



# Labour Migration in Montenegro – How to make the most of it?

**Roundtable meeting**

**Podgorica, 1 July 2022**

# Presentation Outline



## 1. Characteristics of Migration



## 2. Labour Market Outcomes in OECD Countries



## 3. Remittances as Income and Investment Source



## 4. Migration and Diaspora Policies



## 5. Way Forward – Policy Recommendations

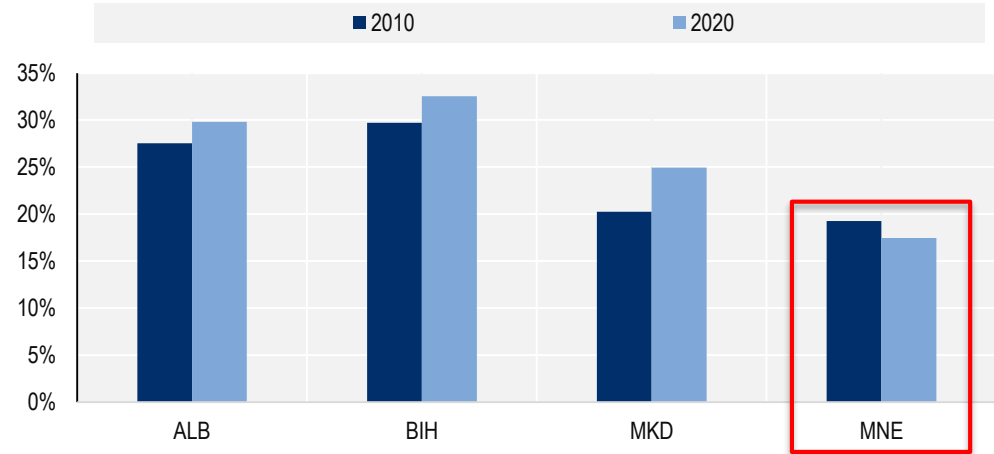


# 1. Characteristics of Migration – Trends



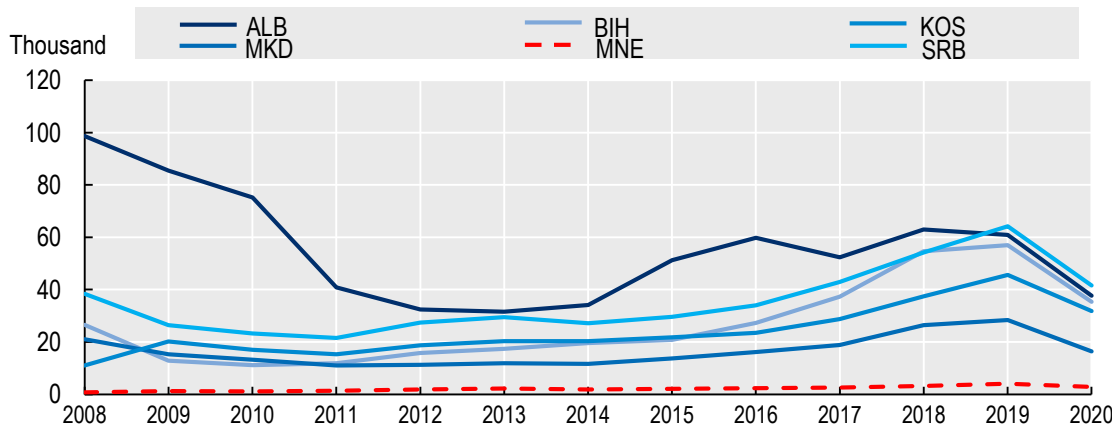
**Montenegro has one of the lowest emigration rates in the region with 17.5% of its population living abroad.**

**Emigration rates of the Western Balkan economies**



Note: . Data for Kosovo and Serbia are not available.  
Source: UN DESA (2021), International Migrant Stock 2020

**First residence permits attained by WB6 citizens in European 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 Europe has tripled between 2011 and 2019.**

