



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

**Roundtable meeting**

**Belgrade, 29 June 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

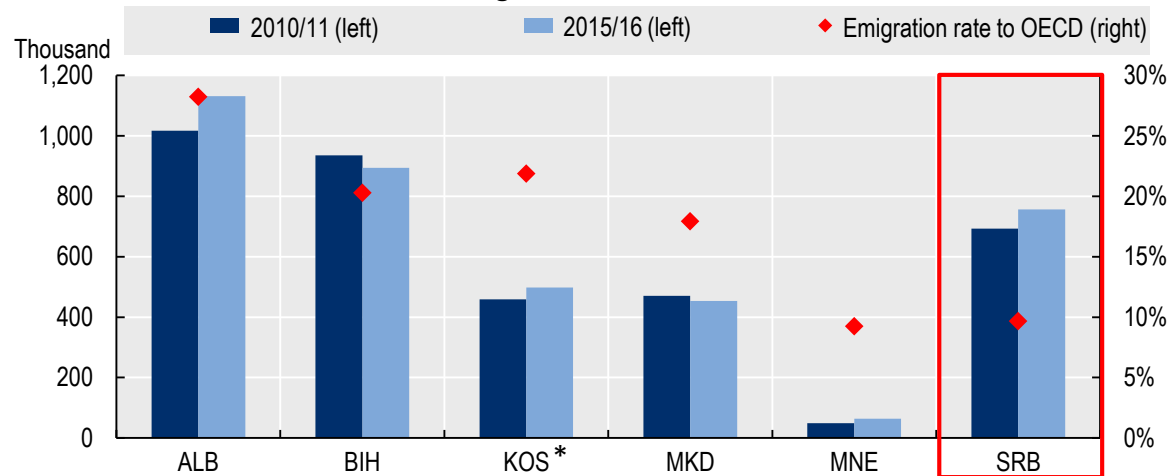


# 1. Characteristics of Migration – Trends



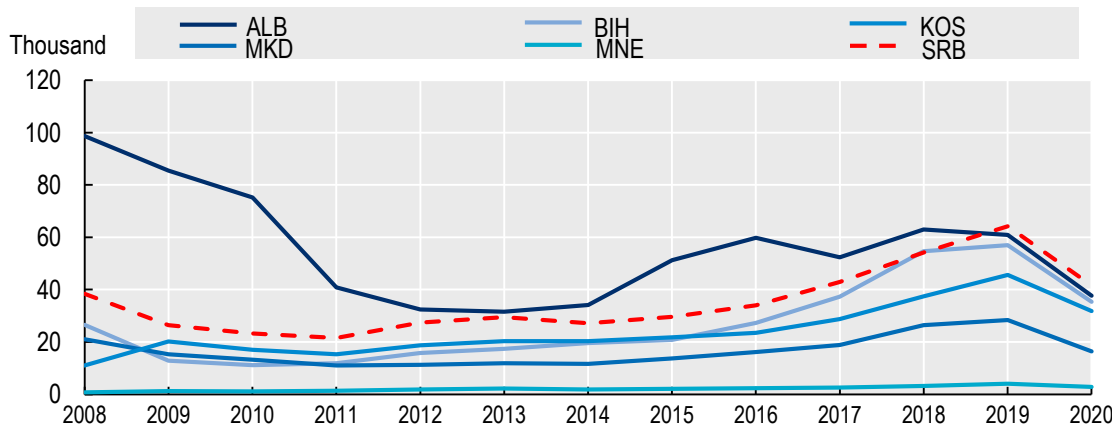
**Serbia has a significant and growing diaspora. 10% of the population lived in OECD countries – the second lowest emigration rate in the region.**

**WB6 migrants in OECD countries**



Note: More information is available at Figure 1.3 of the publication *Labour Migration In The Western Balkans*.  
 Source: OECD (2016) OECD Database on Immigrants in OECD Countries (DIOC), The Swiss Federal Statistical Office (2022); Eurostat (2022), Population change - Demographic balance and crude rates at national level [DEMO\_GIND].

