



Labour Migration in North Macedonia – How to make the most of it?

Roundtable meeting

Skopje, 27 September 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

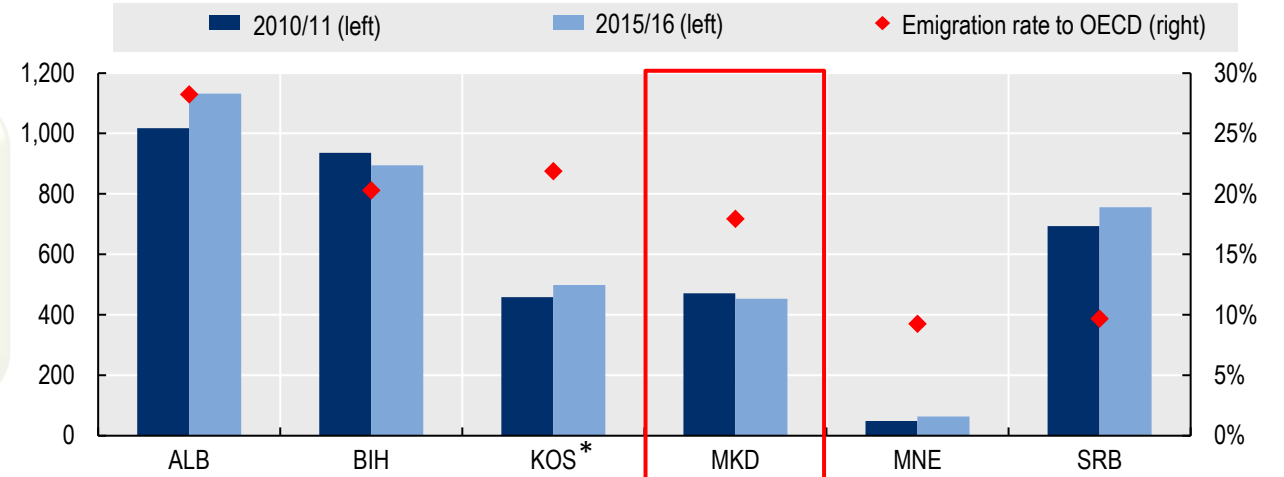


1. Characteristics of Migration – Trends



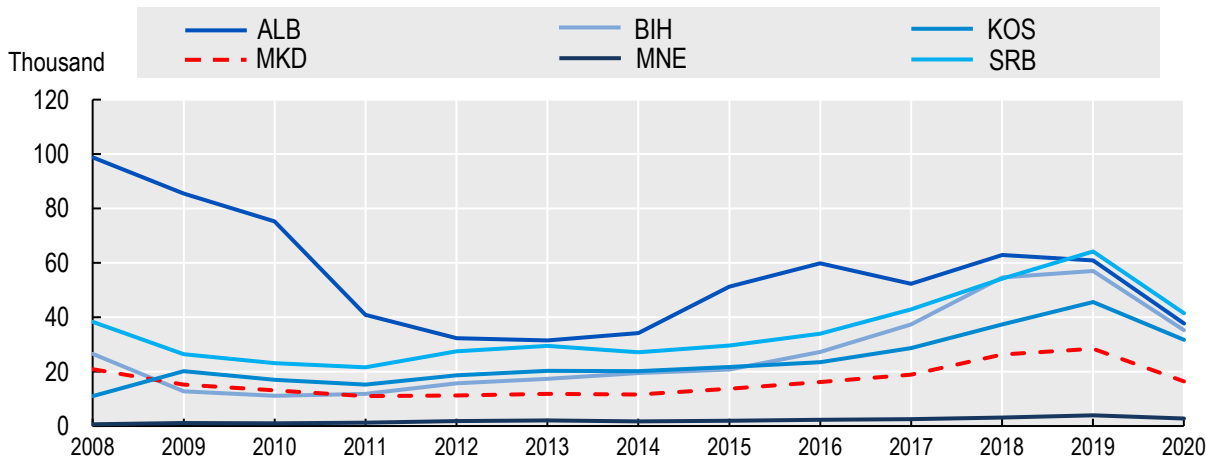
North Macedonia has one of the lowest emigration rates in the region with 18% of its population living in OECD countries.

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 increased by 1.5 times between 2011 and 2019.

However, with the COVID-19 pandemic, it declined by 42% in 2020.

* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.



