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MOVING BEYOND FINANCIAL REMITTANCES: THE EVOLUTION OF DIASPORA POLICY IN POST-CONFLICT ECONOMIES

Abstract

This article examines the role of institutional change in engaging the diaspora to invest in their home country. The article draws on in-depth interviews with key stakeholders in Bosnia & Herzegovina, Kosovo and Montenegro, all post-conflict economies which have experienced significant outward migration. The article shows that despite the importance attached to the diaspora in policy discourse, they are an under-utilised resource in economic and social development. While diaspora entrepreneurs have a strong emotional connection to their home country, they have faced numerous barriers upon returning due to unstable institutional environments. Many provide financial remittances but can remain isolated from entrepreneurial activity, and social remittances are limited due to the skills gained while in the host country. Institutional improvements are required if they are to be assimilated into the economy. The article concludes by providing a number of implications for institutional theory and policy.

Key words: diaspora entrepreneurship, institutions, post-conflict economies

Word count: 8656

1. Introduction

With increasing movements of people around the world, transnational economic activity is becoming an ever more important phenomenon and a key focus for public policy (Reuber, Knight, Liesch and Zhou, 2018; Kacar and Essers, 2019). In post-conflict economies, which have experienced significant migration as a result of war as well as ongoing economic and demographic challenges, policy engagement with diaspora communities living abroad presents a potential source of development (Williams, 2018). In this article, we define diaspora entrepreneurs as migrants and their descendants who establish entrepreneurial activities that span the national business environments of their home and host countries (Riddle, Hrivnak and Nielsen, 2010).

The diaspora often have a strong emotional tie to their home country, as well as possessing valuable skills that can be transferred home (Riddle et al., 2010). However, attracting them home to environments with weak formal institutions, such as poor enforcement

of laws, regulations and property rights and informal institutions which do not view entrepreneurship positively, is challenging (Williams and Efendic, 2019).

While there is extant research which examines the impact of diaspora entrepreneurs in their home countries (see, for example, Nielsen and Riddle, 2010; Riddle et al., 2010; Lin, Zheng, Lu, Liu and Wright, 2018), these studies mainly focus on case studies of individuals and firms. There is currently a paucity of research which examines institutional change and diaspora entrepreneurship (Gamlen, 2014). In addition, much of the recent research has focused on return to large, dynamic, fast-growing economies, with the diaspora filling entrepreneurial gaps in terms of innovation and technological knowledge (Li, Zhang, Li, Zhou and Zhang, 2012; Li, Isidor, Dau and Kabst, 2017). There is therefore a need to examine a broader range of contexts where return is occurring.

This article aims to fill this gap by drawing on institutional theory to examine the evolution of diaspora policy in post-conflict economies which are seeking to engage with and mobilise the diaspora in homeland entrepreneurial activity. Following Gamlen, Cumming and Vaaler (2019), the article defines diaspora policy as government programmes and initiatives which seek to engage and mobilise emigrants and their descendants. The key research question is ‘How has policy evolved to encourage engagement of the diaspora in homeland entrepreneurship in post-conflict economies?’ Through in-depth interviews with policy makers in post-conflict Bosnia & Herzegovina (B&H), Kosovo and Montenegro, the article examines how institutional changes are being undertaken in order to engage the diaspora in homeland investment.

The article makes three key contributions to the literature on institutions and diaspora homeland investment. First, the article contributes to institutional theory by demonstrating that institutional reform in post-conflict economies is complex and non-linear. Indeed, in taking a

processual view of entrepreneurship policy making the article shows that diaspora policy is characterised by shifting priorities and emphases, rather than a linear path of reform being followed. The article shows that policy makers are moving beyond a focus on financial remittances as a method of engaging the diaspora. Instead, there is greater consideration of non-financial social remittances, i.e. the ideas, behaviours and identities and social capital that can flow into the home country (Levitt and Lamba-Nieves, 2011; Discua Cruz and Fromm, 2019). This requires policy makers to rethink institutional priorities, in particular by considering informal institutions which influence perceptions of entrepreneurial opportunity at home. Yet the article also shows that the transfer of social remittances is not simple, given the experiences and skills of the diaspora in their host country.

Second, due to the processual nature of institutional reform, the article shows that effective policy making is time-bound if the diaspora are to be engaged in the homeland. Many first generation diaspora entrepreneurs returned following independence and then left again due to institutional challenges, and now often only engage through low value financial remittances; while the second generation are harder to engage and assimilate as they have less of an emotional tie to their home country. However, they have the potential to contribute more in terms of social remittances due to their education and employment experience while in the host country. Thus the article shows that while institutional reform is not linear, there is time-bound pressure on the process if it is to deliver benefits to the homeland.

Third, the study adds to calls for more contextual variety in entrepreneurship and internationalisation research (Welter, Baker, Audretsch and Gartner, 2017; Reuber et al., 2018). Through a focus on post-conflict economies, where institutional reform is complex due to competing priorities (Williams and Vorley, 2017), we add to research which has previously focused on large, dynamic and growing economies, providing more nuanced understanding of

the important phenomenon of the return of the diaspora after they have been forced move (in this case due to conflict). Given that forced migration is a phenomenon which is unlikely to end, as more and more people around the world are being forcibly displaced (UNHCR, 2018), such research has the potential to inform academic theory as well as policy approaches to integrating outward and inward migration flows.

The remainder of the article is structured as follows. First, the literature on the role of diaspora entrepreneurs in their home country is set out, followed by a review of how policy makers seek to change their institutional environment to attract diaspora investment. Next, the contexts of B&H, Kosovo and Montenegro are discussed, before the findings of the stakeholder interviews are analysed. The article concludes by reflecting on the analysis and makes a number of contributions to scholarship on diaspora entrepreneurship and institutional change.

2. Literature review

2.1 The role of the diaspora in homeland entrepreneurship and economic development

Diaspora communities are defined by the dispersion of ethnic and national groups across international borders and who often maintain a relationship to their country of origin (Nielsen and Riddle, 2010; Riddle and Brinkerhoff, 2011). When returning, diaspora entrepreneurs can benefit their home country through the sharing of capital, technical knowledge, expectations of how business should be conducted and direct investment (Williams, 2018). Entrepreneurial activity can be fostered by direct involvement in the creation of new firms or the management of existing firms; by investing in the entrepreneurial activities of others; or by acting as a role model and inspiration to entrepreneurs in the home country (Lin et al., 2018). The role model “demonstration effect”, whereby residents in the diaspora’s country of origin are encouraged

into economic activity as a result of the increased investment from abroad, can be significant in countries with low levels of entrepreneurship (Riddle et al., 2010, p. 403).

As a result of globalisation the diaspora have become an important category of entrepreneurs (Ram, Jones and Villares-Varela, 2016; Krasniqi and Williams, 2019). They often facilitate international business connections, adopting cultural lessons from both home and host countries (Berry, 1997), and have key roles in homeland investment (Brinkerhoff, 2009, 2016). Transnational characteristics allow diaspora entrepreneurs to operate intermediary roles between countries as they possess an advantage of deeper understanding of social and business environments internationally (Riddle, Brinkerhoff and Nielsen, 2008). Migrants who operate abroad often gain knowledge and skills that can be lacking in the home country (Nielsen and Riddle, 2010). When they return to invest or start a new business, they remit this acquired human capital back to the origin country, thereby turning ‘brain drain’ into ‘brain gain’ (Stark, 2004).

