



Labour Migration in North Macedonia

How to make the most of it?¹

Meeting summary



27 September 2022
Skopje Marriott Hotel
Macedonia Square 7, 1000
Skopje, North Macedonia

CONTEXT AND OBJECTIVE OF THE MEETING

The Western Balkan Six (WB6) economies all have a long history of emigration. In 2020, more than one in five citizens born in the region lived abroad, mainly in a handful of OECD countries. This trend is set to continue, as more than one-third of WB6 citizens surveyed in 2021 considered emigrating. High levels of labour emigration can pose a severe development challenge for the Western Balkans. However, the region's large and growing diaspora also provides opportunities, which remain largely untapped.

The [High-Level Conference on South East Europe: Human Capital Flight – Shaping The Future Together](#) was organised on 17 May 2022, bringing together more than 250 participants, including high-level representatives of SEE economies. It provided the occasion to discuss how the SEE governments can manage labour migration and offer better prospects for their citizens and businesses. The high-level stakeholders reflected on current challenges and shared insights and best practices on reversing the human capital flight and overcoming technological challenges in SEE through talent transformation.

The new OECD report [Labour Migration in The Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits](#), prepared between spring 2021 and January 2022, was launched at the High-Level Conference. The report provides analytical insights on WB6 economies' labour migration, with economy-specific policy recommendations to address its root causes and reap benefits of migration and the diaspora. This report, conducted under the auspices of the OECD South East Europe Regional Programme, was prepared in co-operation with the OECD International Migration Division and co-funded by Austria (ADA) and Switzerland (SDC).

A series of roundtable meetings in the Western Balkan Six economies is opening up the chance for deepening the discussions that took place during the High-Level Conference and explore ways to continue and strengthen the work on labour migration and skills. In particular, this meeting aimed to provide the opportunity to discuss key findings of the report and pathways to support North Macedonia in better capitalising on its diasporas for its own development.

MEETING MINUTES

Welcome

- **Ms. Anita Richter**, Acting Head of the OECD South East Europe Division, welcomed the meeting participants and explained that the OECD report presents insights into the labour migration trends and policies of the Western Balkan economies. She noted that it sheds light on the root causes of emigration, and provides policy recommendations on how to deal with the factors that incentivise emigration while maximising the benefits from emigration for the economies' own development. She then outlined three key ways for North Macedonia to leverage migration and its diaspora for its economic development by: (1) Facilitating administrative and regulatory processes to encourage diaspora investment and strengthening ties with the diaspora; (2) developing a holistic policy approach to promote return migration and knowledge transfers; and (3) mainstreaming migration into the development of policies in key areas such as education and the labour market. Ms. Richter concluded by expressing her gratitude to migration policy makers and non-governmental stakeholders from North

Macedonia who provided their inputs to the report, to the Austrian Development Agency and the Swiss Agency for Development Cooperation, as well as to the Swiss and Austrian embassies for their generous support.

Opening remarks

The event was opened by **Mr. Fatmir Bytyqi**, Deputy Prime Minister in charge of Economic Affairs, Coordination of Economic Sectors and Investments, North Macedonia, **Ms. Véronique Hulmann**, Ambassador of Switzerland to North Macedonia, and **Mr. Georg Woutsas**, Ambassador of Austria to North Macedonia. They reflected on current challenges and opportunities with regards to labour migration in North Macedonia.

