

Returnees, Remittances and Reconstruction: International Politics and Local Consequences in Bosnia

by Barbara Franz

Refugee emigration from, and return to, Bosnia and Herzegovina is closely tied to the 1992-1995 war, and the wide-reaching consequences thereof in the post-conflict recovery period. During the conflict, over half of the country's population of 4.4 million people were forced to leave their homes through systematic methods of violence and war, which resulted in the death of about 250,000 people. It was during this conflict that the term ethnic cleansing was first commonly used.¹ By the end of the war, 1 million people had been internally displaced, and another 1.3 million people had fled abroad. Residences, industry and infrastructure had been destroyed on a massive scale, and 1 million mines were spread throughout the country.² In 1995, the Dayton Peace Accords ended the war, but formalized the de facto ethnic division of the previously multi-ethnic republic. Bosnia and Herzegovina was separated into two entities divided along ethnic lines. One body, the Federation of Bosnia-Herzegovina, consists of the areas controlled by the Bosnian Muslims and Croats, and the other entity, Republica Srpska, corresponds with the ethno-nationalist fatherland claimed by the Bosnian Serb leadership before the war. Although it brought an end to the hostilities, Dayton failed to effectively address the political conflict over the territory of Bosnia and Herzegovina that had initially instigated the war.³

The reestablishment of a sovereign Bosnian state today remains a localized geopolitical struggle between those who established power during the war, some of whom have successfully established local regimes of ethnic supremacy, and the returning groups of refugees, many of whom were forcefully expelled from Central European countries.⁴ This paper focuses on the relationship between refugee return, economic reconstruction efforts, taking into account the prevailing corruption and illicit activities on the black market, and the established power structures within Bosnia today. Scholars have analyzed the role of the international community and determined it to be a contributing factor to the outbreak and prolongation of the Balkan wars.⁵ Their analysis includes the critical role of the International Monetary

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Fund's (IMF) economic stabilization programs in the 1980s and the Maastricht chess game—a game played by major European powers switching sides in the developing conflict for the opportunity to opt out of the European Monetary Union in the early 1990s. Since the end of the conflicts, the United Nations (UN) and its numerous subsidiary organizations have maintained a fragile peace both by becoming the principal kingmaker in Bosnia's political system, as well as by contributing to the income for the population in the region.

This paper argues that in the past decade the international community, especially the UN and the Office of the High Representative (OHR), have remained crucial players in the region by maintaining stability, limiting the influence of the local authorities and indirectly allowing a fragile shadow economy to develop. The policies initially aided the returning refugees. However, today it has become obvious that the ethno-nationalist division and delicate political balance in Bosnia, a result of Dayton, can only be maintained through the continued strong presence of the international

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community in the region. Progress, economic and otherwise, can ultimately only be made when the region's political problems are resolved. Thus, Bosnia and its population, which includes hundreds of thousands of returned refugees and internally displaced persons (IDPs), will remain dependent on an activist role of the international community in the foreseeable future. The first part of this paper illustrates the political realities that led to the return of hundreds of thousands of Bosnian refugees. The second part of the paper focuses on Annex VII of the Dayton Accords, which regularized the return of these populations, and also describes the influence of the international community on the democratic structures of the post-Dayton Bosnian government. The third part analyzes the handicaps and hardships that returnees faced, based on the example of minority returns to the region of Zvornik. It shows how local authorities frustrated these settlements by obstructing property restitution and intimidating the returning families. The fourth part describes some of the major difficulties of the reintegration processes, centering upon corruption and the black market. This part also analyzes Bosnia's economic development, emphasizing the large pockets of poverty still prevalent in the region. It concludes by outlining some crucial preconditions for successful reintegration and sustainability.

THE TERRITORY: THE INTERNATIONAL COMMUNITY AND REFUGEES

Bosnia represents one of the most ambitious post-Cold War international initiatives to curb intrastate conflict and foster reconstruction. Few other conflicts are as closely associated with humanitarian action as the Bosnian war. More than

100,000 foreigners, at least a dozen UN agencies, and over 200 non-governmental organizations (NGOs) participated in the humanitarian relief effort. By mid-1995, some two-thirds of all UN peacekeepers in the world were deployed in the region, with the total number of troops in Bosnia reaching 22,500.⁶

One of the principal goals of the international community became the return of refugees who held only temporary residential rights in other European states. The return of refugees and IDPs has been the most urgent component of the Dayton Accords, not the thriving corruption or the fragile political balance between the three ethnic groups in the region. This rank of priority makes international organizations and their member states the vital forces in Bosnia's post-war reconstruction. In the immediate post-conflict years, thousands of returnees who had been granted temporary protection abroad were repatriated into unstable conditions in Bosnia where they then faced the daunting task of rebuilding their uprooted lives.

Many of these expatriates did not return because of a personal desire to go back to a home country, but rather they returned due to a push from their country of asylum. For many it was no longer a home; they returned to find their residences had been destroyed and their friends and families had been lost. In fact, the sterile term developed by the international community for the expulsion of these people from their countries of temporary protection and their return to their places of origin was "involuntary return." Repatriation of refugees instead of resettlement in third countries was the most desired long-term solution by European governments, not by the Bosnian refugees themselves.⁷ This repatriation policy was a direct result of the extremely restrictive asylum and residence policies of the European host countries.