**However, with the COVID-19 pandemic, it declined by 30% in 2020.**

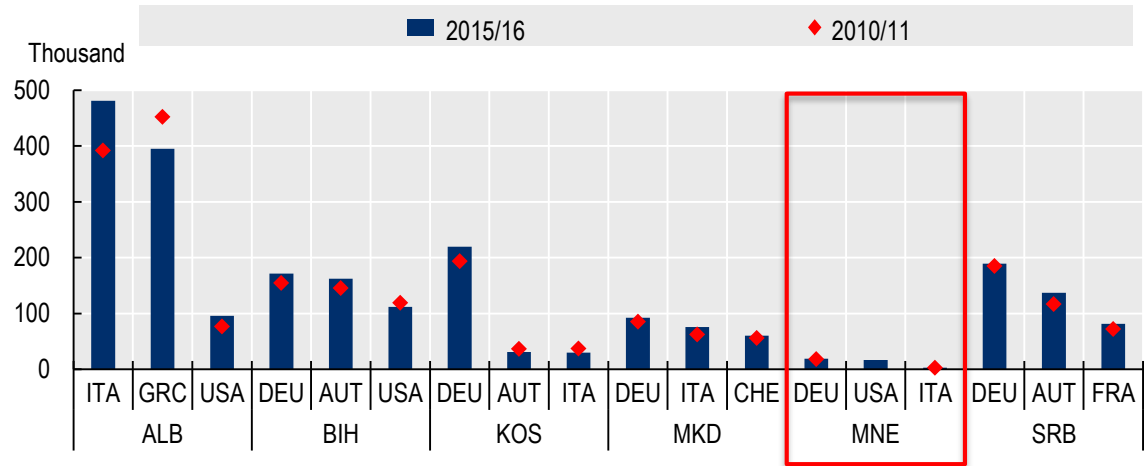


# 1. Characteristics of Migration – Destinations



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

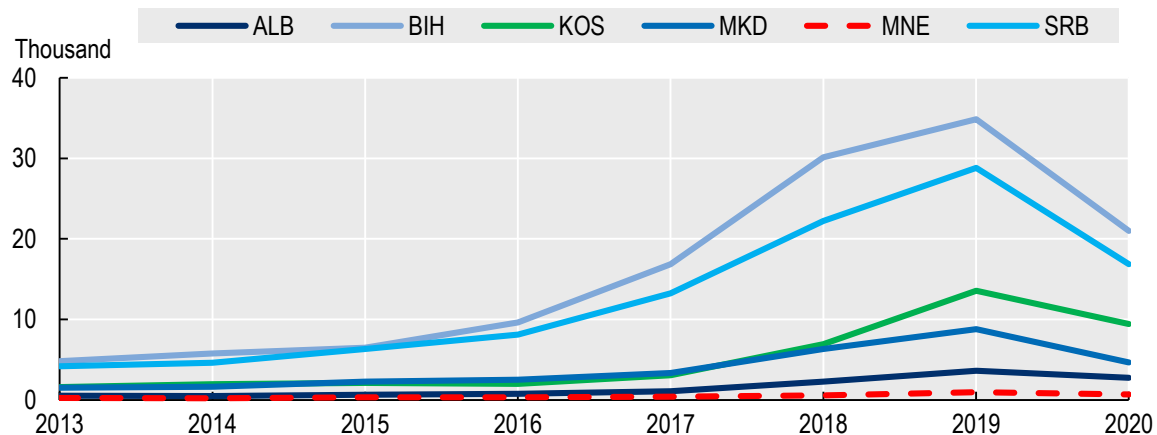
**Top OECD destination countries of WB6 migrants**