- **Mr. Fatmir Bytyqi** stated that the OECD's work helps policy-makers to design quality public policies. He pointed out that the Parliament adopted the new Resolution on Migration Policy and the Action plan (2021-2025) in December 2021, and that the Government has implemented a reform of dual education to align education with the labour market needs. He further highlighted that the Government started the process of designing a national development strategy, which will represent a long-term vision for 20 years of sustainable development and growth of North Macedonia. He pointed out that this process aims to be inclusive and in particular involve the youth. Finally, he added that the economies of the Western Balkans should, through mutual cooperation, increase individual advantages and use them as a competitive advantage for the region, while continuing their integration path with the European Union, thus ensuring their citizens, and especially their youth, have a clear vision and future.
- **Ms. Véronique Hulmann** named migration as the most important factor in explaining negative demographic trends in North Macedonia. She added that, with the support of Austria and Switzerland, the OECD team has succeeded in mapping migration patterns and trends in the six Western Balkan economies. She also noted the important contribution of the OECD's report to understand the driving forces behind emigration. Ms. Hulmann also mentioned that the report provides policy recommendations for addressing emigration, for example, by reforming the education system to tackle skills mismatches and providing decent employment opportunities. In this regard, she highlighted that Switzerland already supports such reforms in North Macedonia.. Examples include supporting the government in aligning vocational education systems with labour market needs, promoting enhanced cooperation between educational institutions and the private sector, as well as by supporting innovation and SMEs. Finally, she stated that Switzerland is interested in, jointly with North Macedonia, identifying action points for boosting diaspora investment and enhancing the transfer of knowledge and exports.
- **Mr. Georg Woutsas** highlighted the commitment of Austria to the UN's Sustainable Development Goals, including full and productive employment and decent work for all (SDG 8). In this regard, he is proud that the new OECD report on labour migration in the Western Balkans has been co-funded by the Austrian Development Agency. He stated that Austria is a strong advocate for the accession of North Macedonia to the EU and added that it offers several programmes and initiatives aimed at reversing brain drain in North Macedonia. As

possibly the most notable initiative, Mr. Woutsas mentioned the Open Medical Institute, which offers physicians from partner countries to attend seminars and clinical observations in Austrian hospitals. He added that Austria also supports the Government of North Macedonia in other areas, such as improving labour market outcomes of marginalized groups and vocational training. Finally, he expressed the interest to find innovative employment models that could benefit both the Austrian and Macedonian labour market, in addition to measures recommended in the OECD's report.

Presentation of the OECD report *Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits*

Following the opening remarks, **Mr. Martin Kohtze**, Policy Analyst and Project Manager at the OECD South East Europe Division, and **Ms. Lisa Andersson**, Labour Market Economist/Policy Analyst at the OECD International Migration Division presented the key findings of the OECD report for North Macedonia, as well as policy approaches for maximising the benefits from migration while mitigating its negative consequences.

- **Mr. Martin Kohtze** and **Ms. Lisa Andersson** highlighted that, over the last decade alone, migration from North Macedonia to Europe had increased by one and a half times, and that about one-quarter of the population now lives abroad. Continued high levels of labour emigration can pose severe development challenges to North Macedonia. However, a large diaspora can also provide opportunities for the economy. Remittances sent by the diaspora were estimated to an equivalent of 3.4% of North Macedonia's GDP in 2020. North Macedonia's Resolution on Migration Policy (2021-2025) and National Strategy for Cooperation with Diaspora (2019-2023) include objectives, which are likely to improve the regulatory and institutional framework, while building trust and expanding cooperation with the diaspora.

Panel discussion – Maximising the benefits from migration for North Macedonia

The presentation was followed by a panel discussion on maximising the benefits from migration for North Macedonia. The panellists were: **Mr. Jeton Shaqiri**, Minister of Education and Science of North Macedonia, **Mr. Viktor Mizo**, Managing Director of Kostal North Macedonia and President of the Association of Foreign Companies with Technologically Advanced Production of the Foreign Investors Council, **Ms. Nena Manchev**, Leadership and Education Program Manager at Macedonia2025, and **Ms. Sofija Daceva**, a return migrant and entrepreneur in North Macedonia. The panel was moderated by **Mr. Lucien Aegerter**, Deputy Head of Mission at the Embassy of Switzerland in North Macedonia.

- **Mr. Jeton Shaqiri** highlighted the importance of the OECD's report and thanked the OECD, Switzerland and Austria for their long-term partnership in supporting the improvement of standards and quality in various policy areas in North Macedonia. He stated that the Ministry of Education and Science is currently implementing several activities, some of which correspond to the recommendations of the OECD's publication. He noted that a reform of the education system is underway, aiming to improve infrastructure, rethink the curriculum and textbooks, as well as to further incentivise educators. He emphasized that North Macedonia also supports the education of young people abroad, by awarding scholarships to study at the world's best universities. Other opportunities for supporting students are provided by

bilateral agreements with other countries, as well as through the participation in the education and science programmes of the EU – Erasmus+ and Horizon Europe.

