

1st Ministerial Panel - Human Capital Flight: How to reverse the tendency in South East Europe



First Ministerial Panel Human Capital Flight How to Reverse the Tendency in South East Europe

11:15 AM – 12:30 PM (CET)

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OECD Global Relations **South East Europe**

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the Advisory Opinion of the ICJ on Kosovo's declaration of independence.

Background

Over the last two decades, South East Europe has made considerable strides in economic convergence with the European Union, thereby improving its citizens' standard of living and well-being. Despite these gains, emigration of professionals from the region continues at a high pace in response to mainly economic incentives.

In this context, this Panel discussed the necessary measures, first, to unleash the region's potential to achieve higher economic growth in order to retain and attract human capital, and second, to maximise the opportunities the diaspora has to offer for socio-economic development.

Key takeaways

- **The governments' objective should not be to lock in young people in their countries, but to create opportunities** that will make it possible for them to reach their fullest potential at home and abroad.
- **The region's economies will need to continue advancing their structural reform agendas to overcome challenges limiting more inclusive and sustainable economic growth.** This agenda will need to address deep structural issues affecting, amongst others, labour markets, business environment, education systems, environment, or health and social care systems.
- **Investing in the workforce with a view to improving its skills and qualifications was highlighted as priority.** Strengthening vocational schools and training in close co-operation with the private sector at the local level is crucial to address skills mismatches and to better meet the needs of the employers and the labour markets. The region's recent experiences on the dual education model might offer solutions, yet putting in place this model does also require financial resources.
- **Policies need to be designed with a view to retaining the youth in South East Europe and re-attracting them back to the region.** Providing fair market chance to all entrepreneurs, including small-medium

sized enterprises, establishing a good digital infrastructure, investing in creative industries and sectors need also be considered by the region's governments.

- **Building trust and relationships is the pre-requisite to benefit from the opportunities offered by the diaspora.** Improving the rule of law, by enhancing the judiciary system and public governance, as well as tackling corruption were highlighted as crucial elements in gaining trust. There is a necessity for the governments to have regular and structured engagement with the diasporas, as well as to simplify their return process.
- **Regional cooperation and enhanced connectivity among the region's economies is crucial to address human capital flight.** The recent regional initiatives aiming, amongst others, to allow free movement of workers – including through digital means- may contribute to enhanced competitiveness for the region.