Diaspora entrepreneurs can also contribute through the sending of financial remittances to their home country (Czaika and Spray, 2013; Fransen, 2015; Vargas-Silva, 2017). Remittances can improve macroeconomic stability, reduce poverty rates by enabling their family members to meet consumption needs, and facilitate human capital formation by enabling higher expenditure on education and health, as well as supporting entrepreneurial activity (Gillespie, Riddle, Sayre and Sturges, 1999; Vaaler, 2013). Remittances are a signal of a diaspora’s connection to their homeland (Bloe and Opoku-Owusu, 2018), and commonly go towards supporting friends and family and are an example of the diaspora communities feeling of moral responsibility to benefit the development of their home country created by their emotional ties and connections (Vaaler, 2013). However, despite the often large volumes of remittances, their benefit for economic growth has been called into question, with Brinkerhoff

(2016) stating that they are primarily household transfers, providing income that is often essential to sustenance but could be applied for a variety of purposes, including conspicuous consumption. Furthermore, those in receipt of remittances may be more likely to migrate (Dimova and Wolff, 2015).

Research is, however, moving away from a focus on financial remittances (Clemens, Ozden and Rapoport, 2014) to consider non-economic remittances, such as the transfer of social, technical and political knowledge (Kshetri, Rojas-Torres and Acevedo, 2015). Indeed, Discua Cruz and Fromm (2019) show that social remittances, which can be defined as the ideas, behaviours, identities and social capital that flow from host to home country, are valuable when emerging from the highly skilled diaspora. These social remittances relate to normative structures of ideas, values and beliefs, systems of practice and social capital (Levitt and Lamba-Nieves, 2011). Social remittances are distinct from economic ones because they are conveyed interpersonally between individuals who learn, adapt, and diffuse ideas and practices from their environment through roles in families, communities, and organizations (Discua Cruz and Fromm, 2019).

2.2 Diaspora entrepreneurs and institutional change

The institutional context shapes entrepreneurial activities, including those of migrants (Krasniqi and Williams, 2019). Institutional challenges in post-conflict economies influence entrepreneurial activity in the home country (Efendic, Mickiewicz and Rebmann, 2015), but also influence the willingness of entrepreneurs outside the country to invest (Brinkerhoff, 2016; Chrysostome and Nkongolo-Bakenda, 2018). Weak institutional frameworks may prove daunting for even experienced and well connected diaspora investors who view the financial risk to investments, lack of support and political fragmentation as barriers to investment

(Agunias and Newland, 2012). Thus, institutional reform is imperative if the diaspora are to return to benefit their home country (Williams, 2018).

Previously much of the institutional focus of policy makers centred on ‘extracting obligations’ from the diaspora: asking ‘what they can do for them’ rather than what ‘they can do for’ diaspora investors (Gamlén, 2006). Often this has been due to competing policy priorities and a lack of coordination between different departments and levels of government, as policy emphasis is on building nascent and fragile institutional environments rather than engaging with the diaspora (Nielsen and Riddle, 2010). Post-conflict economies often have weak formal institutions and informal institutions which are unsupportive of entrepreneurial activity. In such situations, there is little incentive for entrepreneurs to commit themselves to long term projects forcing them instead to concentrate on the task of surviving (Williams, 2018).

Where formal institutions offer stability and reduce risks, entrepreneurs will view opportunities more positively (Williams and Vorley, 2015; 2017). Where entrepreneurs are subject to uncertainty, in the form of changing regulations, the bureaucracy and the cost of compliance can impose increased operational and transaction costs, and increase the risks associated with entrepreneurial activity (Krasniqi and Desai, 2016). In environments with frequent changes in laws, rules and regulations, uncertainty is created, meaning that entrepreneurs are less able to plan for the future, and the costs of compliance increase, thereby redirecting resources which could be invested in growth activities (Williams and Vorley, 2017).

Informal institutions are a key determinant in shaping entrepreneurial activity, affecting the extent to which entrepreneurship is accepted and how entrepreneurs are perceived, and also how entrepreneurs perceive risks and rewards (Krasniqi and Desai, 2016). If the prevailing norm is to see entrepreneurship as inherently risky, and the risks associated with it outweigh

the potential rewards then entrepreneurial activity will be hampered. As intentions profoundly impact entrepreneurial behaviour, understanding what drives entrepreneurship in adverse conditions, for example post-conflict economies, can assist in the design of (more) effective policies to support entrepreneurial endeavour (Bullough, Renko and Myatt, 2014; Cheung and Kwong, 2017).

Navigating institutional frameworks is always challenging but particularly so for diaspora entrepreneurs who may never have lived in the home country (for example, the children of emigrants), who have lived abroad for a number of years, or who know relatively few people in the country (Nielsen and Riddle, 2010). Yet despite this, diaspora entrepreneurs are often the first mover foreign investors into uncertain political and economic climates (Gillespie, Sayre and Riddle, 2001). In order to support this, formal institutional changes have included advice and guidance for returning diaspora entrepreneurs so that risks associated with return can be minimised (Gamlen, 2014). Such approaches are critical in ensuring a ‘one-stop-shop’ approach to providing advice and support to the diaspora as they act as the focal point for communication (Nielsen and Riddle, 2010). Matching grants schemes are also used, where government funds a specified proportion of a project, and which can address the financial risks associated with an unfavourable business environment (Agunias and Newland, 2012).

A further common approach is the short-term attraction of high skilled workers from the diaspora with the aim of ensuring the transfer of knowledge to those within the home country (Newland and Tanaka, 2010). For example, the Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme covers travel expenses, daily allowances and insurance of diaspora experts to engage in consulting opportunities in their home country (International Labour Organisation, 2001). Such policy approaches can be important in less

developed economies, not simply for attracting more diaspora entrepreneurship, but more generally to secure growth and slow outward migration (Brinkerhoff, 2016).