Source: OECD (2016), DIOC

**...but emigration to Central Eastern European countries tripled since 2013 until the start of the pandemic.**

**Number of first residence permits issued to WB6 citizens in CEE countries**

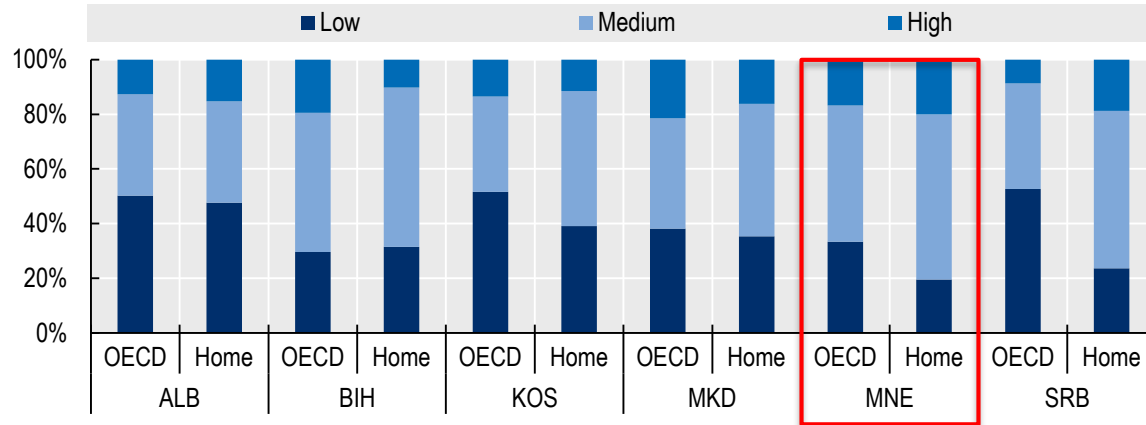


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia.  
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR\_RESFIRST]

# 1. Characteristics of Migration – Education levels



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

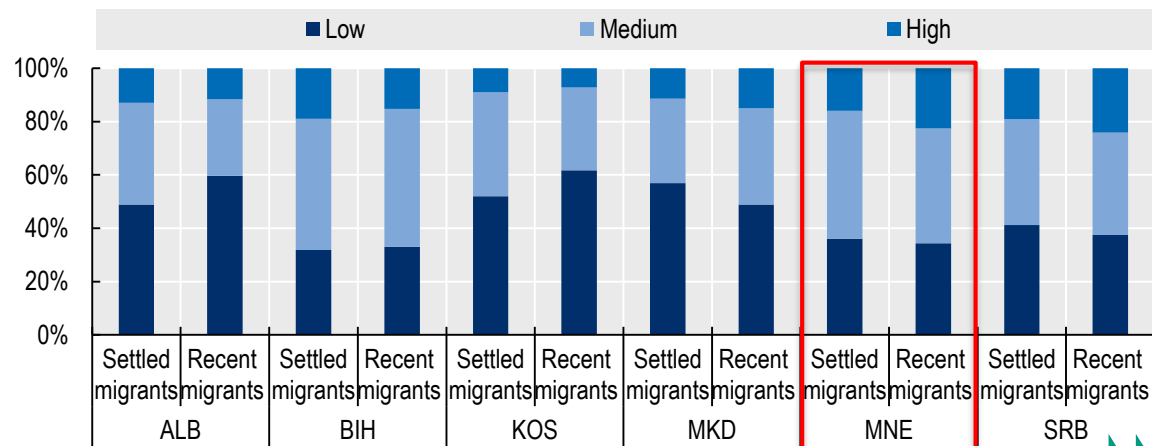


The Montenegrin diaspora is on average less educated than the working-age population in Montenegro.

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 migrants from Montenegro are more 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



