Social capital, migration, ethnic diversity and economic performance: a multidisciplinary evidence from South-East Europe
Introduction

The association between social capital, migration, ethnic diversity and economic performance is an intriguing research phenomenon often investigated in different social science disciplines, including sociology, anthropology, and economics. It would be hard to point out which of the listed disciplinary focus is the most popular today or which approach “tells more” than others about this complex relationship. Rather than opting for a single discipline approach, this book brings together all these different disciplinary and interdisciplinary approaches by considering the relationship between social capital, migration, ethnic diversity and economic performance under one research umbrella; thus resulting in a more comprehensive, systematic and endogenous research finding that links these themes into a joint system of social meaning, causes and actions. Although the authors have invested a lot of effort in discussing still unfinished theoretical conceptualisation from all these fields, the primary contribution of this book to knowledge and policy comes from the fact that it is based on the new empirical data from the South-East European (SEE) region and that it investigates them by utilising relevant qualitative and quantitative research approaches.

The qualitative chapters (Empirical chapters I and II) are based on ethnographic research and 100 structured in-depth interviews conducted in the three SEE countries: Bosnia and Herzegovina (BiH), Serbia and Croatia. This investigation was implemented with particular focus on different migrant categories from SEE (internal migrants, external migrants, and internally displaced persons).

The quantitative investigations (Empirical chapters III and IV) are based on two representative surveys coming from BiH; with the first one being implemented in 2015 and the second in 2012. The first dataset was used to investigate determinants and relationships between different dimensions of social capital in normal and crisis periods, bringing an innovative comparative investigation of social capital in different times. The second data set was used to examine the relationships between ethnic diversity and economic performance for individuals and households in BiH – adding a new, highly relevant research topic for this country and this particular time.

Although these empirical sections are interconnected, the chapters also function separately as research essays and the readers can selectively follow the analysis of research findings depending on their interest. This research brief provides insights into the main findings from these four empirical contributions (avoiding theoretical underpinnings of the study), without going too deeply into the details, and with the main purpose to inform the reader about the existing research. For those who want to read more, the book publication follows.
**Methods of investigation**

Considering the multidisciplinary of the research focus, the study relies on a mixed method approach, combining qualitative and quantitative methodologies, implemented by an interdisciplinary team comprising of economists, sociologists, and anthropologists.

The qualitative part of the research investigates the determinants of social capital (SC) and its potential link to migration in a post-conflict SEE environment for three different groups in focus: BiH external migrants (EMBiH), BiH internal migrants (IMBiH) and non-migrants (NMBiH). The main aim of this research was to understand what are common and what are specific determinants of social capital for the three groups in focus. The research was implemented through ethnographic work in three different countries: BiH, Serbia and Croatia. The ethnography included a pilot questionnaire, participant observation, informal talks and 100 semi-structured interviews. The interviews were distributed as follows: 60 (20 EMBiH; 20 IMBiH; 20 NMBiH) in BiH; 20 (20 EMBiH) in Serbia; and 20 (20 EMBiH) in Croatia. All interviews were audio recorded, coded, and then subsequently used for qualitative analysis.

The quantitative investigations rely on two cross-sectional datasets, specifically collected in BiH for the purpose of this research. The first dataset was gathered through a targeted survey in the household sector over the period June-August 2015 on a sample of 6,021 randomly selected respondents. The sample is representative of 138 out of 143 municipalities in BiH. The survey was conducted via Computer-assisted telephone interviewing. The investigation was designed so that each municipality should have at least 40 participants and at least 6,000 respondents in total. In utilizing this dataset, we rely on an endogenous structural equation modeling to come closer in exploring complexity of different dimensions of social capital and within different times.