2.3 The interplay between the diaspora and institutional change

The diaspora has the potential to influence improvements in institutions as they can act as change agents in their home country (Riddle and Brinkerhoff, 2011; Brinkerhoff, 2016). However, this will only be effective if policy making is responsive. In taking forward theory on institutions and diaspora entrepreneurship, Figure 1 demonstrates the interplay between diaspora entrepreneurial activity and institutional change in the home country. It demonstrates how by taking a processual view of entrepreneurship policy making (Arshed, Chalmers and Matthews, 2019), the institutional reforms of the homeland are impacted through a combination of the diaspora activity as well as policy changes. The figure shows that there is circular flow between the activities of the diaspora and policy making, with the two interacting to inform each other. As activity in the homeland increases, policy evolves and priorities change. In emerging and post-conflict economies, the diaspora can be involved in the creation of new firms and/or management of existing firms (A1), as well as investment in entrepreneurial activity of others (A2), yet a key barrier to this activity is the perception of risk associated with an under-developed institutional environment (A3). This is both a response to, and an impetus for, changes to formal institutions. As formal institutions improve, more entrepreneurial activity and investment can be created, and this then provides opportunity for policy makers to make further institutional changes to harness higher levels of economic activity. In less developed and post-conflict economies, policy makers are seeking to involve diaspora in policy making more so that positive changes can be made, and to ensure that there is an effective feedback loop between the diaspora and institutional change (Riddle and Brinkerhoff, 2011;

Kshetri, 2013). The changes in formal institutions create a feedback loop (C1) which fosters further entrepreneurial activity through improvements in perceptions of risk. At the same time, entrepreneurial activity by the diaspora influences those in their home country through a demonstration effect (A4), with diaspora acting as a role model which encourages others into entrepreneurial action through improved perceptions of opportunity (B1). This improves the perceptions of home-based entrepreneurs on the institutional environment, thereby changing the norms and values associated with informal institutions (B2), and has a two way effect as improvements in informal institutions lead to a positive impact on perceptions. Improvements in both formal and informal institutions, and the increased entrepreneurial activity that results, in turn increases economic development (D1). The figure demonstrates how effective institutional change can lead to greater assimilation of the diaspora. However, if these conditions are not met, in other words the impetus of the diaspora does not lead to positive institutional change, then there will be increased isolation. The diaspora will remain isolated from their homeland due to the risks associated with entrepreneurial activity at home, and as such neither financial nor social remittances will be secured.

INSERT FIGURE 1 ABOUT HERE

3. Research setting

Through a focus on post-conflict economies, the study adds to calls for more contextual variety in entrepreneurship research (Welter, 2011; Welter et al., 2017), as well as the policy dimensions which impact entrepreneurial activity (Arshed et al., 2019). Examining policy in post-conflict economies is a potentially fruitful focus for research, as they are often seen as the country of origin of the diaspora but not yet as target countries wherein they want to invest and

work (Williams, 2018). While fast-growing countries have seen an expansion of policies (Qin, Wright and Gao, 2017; Gamlen et al., 2019), this is often tailored to migrants who have moved abroad to host countries in pursuit of educational and/or employment opportunities. Return policies are thus predicated on bringing specific skills and knowledge home. Yet there is still much to be learned about effective policy making in different contexts, including in situations where the diaspora have been forced to move.

The article focuses on Bosnia and Herzegovina (B&H), Kosovo and Montenegro, three countries which have experienced significant outward migration as a result of conflict and which has left the countries with a sizable diaspora community spread around the world, but also with the challenge of developing a relatively fragile economy and a weak institutional environment. All three countries are now attempting to attract the diaspora home (Williams, 2018).

The theoretical value of strong situation contexts such as B&H, Kosovo and Montenegro lies in its restrictive and limiting nature (Johns, 2006) with regards to the pursuit of entrepreneurial activities and policy dimensions. Furthermore, studying conflict and post-conflict economies can have important implications for understanding entrepreneurship and policy dynamics (Desai, Acs and Weitzel, 2013; Bullough, et al., 2014).

It is useful to consider the historical trajectory escalating to armed conflicts so as to gain a better appreciation of this strong situation (Johns, 2006) context in illuminating diaspora entrepreneurship. The breakdown of the communist regime in the early 1990s was the beginning of the end of 'old Yugoslavia', despite several unsuccessful military campaigns to unite Serbia with neighbouring republics into a Greater Serbia. The ethnic wars during the 1990s marked the end of Yugoslavia and the creation of a number of newly independent states.

In B&H, independence was conferred through a referendum in 1992 and Kosovo unilaterally declared independence in 2008. The Bosnian War of 1992-1995 and the Kosovo War of 1998-1999 both resulted in large-scale outward migration as people sought to avoid conflict. Within B&H, displacement revived traditional local and ethnic identities (Williams and Efendic, 2019). Similarly, Kosovo saw widespread migration and the legacy of war has been continued in political and ethnic tensions (Williams and Vorley, 2017).

Montenegro was part of various Yugoslav and Balkan unions for 88 years, and maintained political ties with Serbia following the collapse of Yugoslavia. However, growing political differences led to a referendum vote for independence in 2006. As a result of ties to Serbia, and better inter-ethnic relations within the country (Sistek and Dimitrovova, 2003), while Montenegro felt the effects of the Yugoslav wars, it was not as pronounced as in B&H and Kosovo. Yet the country has still experienced significant emigration following independence (FMECD, 2012).

B&H's diaspora is estimated at approximately 2 million, equivalent to over 50% of the current population (MHRR, 2016). Kosovo's diaspora is estimated at approximately 700,000 people, equivalent to 40% of the resident population (UNDP, 2014), and Montenegro's is estimated at 200,000, equivalent to 32% of the population (Government of Montenegro, 2014). After the war, financial remittances home became increasingly important to each of the three economies (Kolesa, 2018), and all three countries have introduced a number of policies to attract the diaspora home (Domm, 2011).

4. Methods

Following calls for more qualitative research on diaspora and returnee entrepreneurship (Qin et al., 2017; Pruthi, Basu and Wright, 2018), this article utilises in-depth interviews with

returnee entrepreneurs. A semi-structured interview approach was used which allowed the research to follow emerging lines of interest and to be partially guided by the participants. Qualitative approaches examine players or agents as they act (Dana and Dumez, 2015) and thus allows the context of those actions to be studied (Williams and Vorley, 2015). Given that the research question is focused on understanding how policy has evolved over time, qualitative interviews are particularly useful as they allow perceptions of change to be examined in depth (Williams and Vorley, 2015). Furthermore, qualitative research in challenging environments has the potential to improve understanding of lived experiences and provide rich data which quantitative survey-based approaches cannot provide (Cheung and Kwong, 2017).

There is significant value in conducting research with policy makers, including policies related to institutional change and entrepreneurship (Arshed, Carter and Mason, 2014; Arshed et al., 2019). As institutions are the products of diverse beliefs and actions of their inhabitants (Bevir and Rhodes, 2003), the study focused on policy makers involved in developing and/or implementing diaspora-related policy, i.e. those policies aimed at bringing the diaspora home. The research employed a purposeful snowball sampling strategy (McKeever, Jack and Anderson, 2015; Fletcher, Zhao, Plakoyiannaki and Buck, 2018), initially utilising the extended professional networks of the research team to access respondents in senior policy-making roles, before leveraging interviewee recommendations to initiate further introductions, akin to the approach used by Arshed et al. (2019). Information-rich examples for study were selected, which were likely to yield substantive information about the research questions (Singh, Corner and Pavlovich, 2015). The sampling approach was used to capture data from respondents with relevant knowledge and generalize to theory rather than to a larger population (Arshed et al., 2019). In total, twenty-four interviews were conducted, 12 in Kosovo, 7 in B&H and 5 in Montenegro. Table 1 provides a profile of the participants. The stakeholders were

either involved in the development and delivery of diaspora policy, or in providing business support to diaspora entrepreneurs.

