



Labour Migration in Bosnia and Herzegovina

How to make the most of it?¹

Meeting summary



14 September 2022

Startup Studio
Maršala Tita 54/II, 71000
Sarajevo, Bosnia and Herzegovina

CONTEXT AND OBJECTIVE OF THE MEETING

The Western Balkan Six (WB6) economies all have a long history of emigration. In 2020, more than one in five citizens born in the region lived abroad, mainly in a handful of OECD countries. This trend is set to continue, as more than one-third of WB6 citizens surveyed in 2021 considered emigrating. High levels of labour emigration can pose a severe development challenge for the Western Balkans. However, the region's large and growing diaspora also provides opportunities, which remain largely untapped.

The [*High-Level Conference on South East Europe: Human Capital Flight – Shaping The Future Together*](#) was organised on 17 May 2022, bringing together more than 250 participants, including high-level representatives of SEE economies. It provided the occasion to discuss how the SEE governments can manage labour migration and offer better prospects for their citizens and businesses. The high-level stakeholders reflected on current challenges and shared insights and best practices on reversing the human capital flight and overcoming technological challenges in SEE through talent transformation.

The new OECD report [*Labour Migration in The Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits*](#), prepared between spring 2021 and January 2022, was launched at the High-Level Conference. The report provides analytical insights on WB6 economies' labour migration, with economy-specific policy recommendations to address its root causes and reap benefits of migration and the diaspora. This report, conducted under the auspices of the OECD South East Europe Regional Programme, was prepared in co-operation with the OECD International Migration Division and co-funded by Austria (ADA) and Switzerland (SDC).

A series of roundtable meetings in the Western Balkan Six economies is opening up the chance for deepening the discussions that took place during the High-Level Conference and explore ways to continue and strengthen the work on labour migration and skills. In particular, this meeting aimed to provide the opportunity to discuss key findings of the report and pathways to support Bosnia and Herzegovina in better capitalising on its diasporas for its own development.

MEETING MINUTES

Opening remarks

The event was opened by **Mr. Andreas Schaal**, Director of OECD Global Relations and Cooperation, **Mr. Daniel Hunn**, Ambassador of Switzerland in Bosnia and Herzegovina, **Ms. Ulrike Hartmann**, Ambassador of Austria in Bosnia and Herzegovina, and **Mr. Samir Zuko**, Deputy Director of the Labour and Employment Agency of Bosnia and Herzegovina.

- **Mr. Andreas Schaal** explained that this OECD report presents insights into the labour migration trends and policies of the Western Balkan economies, shedding light on the root causes of emigration, as well as provides policy recommendations on how to deal with the factors that incentivise emigration while maximising the benefits. He underscored the impact of emigration on the Bosnian labour market in terms of skills shortages and mismatches. He then highlighted three key ways for Bosnia and Herzegovina to leverage migration and its diaspora for its economic development: (1) Establishing a systematic policy approach to strengthen links with the diaspora; (2) investing in long-term partnerships with the diaspora to build trust; and (3) creating a policy framework that promotes knowledge transfers from the diaspora. Mr.

Schaal finished by expressing his gratitude to migration policy makers and non-governmental stakeholders from Bosnia and Herzegovina who provided their inputs to the report, to the Austrian Development Agency and the Swiss Agency for Development Cooperation, as well as to the Swiss and Austrian embassies for their generous support.

- **Mr. Daniel Hunn** highlighted the importance of research and roundtables on labour migration such as these for investors and the diaspora. He noted that the OECD report's findings confirm the necessity to create a policy framework that addresses the various aspects of migration, including labour markets and education policies. He added that this is first and foremost the task of the competent authorities in Bosnia and Herzegovina, to build trust, convince the population to stay in Bosnia and Herzegovina and build a fair and conducive business environment. He stressed however that Switzerland was there to support them in this task. For example, through the Diaspora for Development (D4D) program, Switzerland is supporting linkages with Swiss business operators of Bosnian origin to motivate them to invest in Bosnia and Herzegovina. Mr. Hunn concluded by highlighting that the OECD's report provided an excellent framework for how to slow down the loss of skilled labour and how to better coordinate policies to make the investment environment more interesting for diaspora engagement.
- **Ms. Ulrike Hartmann** welcomed the OECD's new report on labour migration as it touches upon a burning topic for both Bosnia and Herzegovina and OECD countries, such as Austria, since 19% of Bosnian migrants live in OECD countries. She noted that these migrants are a crucial contributor to Austria's labour market but that it is also these migrants that Bosnia and Herzegovina needs for its own development and to prepare it to join the EU. She reiterated that the OECD report is very timely, as the political, economic and social situation in Bosnia and Herzegovina is rapidly changing. Moreover, the results of 2022 general election will also shape future education and employment policies. She added that these areas are crucial for guaranteeing rule of law and fighting corruption, which are main push factors for Bosnian migrants.
- **Mr. Samir Zuko** explained that the Labour and Employment Agency of Bosnia and Herzegovina is in charge of implementing international agreements on employment of workers abroad. He underscored the importance of the OECD report and stated that institutions and decision-makers in Bosnia and Herzegovina need to approach the issue of migration seriously, to address social injustices and other root causes that push Bosnian citizens to emigrate. He added that, while there are initiatives undertaken in different Bosnian institutions to improve labour market conditions, stronger support of decision-makers is needed for implementing them.

