



Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits

OECD High-level Conference on South East Europe

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Presentation Outline



1. Characteristics of Western Balkan Six Migration



2. Labour Market Outcomes in OECD Countries



3. Remittances as Income and Investment Source



4. Western Balkan Six Migration and Diaspora Policies



5. Way Forward – Policy Recommendations

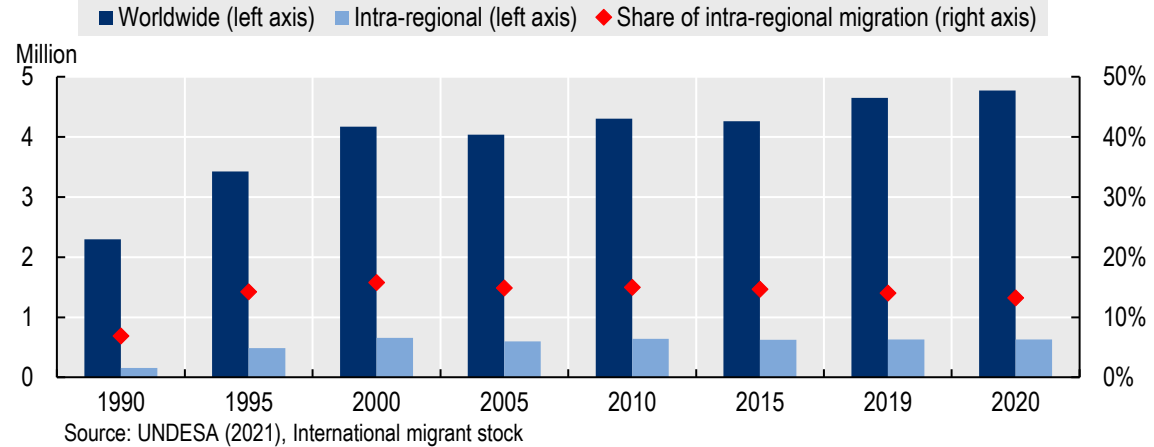


1. Characteristics of Western Balkan Six Migration – Trends

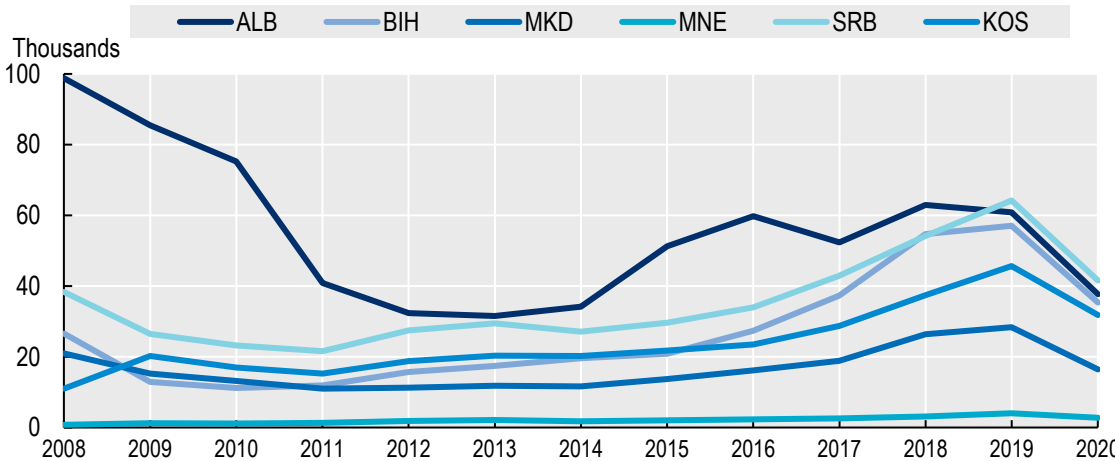


The WB6 economies have a significant and growing diaspora. Today about one-fifth of the population lives abroad.

