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Maximising the development impact of labour migration in the Western Balkans

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FINAL REPORT

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

EXECUTIVE SUMMARY

The objective of the study is threefold:

- to analyse innovative policies and practices in the Western Balkans aimed at enhancing the developmental impact of labour migration on origin and destination countries and on migrants themselves;
- to scrutinise the main obstacles and barriers hampering the successful implementation of policies enhancing the contribution of the diaspora, remittances and regional mobility to economic and social development;
- to formulate recommendations at policy and programing level for policy development and evidence based policy making.

Over the last years the migration-development nexus was crucial for most EU and other international policy documents, such as the Global Approach to Migration and Mobility, the European Agenda on Migration, and the Regional Economic Area. The research “Maximising the development impact of labour migration in the Western Balkans” is innovative as it addresses the lack of comprehensive assessment of the implementation of strategies for diaspora engagement, management of remittances and reintegration policies by a comparative research of the national varieties, factors, actors and obstacles for the development potential of migration considering the labour market dynamics and trends.

This study is the main output of the research, which was conducted by a group of migration experts. It is structured as follows: introduction, four chapters, conclusions and policy recommendations. The chapters can be summarised as follows:

Chapter 1 addresses SO1 of the Terms of Reference (ToR): “to analyse the labour migration patterns and policies in the six beneficiary countries of the Western Balkans with a focus on migration to and from EU Member States, as well as statistical data sources overview”.

Western Balkan migration policies during the last decade can be summarised by two major trends: innovations in policy design/institutionalisation of migration policy and the increasing linking of migration to development. The most significant achievement of the analysed decade has been the laying down of foundations for comprehensive national policies aiming at grasping the potential of migration for development.

The migration & development nexus is still a topic in the policy agenda rather than an efficient policy. Three types of gaps/deficits have been identified in this regard. The first one is the gap between the discourse of political will to develop diaspora engagement policies and the low profile addressing it in the policy documents adopted in some countries. Bosnia and Herzegovina for instance after years of blockage and as a compromise for the initially envisaged Law on Diaspora adopted a Policy on cooperation with diaspora. The second gap is between the ambitious political programmes, on the one hand, and the institutional capacities, expertise and financial support for implementation, on the other hand. This chapter proposes the example of the Migration division of the Employment Agency in Kosovo*, which is understaffed, as well as the sector on diaspora with six employees at the Ministry of Refugees and human rights in Bosnia and Herzegovina. The discontinuities in policy making and policy development is the third deficit, e.g. the new resolution on migration policy in the former Yugoslav Republic of Macedonia (2015-20) does not make any assessment of the achievements of the first resolution (2009-2015); no any other documents are available for the progress in the implementation. The Serbian report arrives at a similar conclusion that few implemented policy measure have been identified and no account of progress is available.

Labour emigration remains a crucial livelihood strategy for the Western Balkan countries. Most of emigration remains permanent, but it is also increasingly shifting from permanent to temporary and even circular migrations.

Brain drain and youth emigration are highly sensitive political issues and a major policy concern because of the composition of the nation in terms of demographic, educational and social capital. They both need targeted measures, e.g. more investments in active labour market programmes targeting youth and programmes to support youth entrepreneurship.

Chapter 2 addresses SO2: to analyse the current policy responses and practices in place in the Western Balkans with regards to labour migration and development and provide policy and operational recommendations to enhance the development potential of diaspora.

The political prioritisation and institutionalisation of the diaspora & development nexus is the major political innovation in migration management of the last decade. There is a large consensus in governments, institutions and NGOs on the crucial importance of diaspora engagement. All countries adopted legislation and/or strategies for enhancing diaspora engagement. The institutionalisation of Diaspora engagement clearly illustrates the strategic importance of the new policy, several countries have even set up related ministries.

The factors stimulating and facilitating diaspora investments and transnational entrepreneurship could be systematised in four groups: skilled and low cost workforce, patriotic reasons, and willingness to create employment for family and friends; cooperation with destination countries. Diaspora connections also support start-ups in the region. As a case in point, in Kosovo* - a quarter of all businesses in the country started with support from the diaspora.

