



Labour Migration in Kosovo* – How to make the most of it?

Roundtable meeting

Pristina, 29 September 2022

OECD Global Relations **South East Europe**

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

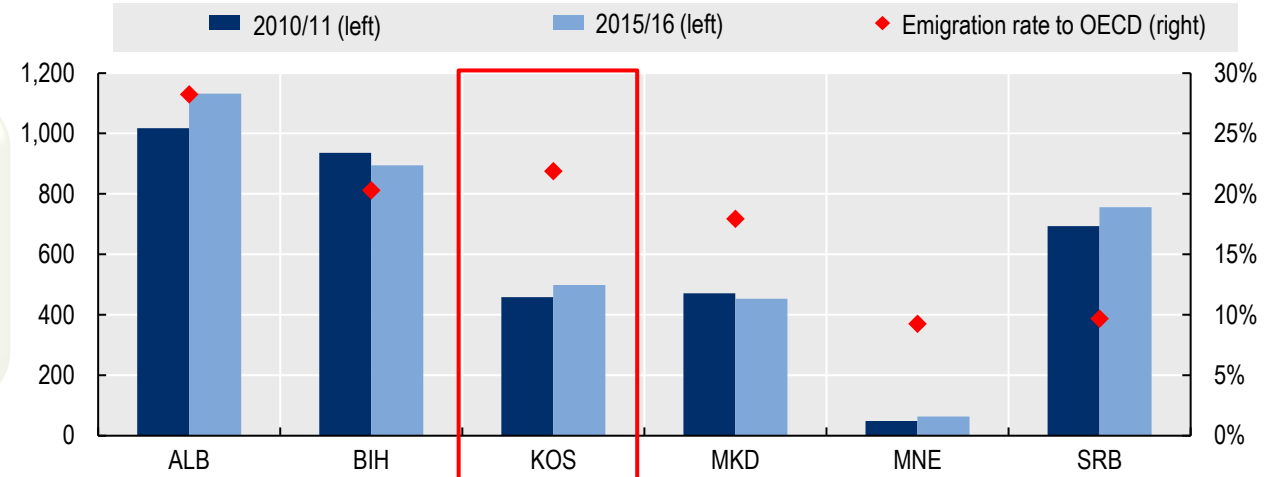


1. Characteristics of Migration – Trends



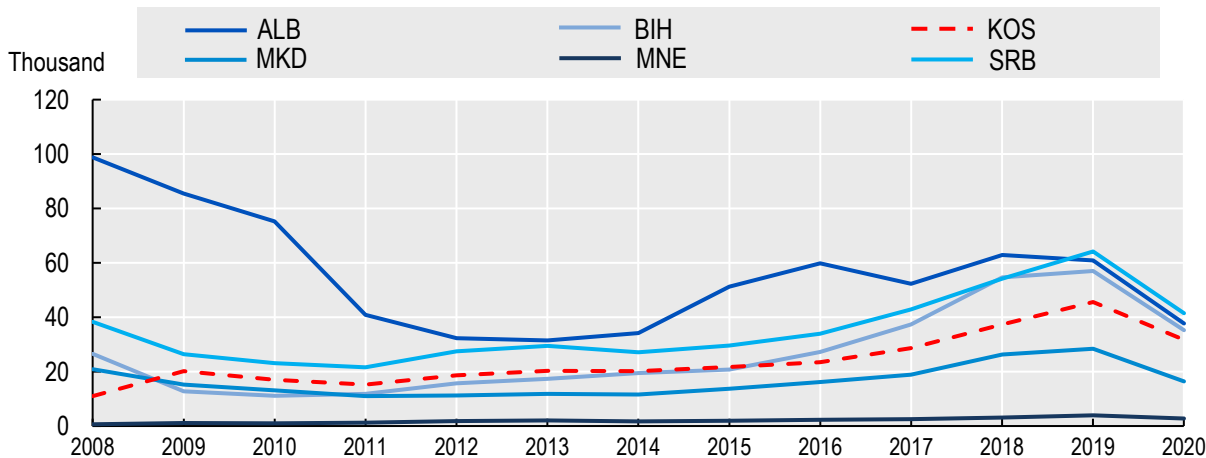
Kosovo has one of the highest emigration rates in the region with 22% of its population living in OECD countries.

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 tripled between 2011 and 2019.