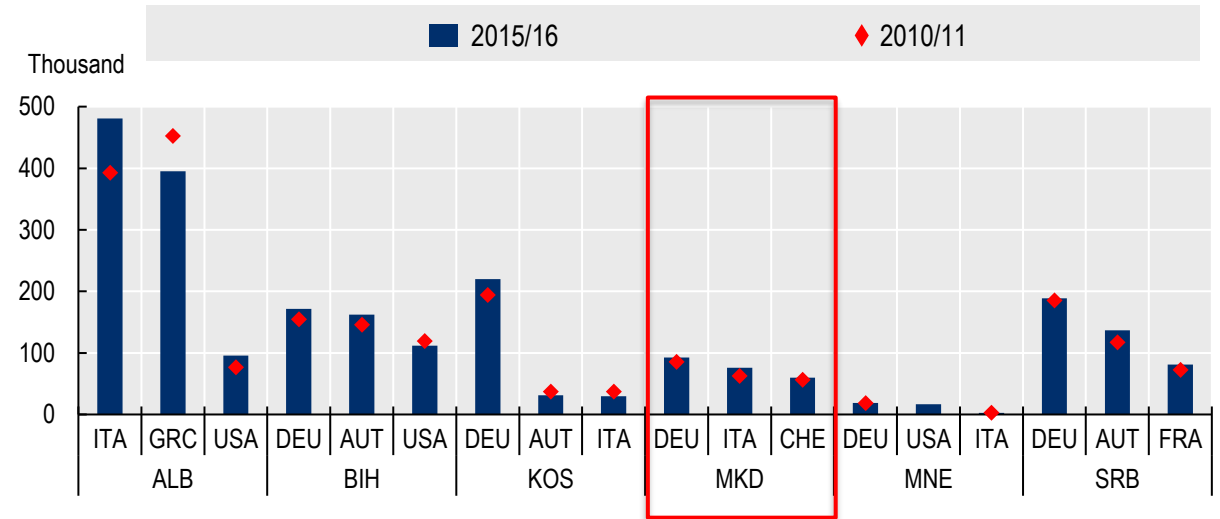
1. Characteristics of Migration – Destinations



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

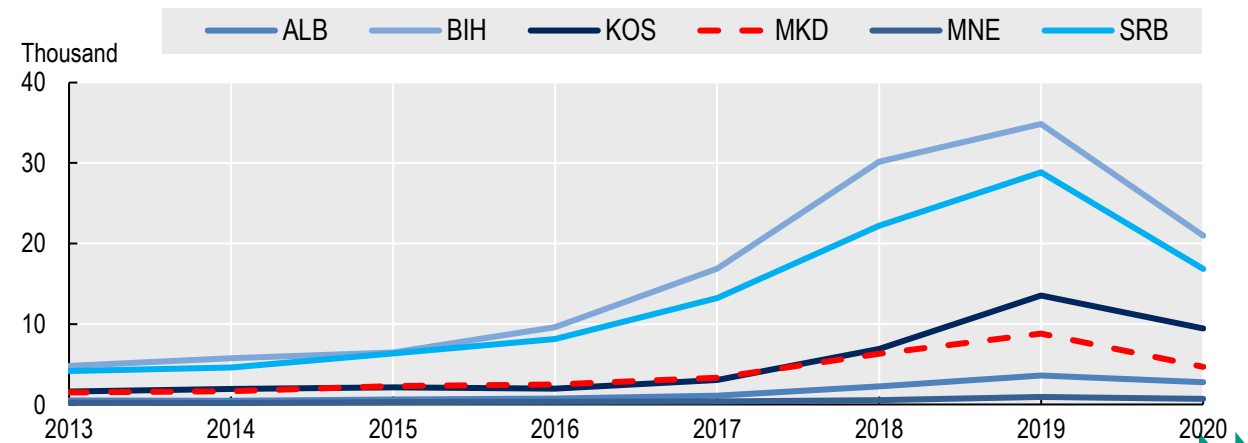
...but emigration to Central Eastern European countries increased by almost five times since 2013 until the start of the COVID-19 pandemic.