DAYTON: RETURNEES AND RESTITUTION

Of the 1.3 million people who fled abroad, about 40 percent went to neighboring countries such as Croatia and Serbia. Many others fled to Western European countries, predominantly Germany, Austria and Sweden. Germany single-handedly accepted an estimated 28 percent of the refugees.⁸ By the late 1990s, Germany had returned 347,419 people to Bosnia, a number that exceeded 70 percent of the total returnees to the region.⁹ According to the Austrian Ministry of the Interior, about 95,000 Bosnians arrived and were granted a de facto refugee status in Austria during the war years.¹⁰ Of these about 11,000 persons were to be sent back to Bosnia after the temporary settlement scheme, the *Bund-Länder Aktion*, had closed in 1998.¹¹ However, for many of these returnees, the Dayton Accords provided no valid return alternative. Often, returnees did not return to their places of origin, but instead remained internally displaced due in part because many would have been returned to regions where they were considered members of a minority; for example, Muslims who initially lived in the Republica Srpska.

In the Dayton Peace Accords, Annex VII of the General Framework Agreement for Peace (GFAP) became crucially important for the prospect of reversing the consequences of ethnic cleansing and thus, it was argued, was essential for reconciliation.¹² It recognized the right of displaced persons and refugees to

reclaim and return to their pre-war homes. In particular, minority return was supported through housing and property restitution which, it was assumed, would lead to sustainable return.¹³ Instead, Annex VII became the principal instrument used to maintain the ethno-nationalist divisions created by the war.

Paradoxically, Annex VII of the GFAP limited the success of the return policy because it quasi-legitimized the ethno-nationalist partition of the state. This was, in part, because the international community prioritized “small home” politics, focusing specifically on property restitution, at the expense of “big home” politics.¹⁴ “Big home” programs would have entailed efforts to normalize the political and socio-economic structures beyond the confines of private homes. Furthermore, the idealized notion of a quick and uncomplicated mass return of displaced Bosnians to their places of origin proved to be impossible to implement in practice. This was because of the “rather ‘schizophrenic’ nature” of the Dayton Accords which, in spite of their noble human rights provisions, represented a de facto “political institutionalization of the ethnic partition of Bosnia and Herzegovina that was established by war rather than its reintegration.”¹⁵ This dilemma was most clearly conveyed by the division of the country into the two ethnically controlled entities, the Federation of Bosnia-Herzegovina and Republika Srpska, and furthermore into cantons within the bi-polar Bosniak-Croat Federation.

On paper, the government of the Bosnian-Croat Federation appears to be an exemplary democracy. The three ethnic groups resident there (Bosniaks or Muslim Bosnians, Catholic Croats and Eastern Orthodox Serbs) have guaranteed representation and veto power in the federal House of People. There are a total of fifteen seats in the House, which breakdown to five seats for Bosnian Muslims, five for Croats, and five for Serbs—all chosen by legislatures of the two entities, the Federation and Srpska.¹⁶ The House of Representatives consists of a total of forty-two seats, including fourteen reserved for Bosnian Muslims, fourteen for Croats and fourteen for Serbs, elected directly by the people.¹⁷ Moreover, the executive consists of representatives of the three ethnic groups. The Bosnian-Croat Federation also has a mandated ethnic mix in its upper House of Peoples. Out of a total of seventy-four seats, at least thirty must be held by Bosnian Muslims and another thirty by Croats.¹⁸ The Republika Srpska, however, has a unicameral legislature with a directly elected National Assembly.

Despite this built-in balance of ethnicities, Bosnia’s democracy has a distinctly authoritarian overlay in the form of the Office of the High Representative (OHR), an ad hoc organization created for the implementation of the return clauses in Dayton. The OHR is vested with the power to remove elected officials. This de facto international protectorate has awesome powers and can nullify elections—particularly if voting occurs along strictly ethnic lines.

In spite of Annex VII of the GFAP, the democratic structure of the Bosnian government, and the oversight of international institutions, local authorities in different parts of Bosnia were generally successful—at least until very recently—in their attempts to deter ethnic minority return. They accomplished this with effective

administrative obstruction of the property restitution process: “each of the war-time regimes adopted complex laws and administrative procedures on return, with the aim of making the division of the population irreversible.”¹⁹

Nevertheless, at first glance it seems that the international community was successful in returning the vast majority of Bosnian refugees for whom no other durable solutions were found in their first asylum countries at the end of the 1990s. In 2005, the UN High Commissioner of Refugees (UNHCR), the refugee agency that carries the main responsibility for ensuring the return

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process, estimated that over one million returns had taken place and property restitution had reached 93 percent.²⁰ Of these 1 million people returned, more than 440,000 were refugees returning from abroad, often after losing temporary protection, and another 560,000 were IDPs.²¹ However, the fact that the number of minority returns—people returning to their places of origin where they were part of an ethnic minority—remained very low, tells a different story.²² Although commendable, this very low number indicates that returnees had very limited or no interest in returning to their homes when these residences were located in a region that was dominated by another ethnic group.