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



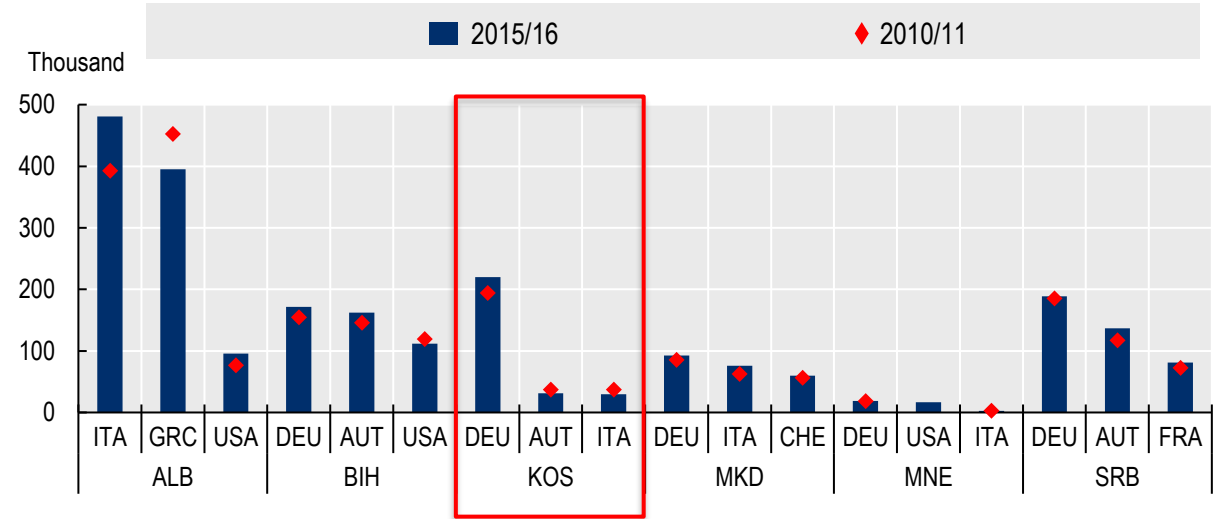
1. Characteristics of Migration – Destinations



Kosovar migrants are predominantly living in Germany, and a handful of traditional OECD destination countries...

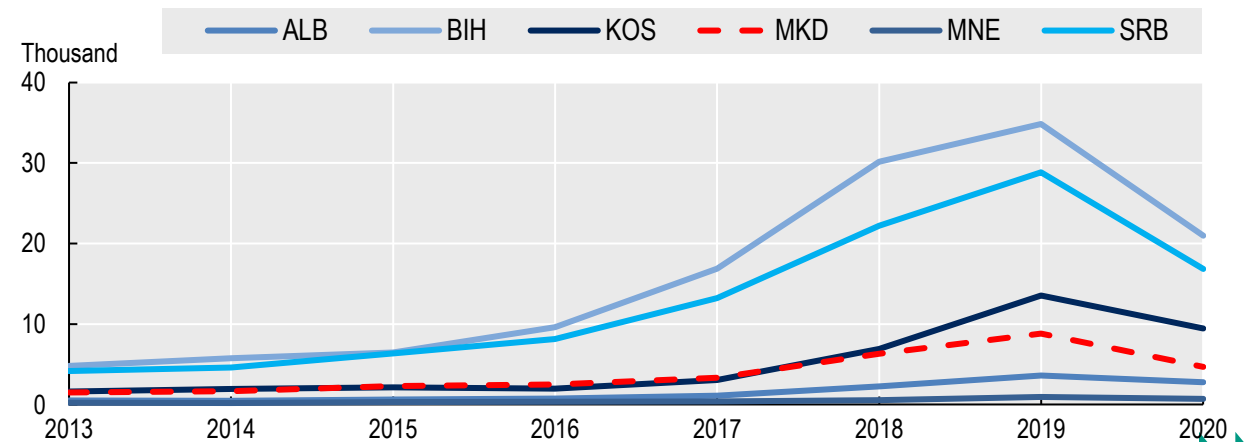
...but emigration to Central Eastern European countries increased by more than seven times since 2013 until the start of the COVID-19 pandemic.