Similarly, the barriers and obstacles to diaspora investments could also be systematised in to three groups: political instability and state capture; government inefficiency; slow administrative procedures. Developmental potential of remittances is underutilised. Remittances invested in business or profit generating activities vary, from 2.9% in Serbia to 3.6% in Bosnia and Herzegovina and 4-8% in Kosovo*, but remain very low.

Chapter 3 addresses SO3: to analyse the current policy responses and practices in place on the reintegration of migrants returning to their home countries after an emigration experience and provide recommendations at policy and programming level to increase the efficiency and sustainability of the reintegration process of returnees.

The reintegration of returnees has been recognised as a high political priority, especially during the last decade. Some countries in the Western Balkans are witnessing significant waves of returnees. The majority of them are forced returnees from the exodus in 2015-2016 with little prospect to contribute to development. Hence, the governments have adopted strategies for reintegration.

The case in point is Kosovo*. The most difficult situation is observed among young returnees from minorities, e.g. returned Roma, Ashkali and Egyptian children and youth.

The obstacles the returnees face for integration in the labour market can be summarised in to three categories:

- **difficulties in accessing information** about positions available. This obstacles usually starts before physical return;
- **low absorbing capacity** of Western Balkan economies, professional stagnation, inefficiency of institutions, (non)recognition of diplomas. This second cluster of obstacles is the major one;
- **unfriendly environment and unacceptance of returnees**: often after their return they face underemployment, and unfavourable labour contract arrangements.

Despite these difficulties, a positive trend of returnees and transnational migrants as entrepreneurs is emerging. This positive trend may be increased by innovative practices such as the 'virtual return', which could enhance the highly-skilled diaspora's contribution through knowledge transfer in case of no physical return.

Chapter 4 also partially addresses and further details SO1 and is dedicated to intra-regional mobility.

Montenegro is selected as an emblematic case of a labour destination for other Western Balkan countries. Intra-regional mobility is getting higher on the political agenda, especially in the framework of the Regional Economic Area. Several positive effects of increased intra-regional labour mobility on development are expected, such as a reduction in the high level of mismatches between skills available and jobs offered in each country. A few new incentives for facilitating cross-border mobility are envisaged or have been implemented e.g. the cooperation in the sphere of vocational training between the border cities of Kukes (Albania) and Prizren (Kosovo*) and a cross-border portal for exchanging information on vacancies between Kosovo*, Albania and the former Yugoslav Republic of Macedonia.

Immigration has a highly regional character. Serbia is emblematic in this sense: nearly one-third (31%) of immigrants originate from BH, 17.2% from Montenegro and 9.1% from Croatia. Immigration primarily consists of Serbians that moved from surrounding countries. Four Western Balkan countries (Serbia, Croatia, Montenegro, and the former Yugoslav Republic of Macedonia) are among the top ten countries whose residents have received work permits in Bosnia and Herzegovina.

The migration profiles shift in relation to the scale of analysis. For instance, Serbia is a sending country at a European scale while it is a receiving country at the regional scale, with ten times fold the number of regional immigrants than the number of Serbians in the region. Similarly to most migration outflows, several intra-regional flows are also asymmetrical: the former Yugoslav Republic of Macedonia has a larger stock of Western Balkan immigrants than its Western Balkan diaspora; a small percentage (4.5%) of Serbian emigrants live in the region, while immigration is primarily regional. In opposition to the asymmetry of most regional flows, there seems to be symmetric exchange of workers, e.g. the regular circulation of labour force between Albania and Kosovo* is not even considered as migration, due to the common ethnicity.

Montenegro is the new regional labour migration 'champion' with a trend of increasing numbers of immigrants from regional countries. Montenegro is making the transition from a traditional emigration country to a country facing a labour shortage and increasingly attracting workers from the Western Balkans.

The report concludes with the positive policy transformation of migration management from 'drain' into 'gain' by the new policy agenda of migration and development nexus. The major achievements of the last decade are the legislation affirming migration as a developmental factor, the institutionalisation of diaspora engagement, and the 'one stop shop' approach. The nexus between migration and development is still more a strategic vision than efficient policy. The major gap is between the positive policy agenda, from one side, and the institutional capacities, expertise and financial support for the implementation.