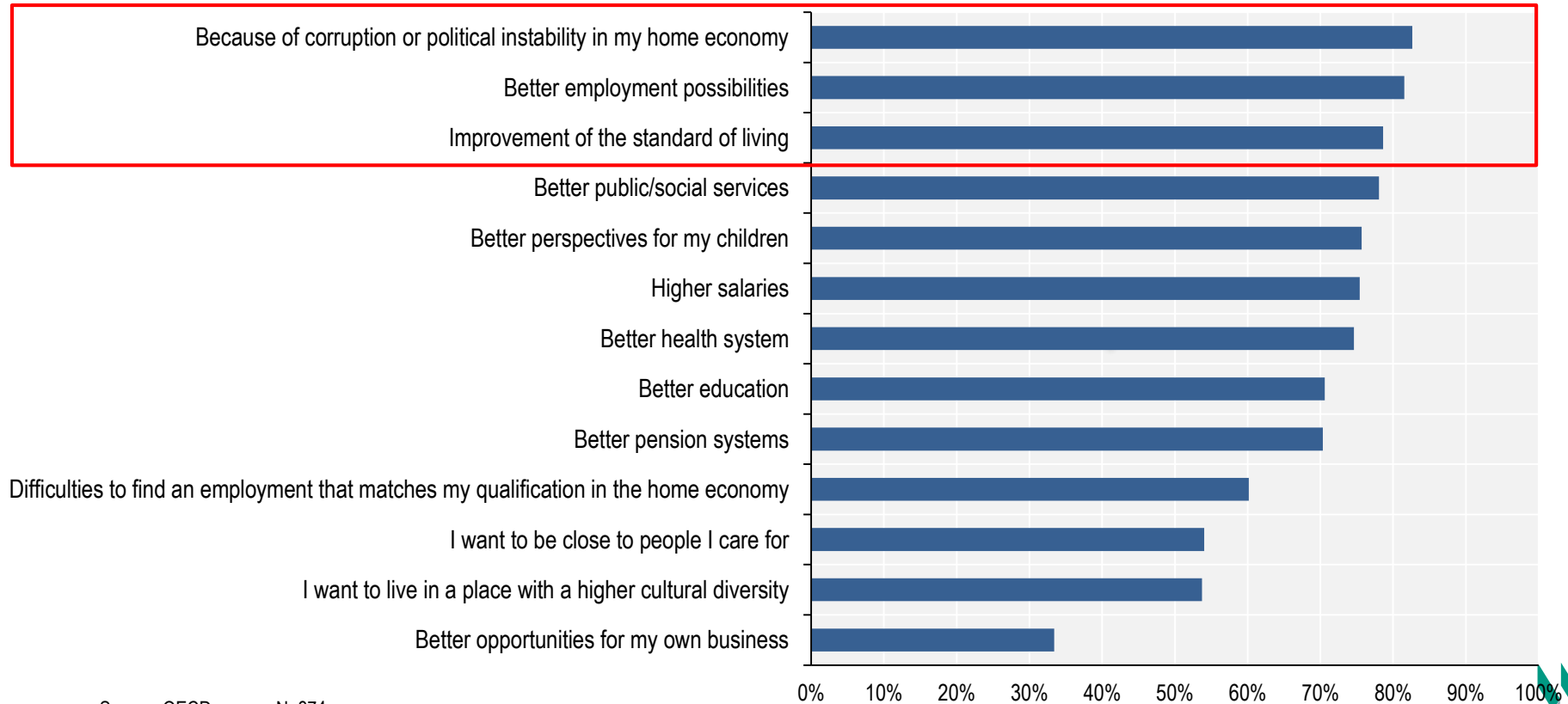
# 1. Characteristics of Migration – Motivations