Migrants from the WB6 worldwide



First residence permits attained by WB6 citizens in EEA countries



Note: European destination countries include EU Member Countries, European Economic Area non-EU countries (Iceland, Liechtenstein and Norway) and Switzerland.
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

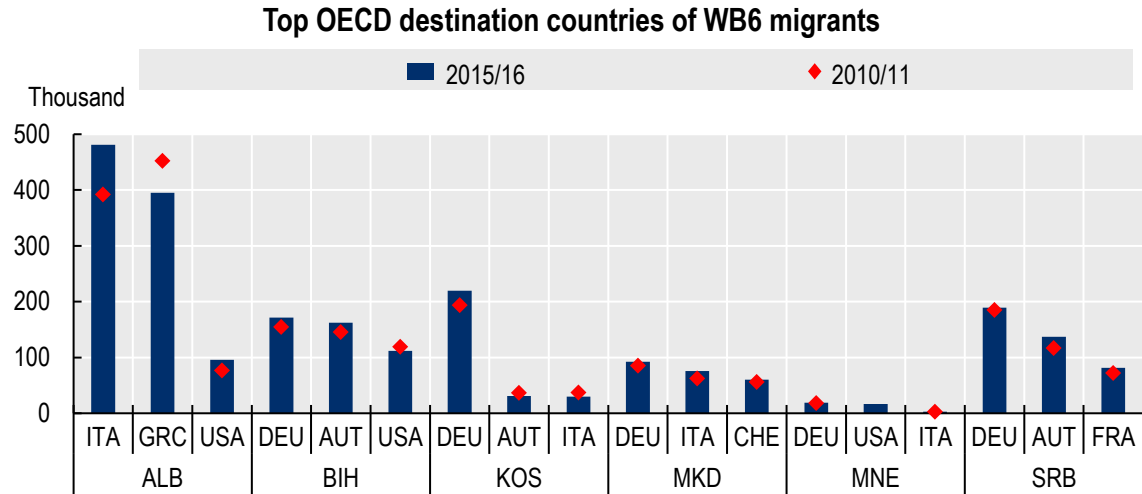
Emigration to the European Economic Area has increased by 2.5 times between 2011 and 2019.

However, with the COVID-19 pandemic, it declined by 36% in 2020.

1. Characteristics of Western Balkan Six Migration – Destinations

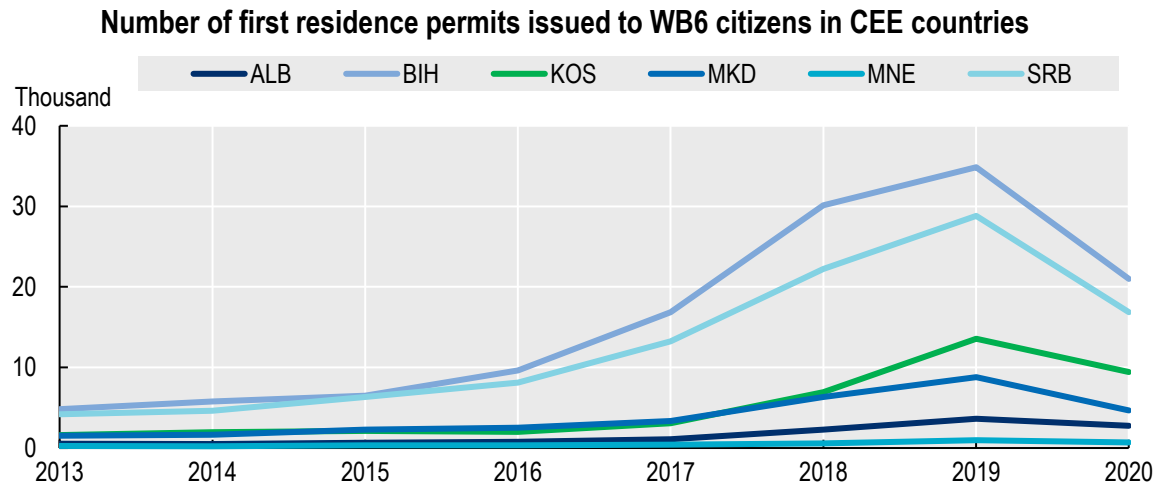


WB6 migrants are predominantly living in a handful of traditional OECD destination countries...



Source: OECD (2016), DIOC

...but emigration to Central Eastern European countries tripled since 2015 until the start of the pandemic.