Top OECD destination countries of WB6 migrants



Source: OECD (2016), DIOC

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

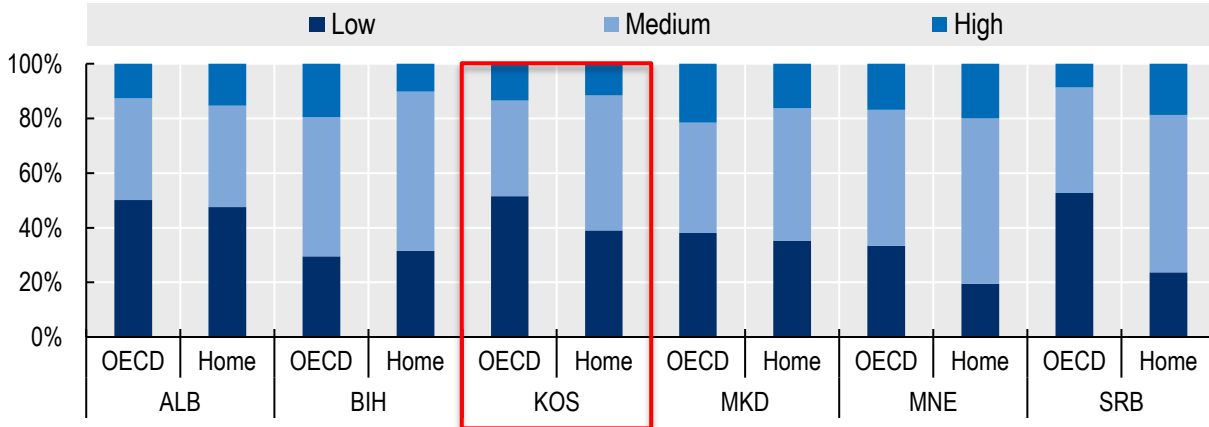


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia. 4
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

1. Characteristics of Migration – Education levels



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



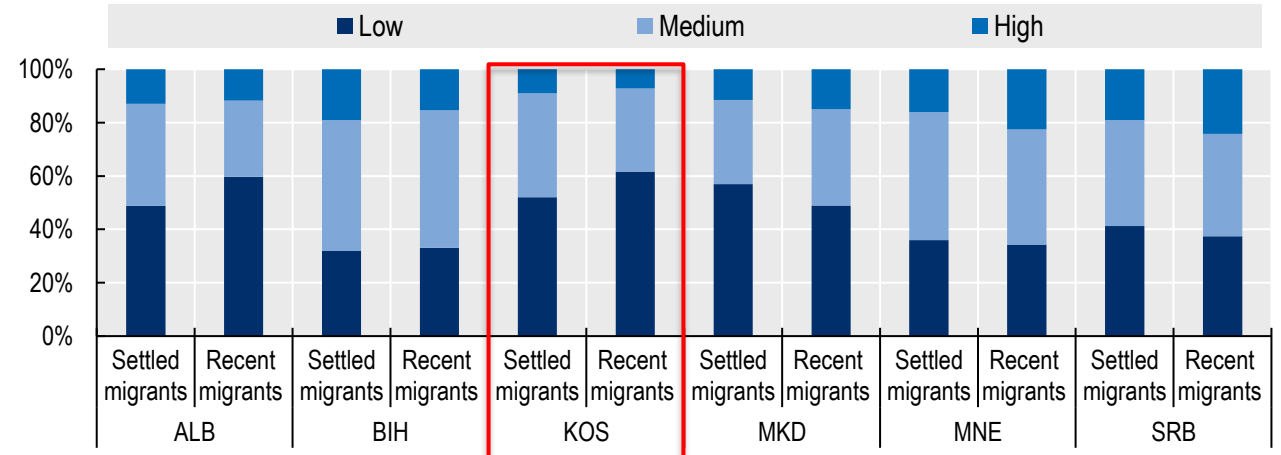
Note: Data for 2015.

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)

There is a higher share of both low-educated and highly educated Kosovar diaspora compared to the average education level of the population at home.

More recent migrants from Kosovo are less educated than those who arrived earlier.

Distribution of education levels among WB6 migrants in OECD countries by duration of stay