The new policy developments are catalysed and supported by the active role of international and foreign organisations. Migration research is also boosted mainly by international organisations. There is still inadequate monitoring, research and analysis of labour migration and a need to address the research gaps.

The intra-regional mobility is getting higher on the political agenda, especially in the framework of the Regional Economic Area.

Brain drain and youth migration remain highly sensitive political issues that could be addressed by innovative policies and practices such as 'virtual return', 'thinknets', and transnational entrepreneurship.

ABBREVIATIONS AND ACRONYMS

CIS	Centres for Migration Services
DRRP	Department for reintegration of repatriated persons
FDI	Foreign direct investments
GAM	Government Authority for Migration
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IOM	International Organisation for Migration
ISSP	Institute for Strategic Studies and prognoses
MARRI	Migration, Asylum and Refugee regional Incentive
MIA	Ministry of Internal Affairs
MIMAK	Strengthening Migration Management Authorities in Kosovo*
MHRR	Ministry of Human Rights and Refugees of Bosnia and Herzegovina
MLSW	Ministry of Labour and Social Welfare
MoD	Ministry of Diaspora
REA	Regional Economic Area
RS	Republika Srpska
SCO	Swiss Cooperation Office
SME	Small and medium enterprises
SORS	Statistical Office of the Republic of Serbia
UNDP	United Nation Development Program

INTRODUCTION

The migration & development nexus – toward a new policy agenda

The objectives of this study are three fold. The first is to provide an analysis of innovative policies and practices in the Western Balkans aimed at enhancing the developmental impact of labour migration, which is conceived as four-dimensional: on the countries of origin, on the countries of destination, on the region and on migrants themselves. It also aims to scrutinise the main obstacles and barriers hampering the successful implementation of policies enhancing the contribution of the Diaspora, remittances and regional mobility to economic and social development. Another goal of the study is to formulate recommendations at policy and programming level for policy developments and evidence based policy making. Several Western Balkan countries are experiencing a transition from forced migrations and returns to labour migration and from management of irregular migrations to a migration and development agenda. In this changing context, the migration and development nexus is becoming politically relevant. Several governments have launched new strategies and programs for promoting the contribution and developmental impact of the diaspora. This nexus also attracts academic attention, as illustrated by the collective book “Migration in the function of development” (2015), but the topic remains understudied.

Migration and development are strictly interrelated. During the last years the migration-development nexus has been crucial for most EU policy documents, such as the Global Approach to Migration and Mobility, the European Agenda on Migration, and the Regional Economic Area. In this context, particular attention should be given to the socio-economic impacts of migration. So far attention has been drawn to phenomena such as flows of remittances, and to some extent human capital loss and gains from return migration. Further questions on how to shift remittances away from consumption towards investment or employment have largely been left uncovered.

In “The Age of Migration” Stephen Castles and Mark Miller summarise three major trends, which are relevant for this study:

- 1) rapid growth in labour migration;
- 2) greatly increased political significance of migration;
- 3) tendency towards intergovernmental cooperation to improve migration management (Castles and Miller 2003: 8).

The project also addresses a major regional paradox: the intra-regional mobility is rather low (with the exception of mobility to and from Montenegro), while it could be transformed into a major factor of growth.

This research builds on the IOM (2009) study of labour migration in the Western Balkans, which focused predominantly on the impact of migration on population change and the propensity to migrate, while the current study highlights the nexus Migration & Development. It addresses the lack of comprehensive assessment of the implementation of strategies for diaspora engagement, management of remittances and reintegration policies by a comparative research of the national varieties, factors, actors and obstacles for the development potential of migration considering the labour market dynamics and trends.

Political context

The policy context has evolved significantly during the last decade. Political developments which are relevant to the study could be seen at three different levels: national, regional, and international.

- *National:* Western Balkan countries have prioritised the migration & development nexus developing numerous strategies and action plans and are institutionalising ministries of diaspora or similar governmental agencies. The migration and development nexus has been

mainstreamed into several relevant policies, such as labour policy, youth policy, education and research, etc. In these policies development is conceived as a multi-source & multi-level phenomenon increasing economic welfare as well as quality of life (Dornbush and Fischer 1994).