Minority Returns: The Example of Zvornik

The region of Zvornik is located in the eastern part of the Republica Srpska.²³ More than 50,000 persons, most of them Bosnian Muslims and Croats, fled or were expelled from Zvornik during the campaign of ethnic cleansing. Depopulated of most of its pre-war residents, Zvornik soon became a resettlement site for approximately 31,000 Serbs, themselves displaced from areas seized by Croat and Bosnian Muslim forces. During the ethnic cleansing campaigns in Bosnia, expulsions were followed by the destruction of houses and religious sites in an effort to render return impossible. Of Zvornik’s 18,338 pre-war residences, more than 1,000 were wholly destroyed and another 5,300 heavily damaged.²⁴ In addition, all twenty-six mosques in Zvornik were destroyed.²⁵ Dayton split pre-war Zvornik County into two counties: a small area in the Federation named Sapna, and a much larger Serb Zvornik in the Republika Srpska. For the entrenched Serb nationalists in Zvornik and elsewhere, Dayton’s recognition of the Republika Srpska represented international legitimization of their wartime aspirations.²⁶

In 1996, when the first spontaneous returns occurred, Implementation Force (IFOR) commanders decided that the implementation of Annex VII of the GFAP was the task of local county authorities, effectively abdicating responsibility to those who had overseen the terror and expulsion in the first place.²⁷ The international

community invested considerable resources with a focus on housing and the restitution of property, especially to promote returns of minorities to their home areas. In Zvornik and other regions like it, local nationalist authorities were openly hostile to these minority returns, and they continued to enforce wartime laws that “legalized” the reassignment of former Bosnian Muslim property to displaced Serbs. Despite the presence of IFOR troops (renamed Stabilization Force (SFOR) in December 1996), gangs of Bosnian Serbs attacked the returnee villages. They burned down several houses while angry mobs surrounded the local branches of international organizations in town to protest against repatriation of the returnees. According to the mayor and police chief in Zvornik, the returnees were “Muslim terrorists” sent by the Federation to break apart the new Serb entity.²⁸ These crises prompted the international community to establish a commission to oversee returns to the region, and to enhance negotiation efforts with Serb authorities to implement Annex VII.

By 1999, fewer than 600 of Zvornik’s 48,000 Bosnian Muslims had returned home.²⁹ Property law enforcement did not markedly improve in Zvornik until 2002. Until then, obstructionist housing officers throughout the Republika Srpska made it difficult for returnees to claim their properties.³⁰ Long lines and slow progress discouraged would-be returnees who had to travel long distances from temporary residences in the Federation to file property claims. Others simply hoped to reestablish their ownership and sell the property to the new occupants. In response the OHR began to employ a variety of diplomatic strategies, such as international aid conditionality, in order to publicly shame and remove local officials who obstructed Annex VII provisions. This demonstrative use of power forced Bosnian Serb politicians to cooperate with Dayton, or at least to appear to do so in public.³¹ Over the next few years this strategy worked and slowly improved the situation for the returnees. By March 2005, 14,829 Muslim residents out of Zvornik’s total Muslim pre-war population of 42,962 had returned.³²

Registration with local authorities to reclaim property did not mean that the returnees were interested in or able to resume their lives in their places of origin. This is particularly true in areas where they constituted a minority.³³ Not only did local authorities discourage real return, but other obstacles such as intimidation, discrimination in employment and poor socioeconomic conditions made it difficult to return.³⁴ A complex multi-level bureaucratic system frequently obstructed easy access to services. Even today, upon return to Bosnia, persons must register within thirty days of arrival in a local municipality, as well as with an employment agency through which they are eligible for health insurance.³⁵ Failing to do so will prevent the returnee from accessing employment, education, and health insurance. In minority return regions, and particularly in the Republika Srpska, authorities initiated a policy of allocating land to Bosnian Serbs who were forced to leave repossessed property.³⁶ Rather than have them return to their own residences in the Federation, local authorities sought to settle these Serb squatters permanently and thus consolidate demographic majorities in the Republika Srpska.³⁷ In this way, even if

Bosnian Muslim returnees came back in large numbers, the Serb settlers would still constitute the majority and would still wield considerable power in the region.

Serb authorities approved land plots mostly to Bosnian Serb war veterans, widows, and those evicted from illegally occupied property. Many of the land allocation sites were in rural farm areas, lacking basic utilities and community roads. This practice continued as “Bosnian Serbs strived to create facts on the ground that the international community would eventually have to accept.”³⁸ The most reliable sources estimate that Serb families were resettled in about 2,600 housing plots in Zvornik, predominantly clustered on three major sites, Branjevo, Ekonomija-Karakaj, and Ulice.³⁹ Thus, the demographic character and cultural landscape of Zvornik town and county was radically changed by war, and it remains one of the most intimidating and unreceptive geographic regions for returnees.⁴⁰

Due to these circumstances, families in Zvornik and elsewhere often resold or exchanged pre-war property once it was repossessed.⁴¹ Therefore, the number of actual physical returnees is considerably lower than the number of formally registered returnees. Most returnees have chosen to resettle and rebuild their lives in those parts of the country where they form a majority rather than return to their former homes. This, however, clearly contradicts the objective of the international community that housing and property restitution would lead to sustainable return.⁴²