Top OECD destination countries of WB6 migrants



Source: OECD (2016), DIOC

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

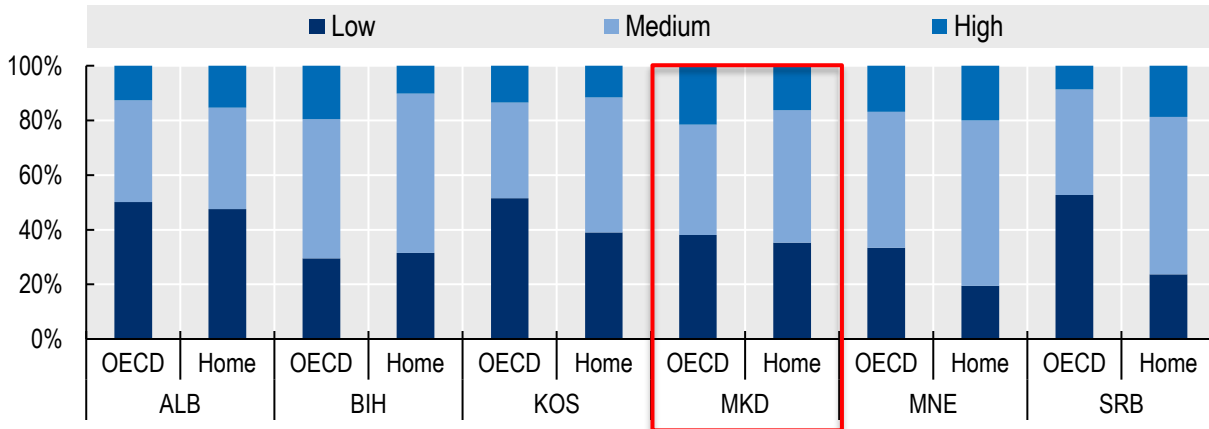


Note: CEE countries are Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, and Slovenia. 4
Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST]

1. Characteristics of Migration – Education levels



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



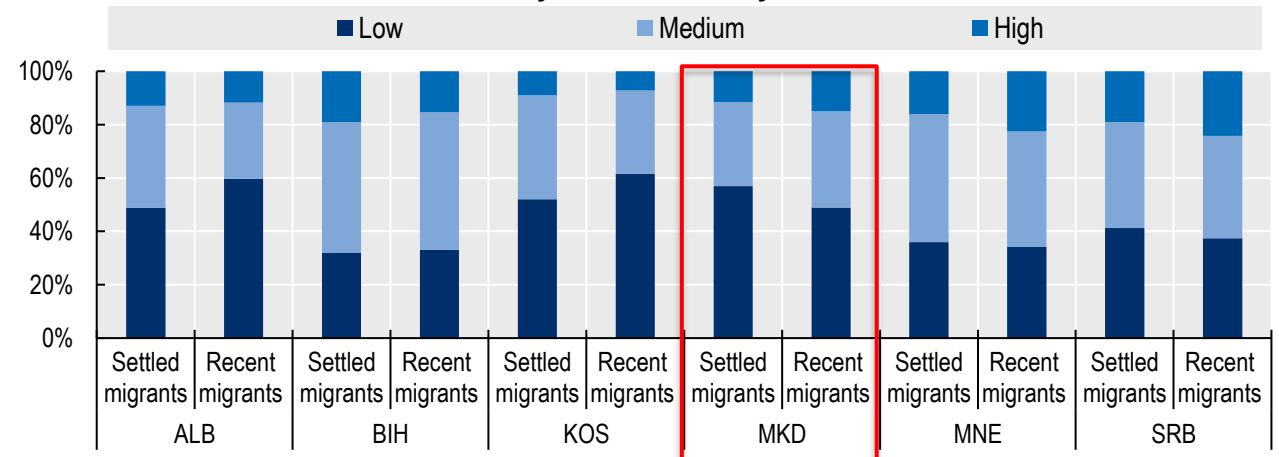
Note: Data for 2015.

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 Macedonian diaspora compared to the average education level of the population at home.

