministry for Civil Affairs and the Agency for Labor and Employment. However, the lack of strategic action underlines the need for a more streamlined work, either through a specialized agency or working group with capacity to execute the potential national strategy. In doing so, the policy-makers should utilize the already existing research and evidence collected by various international and local experts on labor migration and consider their policy suggestions.

## RECOMMENDATIONS

- 1** Smoothen and dis-burden the process of starting the business in BiH.
- 2** Create a national strategy for labour migration management in BiH and institutionalize its execution by creating a centralized agency for migration management.
- 3** Boost connectivity and networking between businesses in the country & businesses owned by BiH nationals (or former nationals) abroad.
- 4** Provide tax incentives and financial aid to those who wish to return and start their own start-ups or businesses in BiH
- 5** Ensure that former citizens and their children can have unobstructed access to business market in BiH.
- 6** Target digital nomads in BiH and provide tax incentives to stimulate this kind of labor.
- 7** Strengthen bilateral cooperation with countries in need of seasonal workers and institutionalize seasonal work exchange
- 8** Strengthen bilateral cooperation with countries with largest receiving numbers of BiH labour migrants with the aim of countering illegal work abroad and better management of essential workers such as medical staff and construction workers.
- 9** Form education partnerships with countries with advanced programs in areas where BiH universities lack capacity (especially technology sectors).



- 10** Harmonize educational standards with those in the EU in order to ease recognition of international education and student exchanges.
  
- 11** Strengthen the relationship with BiH citizens abroad through increased activities organised by BiH foreign missions.



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