**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 almost tripled between 2011 and 2019.**

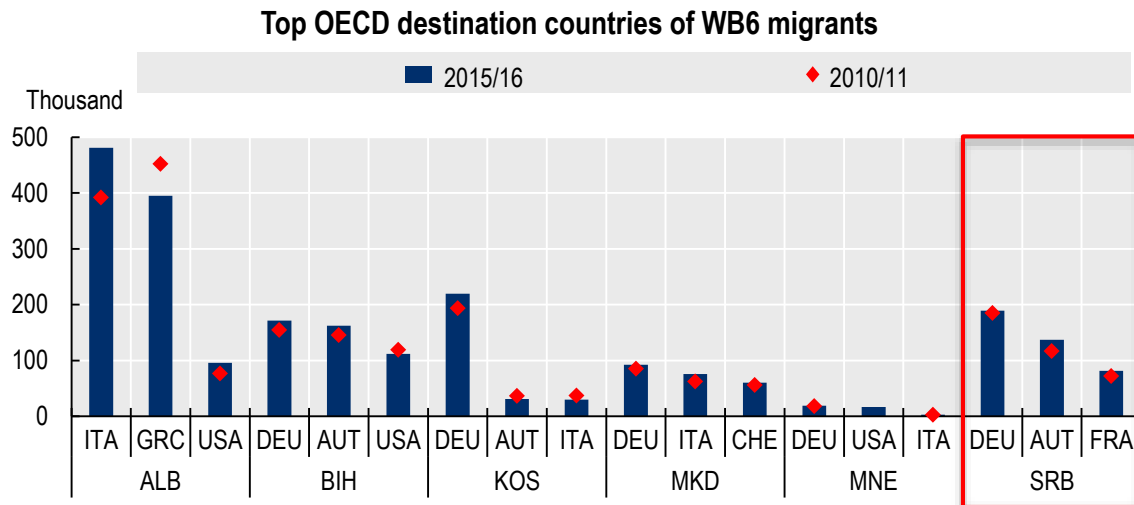
**However, with the COVID-19 pandemic, it declined by 35% in 2020.**



# 1. Characteristics of Migration – Destinations



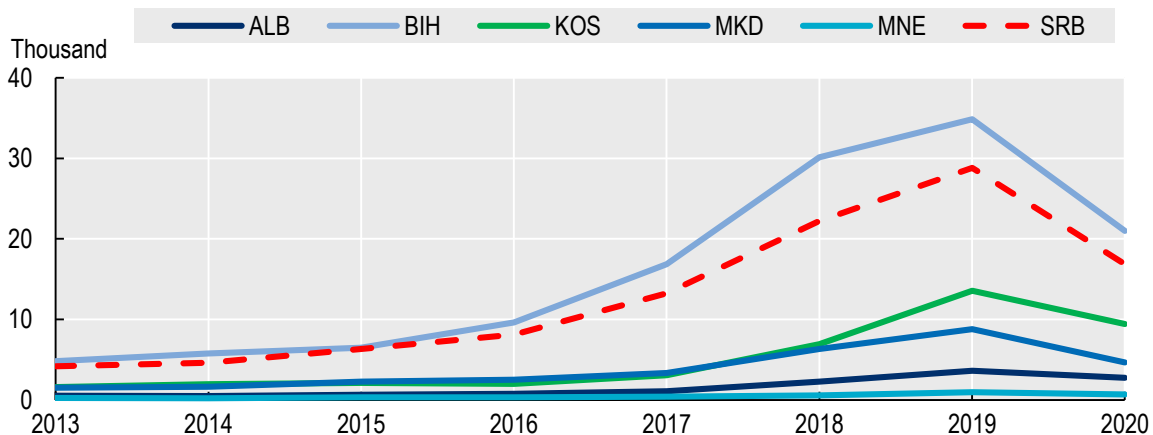
**Serbian migrants are predominantly living in a handful of traditional OECD destination countries...**



Source: OECD (2016), DIOC

**...but emigration to Central Eastern European countries increased by 3 times since 2013 until the start of the pandemic.**