THE INDIVIDUAL: REINTEGRATION PROCESSES, REMITTANCES AND THE ECONOMY

Most returns take place in conditions of profound change, even if people return to majority regions rather than become part of a minority return contingent. They have to endure transitions to new social, economic, and political environments in addition, to having to accept the transformations caused by war and conflict. From the perspective of the returnees, return and reintegration is a “dynamic and contested process which means having to negotiate one’s position in new contexts of power and inequality.”⁴³ Return and reintegration involves processes of recreating, “in new circumstances, new social relations, identities and cultural meanings through which people in a post-war setting (re)connect to a particular place and community as ‘home.’”⁴⁴

A recent follow-up study of a large-scale international project to assist minority IDPs in returning to their places of origin indicates that sustainability—that is, when returnees remain and settle permanently in the region where their homes were located prior to the war—might turn out to be very low. In one of the rural communities studied, the actual return rate had been high and was rated a success.⁴⁵ In that same community eight years later, returnees felt that security and housing was satisfactory, but the continued lack of employment opportunities as well as lack of connections to relatives and resources abroad, meant financial isolation and economic misery, which adversely affected returnees’ motivation to stay.⁴⁶ This finding is supported by the nationally representative survey of the Oxford Research

International group, which found that two thirds of Bosnians under the age of 30 desire to leave the country.⁴⁷ Similarly, Bosnia's Agency of Statistics (BHAS) found that some 40 percent of residents of the region would emigrate if they could.⁴⁸

The (Black) Market and Prevailing Corruption

As long as Bosnia is unable to sustain its population with jobs and provide economic opportunities for its citizens comparable to the possibilities found elsewhere, the region will continue to experience a brain drain. Yet, it is interesting to note that economic development has traditionally been linked to politics in the Balkans. In the immediate post-war decades, the massive presence of the international community in the region intrinsically continued the *Verbürokratisierung* (bureaucratization) of the policy decision-making practices in the former communist region, which correlated well with enormous

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corruption and illicit business activities. Peter Andreas has shown that a symbiotic, rather than an exclusively predatory, relationship existed between peace operations and illicit business activities during the war years in Bosnia.⁴⁹

In the first post-Dayton years, smuggling robbed the emerging governments of revenue and criminal expansion into the service sector overlapped with political parties. As an example, one can look to the Ero Hotel in

Mostar, which served as the European Union (EU) headquarters and housed most of the UN staff. Room rental revenue went directly into the pockets of the Croatian nationalist party, the Hrvatska Demokratska Zajednica (HDZ), at the very same time that the OHR was pursuing reconciliation in this divided city.⁵⁰ Observers argue that widespread smuggling at the Arizona market in Breko deprived the central government of as much as \$100 million in customs revenue per year.⁵¹ These illicit business activities were only possible because of the direct complicity of the political establishment. A number of studies have shown that as a consequence of these activities, citizens of Bosnia trust neither their institutions, nor each other, at any significant level.⁵² Bosnians in general view the international community—particularly the UN—Bosnia itself, and its political actors and institutions very negatively and see corruption as very widespread.⁵³

Almost fifteen years after Dayton, Bosnia remains in a precarious situation: the implementation of anti-corruption standards remains a long term prerequisite for Bosnia's eventual membership to the EU and, more immediately, is a requirement for the liberation of the EU visa regime for Bosnia.⁵⁴ The most recent European Commission Progress Report on Bosnia points to a judiciary that is unwilling to investigate, prosecute or convict suspects of high-level corruption.⁵⁵ Judges absolutely refuse to pronounce final convictions. In Bosnia, the report concludes,

corruption is prevalent in all areas, especially within government and other state entities linked to public procurement, business licensing, health, energy, and transportation infrastructure and education.⁵⁶ For many, clandestine economic activity has also become a critical source of revenue and employment in the region, providing an economic cushion in the face of bleak lawful employment prospects.

The Formal Economy and Poverty

Bosnia's formal economy has been in dire straits since the end of the war. Before the introduction of a trans-Bosnian convertible mark (KM), three different currencies were in use. The convertible mark was established by the Dayton Accord and replaced the Bosnia and Herzegovina dinar, Croatian kuna, and Republika Srpska dinar as the currency of Bosnia in 1998.⁵⁷ In the last decade much of Bosnia's economic growth was by foreign direct investment (FDI), which had the effect of driving domestic demand, increasing inflation and widening the trade imbalance.⁵⁸ The FDI in 2007 was 818 million euros. It decreased in 2008 to 728 million euros, and in the first half of 2009 it dropped by 56 percent to 228 million euros.⁵⁹

The recent global financial crisis impacted Bosnia significantly, as credit dried up and demand for exports fell due to deteriorating conditions in the EU, its main trading partner. The Bosnian government sought assistance from the IMF, which approved US\$1.57 billion in funding in July 2009 to implement a program designed to cushion the economy from the effects of the global financial crisis and adopt policies to address fiscal imbalances and strengthen the financial sector. The IMF estimates that Bosnia's real GDP will contract by 3 percent during 2009.⁶⁰ The current international financial crisis is felt severely as economic indicators weaken: imports and exports are down dramatically, and EU and regional commodity prices have dropped, as has demand. Unemployment has been very high, particularly among young people (51.9 percent according to an estimate by the UNDP).⁶¹