**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.

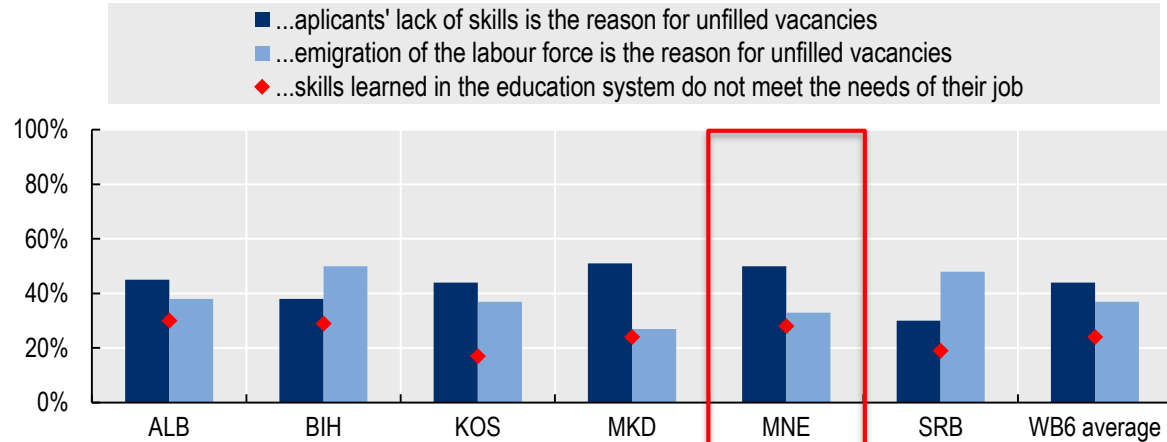


# 1. Characteristics of Migration – Main drivers



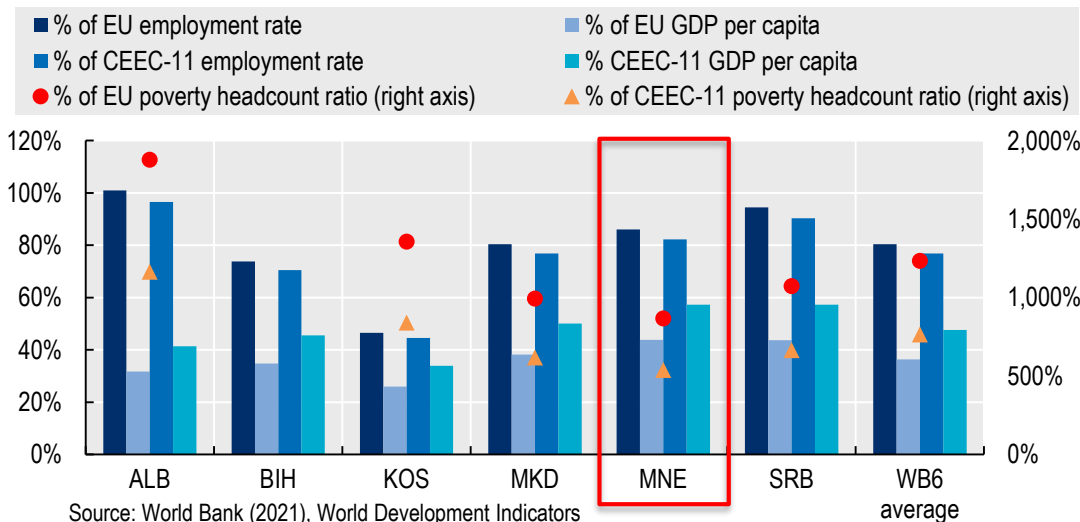
**Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.**

**Skills mismatches and labour shortages in the WB6 - % of respondents stating that...**



Sources: RCC (2021), Balkan Public Opinion Barometer 2021; Balkan Business Opinion Barometer 2021

**WB6 development gaps as shares of EU and CEEC-11 averages (2020)**



Source: World Bank (2021), World Development Indicators

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

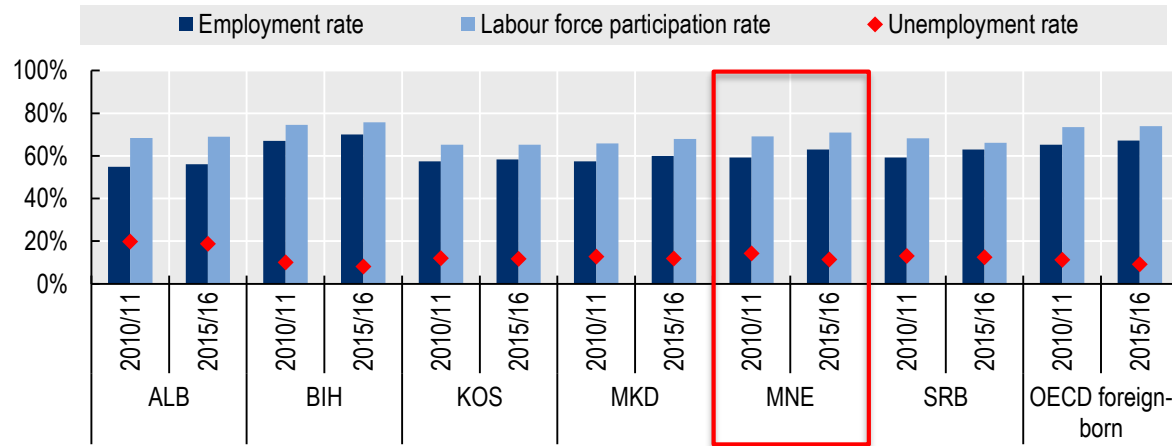


## 2. Labour Market Outcomes in OECD Countries



**Labour market outcomes of Montenegrin migrants are comparable to average outcomes for WB6 migrants. But they remain worse than those of the average foreign-born population.**

