

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

NORTH MACEDONIA



Key facts



GDP growth
(2021)¹

4.2%



Unemployment
(2021)¹

15.8%

of population
aged 15-64



Net FDI
(2021)¹

3.7%

of GDP



Macedonian migrants
worldwide (2020)²

0.69mil



Emigration rate
worldwide (2020)²

25%



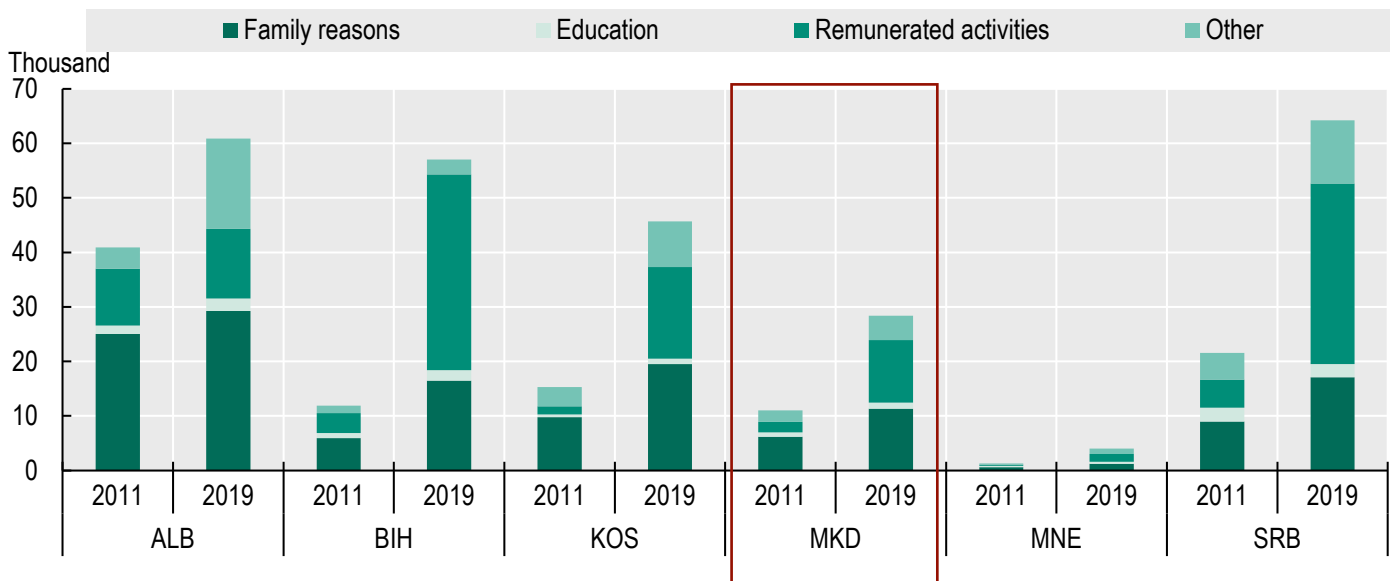
Personal remittances
received (2020)³

3.4%

of GDP

Sources: ¹European Commission (2022), EU Candidate Countries' & Potential Candidates' Economic Quarterly (CCEQ) – 1st Quarter 2022; ²UN DESA (2021), International Migrant Stock 2020; ³World Bank (2022), World Development Indicators

Migration from North Macedonia to the European Economic Area has increased by 1.5 times over the past 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, EEA 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, Macedonian 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 Macedonian citizens increasing fivefold.

Key findings:

- ❖ **North Macedonia is characterised by sizeable migration towards OECD countries**, notably to Germany, Italy and Switzerland, which together hosted over 50% of Macedonian emigrants (OECD DIOC, 2015/16).
- ❖ **Emigration to the EEA and Switzerland saw a considerable increase from 2011 to the start of the COVID-19 pandemic in 2020.** The number of first residence permits to citizens of North Macedonia increased from 11 000 in 2011 to 28 400 in 2019, but in 2020 decreased by 42% compared to the previous year.
- ❖ **About 20% of Macedonian migrants in OECD countries are highly educated – the highest rate among the Western Balkan Six (WB6) economies** – while 38% have low levels of education. The number of tertiary students from North Macedonia in OECD countries has increased by almost three times between 2013 and 2019.
- ❖ **The rate of over-qualification among Macedonian migrants in OECD countries has been growing over time**, and 46% of the highly skilled accepted a job below their qualifications. Despite slight improvements in the same period, the labour force participation rate of Macedonian migrants is still relatively low (68%) – particularly among women (53%) (OECD DIOC, 2015/16).
- ❖ **An institutional and policy framework to engage with the diaspora has been adopted**, notably through establishing the post of Minister without Portfolio in Charge of Diaspora, while the independent Emigration Agency provides support to the Macedonian diaspora. However, more could be done to create an enabling environment for diaspora investment, and remove barriers that hinder it, such as corruption, complex regulation and administration, and lack of trust in institutions.

Main priorities:

- ❖ **Improve the quality of education and strengthen the link between the education system and labour market demand.** These are key development challenges for North Macedonia and have led to high levels of youth emigration. It is thus important to mainstream migration into the development of policies in key areas such as education and the labour market.
- ❖ **Encourage diaspora investment through facilitating administrative and regulatory processes, and establish a dedicated platform for diaspora engagement.** Initiatives to support diaspora investment at local level are starting to emerge, and should be further supported and developed. Establishment of an interactive platform for diaspora engagement could help build stronger ties and relationships with the diaspora.
- ❖ **Continue to develop a policy framework for promoting and supporting the return of students and knowledge transfers of the scientific and professional diasporas.** The growing number of international students could generate positive development in North Macedonia through return migration and knowledge transfers, provided that there are adequate strategies and policy measures in place.

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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.