Poverty remains widespread, despite the economic improvement. One in five households (18.4 percent) is below a relative general poverty line.⁶² Curiously the gender of the head of the household impacts poverty levels: in contrast to common patterns elsewhere, households headed by women are considerably less poor than those headed by men, particularly in the Federation.⁶³ The Gini coefficient for Bosnia in 2007 was calculated at 0.401 and for 2008 at 0.42. Given that the calculation for 2001 was 2.62, a significant rise in inequality over the past seven years can be detected.⁶⁴

Sustainable Return: Transnational Connections and Remittances

Successful, sustainable return only seems possible if individuals and households can establish a more permanent base in the country of origin and, after returning, maintain active connections and mobility to the outside, in particular to the country of temporary protection. Return may be better conceptualized as an open-ended process, one which often takes place over long periods of time with frequent travel back and forth and may involve periods of dual residence.⁶⁵ Thus, "home" is not

only a physical environment and a basis of material existence; it is also a site of social relations and cultural meanings. Regaining a foothold in Bosnia after return requires economic and social capital. Important prerequisites include qualifications in demand, the “right” ethnicity and necessary local connections, as well as a continued association to the people and resources in the country of temporary protection, ideally including the right to mobility based on citizenship there.⁶⁶

One of the usual advantages of maintaining connections with relatives in the country of temporary protection or elsewhere is the possibility to supplement one’s income with remittances. The World Bank estimates that in the years 2000, 2001 and 2002 remittances sent to Bosnia reached US \$1.5 billion annually. In 2003, Bosnia saw remittances of US \$1.7 billion and since 2004, more than US \$1.9 billion annually.⁶⁷ The country’s gross national income (GNI) was US \$12 billion in 2006 and the per capita GNI was US \$2,980 annually.⁶⁸ Elsewhere the World Bank states that remittances constituted over 20 percent of Bosnia’s 2006 GDP.⁶⁹ In 2007, the average remittances per person were US \$640, compared with the average for Central and Eastern Europe and the CIS of US \$114.⁷⁰ Remittances therefore clearly are a crucial addition to many families’ household income, perhaps particularly to the ones who attempt to reestablish themselves in the region. These numbers represent officially recorded remittances. The true size of remittances is much larger than these numbers suggest, because the actual number includes unrecorded flows through formal and informal channels, such as the bringing of presents when visiting the area or birthday gifts.

The importance of economic remittances to households in Bosnia is suggested by a survey of sources of income for women in Bosnia in 1999. It found that nearly one-fourth of all interviewees listed remittances among the top three sources of household income.⁷¹ For nearly all the interviewed refugee families in Austria throughout my fieldwork in the 1990s, remittances and gifts made during visits remained a common form of support to family and close kin in Bosnia.⁷² While remittances cannot by themselves make up for the absence of livelihood opportunities and state welfare institutions, they complement other sources of income and can aid families over difficult periods. To understand the impact of remittances in terms of social reconstruction beyond the household, the wider social dynamics must be understood. Remittances are not simply money transfers from one place in the world to another; they affect social relations at both ends. Scholars argue whether they might contribute to development in the receiving context and transform the conditions of households, or simply sustain these households.⁷³ A recent longitudinal study suggests that remittances have a significantly positive impact on the migration prospects of those remaining in Bosnia.⁷⁴ Highly educated, healthy and young individuals are those most likely to migrate. From the perspective of many Bosnians living abroad, the repatriation programs offered insufficient support for return and, like property restitution, came too late to constitute real incentives to return. For many returnees, the situation has not improved since their return, and the inability of many individuals to sustain their livelihoods has led to

emigration. Migrants leaving Bosnia and Herzegovina in recent years have been motivated by a desire to seek out better educational or livelihood opportunities abroad and by the opportunity to reunite with family members. As such, highly educated, healthy, and young individuals are those most likely to migrate. In the 2009 Human Development Report, UNDP claims that Bosnia and Herzegovina has an emigration rate of 25.1 percent.⁷⁵ However, facing an increasingly restrictive asylum policy in European countries, and without a political impetus, many asylum claims are rejected and migrants often are forced to return to a context that has not improved.⁷⁶

CONCLUSION

Throughout the past decade 1 million displaced Bosnians have returned because that is what the international community expected them to do.⁷⁷ However, Bosnia's integrated multiethnic landscape had been ripped apart and restructured by nationalists who claim to have "purified" the country. The Dayton Accords legitimized their actions by instituting the country's spatially segregated subdivision. The geopolitical struggle between the returnees, the moderates, and the established local nationalist authorities is not winnable in the long run without international support. In a country where international involvement has led to an increased partition of land and resources among the three dominant ethnic groups, economic progress will be unattainable unless the underlying political circumstances are corrected first. However, the political conditions cannot be rectified by the power of the international protectorate alone. The preconditions for political reform need to be localized and originate from grass roots movements, rather than from unpopular international organizations. Until then, this observer fears, Bosnians will leave Bosnia in droves and the country will remain economically underdeveloped.