- *Regional:* The regional policy context has been characterised by the creation of a fully functional Regional Economic Area (REA). This was the most important goal of the Berlin Process. Its objective is to make the region more competitive on the global investment map and to enable economic growth thus bringing stability and development. IMF and World Bank studies showed that further regional integration measures could result in more than 4% growth per year in the Balkan region for the period 2018 – 2022, which means EUR 15-17 billion more in nominal GDP regionally with a further growth tendency even after 2022. Intra-regional mobility is one of the pillars of the REA: “*Advocating free movement of people*”. This would potentially allow a common labour market, to partially solve regional unemployment issues (Western Balkans unemployment rates range from 15% in Serbia and Albania to 32.5% in Kosovo* in 2016) and make a step forward in the prevention of brain drain from the area (all countries in the region have very low ranking on ability to retain talent) as it would open more employment opportunities within the region. Labour mobility within the region is important to ensure that the right skills are available to support the investments undertaken (The Western Balkans and the Berlin process 2018: 4). Intra-regional mobility is a driver of the soft connectivity agenda also promoted by the European Bank for Reconstruction and Development (Lavitin and Sanfey 2018). Significant obstacles have been identified in the reintegration of highly qualified returnees: “advanced knowledge and skills cannot be fully applied in the scattered and inefficient labour markets” of the Western Balkans (Bozic 2015: 46). The REA also has the ambition to resolve, at regional level, the obstacles concerning labour migration still existing at national level in several countries. The REA envisages better integration of highly skilled professionals and academics in the region into professional and research networks. The Mobility Agenda aims at removing obstacles to the mobility of: (i) professionals, through regional mutual recognition agreements of professional qualifications (doctors, dentists, architects, and so on) as well as automatic recognition of academic qualifications; and (ii) students, researchers and academics, through joint academic mobility and cooperation programmes (Levitan and Sanfey 2018).
- *International:* IOM, EU and several other international organisations facilitate, accelerate and promote the new policy agenda on migration and development by a variety of means – funding, consultancy, etc., as well as policy design, implementation and evaluation at all stages. This support is critical for a region lacking institutional, financial, and expert capacities.

Methodology

The project uses a multidimensional mixed-method research approach utilising a variety of methods for data collection and analysis that are described in the following sections. Triangulation is a priority and will be conducted along three lines: (i) methods, (ii) sources of information, and (iii) data collection. Findings will be thus based on multiple lines of evidence such as policy analysis, individual interviews, ethnography/participant observation, documents review. Triangulation is a continuous process, starting with data collection and will continue during the data analysis and reporting phases. This provides a robust basis for innovative research and evidence-based policy recommendations.

The methodology is based on both quantitative and qualitative data: information and statistics collected from official sources, bodies and previous surveys; interviews with stakeholders, policy-makers, senders and receivers of remittances, returnees, diaspora entrepreneurs. All interviews

conducted were semi-structured according to a plan developed during the research period. The process included face-to-face interviews (policy makers, experts, NGO representatives and other stakeholders and receivers of remittances) and via phone and skype (in the case of senders of remittances).

The data collection focused on the period 2007-2017/8, taking as baseline the IOM study (2009) on labour migration patterns, policies and migration propensity in the Balkan countries which includes statistics up to 2006.

Case study selection

The Terms of reference define two comparative typologies of case studies (see SO2 and SO3):

- Case-studies on the **current impact of diaspora** on the development of the country of origin, including the impact of remittances, accompanied by an analysis of national strategies and initiatives for dealing with diaspora and their effectiveness and impact;
- Case-studies on **integration of returning migrants** in the country of origin, accompanied by an analysis of national strategies and initiatives for dealing with returnees and their effectiveness and impact.

The criteria adopted for the country selection are both general and specific. The first applies to the choice of the two pairs and the second to each country. The selection of the countries for the two case studies - Diaspora/Remittances and Reintegration of Returnees – is based on three general criteria:

- High-political priority for the respective country, new and/or efficient policies and good/promising practices.
- Political awareness of the substantial links between development, diaspora, remittances and reintegration of returnees.
- (relative) Availability of data.

Specific criteria are detailed in the respective chapters – Chapter 2 and Chapter 3, and Chapter 4: the one for the Montenegro as an additional single case study of intra-regional labour mobility.

