



Labour Migration in Serbia

How to make the most of it?¹

Meeting summary

29 June 2022

Metropol Palace

Bulevar Kralja Aleksandra 69, 11000

Belgrade, Serbia

¹ This conference is not a meeting of an official OECD body.

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 Serbia in better capitalising on its diasporas for its own development.

MEETING MINUTES

Opening remarks

The roundtable meeting *Labour Migration in Serbia: How to make the most of it?* was opened by **Mr. Urs Schmid**, Ambassador of Switzerland to Serbia and to Montenegro, **Ms. Anita Richter**, Acting Head of OECD South East Europe Division, **Ms. Katarina Obradović Jovanović**, Assistant Minister for SME Development at the Ministry of Economy of Serbia and **Ms. Karin Traunmüller**, Chargée d'Affaires at the Embassy of Austria in Serbia. They reflected on current challenges and opportunities with regards to labour migration in Serbia.

- **Mr. Urs Schmid** reminded that Switzerland has been actively supporting Serbia in addressing matters of migration and economic development for more than 30 years. He added that the exchanges of this meeting would focus on the recommendations of the OECD report, discussing how Serbia can unlock its potential to achieve higher economic growth and maximise the opportunities that its large diaspora offers.

- **Ms. Anita Richter** underscored that this OECD report presents insights into the labour migration trends and policies of the Western Balkan economies, shedding light on the root causes of emigration, as well as provides policy recommendations on how to deal with the factors that incentivise emigration while maximising the benefits from emigration for the economies' own socio-economic development. She expressed her gratitude to migration policy makers and non-governmental stakeholders from Serbia 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.
- **Ms. Katarina Obradović Jovanović** stated that the recently released OECD report on labour migration in the Western Balkans brings very valuable statistics and recommendations for future measures for managing economic migrations. Although economic emigration offers certain opportunities for economic development through remittances, diaspora investments and knowledge transfer, which must be better exploited in future, it is causing huge challenges in a given demographic situation. It is encouraging for Serbia that, especially since the COVID-19 pandemic, a trend of reverse migrations has also become evident and that digitalisation is offering more and more opportunities to work for global companies for higher salaries, without leaving Serbia.
- **Ms. Karin Traummüller** explained that the interest of Serbian citizens in working in Austria has remained high, but that Serbia also needs to be supported in keeping its human potential in the country. Therefore, circular migration and its benefits are of utmost importance. Projects like this OECD report, supported by the Austrian Development Agency, contribute to better understanding the challenges, dynamics and opportunities of migration. She concluded by thanking Austrian Development Agency, the OECD, the Swiss government and all stakeholders involved for their efforts in this context.

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/Project Manager at OECD South East Europe Division, presented the key findings of the OECD report for Serbia, as well as policy approaches for maximising the benefits from migration and the Serbian diaspora while mitigating its negative consequences.

- **Mr. Martin Kohtze** highlighted that labour migration from Serbia has been sizeable for decades and has led to a large diaspora. Continued high levels of labour emigration can pose severe development challenges to Serbia. However, a large diaspora can also provide opportunities for Serbia. Remittances sent by the diaspora already represent an estimated 7.3% of Serbia's GDP. Serbia's Economic Migration Strategy includes promising measures to use the diaspora's resources beyond their remittances, in particular by further encouraging skills and knowledge transfers, return and circular migration.

Panel discussion – Maximising the benefits from migration for Serbia

The presentation was followed by a panel discussion on *Maximising the benefits from migration for Serbia*. The panellists were: **Ms. Katarina Denčić**, Independent Advisor to the Ministry of Labour, Employment, Veteran and Social Affairs of Serbia, **Mr. Ivan Brkljač**, Director of Tačka Povratka

(Returning Point), **Mr. Martin Klaucke**, Head of Operations at the Delegation of the European Union to Serbia and **Ms. Jovana Stamenković**, Project Manager - Program Migration and Diaspora at GIZ. The panel was moderated by **Ms. Jovana Mihajlović**, National Program Officer at the Embassy of Switzerland.

- **Ms. Katarina Denčić** stated that Serbia has adopted the Strategy on Economic Migration of 2021-2027 and a three-year action plan. The main objectives of the Strategy include strengthening institutional capacities and creating a better economic climate, which could slow down emigration. Although Serbia is trying to slow down the emigration trends, it is also trying to maximise the benefits from those who return.
- **Mr. Martin Klaucke** highlighted that Serbia faces the challenge of providing enough skilled human capital to be competitive with the EU market and that it is important that there are enough companies offering good working conditions, better salaries etc. to retain skills in Serbia. He stated that the EU is supporting Serbia in improving citizens' living and economic conditions, through different programmes such as the Erasmus+, or the Horizon Europe programme. He highlighted that research and development is key to economic development, and that the EU is supporting this through the Innovation fund, the EIC Accelerator programme and by supporting the Science Fund of the of Serbia.
- **Mr. Ivan Brkljač** explained how the Returning Point initiative is assisting Serbian returnees in Serbia. They do so mainly through a practical and individually tailored approach; however, systematic issues that come up from this approach are also being addressed. Some examples of support for returnees include a programme to allow residency to foreign citizens with Serbian ancestry, tax incentives for return migrants such as a tax deductions for repatriated Serbian citizens and customs benefits for returnees to import personal property.
- **Ms. Jovana Stamenković** shared how GIZ is supporting Serbia through programmes such as the Migration & Diaspora and Migration for Development programme. For instance, it is providing opportunities for diaspora members to return and transfer the expertise that they have obtained in Germany to Serbian institutions. It supports cooperation between institutions on policy documents regarding migration and provides trainings. She mentioned that Serbia has in place a top down approach, from the national strategy and action plan, to local action plans for local municipalities working with the diaspora at the local level. She underscored that working on other issues such as engaging with academia and improving data collection is important to strengthen diaspora involvement well.

Conclusion

Panellists and meeting participants agreed that addressing the challenges of emigration and maximising the benefits from a large diaspora should be one of Serbia's policy priorities. Two important challenges panellists identified are to (1) reduce the push factors for emigration through continued improvement of employment conditions, skills policies, and other conditions for working, living and investing in Serbia, as well as to (2) strengthen the management of labour migration flows through better policy coherence among all relevant institutions and better data collection.

On the other hand, panellists agreed that Serbia's large diaspora provides important resources, which can be further leveraged by attracting diaspora investment more strategically, by encouraging diaspora

knowledge transfers and by designing return policies to facilitate emigrants' return and reintegration into the labour market.

Moving ahead, the OECD, together with Austria, Switzerland, and national stakeholders look forward to supporting Serbia 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.