

## Policy Brief

# Return migration and local development in Croatia's periphery

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What can the policy measure *Biram Hrvatsku* achieve – and where are its limits?

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## Foreword

Since the beginning of the 21st century, Croatia has undergone a profound socio-economic transformation shaped not only by its path toward European Union membership, but also by the long-term demographic and migratory consequences of the 1990s. Among the many policy responses developed during this period, government-launched return programs have played a particularly significant role. These initiatives, aimed at encouraging the return of Croatian citizens and persons of Croatian origin from abroad, have evolved over time — from post-conflict reconstruction mechanisms to modern instruments addressing labor shortages, demographic decline, and global competitiveness. This study seeks to highlight the importance of these programs in a comprehensive manner, with the example of the initiative *Biram Hrvatsku*.

Early returnee policies were primarily designed to facilitate the reintegration of displaced persons and refugees following the Homeland War. They focused on housing reconstruction, property restitution, and basic reintegration support. However, as Croatia stabilized politically and economically in the 2000s, the country faced a different challenge: a sustained outflow of its working-age population, particularly after accession to the European Union in 2013. This shift fundamentally changed the rationale behind return policies. Rather than merely addressing past displacement, the Croatian government began to perceive return migration as a strategic tool for economic development and demographic renewal.

In this context, *Biram Hrvatsku*, launched in recent years, represents a significant step forward in the design and implementation of return programs. Unlike earlier initiatives, it explicitly targets economically active returnees by providing financial incentives, support for entrepreneurship, and measures to facilitate regional development. The program recognizes that return migration is not only a social or humanitarian issue, but also an economic opportunity—one that can contribute to innovation, investment, and the revitalization of less developed areas. A distinctive feature of *Biram Hrvatsku* is a broader policy shift toward sustainable development and regional cohesion, aligning national priorities with European Union objectives. At the same time, it underscores the importance of diaspora engagement as a source of human capital, skills transfer, and transnational networks. The significance of return programs in Croatia thus extends beyond their immediate beneficiaries. They are embedded in a wider policy framework addressing demographic decline, labor market imbalances, and regional disparities. In a country where population loss has become one of the most pressing long-term challenges, the successful reintegration of returnees—and the creation of conditions that make return an attractive option—are of critical importance. Programs such as *Biram Hrvatsku* demonstrate how targeted policy measures can contribute to these goals while fostering a sense of belonging and connection among Croatians abroad.

This study aims to analyze these developments in depth and seeks to provide a nuanced understanding of how migration policy can respond to changing national needs. The case of *Biram Hrvatsku* serves as a particularly relevant example of how forward-looking policies can transform the concept of return — from a reactive measure into a proactive strategy for national development. In doing so, this work contributes to a broader discussion on migration, diaspora engagement, and demographic policy in Europe and beyond. Croatia's experience illustrates the challenges and opportunities faced by countries navigating the complex interplay between emigration and return, and offers valuable insights for policymakers, researchers, and stakeholders alike.

The Konrad Adenauer Foundation Croatia-Slovenia is proud to be part of this project. We extend our warmest congratulations to our long-standing partner, the Ivo Pilar Institute, and to everyone involved in this study for their outstanding academic work and policy advice.

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## Key Messages

- Rural regions in Croatia's periphery are among the areas most severely affected by emigration and demographic decline.
- Return migrants can contribute to revitalising these areas by transferring valuable tangible and intangible resources.
- The *Biram Hrvatsku* programme provides important incentives for return and self-employment but is not the primary driver of either.
- To fully unlock returnees' development potential, support measures need to move beyond financial aid alone.