Ethical issues

The interviews and field work are in compliance with the ethical rules:

- The individual answers are anonymised;
- Participants are informed about the objectives of the study and that the results will be public. Their agreement to accept the interview implies an agreement to process the answers (in an anonymised form) in the framework of a public study.

Structure of the report

The report is composed of an introduction, four chapters and a conclusion.

The introduction analyses the policy context and defines the research design – objective, methodology, conceptual toolkit (more detailed in the Inception report) and ethical issues.

Chapter 1 “*Labour Migration policies, patterns and trends in the Western Balkans*” addresses SO1 of the Terms of reference: to analyse the labour migration patterns and policies in the six beneficiary countries of the Western Balkans with a focus on migration to and from EU Member States, as well as statistical data sources overview.

Chapter 2 “*Diaspora and Remittances & Development Nexus - Albania and FYR of The former Yugoslav Republic of Macedonia*” addresses SO2: to analyse the current policy responses and practices in place in the Western Balkans with regards to labour migration and development and provide policy and operational recommendations to enhance the development potential of the diaspora.

Chapter 3 “*Sustainable reintegration of returnees – Bosnia and Herzegovina and Kosovo**” addresses SO3: to analyse the current policy responses and practices in place on the reintegration of migrants returning to their home countries after an emigration experience and provide recommendations at policy and programming levels to increase the efficiency and sustainability of the reintegration process of returnees.

Chapter 4 “The Regional Economic Area and intra-regional mobility” addresses part of SO1: labour migration patterns with a focus on intra-regional labour mobility. Montenegro is selected as an emblematic case of a labour destination for other Western Balkans countries.

The conclusion summarises the most important findings of all the chapters - the migration patterns and policies, as well as the case studies on reintegration of returnees, diaspora and remittances, and regional labour mobility - and formulates recommendations for policy developments and evidence based policy making.

Conceptual Toolkit¹

The objective of this section is to define the key concepts pertinent for the study of labour migration and development with a specific focus on return and remittances. The conceptual clarity and precision are not always translated into the political discourse: e.g. Serbia considers the flows between Serbia and Kosovo* as internal migration, while Kosovo* defines them as external migration.

Migration. IOM (2011) defines migration as the movement of a person or a group of persons, either across an international border, or within a State. It includes migration of refugees, displaced persons, economic migrants, and persons moving for other purposes, including family reunification. The project is focused predominantly on labour migration. Migration is conceived as a multifaceted phenomenon, in terms of social capital (networks, social remittances), financial capital (remittances, access to finances), human capital (brain gain, brain circulation, transfer of knowledge),

Labour Migration and Labour Mobility. IOM defines **labour migration** as the movement of persons from one State to another, or within their own country of residence, for the purpose of employment (IOM, 2011). Within this research we tackle only international migration, both regular and irregular, although the focus shall be on the former. Although **labour mobility** may refer also to occupational mobility, in the context of this research it shall be limited to a more narrow understanding - that of geographic mobility across countries.

Emigration. According to Eurostat, emigration denotes the action by which a person, having been usually resident in the territory of a Member State, ceases to have his or her usual residence in that Member State for a period that is, or is expected to be, of at least 12 months; *usual residence* is the place at which a person normally spends the daily period of rest, regardless of temporary absences for purposes of recreation, holiday, visits to friends and relatives, business, medical treatment or religious pilgrimage, or, in default, the place of legal or registered residence.

Return is the act or process of going back to the point of departure. This could be within the territorial boundaries of a country as in the case of returning internally displaced persons and demobilised combatants; or between a host country (either transit or destination) and a country of origin, as in the case of migrant workers, refugees, asylum-seekers, and qualified nationals (IOM, 2011). Two main types of return migration are defined as follows: a.) Voluntary Return is the assisted or independent return to the country of origin, transit or another third country, based on the free will of the returnee,

¹ A more detailed version of the conceptual toolkit is developed in the Inception report.

and b.) Forced Return is defined as the compulsory return of an individual to the country of origin, transit or third country [country of return], on the basis of an administrative or juridical act (IOM, 2011).