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

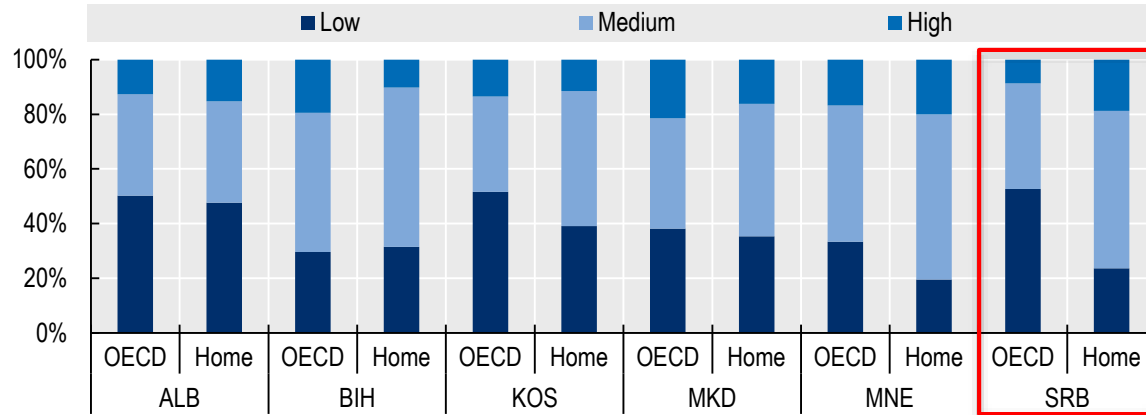


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia.  
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR\_RESFIRST]

# 1. Characteristics of Migration – Education levels



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

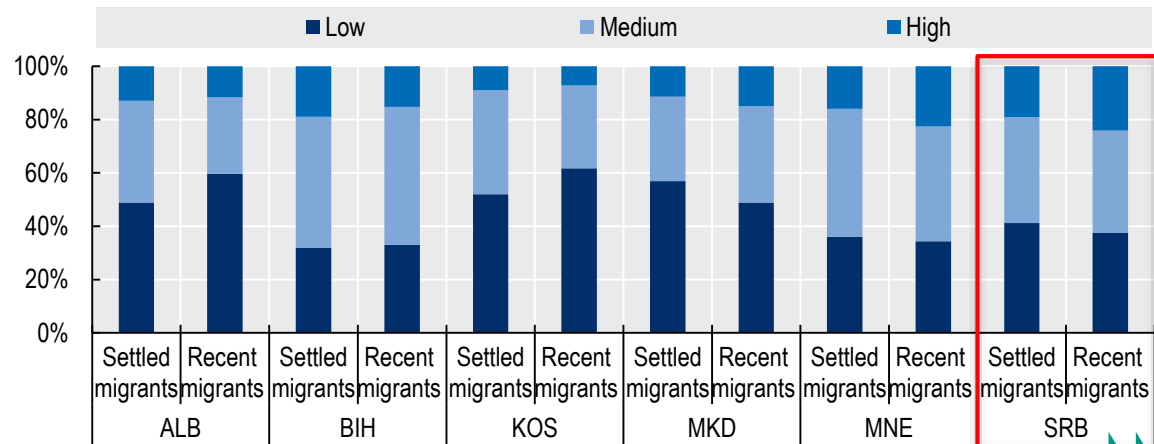


The Serbian diaspora is on average less educated than the working-age population in Serbia.

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 Serbia are slightly 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