More recent migrants from North Macedonia are more 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



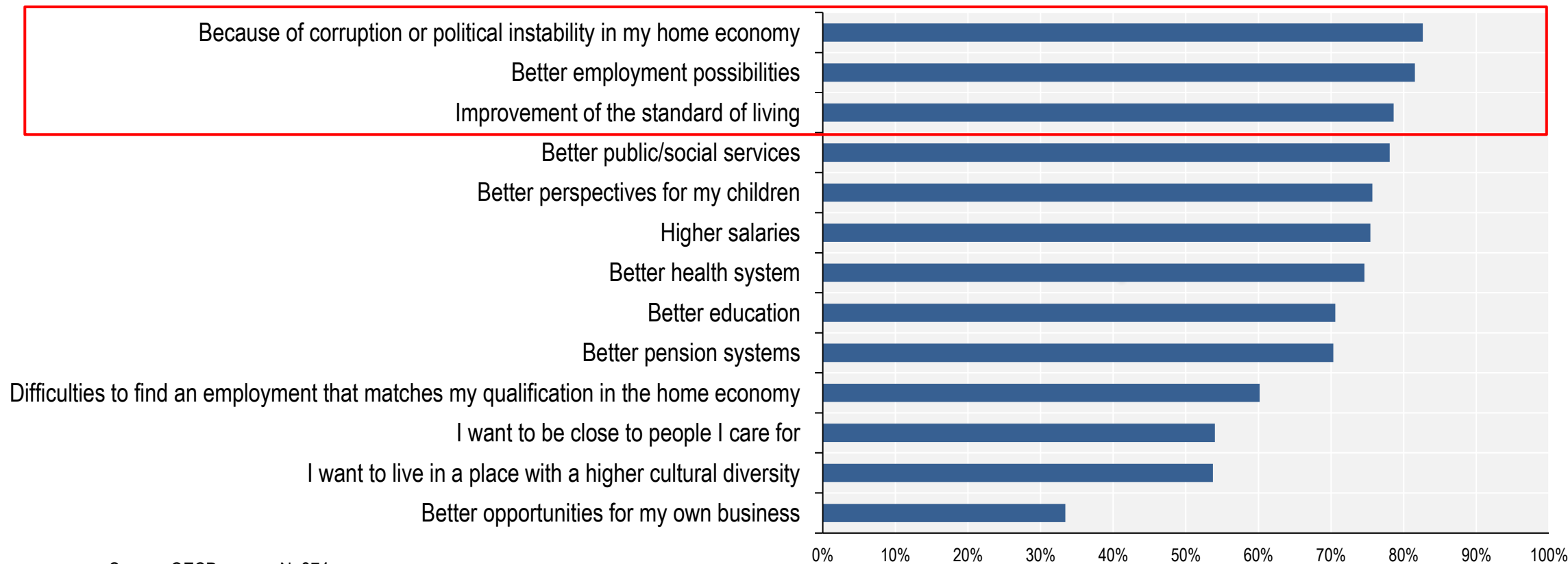
1. Characteristics of Migration – Motivations



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.

