

How Can the Economic Problems in Bosnia Be Resolved?

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Details Published on Tuesday, 12 August 2014 03:00 Written by Harun Yahya

Turkey has close historical ties with Bosnia and tries to demonstrate that closeness in both political and economic relations. Undoubtedly, it is not possible to say what Turkey is doing for Bosnia is adequate: Turkey stood 9th in the list of foreign countries directly investing in Bosnia in 2011. In terms of this and other economic indicators, it is safe to say that Turkey's place and role in the Bosnian economy should neither be under- nor over-estimated.

The countries to which Bosnia exports the most are, in order; Germany, Croatia, Italy, Serbia, Austria and Slovenia. In terms of imports the order is Croatia, Germany, Russia, Serbia, Italy and China. As can be seen, Turkey is not on the lists.

Bosnia's multi-ethnic nature and geographical position can clearly be seen to play a role in imports and exports. Bosnian Serbs and Croats naturally do business primarily with Serbia and Croatia. Furthermore, Croats give priority to Germany and Austria in trade relations, while the Serbs give priority to Russia.

Various factors are involved in the volume of trade between Turkey and Bosnia failing to reach the desired levels; some are physical while others are based more on political conditions. We must also not forget that global economic developments have a major impact on all countries.



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The fact that Bosnia-Herzegovina is politically divided and consists of three different communities leads to each community, especially the Croats and Serbs, establishing strong ties to the countries they see themselves as closer to. When Turkey tries to draw closer to the Bosniaks, efforts are made to prevent her attempts by describing it as a "neo-Ottomanism."

Turkey is therefore not settling for a policy of proximity to the Bosniaks alone and is also trying to maintain warm relations with Croatia and Serbia. Turkey is thus striving to prevent any possible new conflicts and to be able to address all sides equitably if it breaks out. One can even say that Turkey's economic presence in Croatia and Serbia serves that same end.

The first thing entrepreneurs look for when investing in a country is security. No businessman wants to invest in a region at risk of civil conflict or war. Sadly, there is such a risk in Bosnia. Those accepting that risk face numerous problems deriving from the country's political structure. Structural problems stemming from the order established after the breakup of Yugoslavia play a role in Bosnia's economic troubles and failure to attract sufficient outside investment. Political uncertainties in the country, slow progress with structural reforms and problems in enforcing already-existing legal regulations all make foreign investors reluctant to invest in Bosnia-Herzegovina.

International players and institutions also bear as much responsibility as Turkey in eliminating these problems. They are unable to provide the policies Bosnia-Herzegovina needs to overcome its political disunity. Economic reforms and reconstruction processes prepared for Bosnia-Herzegovina are constantly being interrupted. The most important indicator of disunity - in the economic sense - is the failure to establish a common market in the country because of the fragmentation of Bosnia-Herzegovina into separate units.

Despite all these obstacles, Turkey must find ways of helping the Bosniaks. Deep-rooted historic and personal ties between Turkey and Bosnia-Herzegovina make that essential. Turkey must also provide more support for Bosnia-Herzegovina; at the very least it must assume a more prominent role than Serbia and Croatia because that is what the people of Bosnia, who suffered so much in the war, deserve.

One of the obstacles to the further improvement of trade relations between the two countries stems from Turkey itself. Turkey has achieved remarkable economic growth over the last decade; yet despite that growth, its economic capacity is far below that of many European countries. Turkey's growth is still not at a level sufficient to provide serious economic support for neighboring countries.

What Bosnia urgently needs is to stabilize its economy and set it on firm foundations. The Croats and Serbians have countries to support them, but the Bosniaks do not and Turkey is trying to do this with limited means. But this is not enough. That is why along with Turkey, other Muslim countries should support Bosnia as well. Many Muslim countries enjoy tremendous advantages in terms of energy resources and natural wealth, particularly natural gas and oil. However, since these countries are failing to collaborate fully with either Bosnia or other Muslim countries, their resources cannot be made full use of.

The establishment of a cooperation organization including Bosnia-Herzegovina and Turkey can be put into action as an important project for the future. In the event that other Muslim countries join this union, an economic regeneration and a rapid development that Croats and Serbs can also benefit from will be possible. By means of the collaboration, Western countries will have no difficulties with import or export activities with Turkey and other Islamic countries, nor will they face any problems

within their national borders. That will also give assurances to the USA and the EU countries. The volume of trade between Western countries and Turkish-Islamic countries will grow, and these countries will be able to make use of their full potential in a way they were unable to before.

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