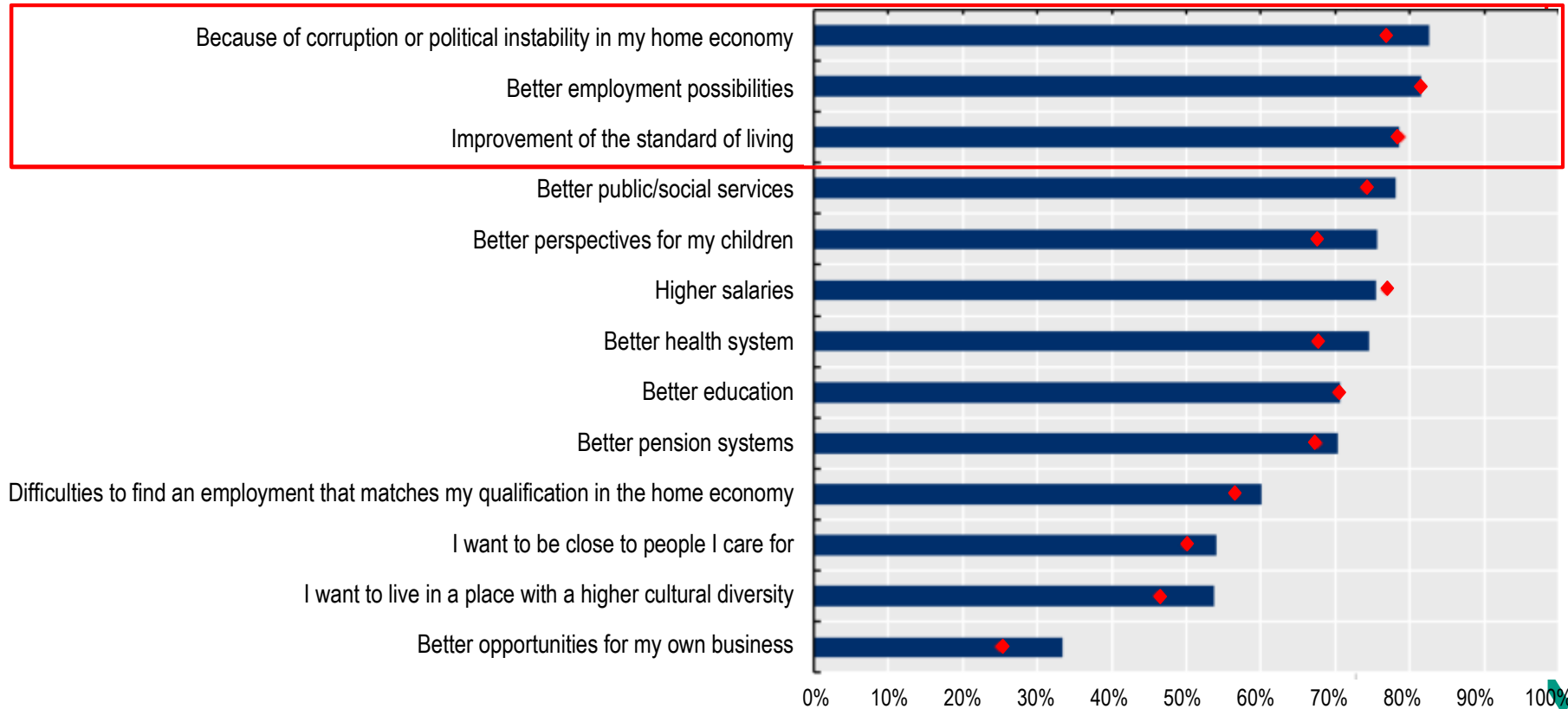
# 1. Characteristics of Migration – Motivations



**A variety of social, economic and political factors drive emigration from Serbia and the region.**

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

■ Important of Very important as % of total WB6 sample    ♦ Important of Very important as % of Serbia sample