INSERT TABLE 1 ABOUT HERE

The interviews followed the schedule set out in Table 2. In qualitative research the questions asked can be modified (Frank and Landstrom, 2016), and the nature of semi-structured interviews meant that a number of issues that were not included in the interview schedule and yet were raised by respondents were subsequently explored further. The interviews were recorded with the respondent's consent and transcribed, before assuming a grounded approach towards thematically analysing and coding the data to explore emergent themes. The interviews were undertaken between September to November 2016 and October to December 2017, and lasted 1 hour 15 minutes on average.

The article applies a processual view of entrepreneurship policy making (Arshed et al., 2019) given that respondents were asked to reflect on the evolution of institutional changes over time, rather than a single instance. A processual view is important as it allows understanding of the interactions between enterprising individuals and relevant stakeholders to be examined (Moroz and Hindle, 2012). Table 2 also show the key policy mechanisms in place in each of the three countries.

INSERT TABLE 2 ABOUT HERE

All interviews were carried out by the author in English, a language widely spoken in each of the countries studied. The usage of English in the interviews allowed the author (a

native English speaker) to better analyse the data that they had themselves collected, rather than requiring the involvement of a third party to translate. While it is acknowledged that the snowball sampling approach used is not fully random and subject to selection bias, the technique, coupled with the researchers' direct involvement in interviews, means that limitations can be overcome due to the high level of attentiveness on the focus of the study (Biernacki and Waldorf, 1981). Given the political sensitivity of the research and the position of many interviewees in public office, individuals participating in the research remained anonymous. Collectively, the interviews provided a comprehensive overview of institutional arrangements and change in the three countries, as well as providing deep insights into the extent to which institutional changes have sought to harness the diaspora to support higher levels of entrepreneurial activity.

A constant comparative approach to data analysis was enacted, involving a systematic juxtaposition between data, emerging categories and theory (Jennings, Edwards, Jennings and Delbridge, 2015). This assisted in uncovering the complexity of the perceptions of policy makers. The interviews did not seek to focus on a specific change in institutional frameworks of the countries being studied. Rather, respondents were asked to reflect on the contextual changes that have occurred over time, so that the evolution of institutions impacting on the diaspora could be studied.

The analysis began by sifting through all of the data, drawing together important elements associated with the research questions of the study, identifying relevant concepts in the data and grouping them into categories. In line with Gioia, Corley and Hamilton (2013), both in-vivo (i.e., terms emphasizing the actual spoken words of the participants) and theory-driven codes were used. The data was coded using NVivo to keep track of emerging categories.

Figure 2 illustrates the structure and ordering of the data from first order codes to second-order themes and aggregate theoretical dimensions. These served as a basis for theorising. Throughout this process, the author iteratively returned to key extant literature, comparing our observations and categorizations with existing theoretical constructs. The first order codes captured all instances of perceptions of policy priorities from the interviews. From this categorization it was possible to identify how policy has evolved over time. The second order codes sought to understand how these priorities were interpreted and translated into action. The overarching aggregate dimensions illustrate how policy is concerned with the interplay of formal and informal institutions, in order to improve rules as well as perceptions, while at the same time seeking to capture both financial and non-financial remittances.

INSERT FIGURE 2 ABOUT HERE

5. Findings

The findings show that B&H, Kosovo and Montenegro are caught between the isolation and assimilation of diaspora entrepreneurs, caused by weak institutional environments as well as uncoordinated reforms, meaning that the processual view of policy making as presented in Figure 1 is not being followed. While the diaspora can maintain links through remittances, they are often economically isolated from their home country with perceptions of risk acting as a barrier to investment.

The respondents were unanimously clear about the acute economic, social and demographic challenges facing each of the countries, which mean that the requirement to engage the diaspora is pressing. For example, in Kosovo the young and emerging population was cited as a challenge: *“we have 30,000 18 year olds every year, but only 20,000 new jobs being created ... the economy is not sustainable”* (K10); and *“we are a post-war, post-socialist country with a young population and not enough jobs ... we need to bring in all the expertise*

we can” (K4). Similarly, in both B&H and Montenegro policy makers and other stakeholders stated that having young, and relatively small, populations meant that reforms were necessary to support development.

In each of the three countries, but especially B&H and Kosovo, the legacy of conflict has meant societal divisions based on ethnic ties. For example: “*We are divided. We need reforms which bring together the Bosniak and Serb populations and attract people home, but the history of divisions means progress has been very slow, if not non-existent*” (B4). Policy makers in B&H stated that there had been attempts to bring together the Bosniak dominated Federation and Serb dominated Republika Srpska to work together on formulating diaspora policy, but that politicians in Republika Srpska had always refused to take part. In fact, Republika Srpska had developed their own diaspora policies, which, as some of the interviewees stated, refers to Serbs only and refers to Serbia as the homeland, including for Bosnian Serbs. Such policy developments do little to bring together policy under one unified national umbrella. Similarly, in Kosovo policies have been hampered by Serb politicians who are influential in the northern part of the country.

5.1 Formal institutional change: Shifting priorities

For countries aiming to engage with their diaspora, a key focus of institutional reform has been on financial remittances. While financial remittances can alter the local balance of economic and political power (Brinkerhoff, 2011), in the small economies of B&H, Kosovo and Montenegro, the value and potential impact is small, despite the total amount being large. The respondents explained as a total figure the level of remittances meant that government would naturally focus on it, but when filtered down to individuals or families due to their small size remittances were used for consumption rather than investment. Typical responses were:

“The reality is that remittances are very small. People are probably sending back something equivalent to a minimum wage, maybe €200 a month. It is only enough for people to try to survive on, just using it to feed themselves.” (K10)

“Most of the remittances go to families, go to households. The amounts are fairly small for a family and aren't invested in businesses or other opportunities ... Most of it is just helping them to survive.” (B5)

Respondents often stated the focus on financial remittances is changing, albeit slowly; for example: *“government has focused too long on remittances and say that they were not being used productively. It keeps getting repeated [in government policy] but has little real potential impact” (K8); “remittances are still seen as important and a key part of our strategy, but we are also starting to think of new ways of engaging the diaspora” (M1).*

While remittances were utilised as part of economic development strategy during the conflicts of the 1990s, especially in Kosovo, their contribution to peace-building, reconstruction and post-conflict development has been questioned (Brinkerhoff, 2011). The emphasis on financial remittances was seen by the respondents as being symptomatic of a tendency to downgrade genuine institutional reform which would engage diaspora entrepreneurs and lead to higher levels of investment and entrepreneurial activity at home.