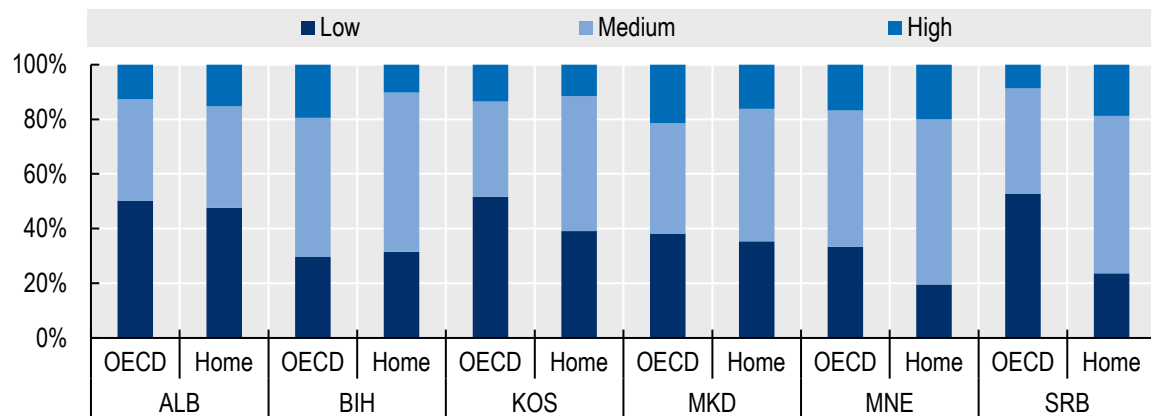


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia.
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

1. Characteristics of Western Balkan Six Migration – Education levels



Education level of the working-age population in OECD countries and at home

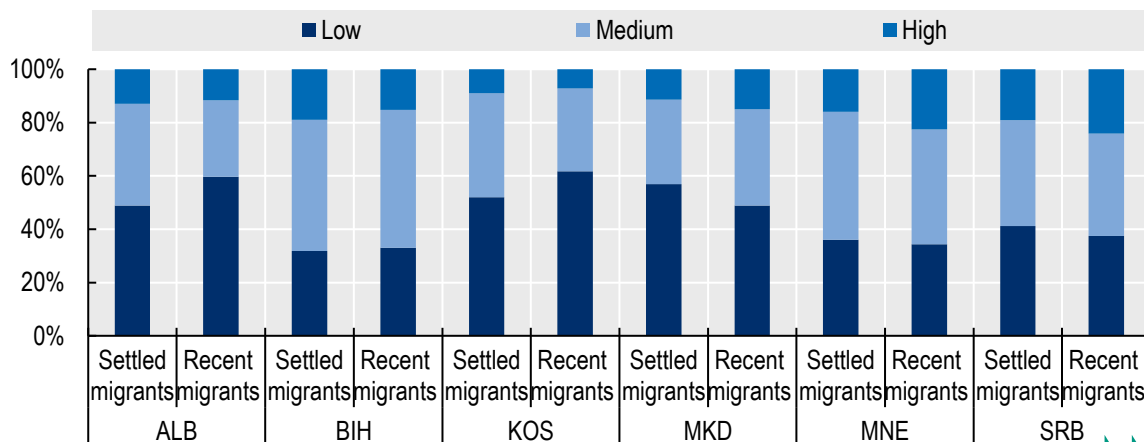


The diaspora of most WB6 economies is less educated than the working-age population in their home economies.

Note: Data for 2015.

Sources: OECD (2016), DIOC; Eurostat (2021), Population by educational attainment level, sex and age (%) [EDAT_LFSE_03]; World Bank and Vienna Institute for International Economic Studies (2022)

Distribution of education levels among WB6 migrants in OECD countries by duration of stay



More recent WB6 migrants are not necessarily higher educated than those who arrived earlier.

Note: Settled migrants are defined as migrants who arrived prior to 2010. Recent migrants are defined as migrants who arrived in the country of destination between 2010 and 2015.