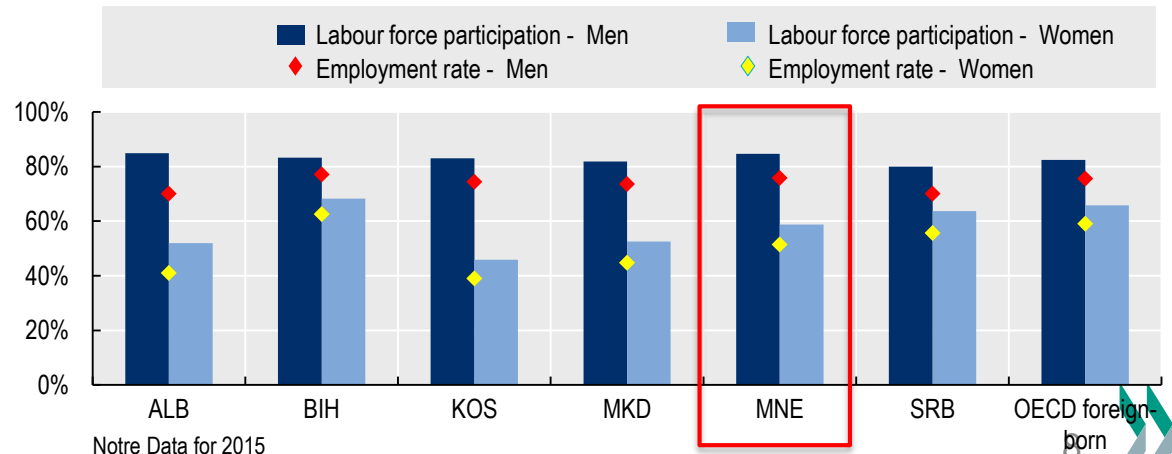
Labour market outcomes of WB6 migrants in OECD countries (aged 15-64)



Source: OECD (2016), DIOC

**Gender gaps in employment outcomes of WB6 migrants are significant, and the gaps for Montenegrin migrants closely follow the WB6 average.**