Looking forward, Bosnia should also be seen as a predecessor case for the international community's current involvement in Afghanistan and Iraq, because it clearly illustrates what happens when the international community takes on an interventionist role in a post-conflict region. A quick retreat after intervention would be devastating for the people living in the region. To allow for successful stabilization and economic recovery, the international community must instead pledge a long-term commitment to the region.

Notes

¹ Norman Cigar, *Genocide in Bosnia: The Policy of 'Ethnic Cleansing'* (College Station: Texas A & M University Press 1995), 4; Barbara Franz *Uprooted and Unwanted: Bosnian Refugees in Austria and the United States* (College Station: Texas A & M University Press 2005), 14.

² Mireille de Koning, "Return Migration to Bosnia and Herzegovina: Monitoring the Embeddedness of Returnees," *AMiDSI-CIDIN, Amsterdam-Nijmegen*, (2008): 7.

³ Carl Dahlman and Gerard Toal, "Broken Bosnia? The Localized Geopolitics of Displacement and Return in Two Bosnian Places," *Annals of the Association of American Geographers* 95, no. 3 (2005): 64; Guy Robinson and Alma Pobic, "Nationalism and Identity in Post-Dayton Accords: Bosnia-Herzegovina," *Tijdschrift voor*

Economische en Sociale Geografie 95, no. 3 (2006): 237-252. The text will refer to both entities created by the Dayton Accords, the Federation and Republica Srpska, as Bosnia.

⁴ According to the legal definition of a refugee set forth in the 1951 United Nations Convention, a refugee is a person who "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside of his former habitual residence... is unable or, owing to such fear, is unwilling to return to it." *1951 United Nations Convention Relating to the Status of Refugees* Art. 1 A (2). The term "refugee" was first applied to the French Huguenots who fled to England after the Edict of Nantes was revoked in 1685. Peter Nyers (1999) "Emergency or Emerging Identities? Refugees and Transformations in World Order," *Millennium: Journal of International Studies* 28, no. 1: 11.

⁵ Geoffrey Swain and Nigel Swain, *Eastern Europe Since 1945* (New York: St. Martin's Press, 1994); Lenard Cohen, *Broken Bonds: Yugoslavia's Disintegration and Balkan Politics in Transition* (Boulder: Westview Press, 1995); James Petras and Steve Vieux, "Bosnia and the Revival of U.S. Hegemony," *New Left Review*, no. 218 (July/August 1996): 3-25; Franz, *Uprooted and Unwanted*, 14.

⁶ Peter Andreas, "Symbiosis Between Peace Operations and Illicit Business in Bosnia," *International Peacekeeping* Vol. 16, No. 1 (February 2009): 33-46.

⁷ Politicians and representatives of international organizations and NGOs generally refer to the term "voluntary return" when a person outside of his/her country of origin is obliged to return to this country without being forcefully expelled. However, Mireille de Koning argues correctly that return can never be voluntary without plausible (legal) alternatives, or the wish of the person displaced. Any return for reasons, other than personal desire to do so, should be termed involuntary. In practice, any Bosnian returnee, who did not possess a permanent residence permit elsewhere, should be regarded as having returned involuntarily. Koning, "Return Migration to Bosnia and Herzegovina," 6.

⁸ Mirsad Kebo, Presentation (2006), (Retrieved December 14, 2007),

<http://www.mhrr.gov.ba/PDF/Presentation%20by%20Minister%20Mirsad%20Kebo.pdf>.

⁹ Torsten Jäger and Jasna Rezo, "Zur Struktur der bosnischen Kriegsflüchtlinge in der Bundesrepublik Deutschland," <http://www.proasyl.de/lit/bosnien/text1.htm> (accessed October, 10, 2009).

¹⁰ Bundesministerium für Innere Angelegenheiten, "Unterbringung der 'De-facto' Flüchtlinge aus Bosnien-Herzegowina in Groß- und Privatquartieren in Österreich, Juli 1992-Dezember 1997," unpublished document, BMI III/15 KOD/PIC 1998 cited in Franz, (2005).