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



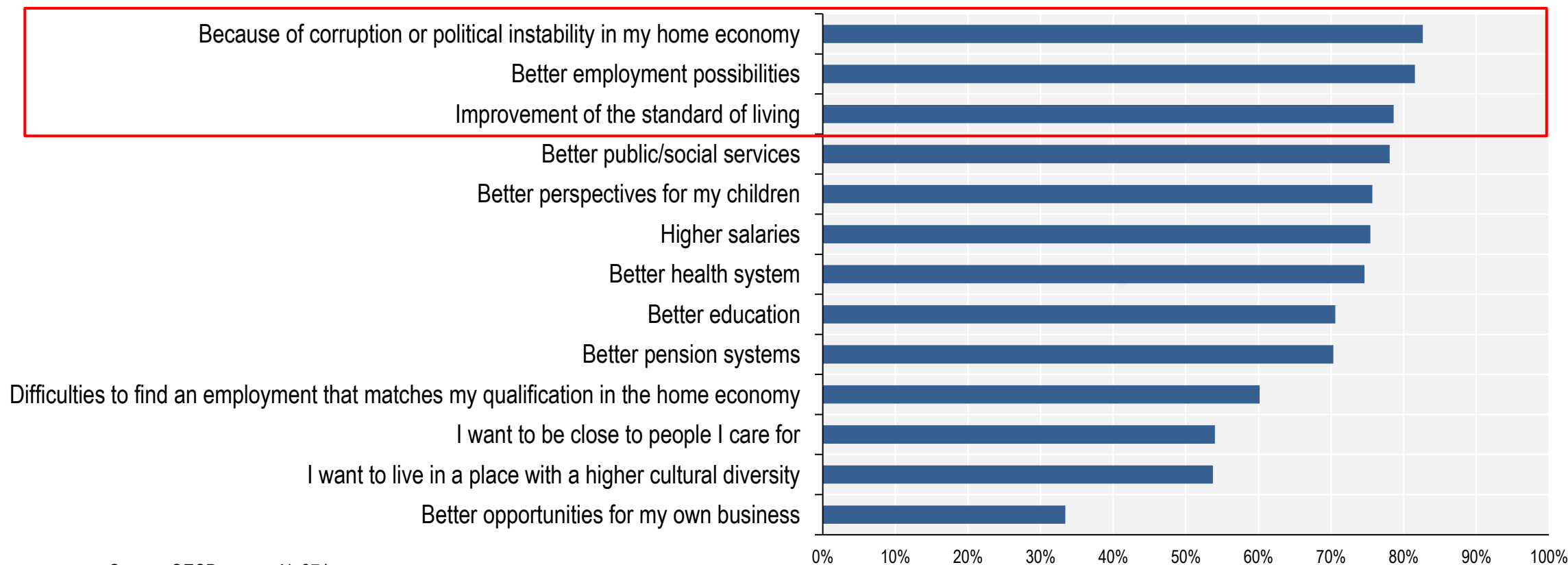
1. Characteristics of Migration – Motivations



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.