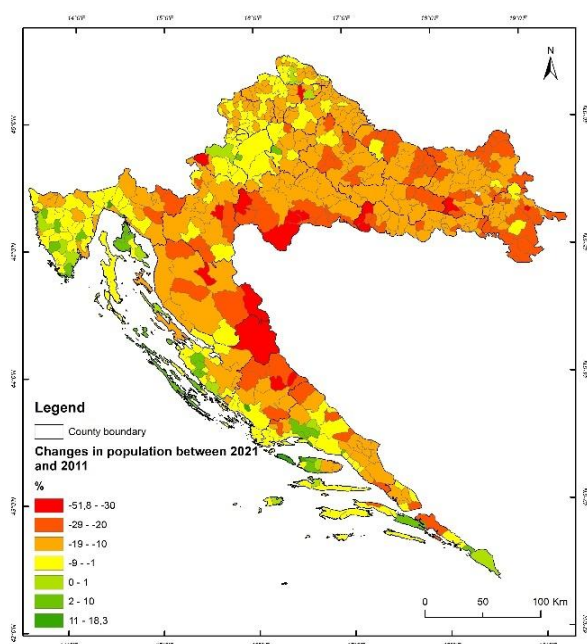
Rural regions  
Revitalization  
*Biram Hrvatsku*  
Support Measures

## 1. Background: Emigration, Peripheralization, and Policy Responses

Since Croatia's accession to the European Union in 2013, the country has experienced pronounced population decline, losing more than 250,000 people to emigration and nearly 10% of its population. However, this trend, which has built on and severed decades-long developments, has not affected all regions equally. Rural and economically weaker areas, particularly in Pannonian Croatia, have been hit hardest. In these regions, sustained out-migration has reinforced labor shortages, further weakened local economies, and contributed to the erosion of social and economic infrastructure, deepening long-standing patterns of peripheralization (Mihály 2022), thereby heightening the risk of regional development traps (Rodríguez-Pose et al. 2024).

In response to these dynamics, the Croatian government launched the *Biram Hrvatsku* ("I Choose Croatia") program in 2021. This program aims to encourage return migration and stimulate economic activity in economically lagging regions by financially supporting self-employment and business creation.

Figure 1: Changes in population across Croatia



Source: World Bank based on CBS data (2016) and population censuses 2011–21

## 2. Objectives and Approach

Against this backdrop, the question arises as to whether and to what extent such policy measures can translate return migration into sustainable local development, particularly in peripheral rural regions. While return migration is increasingly framed as a potential development resource, empirical evidence on its concrete contributions and on the role of targeted policy instruments remains limited, especially for rural areas.

Return migration  
Rural development  
Policy measures  
Entrepreneurship

This policy brief therefore explores the development potential of return migration to Croatia's lagging rural regions and the role of *Biram Hrvatsku* within return trajectories. It draws on 19 interviews with beneficiaries of the programme and 6 interviews with experts, including policymakers, public administration officials, and local development actors, conducted in 2024. Among the beneficiaries interviewed, 85% were men, mostly with secondary-level education, who established small businesses in the construction sector; the average age was 40, and they had spent between two and 17 years abroad. The interviews focused on return motivations, entrepreneurial activities, transferred resources, and experiences with programme implementation, with particular attention to rural regions of Pannonian Croatia.

## 3. The *Biram Hrvatsku* Programme

*Biram Hrvatsku* is part of Croatia's labor market policies and complements existing measures supporting self-employment and business creation, especially in lagging regions. While the demographic revitalization of these regions has been articulated as one of the measure's objectives, more comprehensive measures for demographic revitalization have been introduced later, including those outlined in Croatia's Strategy for Demographic Revitalization until 2033, which also targets the Croatian diaspora ([https://narodne-novine.nn.hr/clanci/sluzbeni/2024\\_03\\_36\\_580.html](https://narodne-novine.nn.hr/clanci/sluzbeni/2024_03_36_580.html)).

The program consists of two components: support for return migration from abroad and support for internal mobility within Croatia, both aimed at encouraging business creation. It addresses two main groups: The first includes Croatian citizens up to the age of 60 who have worked abroad for at least 12 months within the previous 24 months and who, upon return, register as unemployed and enter self-employment. Initially targeting Croatian emigrants residing in the European Economic Area, the return component was later expanded to include returnees from Switzerland, the United Kingdom, North and South America, Australia, and New Zealand. The second group includes beneficiaries of self-employment support who relocate within Croatia from more developed to less developed areas, thereby contributing to regional development.