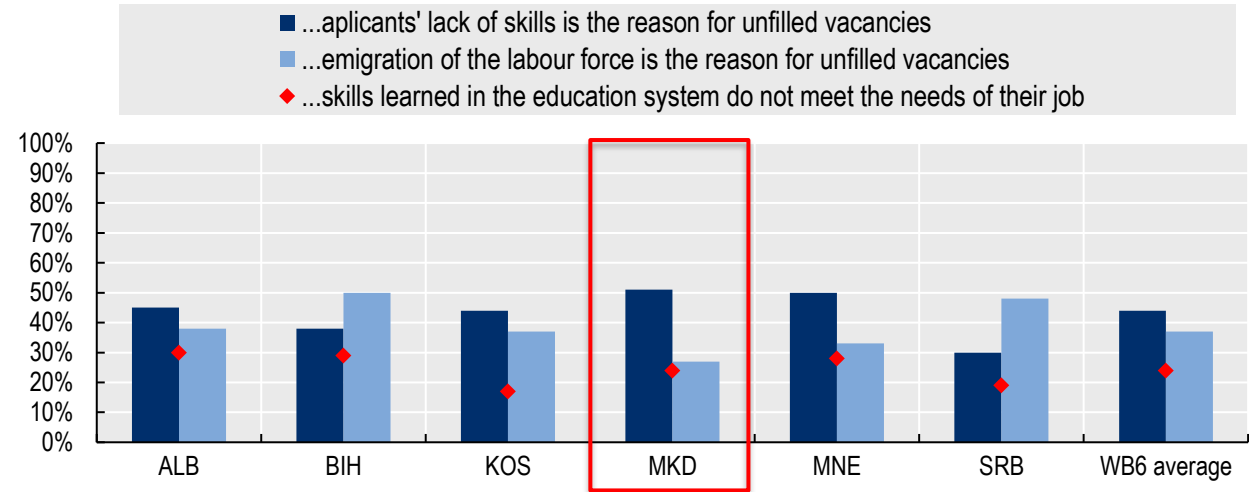


1. Characteristics of Migration – Main drivers



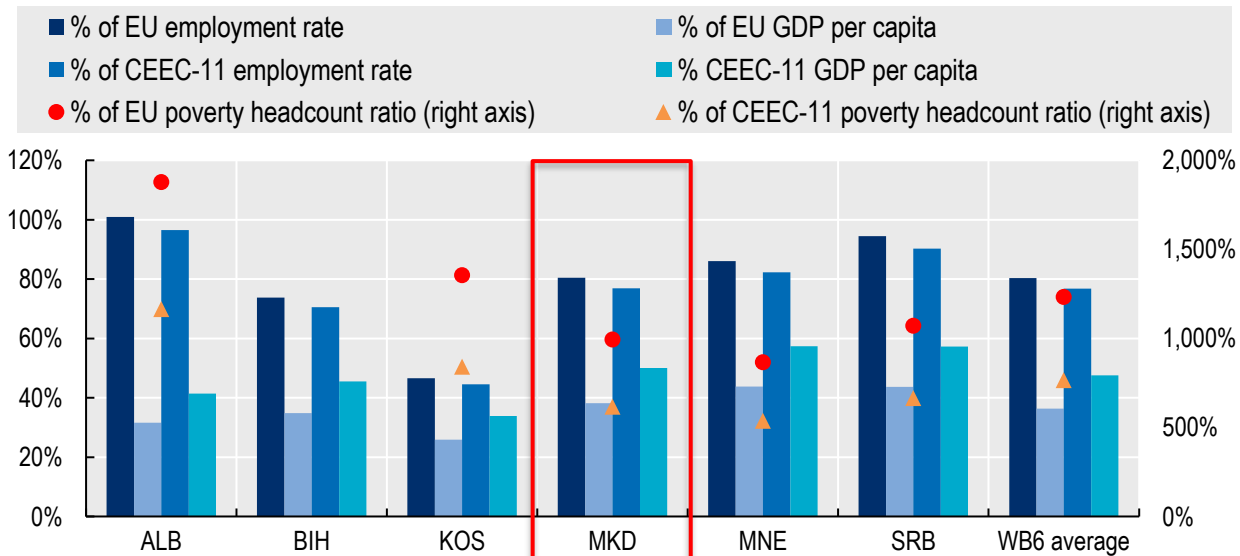
Education systems have difficulties producing needed skills, reinforcing skills mismatches and shortages.

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

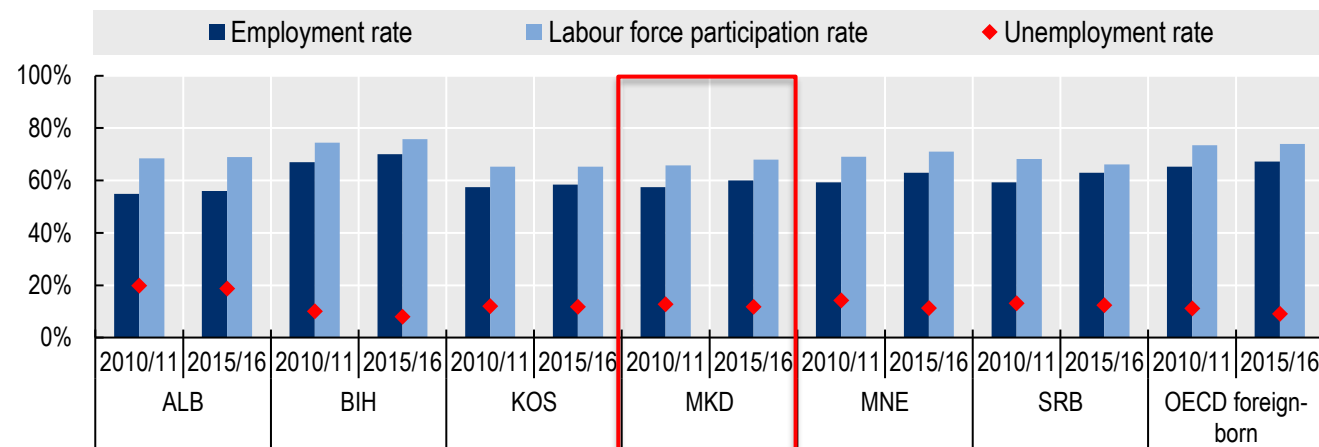


Labour market outcomes of Macedonian migrants are comparable to other WB6 migrants.