¹¹ Monika Grbic, Edith Glanzer, and Wolfgang Gulis, "Bosnien: Ende der Aktion. Was von der Humanitären Aktion übrigblieb," *ZEBR-ATL*, no. 3 (1998), <http://www.zebra.or.at/zebratl/98/bosnien.htm>. With the introduction of the Bund-Länder Aktion in spring of 1992, Bosnian refugees were granted temporary protection status and were labeled de facto refugees. (Franz, *Uprooted and Unwanted*). In agreement with the *Länder* (provinces), the Austrian Ministry for the Interior set up the so-called *Bund-Länder Aktion* (federal-provincial plan), which became the key relief program for displaced Bosnians. From May 1, 1992 until August 31, 1998, more than 91,000 persons registered in the program, which provided them with food, shelter, and health care. However, TPS for Bosnian refugees resulted from Austria's understanding that the 1951 Convention could not be applied to Bosnian nationals fleeing a "civil war" rather than state persecution. TPS, to be sure, was a new legal status that Austria employed for the first time in the Fall of 1991 for Croatian refugees fleeing the Croatian war. As a new legal protection status, its enactment was only possible through a particular restrictive interpretation of the Convention refugee definition. Its framework, once developed, however, allowed Austria and other Western European states to reject Bosnian refugees' asylum applications en masse. Bosnian refugees who were TPS were denied the entitlement to certain financial and social services, which would have been granted had they had been admitted as Convention refugees. In Austria political refugees receive a number of social services and benefits, such as health and unemployment benefits, as well as immediate permission to gain legal employment. In essence, a political refugee is entitled to the same social services as an Austrian citizen. For years, Bosnian refugees were in effect excluded from most of these benefits. Due to its geographic location, Austria was the first Western European country impacted by the Bosnian refugee crisis and thus set the precedent in Europe for employing TPS for refugees from the Balkan area on its territory. Most other Western European states followed Austria's example and provided only restricted temporary protection to the Bosnian refugees, initially at least.

¹² Catherine Phuong, "Freely to Return?: Reversing Ethnic Cleansing in Bosnia-Herzegovina," *Journal of Refugee Studies* 13, no. 2 (2000):165-183; Richard Black and Saskia Gent, "Sustainable Return in Post-conflict Contexts," *International Migration* 44, no. 3 (August 2006): 15-38.

¹³ Andreas Stefánsson, "Homes in the Making: Property Restitution, Refugee Return, and Senses of Belonging in a Post-war Bosnian Town," *International Migration* 44, no. 3 (August 2006): 117.

¹⁴ Stefánsson, "Homes in the Making," 117.

- 15 Steven Burg “Bosnia Herzegovina: a Case of Failed Democratization,” in Karen Dawisha and Bruce Parrott (eds), *Politics, Power, and the Struggle for Democracy in South-East Europe* (Cambridge, UK: Cambridge University Press, 1997), 141.
- 16 Thomas Simon, “New Deal, New Development: A Public Works Philosophy,” *The Good Society* 13, no 1 (2004): 49-61.
- 17 Simon, “New Deal, New Development.”
- 18 *Ibid.*, 50.
- 19 José H. Fischel De Andrade and Nicole Barbara Delaney, “Minority return to South-eastern Bosnia and Herzegovina: a review of the 2000 return season,” *Journal of Refugee Studies* Vol.14 No. 3 (2001): 320; Stefansson, “Homes in the Making,” 119.
- 20 Dahlman and Toal, “Broken Bosnia,” 657; Marita Eastmond, “Transnational Returns and Reconstruction in Post-war Bosnia and Herzegovina,” *International Migration* 44, no. 3 (2006): 143.
- 21 De Koenig, “Return Migration to Bosnia and Herzegovina,” 5.
- 22 While most minority returnees were elderly people who returned to their homes and farms in rural areas and subsequently relied heavily on subsistence farming and small state pensions for a living, younger returnees preferred to settle in the Federation because of a lack of educational, social, and economic opportunities in the *Republika Srpska*, De Koenig, “Return Migration to Bosnia and Herzegovina,” 5.
- 23 Dahlman and Toal, “Broken Bosnia,” 649.
- 24 Housing Sector Task Force (1999) War-damaged Residential Buildings and Status on Repair/Reconstruction and Funding Requirement, Sarajevo International Management Group; and Dahlman and Toal, “Broken Bosnia,” 648.
- 25 RMAP (Rights-Based Municipal Assessment and Planning Project), *Zvornik Municipality, Republic of Srpska, Bosnia-Herzegovina* (Sarajevo: United Nations Development Program: 2003), 59; Cited in Dahlman and Toal, “Broken Bosnia,” 648.
- 26 Dahlman and Toal, “Broken Bosnia,” 649.
- 27 *Ibid.*
- 28 *Ibid.*, 650.
- 29 *Ibid.*, 651.
- 30 *Ibid.*, 651/2.
- 31 *Ibid.*, 651.
- 32 United Nations High Commissioner for Refugees (UNHCR), “Minority returns from 01/01/1996 to 31/03/2005 in Bosnia and Herzegovina,” UNHCR, http://www.unhcr.ba/return/pdf/%202005/SP_03_2005.pdf.
- 33 Eastmond, “Transnational Returns and Reconstruction,” 143.
- 34 Phuong, “Freely to Return,” 170-172.
- 35 De Koenig, “Return Migration to Bosnia and Herzegovina,” 6.
- 36 Dahlman and Toal, “Broken Bosnia,” 652/3.
- 37 *Ibid.*, 652.
- 38 *Ibid.*, 653.
- 39 *Ibid.*
- 40 *Ibid.*
- 41 De Koenig, “Return Migration to Bosnia and Herzegovina,” 5.
- 42 Stefansson, “Homes in the Making,” 117/8.
- 43 Eastmond, “Transnational Returns and Reconstruction.” 143.
- 44 *Ibid.*
- 45 *Ibid.*
- 46 Eastmond, “Transnational Returns and Reconstruction,” 143. The Labor Force Survey 2008 defines unemployment in the following way: the unemployed are persons of 15 years of age or older who: (a) in the reference period did not engage in any activities for which they received a salary or fee; (b) spent four weeks (the reference and three preceding weeks) actively looking for employment or found a job and were about to start work in near future; (c) might start work during two weeks following the reference week should they be offered employment. United Nations Development Programme (UNDP) and Oxford Research International (ORI), *The Silent Majority Speaks* (UNDP: Sarajevo 2007).
- 47 Eastmond, “Transnational Returns and Reconstruction,” 143.
- 48 UNDP, “Early Warning System—Fourth Quarterly Report: Web edition,” UNDP, December, <http://www.undp.ba/index.aspx?PID=36&RID=84>, pp 17.
- 49 Andreas, “Symbiosis Between Peace.” (2009). To be sure, the UN operations also injected hard currency into the conflict zone. Mainly through wages to local support staff, Bosnian families were able to sometimes purchase black market items for household survival.
- 50 Michael Bhatia, “Postconflict Profit: The Political Economy of Intervention,” *Global Governance* 11, (2005):