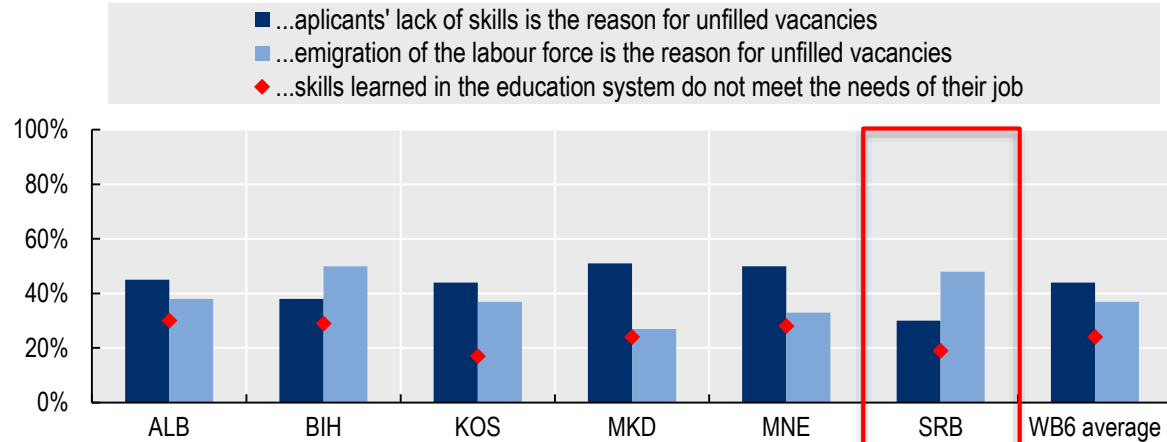


# 1. Characteristics of Migration – Main drivers



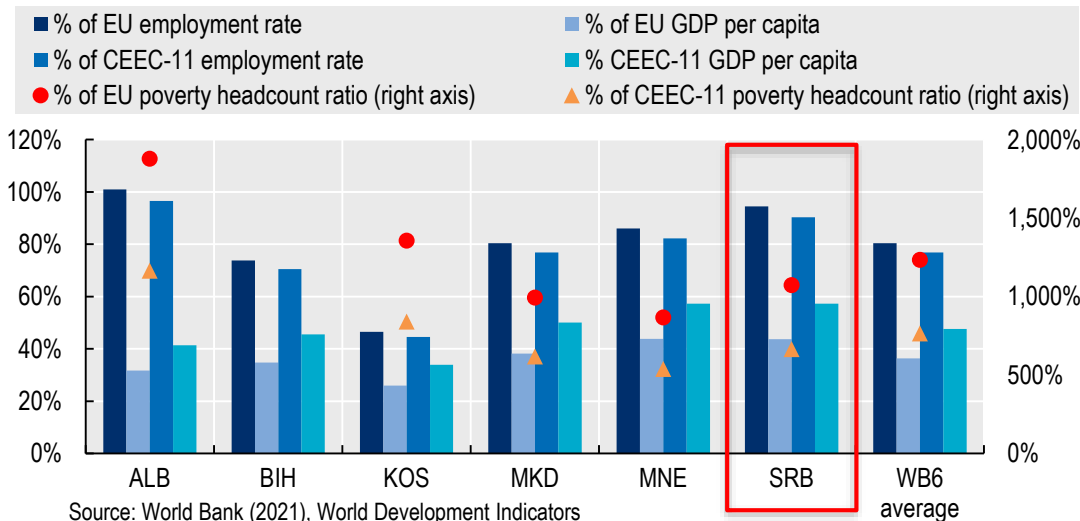
**Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.**