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

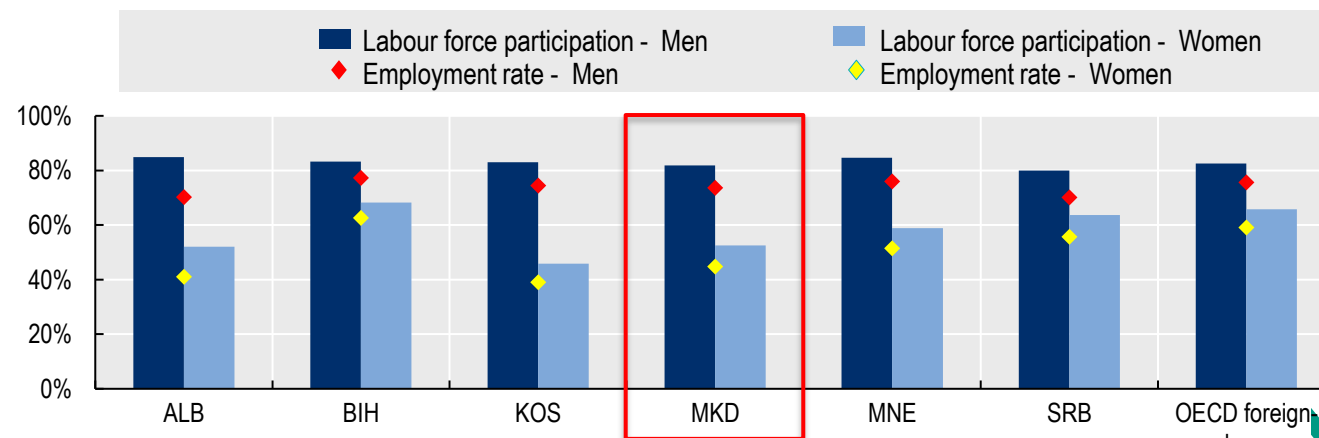
Gender gaps in employment outcomes of WB6 migrants are significant, and the gaps for Macedonian migrants are larger than the WB6 average.

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



Source: OECD (2016), DIOC

Gender gaps in employment outcomes of WB6 migrants in OECD countries



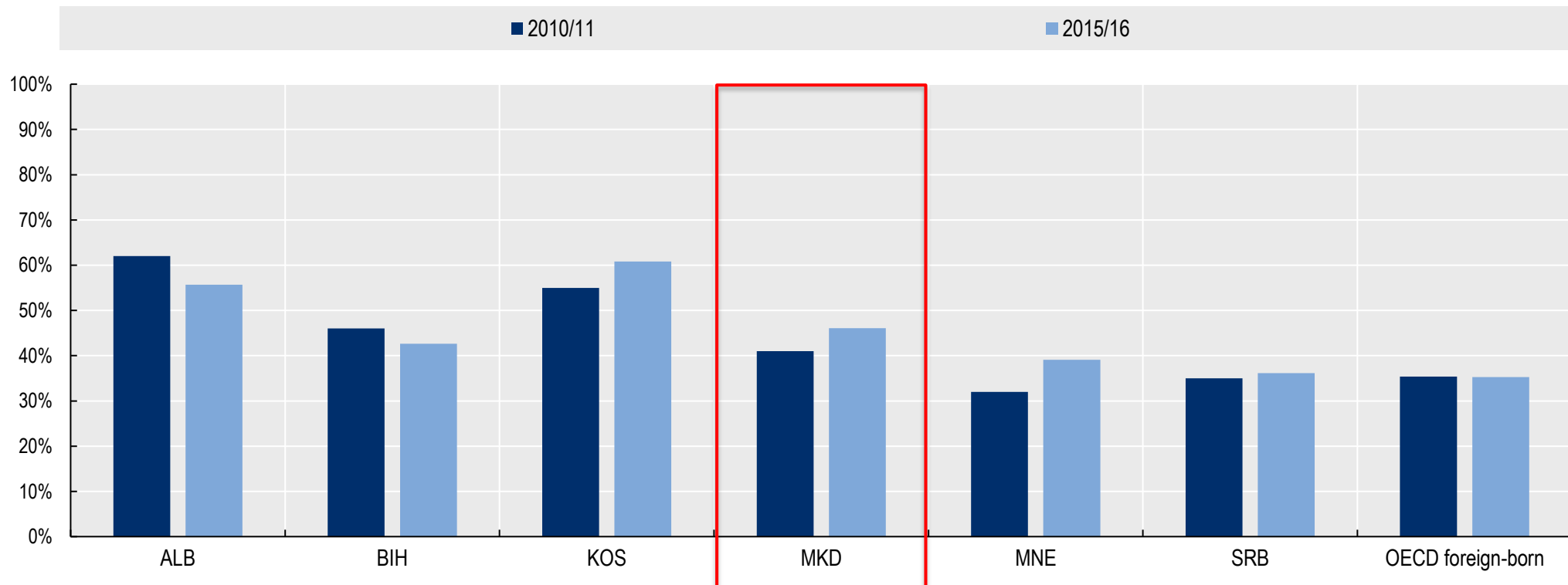
Notre Data for 2015
Source: OECD (2016), DIOC