Gender gaps in employment outcomes of WB6 migrants in OECD countries



Notre Data for 2015  
Source: OECD (2016), DIOC

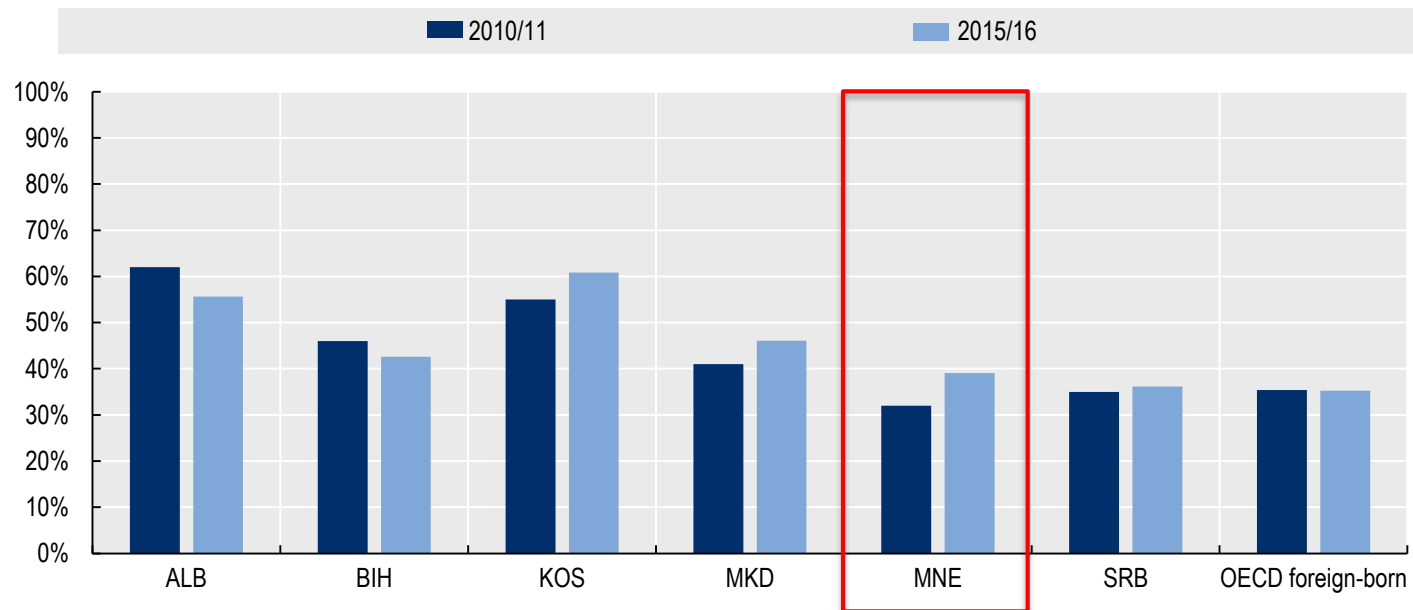




## 2. Labour Market Outcomes in OECD Countries

**More than 1/3 of highly skilled Montenegrin migrants are over-qualified for the jobs they do in OECD countries – a share lower than the WB6 average.**

**Over-qualification rates of WB6 migrants in the OECD area**



Note: Overqualified is defined as having tertiary education (ISCED 5-8) and an occupational skill level that is low or medium (ISCO 4-9). Over-qualification is only calculated for highly skilled migrants.  
Source: OECD (2016), DIOC.

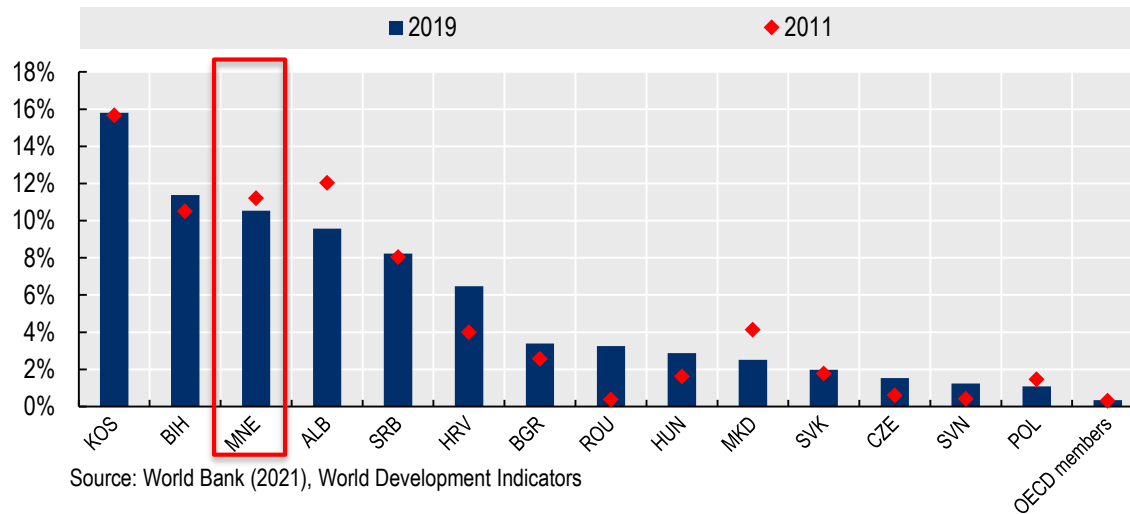




### 3. Remittances as Income and Investment Source

**Montenegro received an estimated 10.5% of its GDP in remittances in 2019.**

Remittance inflows to WB6 economies and selected CEE countries



Source: World Bank (2021), World Development Indicators

**However, different barriers (e.g. high transfer costs) can prevent their full investment potential.**





## 4. Migration and Diaspora Policies in Montenegro

Montenegro's main migration policy strategy is the **Strategy on Migration and Reintegration of Persons Returned on the Basis of Readmission Agreements (2021-2025)**.