The second quantitative dataset includes public opinions from the household sector obtained through a cross-section survey conducted in BiH by a professional agency. This survey was implemented over the period June-October 2012. The interviews were face-to-face meetings based on Computer-assisted personal interviewing. Each individual was randomly selected for the interview based on the sample criteria. The targeted sample was 2,000 individuals and was designed to be representative of BiH population. When using this data, we rely on an exogenous model in which socio-economic determinants, together with different ethnic diversity measures, directly affect individual and household economic performance.
Empirical chapter I: Social capital and migration in the SEE region

Through detailed discussion of the multidimensional perspective of SC for the three demographic categories, this study shows that the current social relationships between people are strongly affected by the ongoing economic and political transformation processes in the region. This has resulted in changed and often imposed social norms and social relations in the post-conflict environment. For example, the relational dimension of SC implies that lack of general trust in institutions and people is common for all three groups and countries, while slight differences might exist at local levels. Namely, the local level (i.e. community, neighbourhood) still plays the crucial role in organising people's lives, while the personal socio-cultural characteristics such as education, ethnicity, religious, class and socio-economic status are important in establishing and sustaining daily communication and various kinds of social networks. Consequently, the structural SC largely replaces and compensates the lack of trust in institutions in the post-conflict societies. At the same time, the structural SC indicates that migrant experiences, ethnicity and resulting feelings of social exclusion for both migrant and non-migrant groups, are important, but not crucial in everyday lives. The migrant experiences might influence the relationships at the individual or group/association level in terms of people's exclusion from the (re)settled places, but the same perceptions are also often maintained by non-migrants. People do not necessarily rely on their migrant and non-migrant experiences in terms of solidarity or empathy in approaching various socio-economic problems in the places of their (re)settlement. These are rather based on personal socio-economic characteristics that take important role and push further the question about how social capital is transferred from individual to 'community' level and distributed to all actors.

The period of crisis, focusing on the floods in 2014, uncovers the highest level of SC on the ground, regardless of any categorisation and differences among and between different groups. At the same time, the period of non-crises rather lacks the collective actions and pro-social behaviour because of difficulties in political and institutional environment.

The main policy implication is that SC plays an extremely important role in integration processes of the selected communities. This conclusion challenges the stereotypical belief that (re)establishing social relations in a post-conflict environment is difficult, or sometimes even impossible. The analysis shows how sustainability of people's livelihoods is possible mainly thanks to the SC emerging on a daily basis within and between different groups of population. Hence, we strongly recommend that policy-making should focus on new potentials for civic engagements at the local levels, while taking into consideration elaborated dimensions of social capital.
Empirical chapter II: Social capital and ethnic diversity in the SEE region

It did pose a significant challenge to the authors to come up with an overarching conclusion linking ethnicity and ethnic diversity with the main dimensions of SC. However, it was evident that different political and economic environments, along with the individual socio-economic characteristics, and migrant status, do influence SC in both the ethnically homogenous and heterogeneous environments. In addition, the minority and majority relationships between and within three ethnic groups in the homogenous and heterogeneous ethnic communities and societies are experienced differently on the ground. The examples of homogenous communities show the influence of ethnicity on SC, but along with the migrant status, the most important factors relate to level of education, employment status, economic performance, and other socio-economic characteristics, including gender. Among all the three groups, the individuals with a higher level of education, and with a stable employment status, are frequently less sensitive to the issues of ethnicity. At the same time, in the presented heterogeneous post-war environments, sometimes all aspects of everyday life are organised around ethnicity, both in public and private domains. In those circumstances, SC depends mostly on family and personal connections.

The in-group relationships for both majority and minority ethnic groups either in homogenous or heterogeneous communities are largely based on the intersection between ethnicity and socio-economic characteristics. This frequently leads to exclusionary side of SC, where an ethnic group might be further influenced/excluded by the power relations and social inequality. However, exclusionary SC might also produce the opposite effects when members of different ethnic groups join their forces to resolve their employment or improve living conditions. For many migrants, their pre-migration local belonging or everyday neighbourhood engagements might remain more important than broader identity categories and those created through forced ethnic divisions.

The identified in-group struggles might lead to a better ‘out-group’ relationship. Although, the collaboration among the members of different ethnic groups might not always lead to certain accumulation of SC, it still improves the everyday lives in diverse communities. This proved to be the case on the ground, reflected in the stories from the field: members of different ethnic groups join their forces wherever there is an opportunity to gain certain economic or other benefits. The examples of cooperation between women from different ethnic background or different migrant status show that solidarity and reciprocity beyond ethnicity and religion still exist.
Empirical chapter III: Social capital in normal and crisis periods – evidence from BiH

The obtained results on social capital activities in which respondents are engaged in typical and crisis periods indicate that these two types of activities represent joint outcomes of a wider system of observed and unobserved endogenous influences. They are positively correlated; hence, more social activities of individuals in a typical time are linked with more engagement in the period of crisis. Although this outcome is somewhat logical, it sends a message that building social capital in the normal time or everyday life is an investment in a more secure positive response of citizens when the society is confronted with sudden challenges and crises – something that all societies (will) always need and benefit from.