**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.**



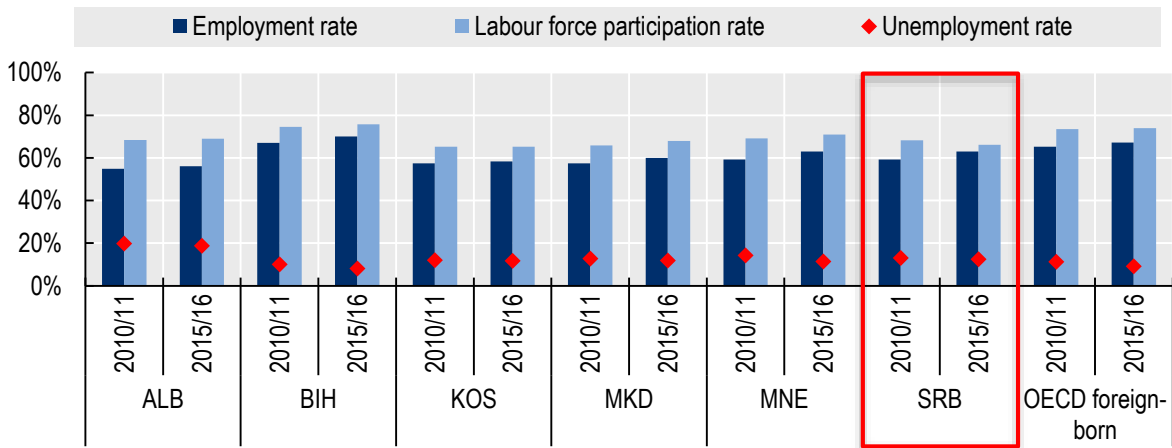


# 2. Labour Market Outcomes in OECD Countries

**Labour market outcomes of Serbian migrants are better compared to other WB6 migrants.**

**But they remain worse than those of the average foreign-born population.**

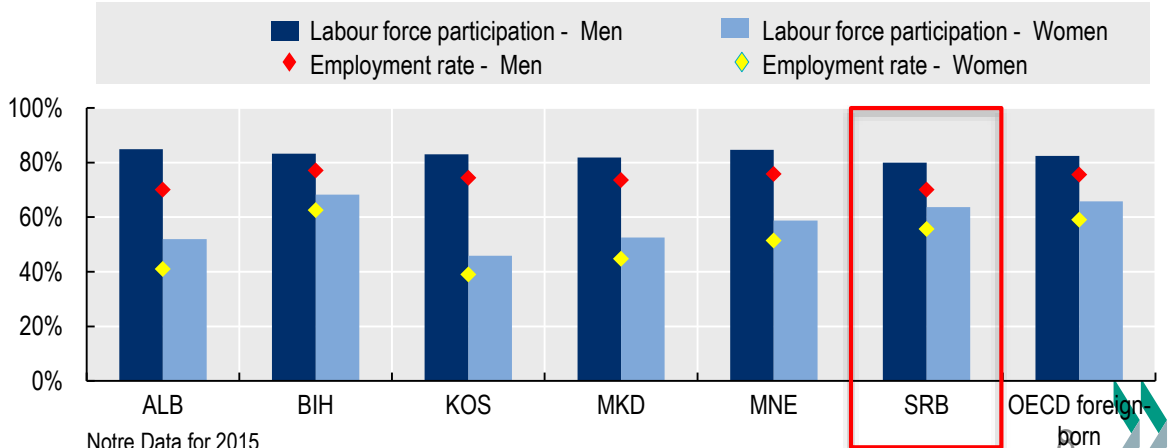
Labour market outcomes of WB6 migrants in OECD countries (aged 15-64)



Source: OECD (2016), DIOC

**Gender gaps in employment outcomes of WB6 migrants are significant, but the gap for Serbian migrants is one of the narrowest among them.**