Source: OECD (2016), DIOC



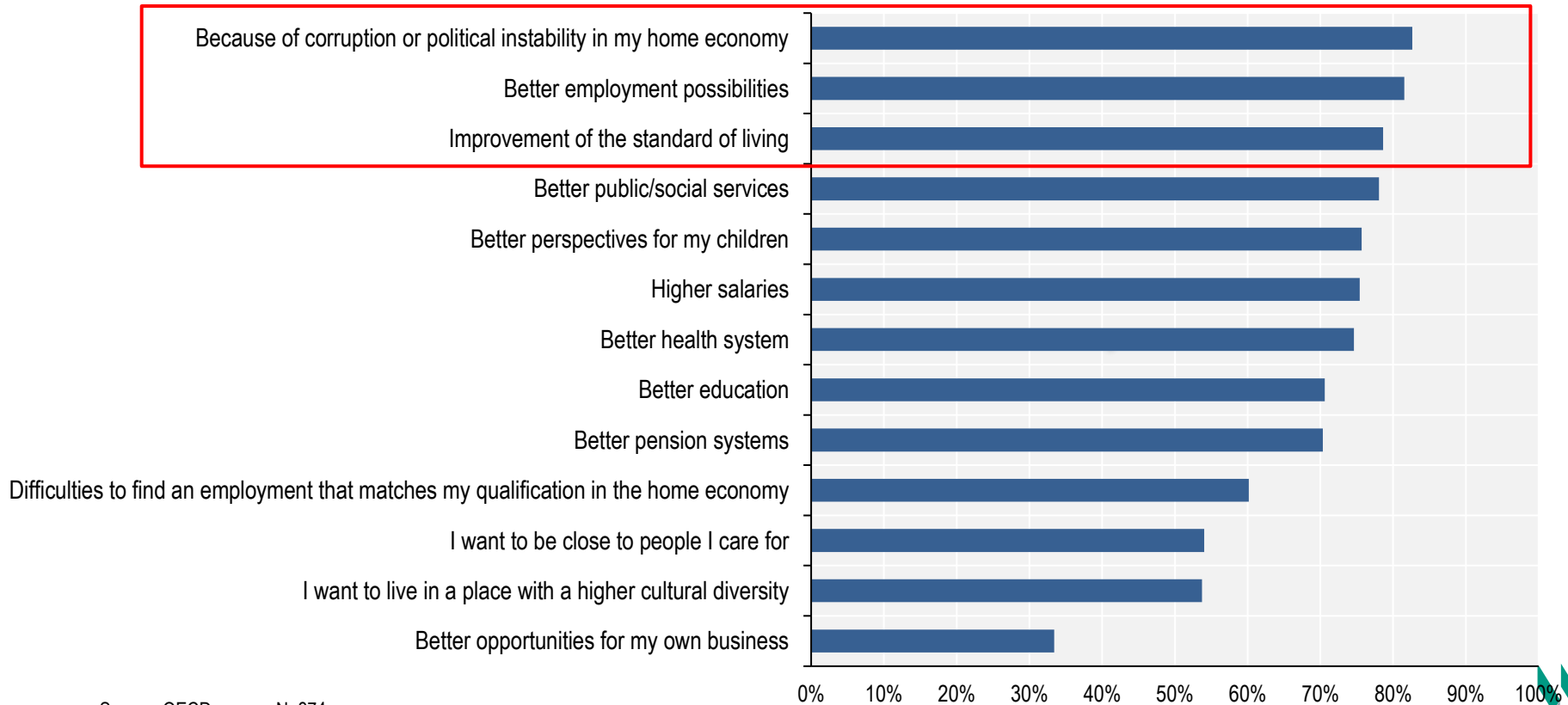
1. Characteristics of Western Balkan Six Migration – Motivations



A variety of social, economic and political factors drive emigration from the WB6 economies.

If you have migrated, what was the main reason to move to another country? (%)

■ Important or Very important as % of total sample



Source: OECD survey, N=374.