In addition to the focus on remittances, a key element of institutional reform has been privatisation, which has been significant in transition and post-conflict economies seeking higher levels of entrepreneurship (Williams and Vorley, 2017). The respondents stated that much of the diaspora entrepreneurial activity seen in the immediate post-independence period was related to privatisations of former state-owned enterprises, with some diaspora returning to run them. The respondents explained that this meant that much of the activity associated with privatisation did not focus on creating new ventures, and that at the same time there was

very little obligation placed on the entrepreneurs regarding what should be done after privatisation. As one respondent stated: *“There was no requirement on the entrepreneurs regarding what do with privatised businesses, so there was a lot of asset stripping which undermined the longer term viability of those businesses.”* (K12). Another respondent argued that the entrepreneurs taking over the privatised businesses often had little experience: *“Often the entrepreneurs have not known what to do with previously government owned businesses. Entrepreneurs took previously successful businesses, that were successful before the war, and sold parts off ... they didn’t know what to do next with the business”* (M3).

The respondents stated that the privatisations during early independence failed to harness diaspora entrepreneurship for two key reasons: first, the skills and experience of those returning; and second, the unstable institutional environment. With regards to skills and experience, the interviews found that different generations of diaspora entrepreneurs were seen to have different potential impacts on the economy. The first generation, who moved prior or during the war, were viewed by many of the respondents as having relatively low levels of skills and therefore possessing a lower potential impact on the economy. One respondent explained that post-independence the first generation were attracted back to the country due to their strong emotional ties, but this did not mean that the homeland was gaining through their entrepreneurial skills: *“The first generation came back, but look at what they did abroad. Most of them owned restaurants, bars, cafes, clubs. We already had plenty of those, so what knowledge can they apply back home?”* (K10). This demonstrates the challenges of gaining from social remittances and contrasts with Discua Cruz and Fromm (2019) who find that the highly skilled remit these non-financial benefits effectively.

In contrast, the second generation who were born abroad and are more embedded within their host country were viewed as having higher levels of skills, gained through their

international business experience, and therefore present a greater potential impact on the economy. Yet, at the same time, these second generation diaspora entrepreneurs have much weaker emotional ties to their homeland. As two respondents explained: “*They come in the summer and spend money in the nightclubs, they come at Christmas to visit family, but that is about it. They don’t want to invest*” (K11); “*they come to holiday, are proud of their roots but not so much that they want to move back or invest*” (M5).

The second generation has a weaker emotional tie in part due to growing up abroad, but also because they are living and working in countries with stable economies, and thus where there are much lower risks for entrepreneurs. One respondent stated that “*they are coming from societies where rules are much more stable, where the rule of law is much more established*” (K1), while another said that because of this “*why would they want the risk of starting a business here?*” (B7). As such, harnessing the different generations of diaspora entrepreneurs requires different institutional approaches.

The focus on financial remittances and privatisations has meant that since independence institutional change related to diaspora entrepreneurs has been under-developed and uncoordinated, thus not following the processual path set out in Figure 1. In B&H there is no existing dedicated policy for diaspora engagement, although the ‘Strategy on Migration and Asylum of Bosnia and Herzegovina’ and the ‘Action Plan 2016–2020’ focuses on strengthening the institutional and policy frameworks for the purpose of linking diaspora and economic development (Ministry of Security, 2016). However as many of the stakeholders noted, such frameworks “*are very broad, talking about general strategies, but they don’t really tackle the key challenges*” (B5). In Kosovo, the ‘National Development Strategy’ (NDS) contains policies and strategies to mobilise the activities of the diaspora to benefit the economy (Government of Kosovo, 2016). While in Montenegro, where policy is the most coordinated

of the three countries, there is a ‘Directorate for Diaspora’ within the Ministry of Foreign Affairs, and a ‘Strategy of Cooperation with Diaspora’ and a ‘Strategy for Integrated Migration Management in Montenegro’ (Government of Montenegro, 2014). The respondents explained these policy developments as attempts to tackle domestic challenges but also reflect a desire to engage with the diaspora more effectively: *“policy makers are trying ... we need more investment, and our diaspora can help”* (M2).

Kosovo’s NDS calls for a Homeland Engagement Programme to be established which will allow the short-term deployment of diaspora experts and students in public, education and private companies through subsidies; and that a TOKTEN scheme needs to be established. These institutional changes were generally welcomed by the stakeholders who felt that they represented progress in policy; however there was concern that much of the reforms were short term: *“we are trying to bring back entrepreneurs and academics to share knowledge but they are only supported for short periods, there are no long term incentives”* (K4). Yet the interviews found evidence that longer term institutional changes were being made, for example one respondent stated that a matching grants scheme was being developed in collaboration with the United Nations Development Programme. Such programmes have been difficult to develop in Kosovo, in part due to *“budget constraints which mean we have limited capacity to offer incentives”* (K9), but also because of pressure from international agencies. One respondent explained that *“if the government started offering financial incentives for the diaspora to invest the international partners working here would object ... The IMF would not approve of incentives where little has been done to tackle economic challenges”* (K8). Given the significant role of international agencies in economic and social policy making in Kosovo, as well as structural loans from the IMF, such pressure has a significant impact on institutional change. Tax breaks have been introduced for diaspora investments, giving breaks of between

3-7 years depending on how many jobs are being created. This formal institutional reform received objections: *“our international partners objected, they said ‘why haven’t you tackled the informal economy before you start offering tax breaks, but we managed to get it through’* (K3), while another said: *“there is pressure from EU not to do it because they want us to tackle other challenges like corruption... they were not happy but gave permission”* (K5).

B&H took part in the TOKTEN scheme, which received a great deal of government exposure as part of efforts to encourage highly qualified members of the diaspora living abroad to link with the homeland. However, policy makers involved in assessment of its impacts stated that it had some short benefits but did not lead to longer linkages between external and internal actors. Similar schemes have also been attempted, however many of the interviewees stated that this had resulted in a piecemeal approach to policy. As one stated: *“We’ve been waiting for the grand strategy from government so that the diaspora feel welcomed back, ‘here are the tax breaks, here are the cuts to administration, we love you, please come back’, but we haven’t had it”* (B6). Instead, policy had suffered from a *“three steps forward, two steps back”* (B1) approach with little real progress made meaning that the policy process has been disrupted.

Despite policy being most co-ordinated in Montenegro under the ‘Directorate for Diaspora’, this has not lead to real policy change being implemented. Many policy initiatives such as a ‘Fund for Diaspora’ which aims to link migrant communities with businesses at home, have yet to be rolled out. As one respondent said: *“The will is there [to engage the diaspora], they want to do something, but there isn’t the funding behind it ... It is a small part of government and not really a priority”* (M3).

5.2 Informal institutional change: Improving perceptions

As shown in Figure 1, improving perceptions of opportunity will lead to more homeland investment as well as the demonstration effect which influences others into entrepreneurship. Constantly changing rules has made planning difficult, but has also meant that perceptions are generally negative about the risks associated with investment. In particular there have been concerns about corruption in B&H, Kosovo and Montenegro. Typical quotes were: “[corruption] is the number one worry of the diaspora” (K7), “corruption is real, it has not gone away, and the diaspora are concerned about it” (B2) and “when you are asking people to invest in their homeland they want to know it is safe ... many people have a nagging worry about corruption” (M3). The interviewees explained that while institutional reforms had been enacted to try to tackle and reduce corruption, it remained a fact of life in the Balkans, especially as privatisation programmes have proved fertile grounds for corruption.