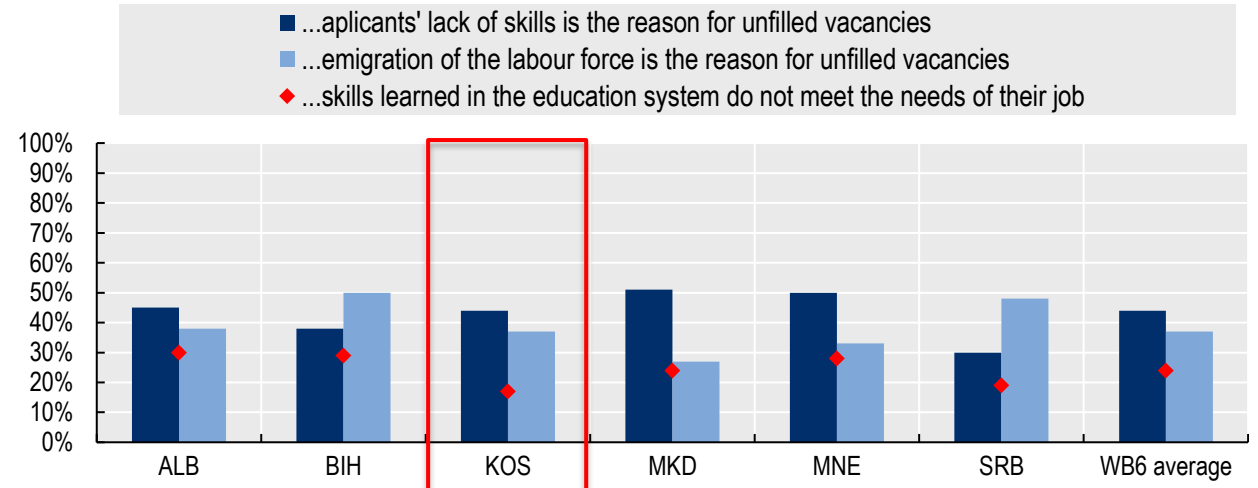


1. Characteristics of Migration – Main drivers



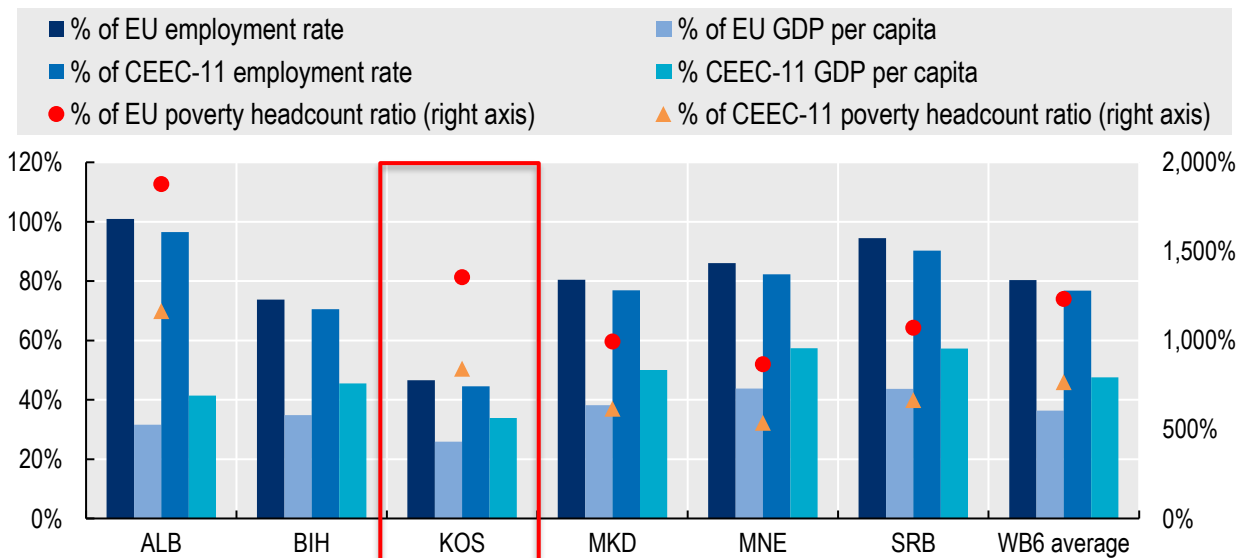
Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.

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

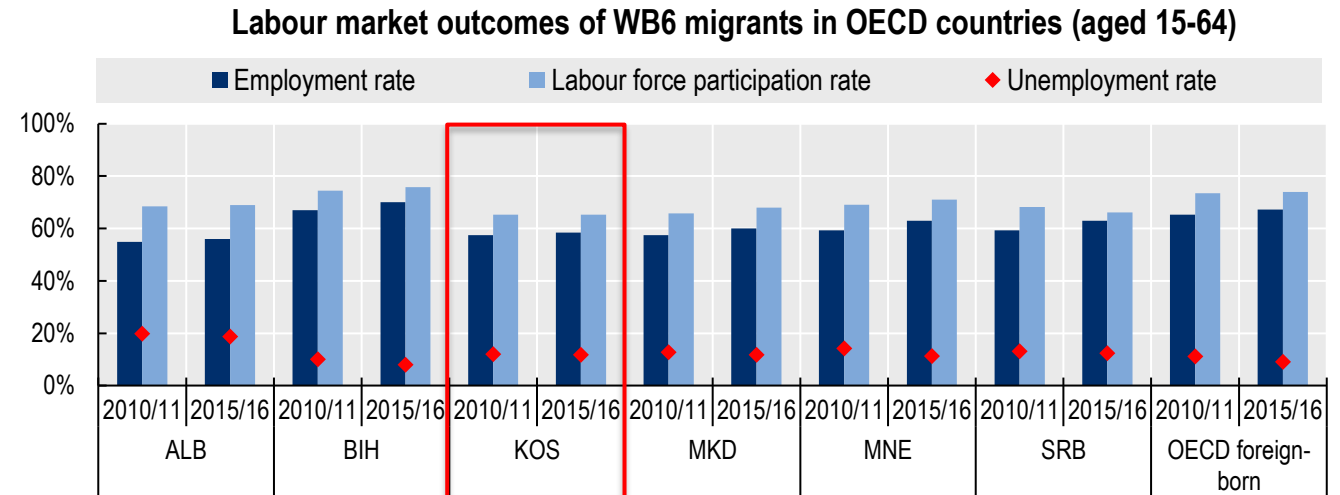
Development gaps with EU and Central Eastern European Countries remain large.