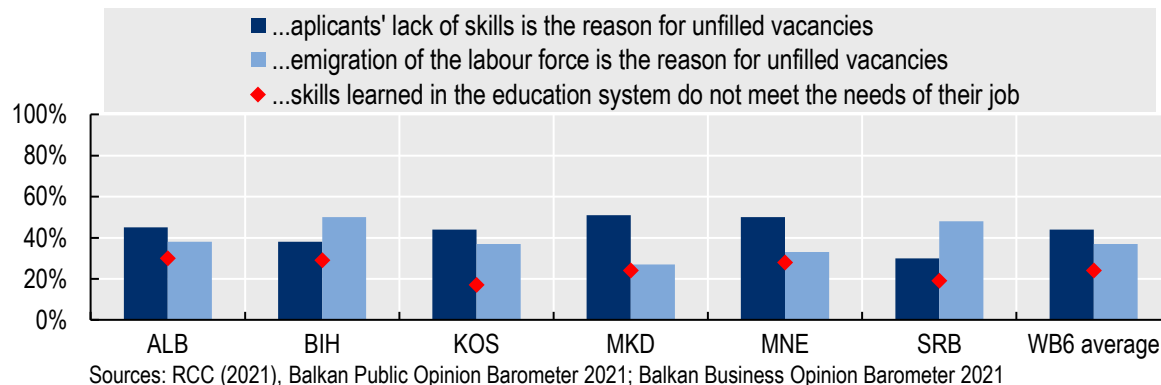


1. Characteristics of Western Balkan Six Migration – Main drivers

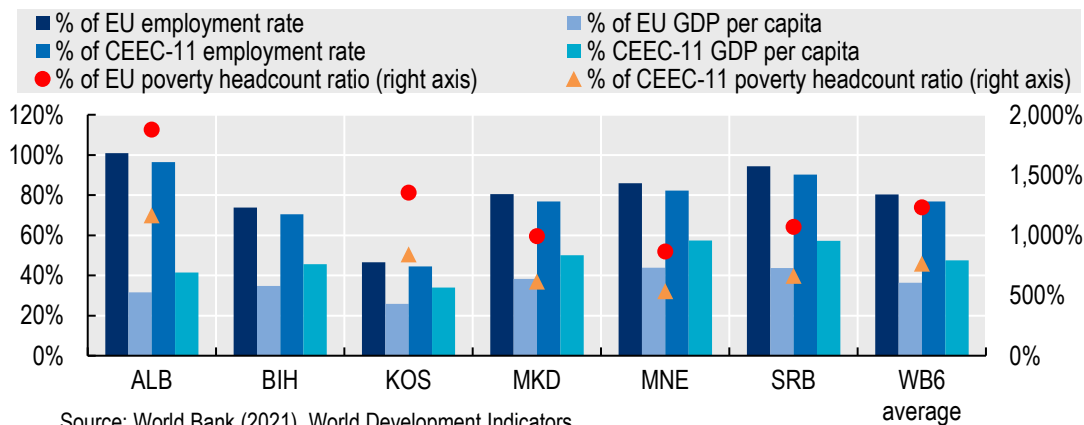


Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.

Skills mismatches and labour shortages in the Western Balkan Six - % of respondents stating that...



Employment rate, GDP per capita and poverty headcount ratio as share of EU and CEEC averages, 2020 (%)



Development gaps with EU and Central Eastern European Countries remain large.





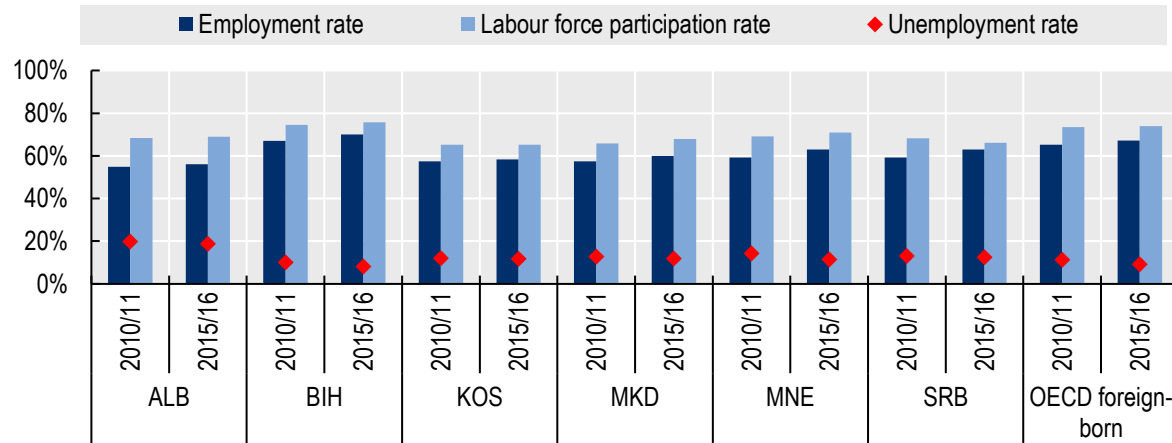
2. Labour Market Outcomes in OECD Countries

