



Labour Migration in Montenegro

How to make the most of it?¹

Meeting summary

1 July 2022

Hotel Ramada

Blv Save Kovacevica 74, 81000

Podgorica, Montenegro

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

MEETING MINUTES

Opening remarks

The event was opened by **Ms. Anita Richter**, Acting Head of the OECD South East Europe Division, **Mr. Damir Davidović**, State Secretary for Tourism at the Ministry of Economic Development and Tourism of Montenegro, **Mr. Karl Müller**, Ambassador of Austria to Montenegro, and **Mr. Richard Kohli**, Head of Cooperation in the Embassy of Switzerland. They reflected on current challenges and opportunities with regards to labour migration in Montenegro.

- **Ms. Anita Richter** underscored that the 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 Montenegro 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.

- **Mr. Damir Davidović** stressed that the Government of Montenegro would remain committed to strengthening institutional capacity and initiate various programs for engaging the diaspora through specific projects, to use their knowledge, skills and experience in service of economic development, and to creating policies to promote return migration, especially key target groups of the diaspora. State Secretary Davidović thanked the OECD for the report and for the High Level Conference on South East Europe held in Paris, which focused on this important topic.
- **Mr. Karl Müller** remarked how migration can be a serious developmental challenge, which leads to lack of investment, to a weak know-how base of companies and to a rapidly ageing population. Although he stated that it is high time to address these challenges, he also pointed out the opportunities coming from migration, which are often overlooked and remain untapped. He added that this issue should be actively shaped on the basis of the new OECD report. It is time to start consciously working on the concrete benefits with targeted ways and devices, defined policies and above all scientifically assessed and grounded measures. Which organisation could be better suited for this effort than the OECD, to deliver the expertise and evidence based research needed to shed light on economic, social, societal clarifications and untapped potential of labour migration. He expressed the importance of sharing insights and progress on policies, which are needed to foster growth, investment, employment and targeted reforms aimed at regional and national needs of Western Balkans taking into account OECD standards and best practices.
- **Mr. Richard Kohli** highlighted how structural challenges such as poor employment conditions may incentivise migration, leading to loss of human capital and skills shortages. However, migration also hold opportunities for development. Switzerland's approach focuses on addressing important challenges in the area of migration and economic development by promoting sustainable and inclusive economic growth and effective governance based on the rule of law. The aim is to create prospects and opportunities from labour migration to increase private sector diaspora engagements. This would allow for a more prosperous region, and opportunities for Switzerland to access new markets and facilitate investments. Mr. Kohli also pointed out that the OECD report provides conclusions and recommendations for policy challenges in Montenegro, which would allow the country to reap the benefits of labour migration.

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** presented the key findings of the OECD report for Montenegro, as well as policy approaches for maximising the benefits from migration while mitigating its negative consequences.

- **Mr. Martin Kohtze** highlighted that, over the last decade alone, migration from Montenegro to Europe had almost tripled, and that about 18% of the Montenegrin population now lives abroad. Continued high levels of labour emigration can pose severe development challenges to Montenegro. However, a large diaspora can also provide opportunities for Montenegro. Remittances sent by the diaspora already represent an estimated 10.5% of Montenegro's GDP. Montenegro's Strategy for Cooperation with Diaspora (2020-2023) includes promising

measures to improve cooperation with diaspora and leverage the diaspora's resources beyond their remittances.

Panel discussion – Maximising the benefits from migration for Montenegro

The presentation was followed by a panel discussion on *Maximising the benefits from migration for Montenegro*. The panellists were: **Mr. Marko Ćipović**, Senior Adviser for Labour Relations at the Ministry of Labour and Social Welfare of Montenegro, **Mr. Mladen Perazić**, Director of Education Sector at the Chamber of Economy of Montenegro and **Ms. Milica Radojičić**, Independent Advisor at the Administration for Cooperation with Diaspora and Emigrants. The panel was moderated by **Mr. Martin Kohtze**, OECD.

- **Mr. Marko Ćipović** stated that addressing labour migration and structural challenges in the Montenegrin labour market should begin by producing a detailed analysis of labour market needs. He added that encouraging return migration once people have left the economy is a difficult task, which is why the potential returnees should be presented with attractive offers that could encourage them to return and integrate the labour market by finding employment in companies present in Montenegro or starting their own businesses.
- **Mr. Mladen Perazić** explained that the “Sector for international cooperation” of the Chamber of Economy is in charge of establishment of a database of diaspora businesses abroad, it organises visits of private and public sector representatives to diaspora abroad, as well as acts as a contact point for diaspora coming to present their projects in Montenegro. He highlighted the importance of intensifying networking activities and forming personal relations among business representatives from the diaspora and Montenegrin businesses, and mentioned good practice examples of diaspora members who invested in projects in Montenegro, while also transmitting a new business culture in terms of encouraging corporate responsibility and socially responsible business practices.
- **Ms. Milica Radojičić** presented the results of Montenegro in the field of cooperation with the diaspora. She stated that the highest level of government have the objective to integrate return migrants into modern Montenegrin society as much as possible. Ms. Radojičić also spoke about the challenges the Administration for Cooperation with Diaspora and Emigrants is facing in terms of collecting data and maintaining communication due to the geographical distance of migrants' destination countries.

Conclusion

Panellists and meeting participants agreed that addressing the challenges of emigration and maximising the benefits from migration should be one of Montenegro's policy priorities. Panellists highlighted in particular the need reduce push factors for emigration and strengthening the management of labour migration flows. Producing a detailed analysis of labour market needs, strengthening institutional capacities and improving data collection were identified as priority actions.

On the other hand, a large diaspora can have important development benefits for Montenegro. Avenues to maximise these benefits would be to attract diaspora investment more strategically and to further encourage diaspora knowledge transfers. Strengthening return policies to simplify emigrants'

return and reintegration into the labour market could be facilitated by supporting them with finding employment or starting a business.

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