Tales of corruption faced by the diaspora were provided by many respondents as illustrative examples of why perceptions of institutional change have not improved. One respondent said that “entrepreneurs would come back, try to set up a business but then someone would come along and say ‘what’s in it for me?’ So they had to bribe if they wanted to survive.” (K10). Others stated that “there has been blackmail and lots of uncertainty ... with many diaspora entrepreneurs ending up feeling it wasn’t worth the effort” (B7), or that “there has been violence, intimidation, people being bullied back out of the country” (K11). The respondents stated that diaspora communities were very close-knit, and if one member had a bad experience the rest would soon learn about it.

Direct experiences of corruption, or the knowledge of its impact on family and friends, can have lasting impacts on perceptions. In this way, rather than following the linear and processual view presented in Figure 1, where perceptions improve as a result of more effective institutional arrangements which would lessen the impact of corruption, experiences

of corrupt activity will disrupt the process of activity and reform. For all three countries, there was a wave of return migration after independence, with many members of the diaspora who have been forced to flee wanting to see their newly independent homeland succeed and to contribute to that success (Arestof, Kuh-Le Braz and Mouhoub Mouhoud, 2016). However return slowed down, with a key contributing factor to lower rates of return being perceptions of corruption. As one respondent explained, “*during that time, after independence, rules and regulations were not stable, there were a lot risks ... the diaspora didn't perceive it as a safe place to do business*” (K9), while another said that “*we had one chance to impress the first generation of diasporas but it didn't work ... the country wasn't ready*” (K6). Similarly, in both B&H and Montenegro policy makers stated that corruption had served to dissuade returnees from investing.

As a result, institutional change has been required to improve perceptions of risk. One respondent explained that “*perceptions are very important ... there were bad experiences following independence and we need to correct that now*” (K6). Other respondents argued that key risks such as corruption have decreased, although they have not fully been tackled, leaving the impression that each country is still characterised by unstable institutional environments. As such, there is a key challenge of persuading diaspora entrepreneurs that risks have reduced and that investments have a chance to be successful. Policy makers are seeking to do this not only to attract more diaspora to return, but also to use them as role models for entrepreneurs and potential entrepreneurs within the country. This demonstration effect is important for encouraging others into economic activity (Riddle et al., 2010), as one respondent explained “*We want our entrepreneurs to look at what the diaspora are doing and think 'I can do that', 'if they can do it, so can I'*” (K4). In addition, another respondent stated “*We need to win the*

hearts and mind of the diaspora, especially the second generation ... to give them something to come home for” (K2).

5.3 Capturing the benefits of the diaspora

Improvements in institutions are clearly important for post-conflict economies, not simply for attracting more diaspora investment, but more generally to secure growth and slow down outward migration. In this regard, there has been some attempt to involve diaspora communities in the development of formal institutions, which has the potential to be beneficial as they can act as change agents in their home country (Brinkerhoff, 2016).

Many of the stakeholders stated that there was a need to involve them more in political processes. One respondent stated that there was currently a lack of involvement, unlike the *“Irish and Jewish diaspora models, where there is lots of political influence in the home country”* (K3). The respondents reported that there had been *“various PR campaigns from government to show that things are improving”* (K5) but that more needed to be done. Part of the attempts to do this are through improving the functioning of business networks, which are often informal and where government led schemes have not been successful: *“there have been lots of diaspora business networks but they haven’t worked ... you can’t bring government and entrepreneurs together for one day and expect long term relationships to flourish”* (B2).

To improve this, in Kosovo the NDS specifies that a database needs to be established to provide a central contact point to engage with the diaspora (Government of Kosovo, 2016, p. 16) so that they can be involved in decision making. While establishing a database of diaspora was welcomed by the respondents, it was considered to be problematic; for example one respondent commented that *“there is problem identifying the diaspora, especially the second generation ... we need to register them so we can engage but finding them is not easy”*

(K8). Furthermore, a key problem was seen to be the range of formal and informal networks which seek to engage with the diaspora. One respondent said that *“we need to halt the proliferation of different networks as it makes coordination difficult ... we need one digital network that covers all of our diaspora”* (K2). Such approaches are potentially valuable given that the diaspora are often deeply engaged in digital networks and can use them to contribute to socio-economic development in their home country (Brinkerhoff, 2009; Elo and Minto-Coy, 2018).

In common with other countries which have improved voting rights (Gamlen et al., 2019), there are plans to provide seats in government directly voted on by the diaspora: *“it would be good to have 4/5 seats in parliament to be voted on by the diaspora, so they can push for things they want to change”* (K6); *“we should open consulates and embassies so people can vote directly”* (B4); *“it would be good to have reserve seats like in Croatia that are voted for by the diaspora”* (K12). Many of the respondents stated that the political tensions meant that changes to the structure of parliaments was difficult to introduce; however it was considered necessary to put pressure on the government to reform institutions. As one respondent stated: *“The diaspora is always in general opposition to the government, they are always more radical than the current political discourse ... so we need to involve them to broaden the political engagement and ideas”* (K2). These views reflect the fact that the diaspora are currently not involved in or influencing institutional change. While Brinkerhoff (2016) demonstrates that diaspora entrepreneurs can play a key role in pushing for specific institutional reforms, this is currently lacking in B&H, Kosovo and Montenegro. As two respondents stated: *“we want the diaspora to be part of institutional building ... they haven’t been so far”* (B5); and *“we need to get them more involved, they can help so we need to find ways to entice them as it hasn’t worked yet”* (M3).

6. Discussion and Conclusions

The article has examined the role of institutional change in engaging diaspora entrepreneurs in homeland investment. It has demonstrated that institutional reform is a critical aspect of engagement and mobilisation of diaspora entrepreneurs. The article contributes to institutional theory in three key ways.

First, it shows that the process of reform is not linear. Much of the literature on institutional reform and the diaspora assumes a controlled, linear process (Brinkerhoff, 2016). The article shows that institutional reforms in post-conflict economies are complex and change over time, both in relation to government priorities and what benefits they are seeking to yield. They are thus different from the institutional environments of large, dynamic economies often examined in returnee diaspora research. These larger economies are relatively stable and policy in these economies has been more tailored, aiming to bring home skilled migrants to fill managerial and/or entrepreneurial gaps (Qin et al., 2017; Gamlen et al., 2019). Yet in post-conflict economies, institutional reform is more complex, with policies being developed in a more ad-hoc manner.

Second, the analysis shows that institutions in each of the three post-conflict countries have evolved to place an increased emphasis on social remittances which are seen as increasingly important for impacting growth in the homeland. While financial remittances can play an important role in post-conflict economies, the policy emphasis on them has weakened over time. Indeed, recent research has shown that these social remittances are as important, if not more important, than financial remittances (Discua Cruz and Fromm, 2019).