Labour market outcomes of WB6 migrants have slightly improved but they remain worse than those of the average foreign-born population.

Almost half of all WB6 migrants are over-qualified for the jobs they do in OECD countries.

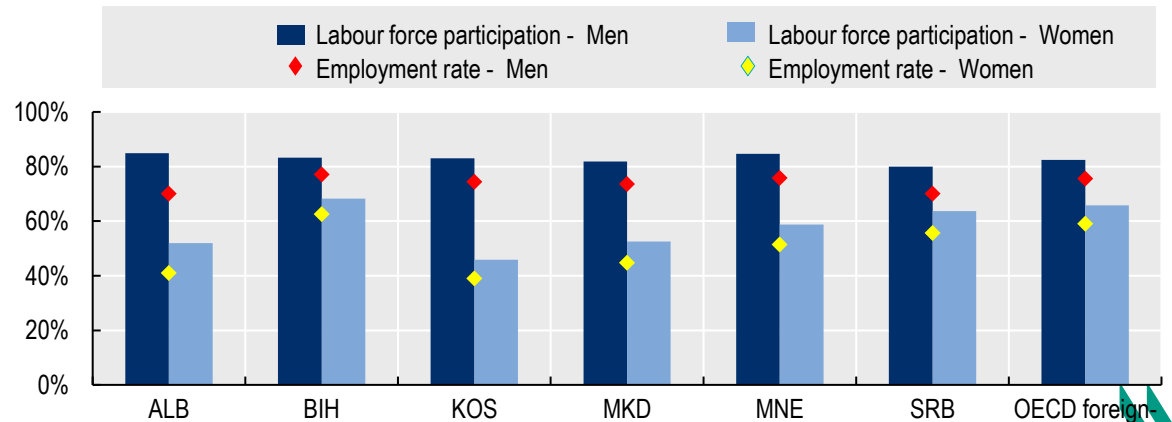
Gender gaps in employment outcomes of WB6 migrants are significant.

Labour market outcomes of WB6 migrants in OECD countries (aged 15-64)