Gender gaps in employment outcomes of WB6 migrants in OECD countries



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



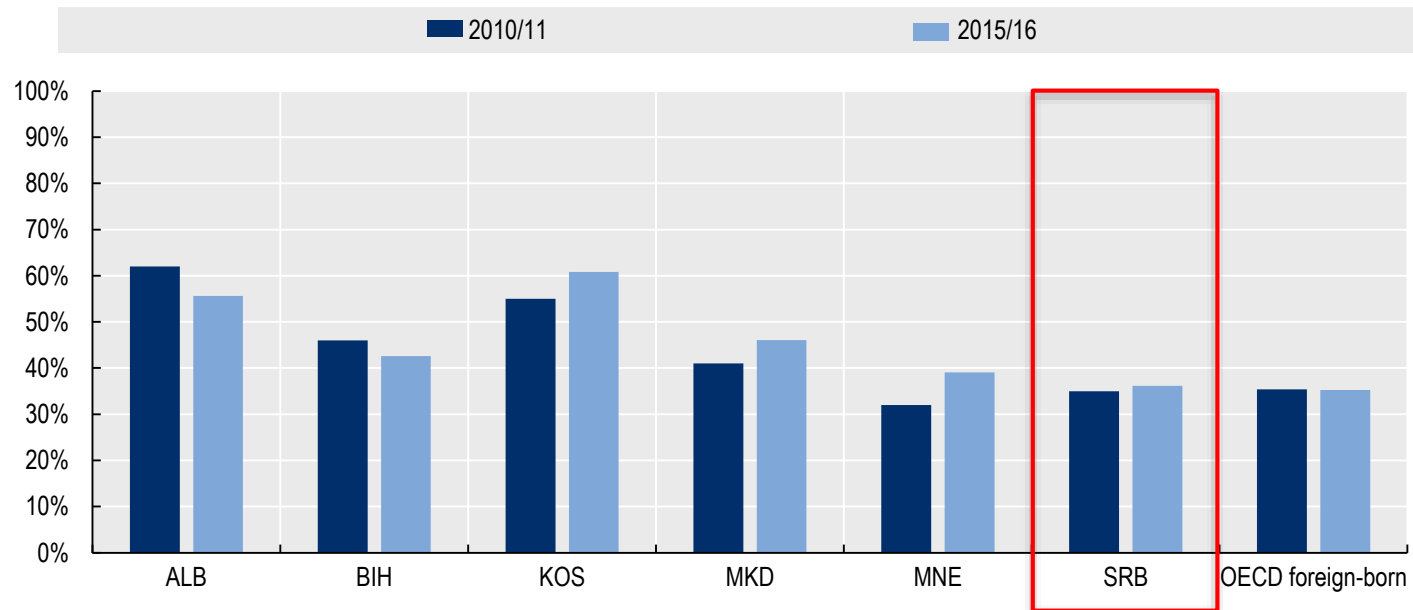




## 2. Labour Market Outcomes in OECD Countries

**36% of highly skilled Serbian migrants are over-qualified for the jobs they do in OECD countries – the lowest share of all WB6 economies.**