Yet returnee entrepreneurs to post-conflict economies often have lower skills than those returning to large, dynamic economies. This is often because of the forced nature of their

migration, meaning that they have not moved because of a superior educational or employment opportunity which provides them with skills that they could reapply to the homeland. If the diaspora returnees are not highly skilled the benefits from social remittances are less easy to capture. In B&H, Kosovo and Montenegro social remittances produced by transfers of knowledge are not being adequately harnessed, chiefly because of the (low) skills gained while in the host country. However, more coordinated approaches to policy can help to ensure that the transfer of knowledge is maximised both for the individuals involved (both the diaspora and those receiving investment), but also that the knowledge from this can be shared and put into practice in other contexts (Berry, 1997). This is particularly important in engaging the second generation, who have superior skills and knowledge gained through the host country.

Third, in addition to institutional change not being linear, it also has a time-bound element. The analysis has shown that despite increased policy emphasis on diaspora engagement, many are still caught between the isolation and assimilation as a result of the institutional environments at home. They can be isolated because of their years living abroad, as well as their negative perceptions of the institutional environment at home. The fact that the diaspora connectivity to the homeland weakens over time means that the need for effective, coordinated institutional change is pressing. A proactive and coordinated programme of provision is required to educate diasporas about institutional change and opportunities within countries, and to provide more holistic support which encompasses a wide range of business barriers.

There is scope for involvement of the diaspora in institutional reform as they have the potential to act as change agents (Brinkerhoff, 2016). At present, while the three economies are seeking to improve their relationship with the diaspora, there is a lack of real engagement and consultation related to institutional change. Figure 1 shows how policy makers need to

consider the interplay between formal and informal institutions needs to be considered (Williams and Vorley, 2015) if higher levels of diaspora investment are to be secured. Tackling barriers such as corruption are critical if perceptions of opportunity are to improve. Akin to other areas of public policy these economies can seek to adopt policy from elsewhere and transfer it to a new context (Xheneti and Kitching, 2011). Programmes such as TOKTEN can be replicated and learnt from.

In terms of future research there is much this study suggests for analysing diaspora focused policy. For example, research could examine the long term impacts of institutional change which seek to mobilise change. While the model presented in Figure 1 shows the processual view of policy making, where diaspora activity and government change complement each other, there is scope to examine ‘shocks’ to the process. For example, what are the impacts of change such as economic crisis (as opposed to conflict as studied in this article)? Such shocks impact on outward and inward migration flows and thus provide fertile grounds for future study.

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Figure 1: Impacts of diaspora entrepreneurship on home country institutions

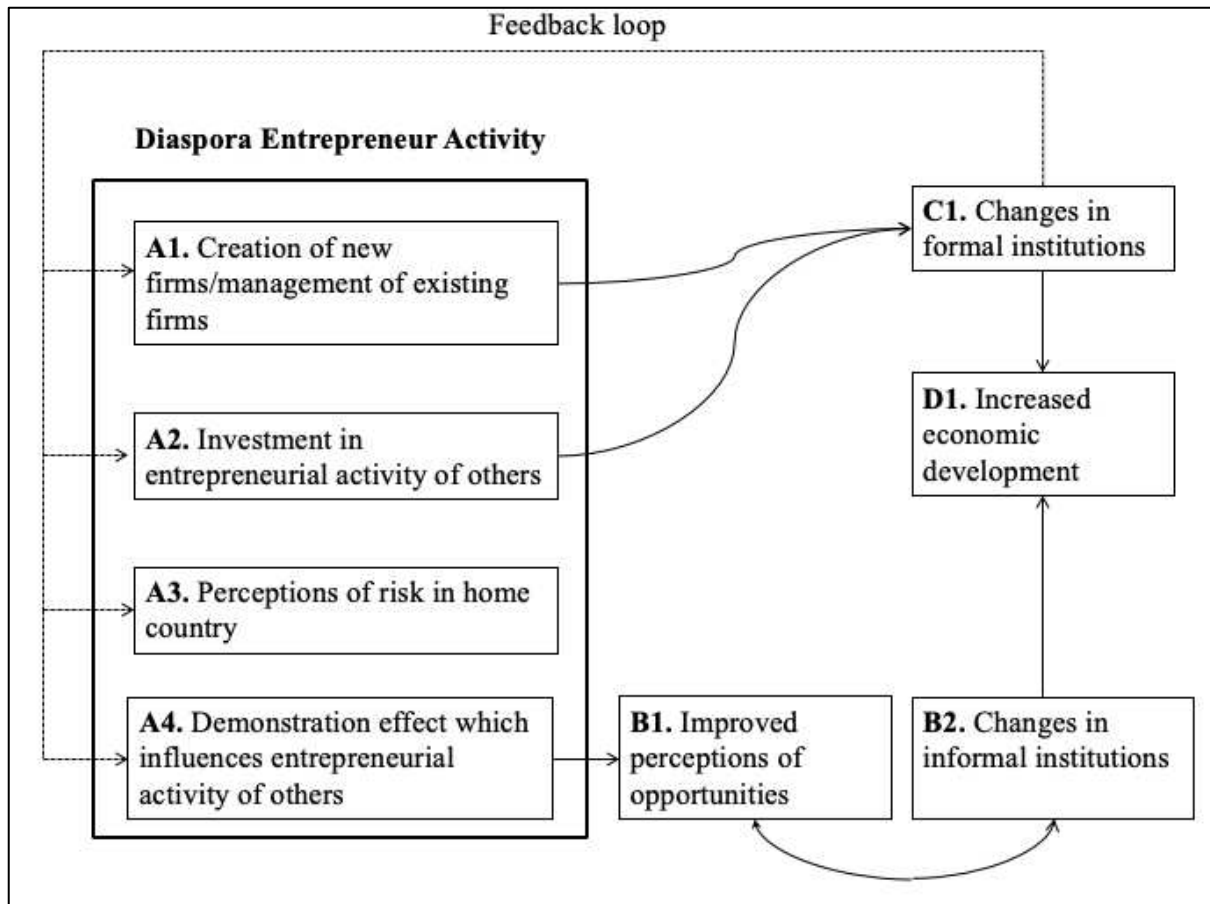


Table 1: Profile of respondents

Respondent	Organisation	Role
Kosovo		
K1	Office of the Prime Minister	Development of economic development policy, including diaspora related institutional change
K2	Ministry of Diaspora	Development of diaspora engagement policies and strategies; working closely with other government departments
K3	American Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
K4	Business Support Organisation	Supporting diaspora entrepreneurs to return fully or invest in their home country
K5	Economic Development Consultant	Advising government on institutional change
K6	Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
K7	Office of the Prime Minister	Development of economic development policy, including diaspora related institutional change
K8	Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
K9	Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
K10	Business Support Organisation	Supporting diaspora entrepreneurs to return fully or invest in their home country
K11	American Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
K12	Business Support Organisation	Supporting diaspora entrepreneurs to return fully or invest in their home country; advising government on institutional change
Bosnia & Herzegovina		
B1	Business support organisation	Supporting diaspora entrepreneurs to return fully or invest in their home country
B2	United Nations Development Programme	Developing programmes and investment to foster diaspora return and investment/Working with government departments on developing policy
B3	Ministry for Human Rights and Refugees of Bosnia and Herzegovina	Development of economic development policy, including diaspora related institutional change
B4	Ministry for Human Rights and Refugees of Bosnia and Herzegovina	Development of economic development policy, including diaspora related institutional change
B5	Ministry for Human Rights and Refugees of Bosnia and Herzegovina	Development of economic development policy, including diaspora related institutional change
B6	Business support organisation	Supporting diaspora entrepreneurs to return fully or invest in their home

		country/Advocacy of diaspora to government
B7	Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
Montenegro		
M1	Directorate for Diaspora	Development of economic development policy, including diaspora related institutional change
M2	Chamber of Commerce	Supporting indigenous and diaspora entrepreneurs
M3	Business support organisation	Supporting diaspora entrepreneurs to return fully or invest in their home country/Advocacy of diaspora to government
M4	Directorate for Diaspora	Development of economic development policy, including diaspora related institutional change
M5	Ministry of Foreign Affairs	Development of economic development policy, including diaspora related institutional change