Source: OECD (2016), DIOC

Gender gaps in employment outcomes of WB6 migrants in OECD countries



Source: OECD (2016), DIOC

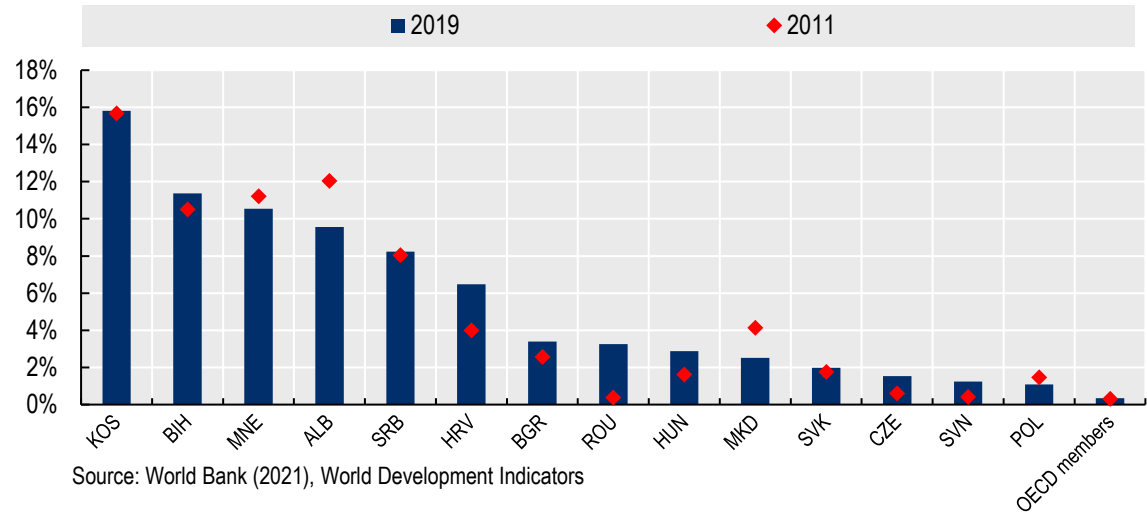




3. Remittances as Income and Investment Source

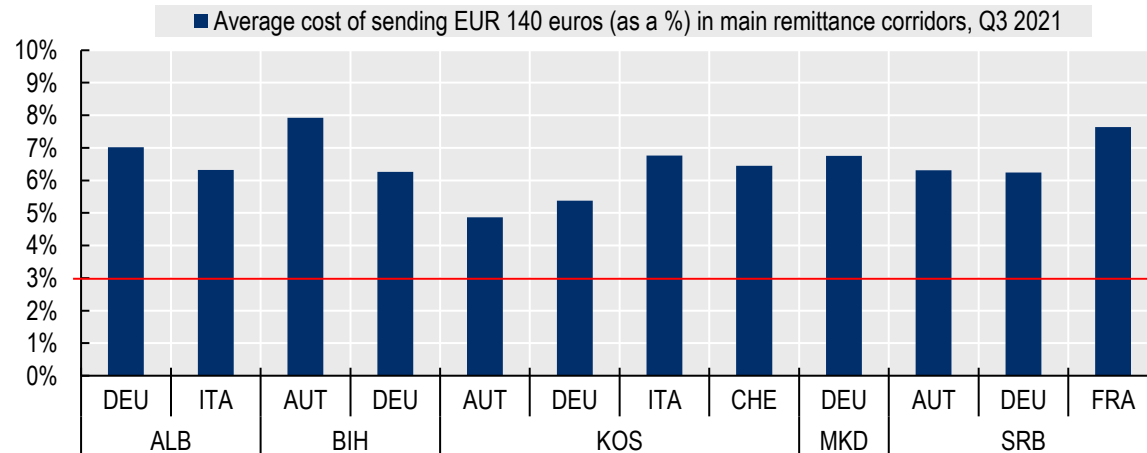
The WB6 economies received on average an estimated 10% of their GDP in remittances in 2019, ...

Remittance inflows to WB6 economies and selected CEE countries



...but there are barriers (e.g. high transfer costs) preventing their full investment potential.

Remittance transfer costs to Western Balkan economies





4. Western Balkan Six Migration and Diaspora Policies

All governments of the WB6 have developed *migration strategies and policies*, with various focus and scope. *Diaspora investment and knowledge transfers* offer development potential, but dedicated policies and support mechanisms are yet to be developed in most WB6 economies.





5. Way Forward – Policy Recommendations



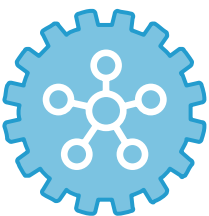
Strengthen the management of labour migration flows and improve the outcomes of labour migrants in destination countries:

- Reinforce **migration management** by improving institutional co-ordination and boosting migration data collection.
- Support WB6 migrants' **employment outcomes abroad** by strengthening and harmonising curricula and skills recognition systems, and using partnerships with destination countries.



Maximise the development benefits from emigration:

- Build trust and strengthen the **engagement with the diaspora** by capitalising on the many and active diaspora associations that already exist in the region.
- Make the most of the **diaspora's skills and financial resources** by encouraging diaspora knowledge transfers, formalising remittances and attracting diaspora investments more strategically.
- Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.



Alleviate the strength of push factors for emigration:

- Ameliorate the **conditions for living, working and investing** in the Western Balkans by pursuing economic and social reforms.
- Improve **citizens' education and labour market outcomes** by strengthening skills policies and improving employment conditions.



Thank you for your attention!

For further information, please consult our website:
www.oecd.org/south-east-europe