2. Labour Market Outcomes in OECD Countries

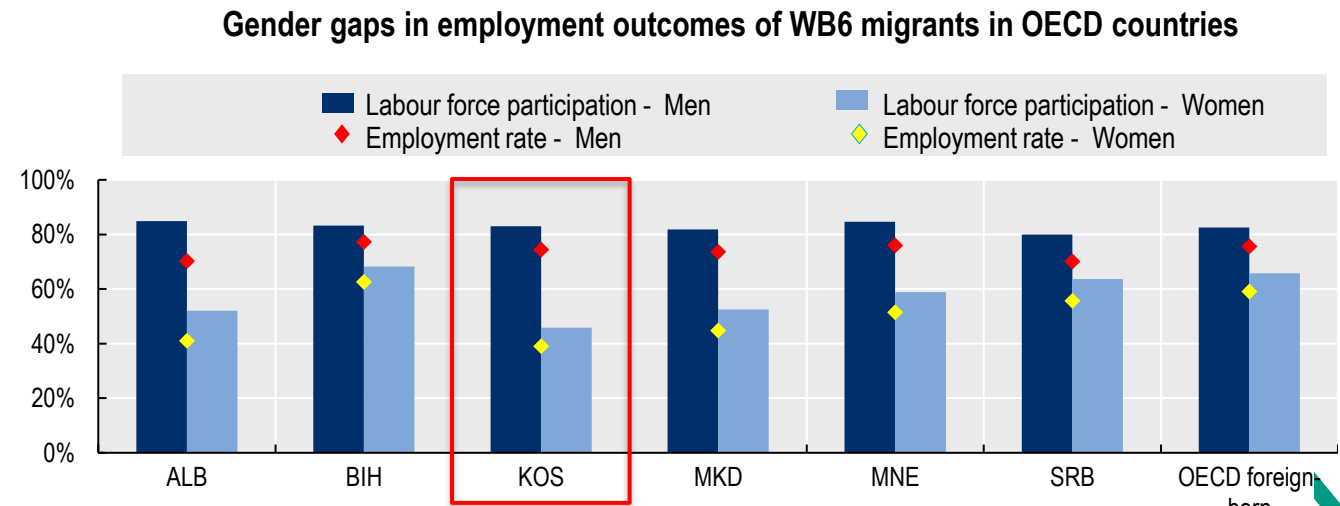


Labour market outcomes of Kosovar migrants are slightly worse than other WB6 migrants and worse than those of the average foreign-born population.



Source: OECD (2016), DIOC

Gender gaps in employment outcomes of WB6 migrants are significant, and the gender gap for Kosovar migrants are larger than for other WB6 migrants.