Financial support is provided as part of a combined package. The total amount, covering both the standard self-employment grant and the *Biram Hrvatsku* component, can reach up to EUR 27,000 for returnees from abroad and up to EUR 23,500 for internal mobility. Projects involving green or digital solutions may receive higher levels of support. Within this framework, a dedicated lump-sum mobility incentive provides EUR 7,000 for returnees from abroad and EUR 3,500 for internal mobility.

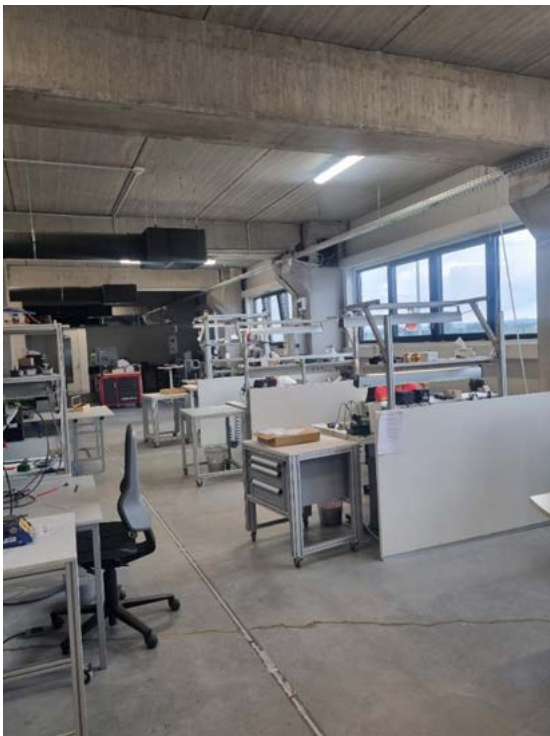
Between January 2022 and January 2026, a total of 1,589 applications were approved under *Biram Hrvatsku*, including 1,507 applications for return from abroad and 82 for internal mobility. Most returnees came from Germany or Austria, with around 70% holding a high school diploma, and a similar number being in the age group between 30 and 49 years. The main destinations of return were the City of Zagreb, Osijek-Baranja County, and Brod-Posavina County. Beneficiaries primarily established businesses in construction, followed by the processing industry.

## 4. What Motivates Return

The findings show that return migration is driven primarily by economic considerations. Rising living costs abroad, diminishing financial advantages of working in destination countries, and improved economic prospects with increasingly favorable conditions for business creation in Croatia played a key role in shaping return decisions. Many returnees

described a gradual shift in the cost–benefit balance of migration, as higher incomes abroad were increasingly offset by expenses related to housing and everyday living.

At the same time, non-economic factors contributed significantly to the return decision. Family reunification, the desire to raise children in the country of origin, and preferences for rural living conditions were frequently mentioned. Interviewees highlighted the appeal of larger living spaces, proximity to nature, cultural and place attachment, and stronger social ties in their regions of origin, which contrasted with experiences of social isolation, long working hours, and limited social integration abroad. Together, these economic and social considerations shaped return as a strategy to improve overall quality of life and wellbeing.



**Figure 2:** A beneficiary company producing cable assemblies

Source: *Authors*

## 5. Returnees as Local Development Actors

Upon return, the interviewed beneficiaries established small businesses in their regions of origin, predominantly in the construction sector. These activities responded to strong local demand for skilled manual labor in regions recently undergoing economic revitalization, while simultaneously being affected by long-term out-migration, demographic decline, and persistent labour shortages. Returnees found a welcoming environment, to which they brought financial capital, equipment, and machinery from abroad. In addition, they contributed directly to job generation, as several businesses had already expanded and hired additional workers, or had concrete plans to do so. Overall, interviewees reported high levels of satisfaction with the development of their businesses and described stable demand and favorable prospects for further growth.