Our investigation of individual and household socio-economic characteristics revealed that there is more pro-social activities on the ground among female respondents, as well as among more educated individuals. In addition, as a new finding, we report that informal economic activities are systematically linked with more social capital on the ground, while formal employment is also important; it primarily works as a financial intermediary for supporting pro-social behaviour in the periods of crises. While having a sizable grey economy has a number of economic and social disadvantages, it also positively affects social capital formation in these societies. In particular, there is a rather high effect of entrepreneurial status in the model, suggesting that entrepreneurs are more socially active than non-entrepreneurs. Hence, social capital outcomes are also affected by economic performance of individuals, in terms of their types of employment as well as entrepreneurial status in the society.

Moreover, the observed determinants in the model identify that social capital outcomes are under a strong influence of different social capital inputs. In particular, we identified that membership in different societal groups, more networking of people, and more religious activities are explaining pro-social behaviour on the ground. In the context of the network structure, we found that ethnic diversity of networks, which is particularly relevant for ethnically mixed societies, is beneficial for social engagement. Hence, ethnic tolerance in individuals is positively associated with social capital outcomes in this post-conflict society; it was found to be beneficial for growth aspirations of young companies. In the end, it is also beneficial to individual economic performance (next chapter). Accordingly, in post-ethnic conflict societies such as BiH, investing and supporting ethnic diversity and ethnic tolerance have multidimensional benefits for the society, communities and individuals as members of these social groupings.
Empirical chapter IV: Ethnic diversity and economic performance of individuals and families – evidence from BiH

This empirical chapter investigates whether ethnic diversity is associated with individual and household economic performance. In our analysis, we focus on BiH, a post-conflict transition country, which is particularly appropriate context for such a study. Throughout its one thousand years long history, BiH had been recognized as a multicultural environment, mixing, accommodating and adopting different Eastern and Western cultural, religious and political influences. Even today, more than two decades after the brutal 1992-95 war involving ethnic intolerance, BiH still remains a multicultural country with one of the most ‘complicated’ ethnic structures in Europe. We would also like to add that this is not only something to be acknowledged and recognised as ‘complicated’, but also a social reality that should be celebrated and promoted.

The last conflict in BiH (1992-1995) was ethnically characterized, and harmful for ethnic heterogeneity of this society. Yet, in spite of all these changes, there are regions within the country in which ethnic diversity is still preserved. Accordingly, variations in ethnic diversity between different areas – in particular, at the level of micro-units (such as neighbourhoods and cities) – constitute a fertile terrain for investigating the potential influence of ethnic homogeneity/diversity on the economic performance of individuals and household living in these areas. These alternative perspectives remain largely unexplored in the literature.

Our investigation reveals that where ethnic diversity has been preserved, the positive economic consequences on individuals and households cannot be ignored. We find that individuals in ethnically diverse areas systematically report around 10% higher income in comparison to ethnically homogenous regions. This finding should be interpreted in the context of our sample, bearing in mind that ethnic diversity often has been investigated in the framework of ethnic heterogeneities caused by immigration and inflow of different cultural norms, practices and traditions into homogenous areas. Conversely, shifts towards homogenisation in much of BiH is something new and imposed, or to put it more precisely, introduced by the war and violence with unknown economic consequences. This study emphasizes that policies favouring ethnic homogeneity, which are still propped up by some political forces in this multicultural environment, are likely to cause medium to long-term welfare losses for BiH citizens. To sum up, ethnic diversity is of policy interest because it can be influenced by public authorities, as for example return migration policy, which has rather failed in its goal. Our recommendation is that policy makers in this post-conflict country, and in similar environments in SEE and elsewhere, should promote ethnic diversity and, across the broad range of public policies, while taking into consideration the negative effects of imposed ethnic homogeneity.
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