Reintegration is defined as the re-inclusion or re-incorporation of a person into a group or process, for example, of a migrant into the society of his or her country of origin or habitual residence. Reintegration is thus a process that enables the returnee to participate again in the social, cultural, economic and political life of his or her country of origin (IOM, 2011). Reintegration is shaped by three interrelated elements: the context in migrants' home countries; the duration and type of one's migration experience abroad; and the factors or conditions (whether favourable or not) in the host and home countries that motivated return - that is, pre- and post-return conditions (Cassarino, 2004).

Remittances represent money sent back by foreign workers to their family, relatives and friends in their home country. Remittances are considered part of the international capital flows, specifically, international aid. Remittances are an important contributor to the economic development of the recipient countries (Rapport and Docquier, 2006). First, they are considered a significant contributor to poverty and inequality reduction. Second, remittances may contribute to favourable educational and health outcomes. Third, remittances may support individuals and households in setting up (micro-) businesses, although they may also spur inactivity, especially among females, by securing a stable source of income.

1 LABOUR MIGRATION POLICIES, PATTERNS AND TRENDS IN THE WESTERN BALKANS

Chapter 1 addresses SO1 and analyses the migration patterns, trends and policies in the Western Balkans with an emphasis on the migration and development nexus. Six Western Balkan countries – Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*, Montenegro and Serbia - are analysed focusing on migration policies and migration profiles. The new migration strategies and policies designed and adopted during the last decade are scrutinised in terms of objectives, results and assessment of implementation. The second part of the analysis, looks at migrations in the countries highlighting their profiles, types, trends, and propensity to migrate. Immigration is included in the ratio between in and out flows².

1.1 Albania: from irregular migration to migration management

During the last decade the Government of Albania has introduced new migration policies, which reflect the strategic vision of the Government for the synergy between migration and Diaspora, as a potential source for development. **The latest migration policies illustrate the shift from irregular migration to migration management, following earlier efforts for a greater border control and full application of Schengen criteria for Albanians travelling to EU Schengen countries.**

1.1.1 Labour migration policies

From a retrospective point of view, the migration waves from Albanian after 1990 can be described mostly as irregular flows. The principal destination countries, Greece and Italy, had limited capacities to afford these flows. Both of them lacked the legal and institutional framework to manage the new situation as immigration countries. In addition, the Greek economy had limited capacities to absorb foreign workers into the labour market. In this context, most of Albanian and other immigrants in these countries remained irregular up to the early 2000s when Greece and Italy started to apply more liberal immigration policies and started working on the reintegration of immigrants. The legal and institutional developments in host countries paved the way for legalisation of the Albanian immigrants.

These changes were followed by increased collaboration with the Government of Albania. The improved legal and institutional frameworks in host countries, the good will of receiving countries' governments and their collaboration with the Government of Albania created a better climate and improved the situation of Albanian immigrants. This was accompanied by several information and awareness raising campaigns on the prevention of irregular migration from Albania.

The implementation of the Return and Readmission Agreement between the European Commission and Albania (2006), an instrument which accompanied the approval of the first Migration Strategy (2005-2010), and was succeeded by a number of National Strategies (i.e. National Strategy for Development and Integration; National Strategy for Economic Development and Integration, National Strategy for Employment and Skills etc.), highlights not only the need for the prevention of irregular migration, return and reintegration of Albanian migrants, but also foresees measures to increase the

2 Immigration was analysed in the more extended version of the draft report.

impact of remittances in the country. This context suggests the transition from irregular migration to migration management in Albania.

With the new Government agenda 2017, maximisation of labour migration of Albanians and its impact on economy and society has become a focus of policies for migration management and has also resulted in international cooperation between the Government and important international organisations and institutions, such as the World Bank and Harvard University.

The policy agenda in Albania on Migration and development proposed an integrated approach for migration management and aimed at engaging the Diaspora in the development of the country. Along with the establishment of a **State Ministry for Diaspora** in May 2018, both a **new law and National Strategy for Diaspora (2018-2020)** were adopted. Through a series of measures, the strategy aims at boosting the **engagement of the Diaspora** in the country's development and at **facilitating investments**. The strategy also assesses other issues, such as import **tax exemption for equipment and raw materials** for investment; corporation tax exemption and reduction of the number of procedures for obtaining a construction permit, while requiring the promotion of specific banking products for the Diaspora, as well as supporting the drafting of special banking policies. In June 2018 the Parliament approved the Albanian Fund for Diaspora Development which aims to provide and allocate financial resources to support diaspora investment for the country's economic, social and cultural development.