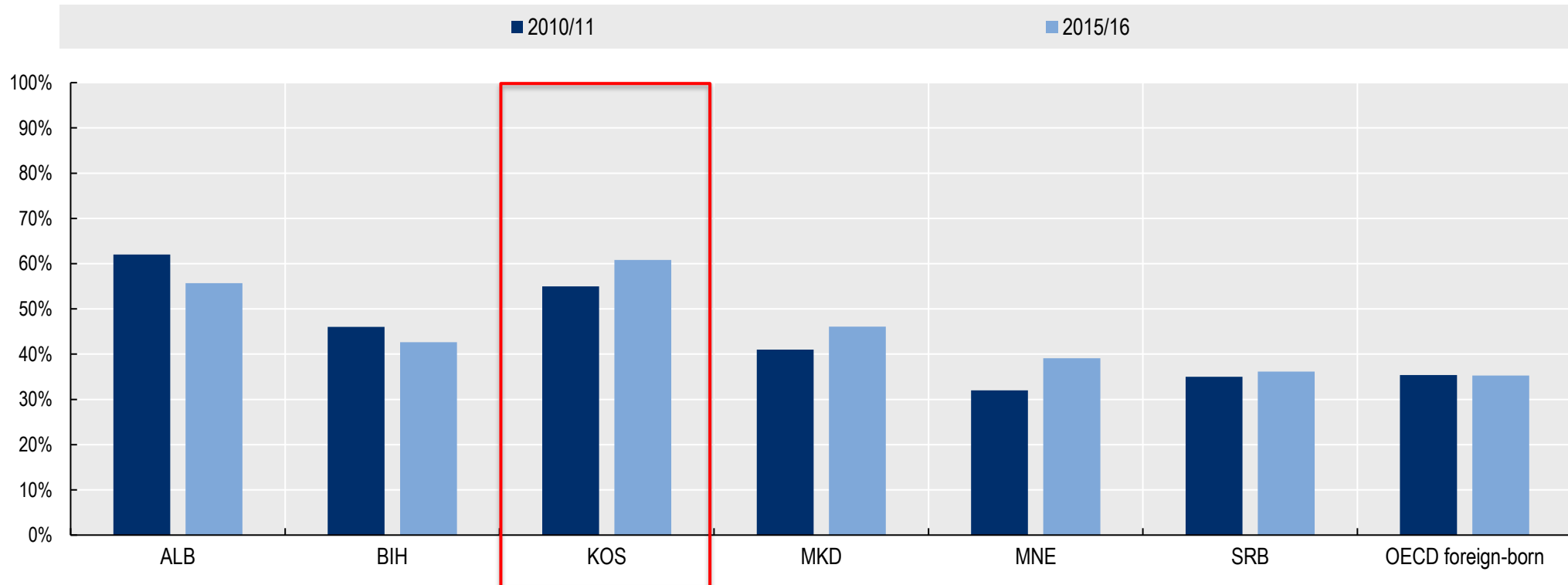


Notre Data for 2015
Source: OECD (2016), DIOC



More than half of highly skilled Kosovar migrants are over-qualified for the jobs they do in OECD countries – the highest share among the WB6 migrants.

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.