Beyond financial investment, returnees contributed to local development through the transfer of immaterial resources, or so-called intangible remittances (Pinkow-Läpple & Möllers, 2025) such as technical know-how, business ideas, professional standards, safety measures, work ethics and organizational practices acquired abroad. These immaterial resources shaped how businesses were organized and were highly valued by clients. In some cases, business development was further supported by sustained professional ties to the country they had previously migrated to, including contacts with former employers, which facilitated exchange of know-how and enabled cross-border cooperation.

In sum, the beneficiaries brought valuable tangible and intangible resources to rural areas that can help stimulate local economic activity in contexts marked by labor shortages in economically recovering environments.

## 6. The Role of *Biram Hrvatsku*

Within this context, the interviewees highly valued the support provided by *Biram Hrvatsku*. Although most emphasized that it was not decisive for their decision to return or to establish a business, the program significantly supported both by reducing financial risks. Around a quarter of the interviewed beneficiaries indicated that they would not have been able to start a business without the measure. In this sense, *Biram Hrvatsku* supported, rather than triggered, return-related entrepreneurial activities.

The program thus operates primarily as an enabling framework, helping to lower practical barriers to return and the transmission of resources. It signals governmental commitment to return migration and regional development, providing institutional backing and legitimacy for returnees and their initiatives.

Despite their overall strong satisfaction with the program, several participants also pointed to potential for improvement. Above all, they emphasized the need for complementary, non-financial forms of support. In particular, interviewees highlighted unmet needs related to networking opportunities, access to professional advice, and continued skills development.

Moreover, some interviewees criticized aspects of program implementation, including bureaucratic complexity and a lack of clarity regarding application procedures and eligibility criteria. They pointed to weak cooperation between relevant institutions and agencies, and insufficient dissemination of information about *Biram Hrvatsku*, which many participants learned about through informal channels rather than official communication.

In addition, a small number of interviewees reported experiences of jealousy and resentment within their local communities after receiving *Biram Hrvatsku* support. While not widespread, such reactions reflected perceptions that returnees were unfairly privileged by state assistance and point to the risk that negative local responses may complicate reintegration (Hornstein Tomić, 2023) and undermine the legitimacy of return programs.

## 7. Policy Recommendations

The analysis indicates that return migration holds considerable but conditional potential for accelerating revitalization of Croatia's peripheral regions. Returnees contribute tangible and intangible resources, including financial capital and know-how; they maintain business ties to countries they had previously migrated to, and generate employment through business creation. Taken together, these contributions can create important impulses for further regional revitalization. Programs such as *Biram Hrvatsku* can facilitate these processes by lowering initial barriers to return and business creation and by signaling political commitment to regional development. At the same time, the findings show that such programs cannot substitute for broader structural improvements or compensate for unfavorable institutional, economic and social environments.

A key implication of the results is that return migration policies should move beyond a narrow focus on financial incentives. While start-up grants are important in reducing risk during the early phase of return and self-employment, they are insufficient to ensure longer-term developmental effects on their own. Complementary non-monetary support is therefore essential. Networking opportunities, cooperation with local and regional business agencies, and access to advisory services can help returnees embed their economic activities more firmly within local contexts and strengthen business sustainability.

In addition, greater transparency in program design and implementation is needed to strengthen trust among potential applicants and local communities alike. Clearer communication of eligibility criteria and procedures, as well as improved dissemination of information abroad, could increase accessibility and reduce uncertainty for returnees considering participation. Strengthening institutional coordination across administrative levels would further enhance program effectiveness, particularly in regions where local capacities are limited, and bureaucratic fragmentation poses a barrier to entrepreneurship.

Finally, social dynamics deserve greater attention. Experiences of resentment towards returnees indicate that financial support schemes may unintentionally generate perceptions of unfair advantage. Public communication strategies that highlight the broader societal benefits of return migration could help mitigate such tensions and foster greater acceptance of returnees as contributors to local development. Addressing these institutional and social dimensions more systematically would not only reduce these frictions but also help unlock the broader development potential of return migration.

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## Imprint

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