Table 2: Key policy dimensions, interview questions and summary of responses

	Kosovo	Bosnia & Herzegovina	Montenegro
	Key policy dimensions		
Summary of policy and plans	Dedicated Ministry of the Diaspora yet policy slow to develop; Homeland Engagement Programme to allow short term deployment of diaspora experts proposed but not operational; Plans to become part of Expert Return Programme run by German government; Plans to involve diaspora in political process.	No designated Ministry; Policy fragmented; Previously involved in TOKTEN scheme; 'Re-connect Scheme' to engage in economic activity; 'Party of the Bosnia and Herzegovina Diaspora' exists to engage diaspora in political process.	No Ministry, but Directorate for Diaspora; Lack of political commitment and administrative capacity; 'Register of Montenegro's Diaspora' to enhance networks; 'Council for Cooperation with Diaspora Members' to promote links to the homeland.
Interview Question	Summary of responses		
1. What are the current economic challenges facing your country?	Demographic issues associated with young population but low levels of job creation; Low levels of entrepreneurial activity; Continued migration of skilled and entrepreneurial people.	Low economic growth; Low levels of entrepreneurial activity; Continued migration away from B&H; Ethnic divisions within B&H.	Small population and low growth; Low levels of entrepreneurial activity; Localised business activity.
2. How can engagement of diaspora entrepreneurs assist in solving these challenges?	More entrepreneurship and investment from diasporas would create employment, increase productivity, and influence others into action; Demonstration effect important as levels of entrepreneurship are low; Diaspora entrepreneurs have higher skill levels than entrepreneurs based in Kosovo.	More entrepreneurship required for job creation, especially for young population; Diaspora can fill skills gaps and influence activity of other people.	More entrepreneurship is required for job creation; Need diaspora to bring skills home and act as role model to others; Returnees can improve ambition of entrepreneurs at home.

<p>3. How have institutions changed to mobilise and attract diaspora entrepreneurs?</p>	<p>Institutions have changed rapidly since independence; Transitioned from central planning and aimed to create open market economy; Kosovo characterised by unstable institutions, with corruption a particular challenge; Government has been slow to engage with diaspora, but changing with Ministry of Diaspora and new policy initiatives ; Coordinated policies now emerging through National Development Strategy and associated actions.</p>	<p>Institutions have changed but positive change has been slow; B&H still characterised by unstable institutions; Difference in institutions between Federation and Republika Srpska is problematic; Government has started to emphasise potential of diaspora in policy yet many still see risks to investment at home.</p>	<p>Institutions have improved but positive change has been slow; More emphasis on the diaspora in policy.</p>
<p>4. What are the key barriers facing diaspora entrepreneurs wishing to return and/or invest in your country?</p>	<p>Perceptions of risk is biggest challenge; As formal institutions have been slow to become embedded, informal institutions have been slow to catch up;</p>	<p>Perceptions of risk; Institutions at home viewed as unstable and unsupportive of investment.</p>	<p>Perceptions of risk, especially associated with corruption.</p>
<p>5. What are the key institutional changes being made to engage diaspora entrepreneurs in economic activity at home?</p>	<p>Focus has been on attracting remittances, although this has limited potential due to low levels; Privatisations attracted many diaspora entrepreneurs home, however many left again due to institutional challenges; Questions about the success of privatised enterprises.</p>	<p>Specific programmes such as TOKTEN have been used, yet have limited long term impact.</p>	<p>Policy attempts to create more stable institutions; Creation of specific government departments, however they are very small and attract very limited funding.</p>
<p>6. What are the common perceptions of opportunity among diaspora entrepreneurs?</p>	<p>View institutional environment as inherently risky; Perceptions of corruption still act as a barrier despite improvements being made.</p>	<p>Institutional environment is viewed as being risky; Yet opportunities at home have expanded as economy has grown.</p>	<p>Risks associated with corruption; Small market size means that opportunities are seen as limited.</p>

7. What actions are being taken to improve perceptions of diaspora entrepreneurs?	Public media campaigns, for example anti-corruption; Courts being pushed to be more proactive in tackling corruption; PR campaign from government to communicate institutional improvements; Attempts to set up digital registry of diaspora.	Ministry is seeking to communicate and actively engage with the diaspora, but progress is slow; Steps taken to tackle corruption.	Policy efforts to tackle corruption, yet progress is slow and not led to improved perceptions yet; More communication with the diaspora.
8. What are the key mechanisms for institutional change?	Ministry of Diaspora; Office of the Prime Minister; National Development Strategy; Numerous support agencies, including Chambers of Commerce and private sector consultants advising government and diaspora entrepreneurs.	Responsibility lies within Ministry for Human Rights and Refugees of Bosnia and Herzegovina; No dedicated policy for engaging with diaspora.	'Directorate for Diaspora' within the Ministry of Foreign Affairs, and a 'Strategy of Cooperation with Diaspora' and a 'Strategy for Integrated Migration Management in Montenegro'.
9. What actions are being taken to learn from institutional change and diaspora engagement in other countries?	NDS is informed by consultations with international partners, including IMF and EU; Need to do more to learn from neighbours although isolated political situation acts as a barrier to genuine knowledge sharing.	Some policy learning from neighbours, for example through TOKTEN; Some engagement with external partners on developing approaches, however B&H is viewed as unique in terms of its political landscape so different policy approaches are required.	Some policy learning from other countries, but limited application due to lack of investment.
10. What are the current institutional priorities for engaging diaspora entrepreneurs?	Need for more coordinated policy; More awareness of who the diaspora are and where they are based; More engagement of diaspora in institutional building so that policies are informed.	Need more investment and priority given to diaspora specific policy; More involvement of diaspora in policy making; Requirement for Federation and Republika Srpska to work together more positively.	More investment needed so that coordinated and sustained policies can be funded.

<p>11. What actions are being taken to involve diaspora in political decision making?</p>	<p>Key challenge due to political fragmentation of Kosovo; Challenge is for parliament to agree for reserve seats to be devoted to diaspora.</p>	<p>Political fragmentations means that involving diaspora is difficult; Little direct involvement</p>	<p>Limited action taken; Some attempts to engage but lack of investment.</p>
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Figure 2. Synopsis of the data structure