Almost half of highly skilled Macedonian migrants are over-qualified for the jobs they do in OECD countries – a share slightly higher 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.

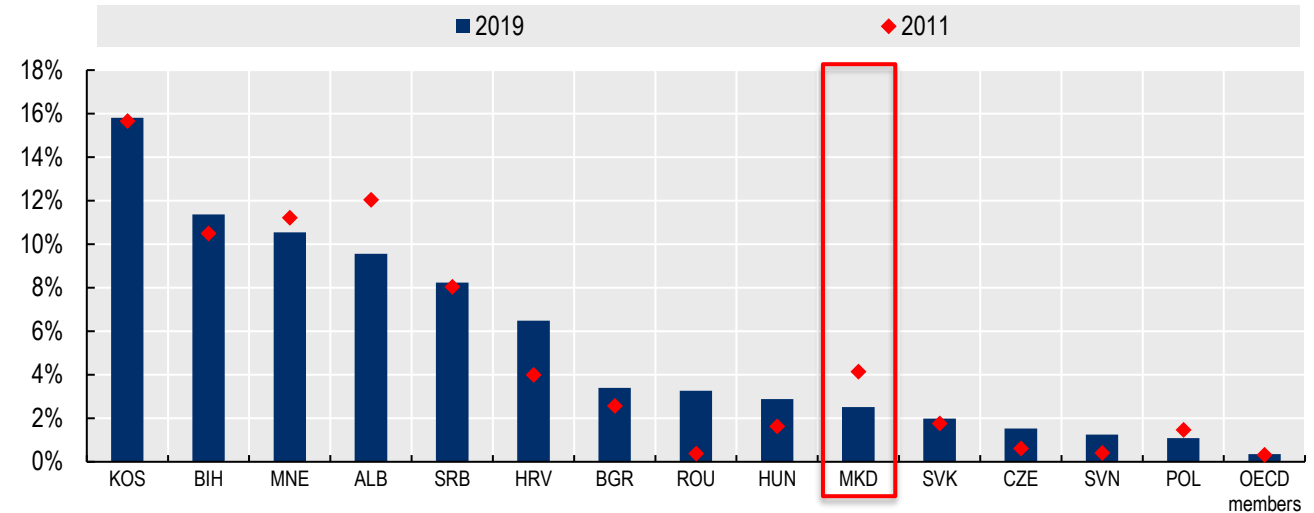


3. Remittances as Income and Investment Source



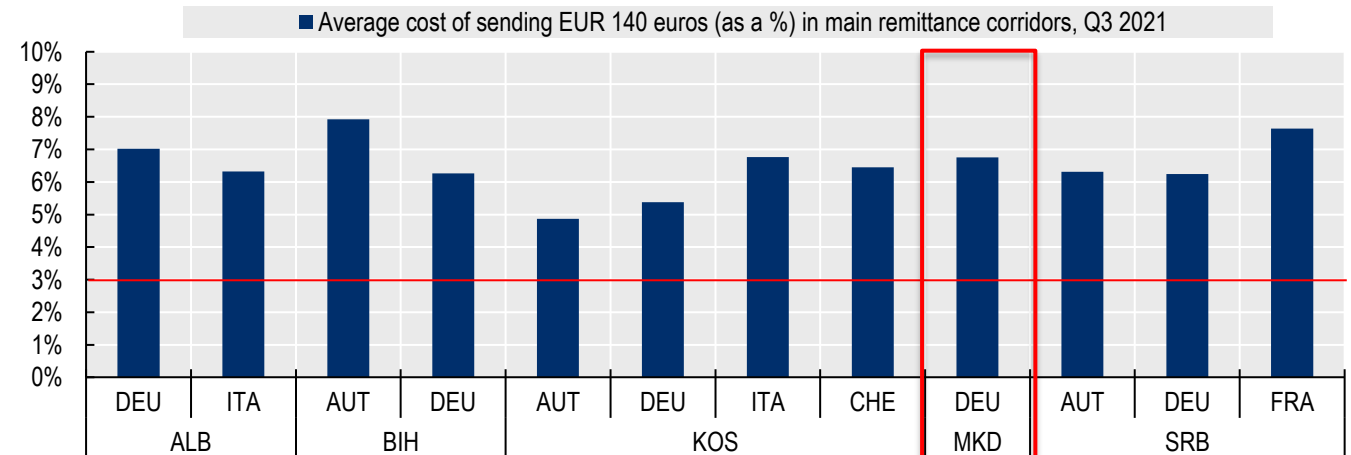
North Macedonia received remittances equivalent to an estimated 2.5% of its GDP in 2019, a smaller share than other WB6 economies.

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

There are barriers (e.g. high transfer costs) preventing their full investment potential.



4. Migration and Diaspora Policies in North Macedonia



North Macedonia's main migration policy strategy is the **Resolution on Migration Policy (2021-2025)**.

A strategy for diaspora engagement is also in place: **National Strategy for Cooperation with Diaspora (2019-2023)**.

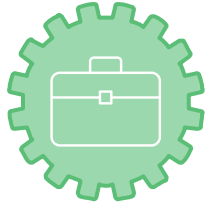
It concentrates on:

- Improving the regulatory framework and the institutional capacities to support political and social inclusion of the diaspora
- Build trust and establishing and expanding the cooperation with the diaspora in different areas (education, science and youth, culture)

However, **the strategic framework can be reinforced** by for example:

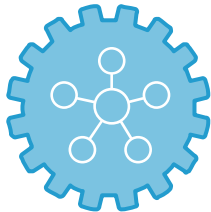
- Further develop the policy framework to support the return of students and knowledge transfers from scientific and professional diaspora
- Improve migration data collection