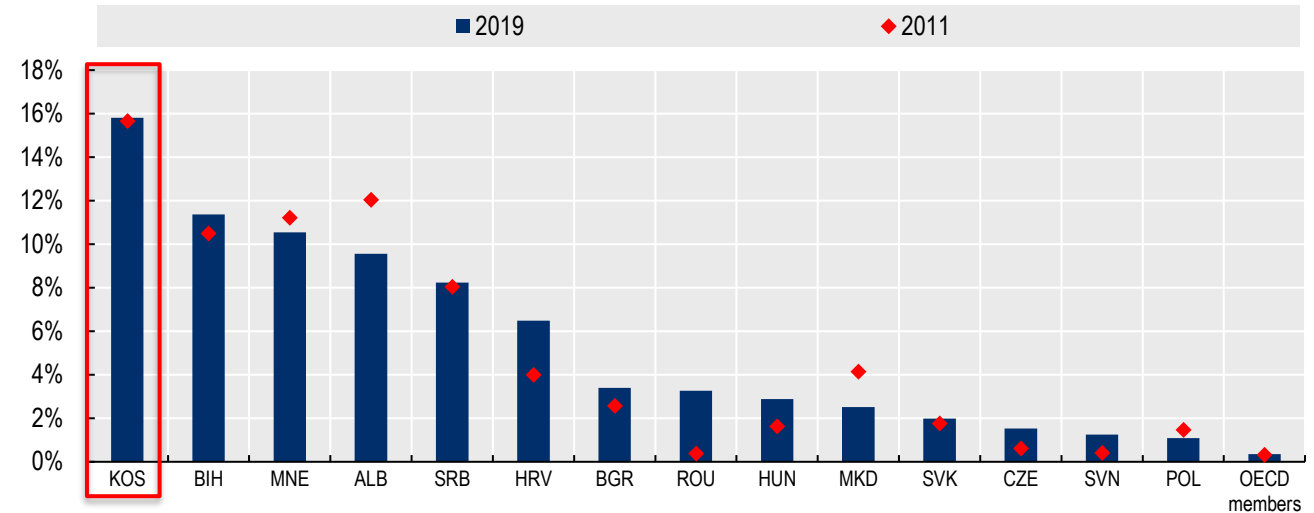


3. Remittances as Income and Investment Source



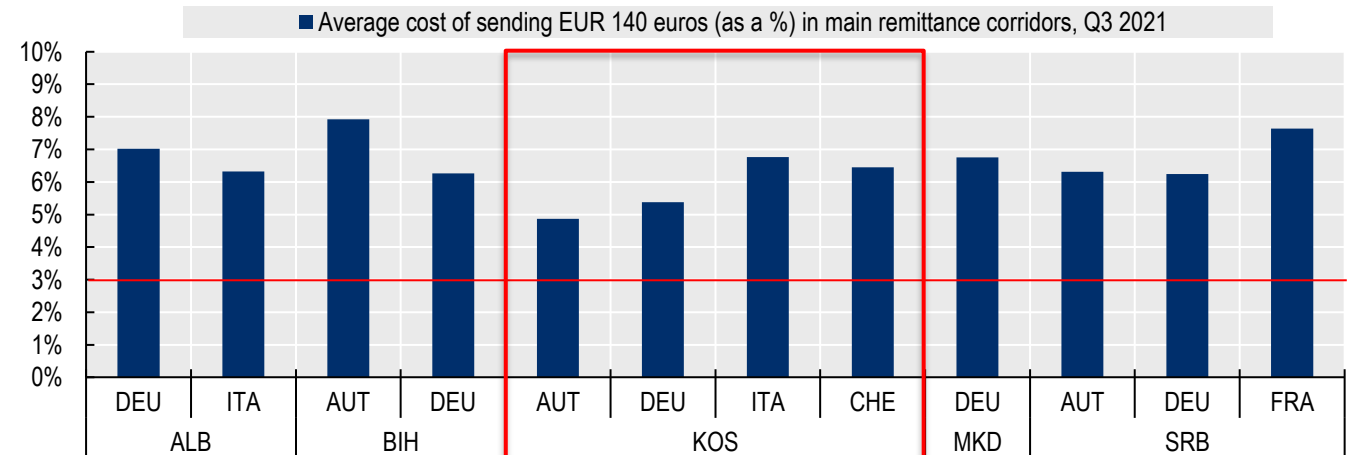
Kosovo received an equivalent of 15.8% of its GDP in remittances in 2019, the highest among the WB6 economies.

Remittance inflows to WB6 economies and selected CEE countries



Source: World Bank (2021), World Development Indicators

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

However, there are barriers (e.g. high transfer costs) preventing their full investment potential.



4. Migration and Diaspora Policies in Kosovo



Kosovo's main migration policy strategy is the **Strategy on Migration (2021-2025)**.

It concentrates on:

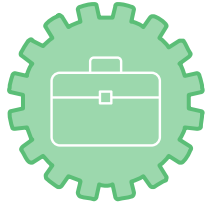
- Management of regular migration;
- Ensuring safe, orderly and regular migration;
- Management of internal migration;
- Advancing in the area of migration management and the international protection system.

While a draft strategy for diaspora engagement was prepared, the **Strategy for Diaspora (2019-2023)** has not been adopted.

The strategic framework can be reinforced by e.g.:

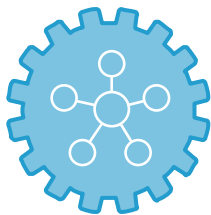
- Developing the strategic and institutional framework to support diaspora investment and knowledge transfers;
- Create an enabling environment for remittance transfers and investment





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

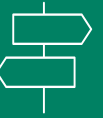
- Reinforce **migration management** by improving institutional co-ordination and boosting migration data collection.
- Support migrants' **employment outcomes abroad** by strengthening and harmonising curricula and skills recognition systems, and using partnerships with destination countries.
- Enhance the positive outcomes of co-operation with destination countries when it comes to **skills mobility partnerships**. When designing partnerships, 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.



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.

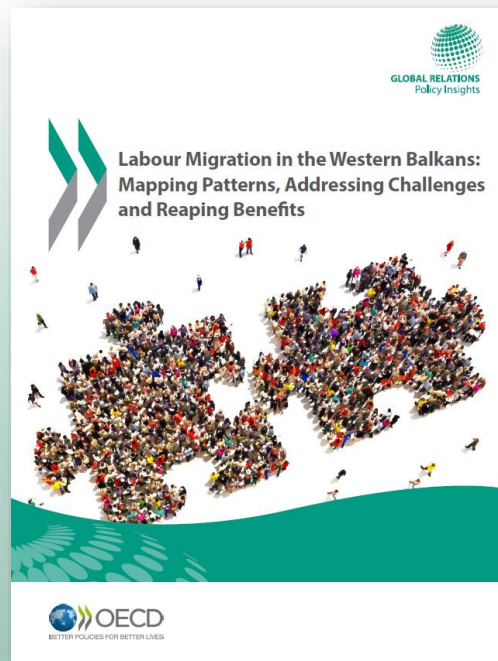
- Build trust and strengthen the **engagement with the diaspora** by capitalising on the many and active diaspora associations that already exist in the region.
- **Create an enabling environment for remittance transfers and investment to make the most of the large inflows of remittances.** This work 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.
- **Develop a national 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 national programme for diaspora engagement is key to supporting any development contribution.
- Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.



Thank you for your attention!

For further information, please consult our website:

www.oecd.org/south-east-europe



Find the full publication here: oe.cd/labourmigration

Find the key findings for Kosovo here: oe.cd/LMKOS

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