A strategy for diaspora engagement is also in place: ***the Strategy for Cooperation with Diaspora (2020-2023)***.

It concentrates on:

- Improving information mechanisms and diaspora networks
- Strengthening the co-operation of institutions with the diaspora
- Improving diaspora business co-operation
- Strengthening co-operation with the diaspora in the areas of culture and sport

However, **the scope of the strategic framework can be broadened** by introducing:

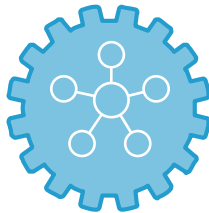
- objectives for **realising the development potential of the diaspora and remittance transfers**
- measures to **support return migration** (beyond return taking place through readmission agreements)





### ***Strengthen the management of labour migration flows and improve the outcomes of labour migrants in destination countries.***

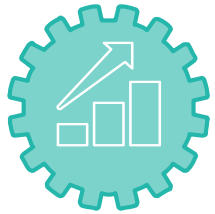
- Reinforce **migration management** by improving institutional co-ordination and boosting migration data collection.
- Support WB6 migrants' **employment outcomes abroad** by strengthening and harmonising curricula and skills recognition systems, and using partnerships with destination countries.



### ***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.





### *Maximise the development benefits from emigration.*

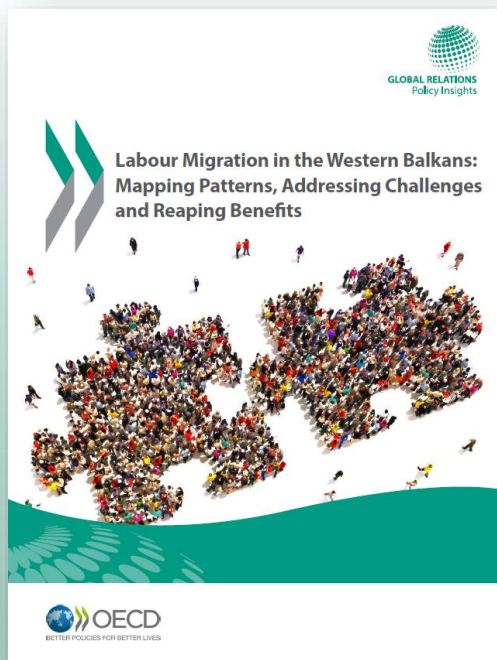
- Build trust and strengthen the **engagement with the diaspora** by capitalising on the many and active diaspora associations that already exist in the region.
  - Make the most of the **diaspora's skills and financial resources** by encouraging diaspora knowledge transfers, formalising remittances and attracting diaspora investments more strategically.
  - Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.
- **Continue building ties with the diaspora and develop a more holistic policy framework to promote and support diaspora engagement in Montenegro.** It is necessary to better know the diaspora, build stronger institutional capacity and create a national programme for diaspora engagement.
  - **Develop policies to actively attract back migrants in Montenegro, going beyond return taking place through readmission agreements.** Strategies and policies to promote return migration are lacking, and more measures and capacity building are needed to promote the short- and long-term return migration of key diaspora groups.



**Thank you for your attention!**

**For further information, please consult our website:**

[www.oecd.org/south-east-europe](http://www.oecd.org/south-east-europe)



**Find the full publication here:**

[oe.cd/LabourMigrationWB6](http://oe.cd/LabourMigrationWB6)

**Find the key findings for Montenegro here:**

[oe.cd/LMMNE](http://oe.cd/LMMNE)

**Contact:**

**Mr. Martin KOHTZE**

*Project manager*

*OECD South East Europe Division*

e-mail: [martin.kohtze@oecd.org](mailto:martin.kohtze@oecd.org)