Presentation of the OECD report *Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits*

Following the opening remarks, **Mr. Martin Kohtze**, Policy Analyst and Project Manager at the OECD South East Europe Division, and **Ms. Lisa Andersson**, Labour Market Economist/Policy Analyst at the OECD International Migration Division, presented the key findings of the OECD report for Bosnia and Herzegovina, as well as policy approaches for maximising the benefits from migration while mitigating its negative consequences.

- **Mr. Martin Kohtze** and **Ms. Lisa Andersson** highlighted that, over the last decade alone, migration from Bosnia and Herzegovina to Europe had increased almost fivefold, and that about 34% of the Bosnian population now lives abroad. Continued high levels of labour emigration can pose severe development challenges to Bosnia and Herzegovina. However, a large diaspora can also provide opportunities for Bosnia and Herzegovina. For example, remittances sent by the diaspora are already estimated to represent an equivalent of 9% of Bosnia and Herzegovina's GDP in 2020. They also mentioned positively that Bosnia and Herzegovina has prepared a Draft Strategy in the Area of Migrations and Asylum (2021-2025) at the state-level while a Strategy on Cooperation with Diaspora and Action Plan (2020-2024) existed in the Federation of Bosnia and Herzegovina and the Strategic Plan for Cooperation with Diaspora in Republika Srpska.

Panel discussion – Maximising the benefits from migration for Bosnia and Herzegovina

The presentation was followed by a panel discussion on *Maximising the benefits from migration for Bosnia and Herzegovina*. The panellists were: **Mr. Enes Ališković**, Director of the Bosnia and Herzegovina Export Promotion Agency (BHEPA), Foreign Trade Chamber of Bosnia and Herzegovina, **Mr. Nikola Burić**, CEO of i-Dijaspora/ i-platform, **Mr. Armin Alijagić**, President of the Naša Perspektiva Group, **Ms. Lilijan Sulejmanović**, Entrepreneur and Founding Director of the British Bosnian and Herzegovinian Chamber of Commerce. The panel was moderated by **Ms. Estelle Vuichard**, Diplomatic Officer at the Embassy of Switzerland in Bosnia and Herzegovina.

- **Mr. Enes Ališković** noted that the Foreign Trade Chamber (FTC) operates as the export promotion agency for Bosnia and Herzegovina, working to improve economic relations abroad. He added that only recently they have been in contact with the diaspora, and from the business perspective, they saw the mutually beneficial potential for both sides. The FTC also supported the Diaspora conferences, which was the first time that they connected with people abroad and donor programs, from Switzerland, Austria and the US. They began to see the potential and started supporting these programs.
- **Mr. Nikola Burić** thanked the OECD for its useful report and research. He explained that i-Dijaspora was established to build bridges between the diaspora and the population in Bosnia and Herzegovina, to build trust and relationships. In this regard, he shared that more than 350 contacts, including 77 institutions, were established through the i-Dijaspora platform. He added that migration from rural to urban areas was also an important trend in Bosnia and Herzegovina, which was calling for a stronger focus on rural development, for example by increasing linkages with.
- **Mr. Armin Alijagić** thanked the OECD for their well-researched publication that is particularly beneficial for organisations that work with the diaspora. He established the Naša Perspektiva Group upon his return to Bosnia and Herzegovina. The Naša Perspektiva group hosts large-scale diaspora business events and established a one-stop-shop for the diaspora, which offers support services such as business information and planning. Mr. Alijagić noted that the group also runs a diaspora mentorship programme where they support local start-ups, offer diaspora internships where those living abroad can work in Bosnian companies, and set up diaspora agents to support local Bosnian companies through exports. Lastly, the group is also working

to support local governments who expressed interest in learning more on how to involve the diaspora in municipal development projects.

- **Ms. Lilijan Sulejmanović** thanked the OECD for the wealth of data analysed in the report. Ms. Sulejmanović noted that although she was able to start her business through the diaspora invest programme support from USAID, and while there are now more such initiatives available now, doing business in Bosnia and Herzegovina remains challenging and problems with remittances and financial investment continue to be barriers. While there are strategies to ease business barriers and increase access to financial services, it remains hard for start-ups and small businesses to access fundamental services of the amount of documents required or length of time to do so.

Conclusion

Panellists and meeting participants agreed that addressing the challenges of emigration and maximising the benefits from migration should be one of Bosnia and Herzegovina's policy priorities. Participants underlined the need for a policy framework that addresses the various aspects of migration including labour markets and education policies. They also pointed out the importance of alleviating the strength of push factors by facilitating administrative procedures and access to financial services for start-ups among other measures to improve the business environment.

On the other hand, a large diaspora can have important development benefits for Bosnia and Herzegovina. Avenues to maximise these benefits would be to develop the institutional and policy frameworks to support diaspora investment and knowledge transfers. In particular, participants agreed that it is necessary to invest in long-term partnerships with the diaspora to build trust and create a policy framework to encourage knowledge transfers through collaborations with the professional and scientific diasporas and actively support return migration.

Moving ahead, the OECD, together with Austria, Switzerland, and stakeholders from Bosnia and Herzegovina look forward to supporting Bosnia and Herzegovina in addressing the challenges and reaping the benefits from labour migration, guided by the policy recommendations provided in the OECD report and the roundtable meeting discussions.