- **Mr. Viktor Mizo** underscored the importance of reducing skills mismatches, particularly for attracting future investors. He highlighted the need for ensuring that the labour force can go abroad to gain expertise and bring back knowhow to train people technical skills, as well as management practices. Mr. Mizo also noted the importance of creating regional education centres to benefit from the greater labour mobility to address rural development. He also suggested introducing mandatory internships as a measure to boost relevant skills of students. He concluded by noting that scholarships, which support grantees to study abroad while asking them to return after their studies have been completed should help facilitate knowledge transfer to the Macedonian labour market.
- **Ms. Nena Manchev** presented the work of Macedonia2025, an organisation established by diaspora members, which implements different programmes to strengthen economic development and education in North Macedonia. She highlighted several important barriers to diaspora engagement and investment in North Macedonia, namely a lack of information for potential diaspora investors, lack of institutional coordination, as well as high levels of perceived corruption. She noted that addressing diaspora engagement requires a coherent approach and needs to be prioritized, while concrete measures, such as the establishment of a one-stop-shop for diaspora investors should be taken.
- **Ms. Sofija Daceva** welcomed the OECD report and underscored one of its findings: the high number of young Macedonians who are over-qualified for the job they do abroad. She suggested that the emigration of young workers for better career prospects should be addressed by improving such prospects for young people in North Macedonia. She also highlighted the need for addressing corruption and investing in the education system to improve the quality of education infrastructure and staff. Finally, she highlighted the need to provide decent employment opportunities to Macedonian students studying abroad to encourage their return.

Conclusion

Panellists and meeting participants agreed that addressing the challenges of emigration and maximising the benefits from migration should be one of North Macedonia's policy priorities. The participation of Deputy Prime Minister Bytyqi and Minister of Education and Science Shaqiri showed that North Macedonia not only recognises the growing problem, but more importantly is committed to alleviating adverse factors that push (in particular young) people to seek better opportunities abroad, and to improving the education system.

Panellists highlighted in particular the need to reduce push factors for emigration and strengthening the management of labour migration flows. With regard to push factors, investing in the workforce to improve its skills and qualifications was highlighted as priority. Participants emphasised that strengthening vocational education 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 labour market. Panellists also agreed that implementing the dual education model might offer solutions in that

regard. Regarding unmatched labour market needs, participants also called for a policy framework, which would enable the better integration of foreign migrants into the local labour and inclusion of diversity in discussions on migration. The meeting participants also stressed the need for collecting comprehensive data on migrants' characteristics and for monitoring the implementation of the Resolution on Migration Policy.

Other avenues to maximise the benefits of migration would be to implement policies for leveraging the diaspora's resources more systematically. The panellists agreed that building trust and relationships is a pre-requisite to benefit from any opportunities offered by the diaspora. The necessity of having regular and structured engagement with the diaspora, as well as of encouraging the diaspora to invest in North Macedonia and potentially return to their home country were also stressed by the panellists. But also using the potential of migrants in North Macedonia who face difficulties in finding jobs through awareness raising and simplifying work permits procedures.

The panellists also acknowledged the vital importance of having an integrated policy framework and a whole-of-government approach in mainstreaming migration into the development of policies. Indeed, the meeting showed that there are many actors that deal with the area of migration and diaspora policy. Only a common and concerted effort of all stakeholders can address the multifaceted challenges and move forward a comprehensive migration and diaspora policy agenda. The latter should also be harmonised with policies in key areas such as education and the labour market in order to help manage the impact of emigration. This would help ensure policy coherence and minimise fragmentation in responsibilities, whilst building up a resilient and efficient skills governance system.

Moving ahead, the OECD, together with Austria, Switzerland, and national stakeholders look forward to supporting North Macedonia in addressing the challenges and reaping the benefits from labour migration, guided by the policy recommendations provided in the OECD report and the roundtable meeting discussions. The participants from North Macedonia expressed their interest on potential support from the OECD in their road to implementing the policy recommendations and addressing the challenges they are facing. Further in-depth analysis and exchange of good practices with OECD and Western Balkan peer economies would be valuable for North Macedonia in the field of migration and diaspora.