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.



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. In particular, **improve the quality of education and strengthen the link between the education system and labour market demand**. It is important to further mainstream migration into the development of policies in key areas such as education and the labour market.





Maximise the development benefits from emigration.

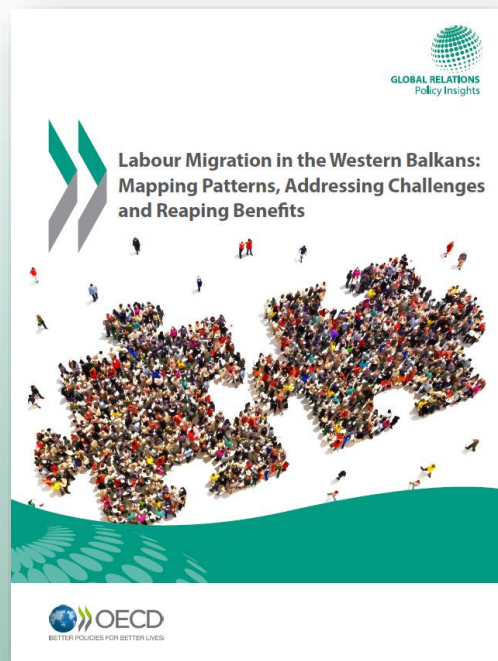
- Build trust and strengthen the **engagement with the diaspora** by capitalising on the many and active diaspora associations that already exist in the region.
- Make the most of the **diaspora's financial resources** by formalising remittances and attracting diaspora investments more strategically. Encourage diaspora investment by **facilitating administrative and regulatory processes**, and establish a **dedicated interactive platform for diaspora engagement**. Assist the new initiatives that support diaspora investment at the local level.
- Facilitate **emigrants' return and reintegration** into the labour market by providing incentives and simplifying administrative procedures.
- Continue to develop a policy framework for **promoting and supporting the return of students and knowledge transfers of the scientific and professional diasporas**.



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 North Macedonia here: oe.cd/LMMKD

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