205-224.

⁵¹ Bhatia, "Postconflict Profit," 212.

⁵² United Nations Development Programme (UNDP) and Oxford Research International (ORI), *The Silent Majority Speaks* (UNDP: Sarajevo 2007), 2.

⁵³ Ibid.

⁵⁴ Ivana Korajlic, "Bosnia and Herzegovina: Corruption Progressing, BiH goes nowhere," *Banja Luka, Bosnia and Herzegovina*,

http://www.transparency.org/news_room/latest_news/press_releases_nc/2009/2009_10_15_bih_progress_report.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Mark refers to the German mark, the currency to which it was pegged at par. As a consequence, since the replacement of the German mark by the euro in 2002, the Bosnian convertible mark uses the same fixed exchange rate to euro that the German mark has (that is, 1 euro = 1.95583 BAM). Bhatia, "Postconflict Profit," 212.

⁵⁸ "Market Research and Markets-Bosnia-Herzegovina - Covering Trends & Developments in Telecommunications, Mobile, Internet, Broadband, Infrastructure and Regulation," *Ad Hoc News*, available at: <http://www.ad-hoc-news.de/markets-research-and-markets-bosnia-herzegovina—/de/Unternehmensnachrichten/20603170> (accessed November 18, 2009).

⁵⁹ "Bosnia 2009 FDI Drops by Half," *BalkanInsight.com* (November 9, 2009),

<http://www.balkaninsight.com/en/main/news/23507/> (accessed November 18, 2009).

⁶⁰ "Market Research and Markets-Bosnia-Herzegovina—Covering Trends & Developments in Telecommunications, Mobile, Internet, Broadband, Infrastructure and Regulation," *Ad Hoc News*, <http://www.ad-hoc-news.de/markets-research-and-markets-bosnia-herzegovina—/de/Unternehmensnachrichten/20603170> (accessed November 18, 2009).

⁶¹ UNDP National Human Development Report, "The Ties That Bind: Social Capital in Bosnia and Herzegovina," (November 2009), <http://www.undp.ba/index.aspx?PID=3&RID=54>, pp 15.

⁶² The relative general poverty line in Bosnia is defined by the government statistical agencies as the equivalent household consumption expenditure below a standard threshold set annually to 60 percent of the median monthly equalized expenditure of the household. This is the EU's standard methodology. UNDP, "The Ties That Bind," 16.

⁶³ UNDP, "The Ties That Bind," 16.

⁶⁴ United Nations Development Programme (UNDP) and Oxford Research International (ORI), *The Silent Majority Speaks* (UNDP: Sarajevo 2007), 189; UNDP, "The Ties That Bind," 16.

⁶⁵ Eastmond, "Transnational Returns and Reconstruction," 144.

⁶⁶ Ibid.

⁶⁷ World Bank, "Migration and Remittances Factbook: Bosnia and Herzegovina," (March 2008),

<http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/Bosnia&Herzegovina.pdf>.

⁶⁸ Ibid.

⁶⁹ World Bank, "Migration and Remittances are Important," (January 2007),

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/BOSNIAHERZEXTN/0,,contentMDK:21185060~menuPK:50003484~pagePK:2865066~piPK:2865079~theSitePK:362026,00.html>

⁷⁰ UNDP, "Human Development Report: Bosnia and Herzegovina,"

http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_BIH.html.

⁷¹ Eastmond, "Transnational Returns and Reconstruction," 154.

⁷² Franz, *Uprooted and Unwanted*, 79.

⁷³ Eastmond, "Transnational Returns and Reconstruction," 155.

⁷⁴ Ralitz Dimova and François-Charles Wolff, "Remittances and Chain Migration: Longitudinal Evidence from Bosnia and Herzegovina" Discussion Paper Series IZA DP, no. 4083, Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labor (March 2009), <http://ftp.iza.org/dp4083.pdf>.

⁷⁵ UNDP, "The Ties That Bind."

⁷⁶ De Koenig, "Return Migration to Bosnia and Herzegovina," 2.

⁷⁷ Dahlman and Toal, "Broken Bosnia," 658.