

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

KOSOVO*



Key facts



GDP growth
(2021)¹

10.5%



Unemployment
(2020)¹

25.9%
of total labour force



Net FDI
(2020)¹

4.2%
of GDP



Kosovar migrants
in OECD countries
(2015/16)²

0.5mil



Emigration rate to
OECD countries
(2015/16)²

22%

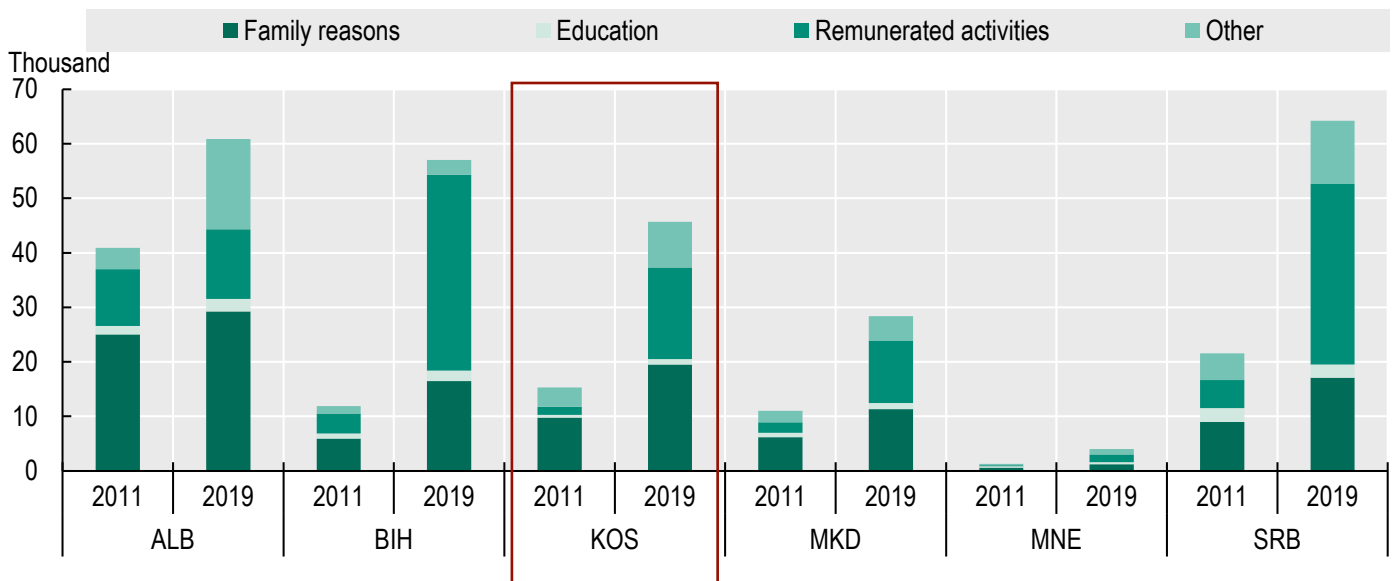


Personal remittances
received (2020)³

18.9%
of GDP

Sources: ¹European Commission (2022), EU Candidate Countries' & Potential Candidates' Economic Quarterly (CCEQ) – 1st Quarter 2022; ²OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits; ³World Bank (2022), World Development Indicators.

Migration from Kosovo to the European Economic Area has tripled over the last decade



Note: Number of first residence permits attained by WB6 citizens in European destination countries by citizenship and reason. European destination countries include EU Member Countries, European Economic Area non-EU countries (Iceland, Liechtenstein and Norway) and Switzerland. "Other" includes international protection, residence without the right to work (such as pensioners), and people in the intermediate stages of the regularisation process. Data for the United Kingdom are available until 2018.

Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST].

In 2011, Kosovar citizens predominantly migrated to the European Economic Area (EEA) and Switzerland for family reasons. However, work reasons gained importance between 2011 and 2019, with the number of first residence permits for remunerated activities issued to Kosovar citizens increasing tenfold.

* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

Key findings:

- ❖ **Kosovo has the second highest emigration rate to the OECD area among the Western Balkan Six (WB6) economies**, with 22% of its population living in OECD countries and its emigration flows to European countries have been growing in the past decade. With the outbreak of the COVID-19 pandemic in 2020, however, the number of first residence permits for Kosovar citizens in the EEA and Switzerland dropped by almost 31% compared to 2019. More than half of the Kosovar migrants of working age in OECD countries have low levels of education (52%), while the share of highly skilled migrants is relatively low at 13%.
- ❖ **The employment rate of Kosovar migrants in the OECD countries stands at 58%, the second lowest among migrants from the WB6.** In addition, over 50% of highly educated migrants in OECD countries are overqualified, and the rate of over-qualification has increased over time (OECD DIOC 2015/16).
- ❖ **Remittances received by Kosovar households are estimated at close to 16% of GDP, making Kosovo one of the top 20 remittance-receiving economies in relation to GDP worldwide.** At the same time, the share of the population with access to a bank account is relatively low (52% in 2017), particularly among women (44%).
- ❖ **Kosovo has recently put in place pilot projects in collaboration with destination countries to establish skills mobility partnerships.** These partnerships have the potential to improve the education system, address labour shortages and skills mismatch in the local labour market, and improve employment outcomes of emigrants in the destination countries.
- ❖ **The Kosovar diaspora has shown interest in investing in Kosovo, and there is great potential for financial and knowledge transfers** through diaspora investments, entrepreneurship and return migration. There is, however, no economy-wide strategy or framework to actively recruit back or support return migration, and the lack of trust from the diaspora is a key barrier to diaspora investment.

Main priorities:

- ❖ **Enhance the positive outcomes of co-operation with destination countries when it comes to skills mobility partnerships.** Examples of factors to take into account when designing partnerships to benefit Kosovo include a Kosovo-based governance structure – ensuring that training and capacity building is taking place in Kosovo – and measures to support the return and reintegration of migrants.
- ❖ **Create an enabling environment for remittance transfers and investment, to make the most of the large inflows of remittances.** This work should build on pre-existing initiatives by NGOs and international organisations. More assessment studies should be undertaken to understand the needs and barriers of the remittance recipients, and to inform the design of relevant financial services so they encourage transfers through regular channels and facilitate remittance investments.
- ❖ **Develop an economy-wide programme to promote diaspora investment.** The development of a strategic and institutional framework around diaspora engagement has been delayed, which slows down diaspora policy implementation. A holistic economy-wide programme for diaspora engagement is key to support any development contribution.

Labour Migration in the Western Balkans:

Mapping Patterns, Addressing Challenges and Reaping Benefits

This report analyses labour migration patterns of the Western Balkan economies, investigates their root causes as well as potential consequences, and examines the economies' current migration and diaspora policies. It builds on results from an original survey of emigrants from the Western Balkans in addition to a wide range of OECD and international migration data sources as well as regional stakeholder consultations.

The report provides Western Balkan policy-makers with targeted policy recommendations on how to address the structural challenges, which incentivise emigration and maximise the benefits from emigration for the Western Balkan economies' own socio-economic development by strengthening ties with the diaspora and capitalising on its skills and investment resources.