**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.

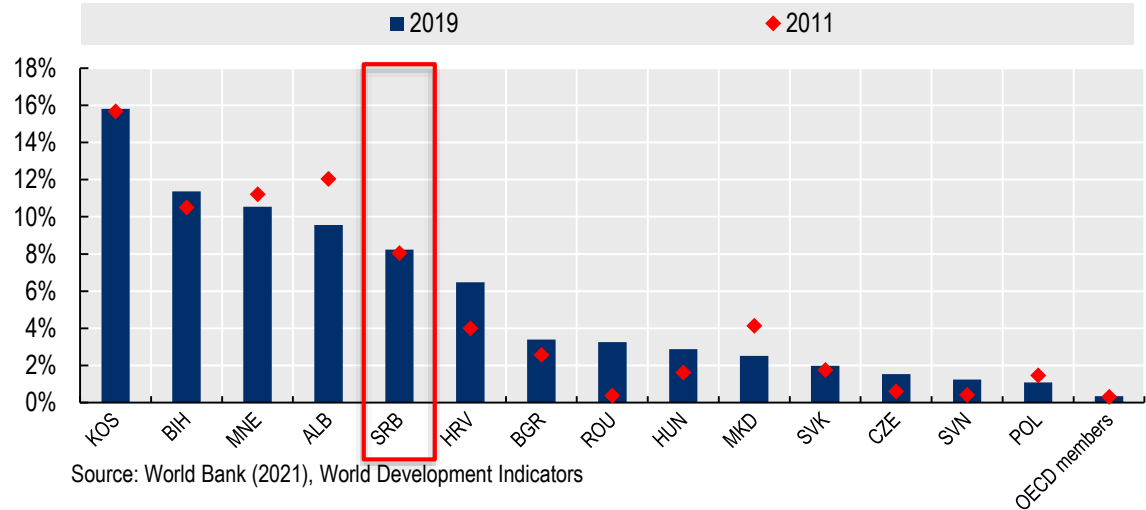




# 3. Remittances as Income and Investment Source

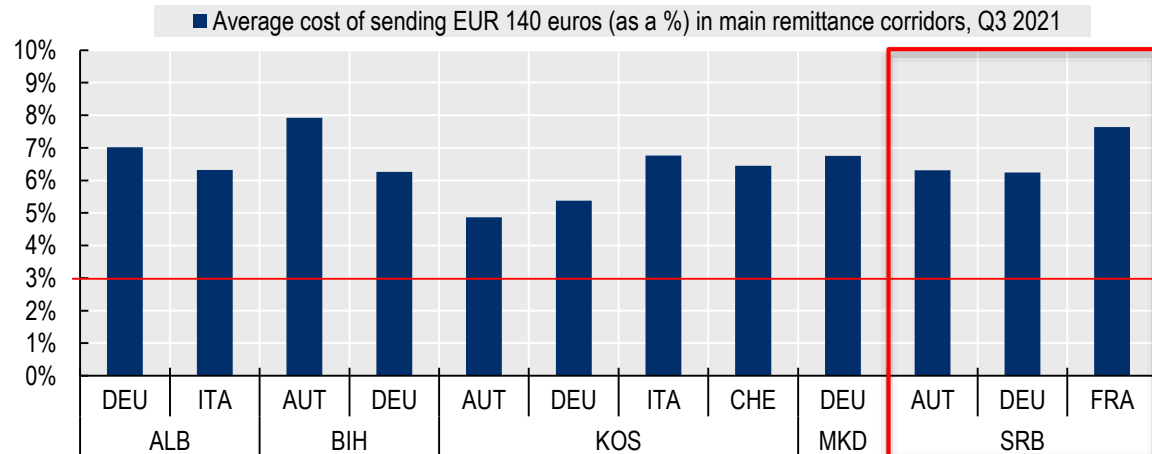
**Serbia received an estimated 8% of its GDP in remittances in 2019, ...**

### 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



Note: The line represents the commitment set by Sustainable Development Goal (SDG) 10.c to reduce the transaction cost of remittances to 3%. For Switzerland, the percentage is calculated as the average costs of sending 160 CHF.  
Source: World Bank (2022), World Bank Remittance Price Worldwide Database





## Serbia has a holistic, multi-year migration strategy in place – the *Economic Migration Strategy of the Republic of Serbia (2021-2027)*.

It concentrates on:

- encouraging and supporting circular and return migration
- reducing emigration push factors
- reaping the development benefits of the diaspora.\*

**Coordination and coherence with other key policy areas that have important interlinkages with migration - such as the employment and education strategies - could be further developed.**



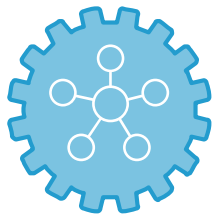


## 5. Way Forward – Policy Recommendations



***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.
- **Mainstream migration policies in Serbia** by integrating migration aspects into other (e.g. employment and education) policy strategies to ensure policy coherence.



***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.*

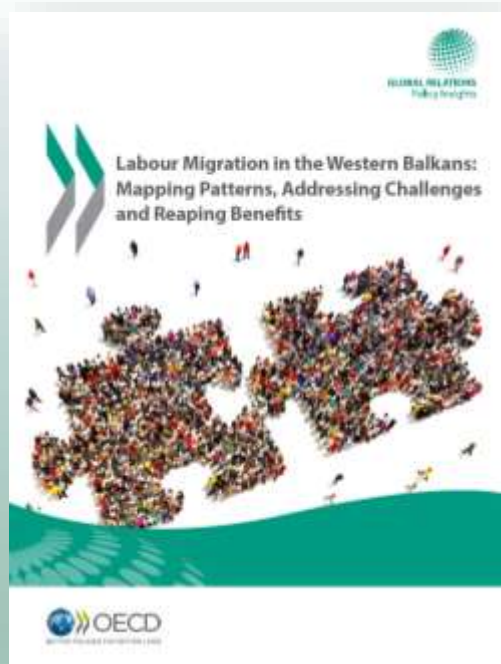
- Build trust and strengthen the **engagement with the diaspora** by capitalising on the many and active diaspora associations that already exist in the region.
  - Make the most of the **diaspora's skills and financial resources** by encouraging diaspora knowledge transfers, formalising remittances and attracting diaspora investments more strategically.
  - Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.
- **Continue developing national and local policy frameworks in Serbia to support diaspora and return migration investments**, especially when it comes to **supporting business start-ups** that could generate important job creation.
  - **Further encourage the return of students and knowledge transfers of the scientific and professional diaspora in Serbia.**
  - **Build on the Science Fund in Serbia**, which is a good platform to further **strengthen knowledge transfers** while **promoting the short- and long-term return of the scientific diaspora.**



**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**

**Serbia here:** [oe.cd/LMSRB](http://oe.cd/LMSRB)

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