Legally, the operation of Fund relates to the design, management, financing, implementation and oversight of projects related to its mission and will support the establishment of the Chamber of Commerce for Diaspora.

After 2015, the migration policies have been streamered through other main country strategies (National Strategy for Development and Integration 2015-2020 and National Strategy for Vocational Education Training and Lifelong Learning 2014-2020), highlighting the need for the promotion of regular channels of migration through renewal of existing labour migration agreements and signing of new ones with EU Member States. Since then, migration policies were integrated according to a cross-cutting approach, where returnees are considered as an example of "marginalised groups"³.

In the framework of the National Strategy for Diaspora, the Government is developing **for the first time a legal framework for registering the Albanian migrants in receiving countries**, starting with Italy and Greece, where the number of Albanian emigrants is higher. However, it is not clear what kind of incentives will be implemented in order to have migrants reacting positively to this initiative, as it sounds more like a patriotic obligation than a useful and helpful action for Albanian migrants.

The Diaspora Strategy is supported by a respective action plan. However, the Government has **not yet mobilised the financial resources** to implement its measures.

The vision of the Government's programme and its new approach to migration and Diaspora risk not receiving necessary parliamentary support as far as the timing of their implementation is concerned. There are signals that, due to political polarisation, the implementation of new policies might be delayed and not respond to Government's eagerness to tackle the issue of involvement of the Diaspora in the development of the country.

Empirical evidence shows that the main gap concerning the **National Strategy for Diaspora is between its ambitious political programme and the need for adequate technical expertise and financial support for its implementation**. As of 2018, IOM Albania started with the provision of technical expertise and funding to support its implementation through a three year programme funded

3 National Strategy for Vocational Education Training and Lifelong Learning (2013-2020), pg. 30

by the Italian Government. An investment-boosting platform named “Connect Albania” will be created under this project along with a Start-up Fund for second-generation migrants in Italy who wish to start businesses in Albania.

With a newly approved Diaspora Strategy and law aiming to engage the Diaspora in the socio-economic development of the country, it would be premature to confirm that the policy gap is filled. For an efficient migration management, it is crucial that such strategies receive necessary support in terms of expertise and funding for their successful implementation.

The Migration Counters, established within the National Employment system following the National Strategy for Migration (2005-2010), **failed to fully serve the potential migrants, due to lack of labour agreements with EU Member States**. Their role was limited to information provision to both potential migrants about the risks of irregular migration, and to returnees about employment and vocational training opportunities in home country. A Government effort aiming to negotiate with EU Member States (i.e. Italy) the issue of migrants’ pension recognition and transfer from the pension schemes in Albania was also part of the National Strategy for Migration.

These new policies and measures are at their initial stage. Their impact on promoting the return of successful migration, increasing the Diaspora’s investments in Albania and strengthening the synergy between migration and development are to be verified in the coming years.

1.1.2 Mapping contemporary labour migration and mobility

Albania has experienced a mass exodus since the start of its transition to a market economy in the early ‘90s and is one of the largest relative receivers of remittances in the world. These transfers constitute between 10-25 per cent of GDP since the fall of the communist regime in 1991 and labour is by far the country’s largest export product (World Bank 2012a). At the present, the stock of Albanian migrants working abroad is equivalent to 45 per cent of the population and remittances in January 2018 were estimated 172.4 million EUR. Remittance transfers have been a key component in the remarkable Albanian growth during the last 20 years and have contributed to lifting over a million citizens out of poverty (World Bank 2007).

Albanian migration history has been of an unconventional nature. Three major **characteristics** stand out concerning the migration process: it was sudden, of enormous relative proportions and evenly spread across the income spans. Also, monetary migration costs have been fairly low to the main neighbouring destinations, especially Greece.

Albania currently has one of the world’s highest emigration rates, with more than 1.25 million emigrants in 2017.⁴ During 2007-2012, Albania was ranked **the 4th European country and 14th in the world**, for the net migration rate per 1000 inhabitants.⁵

4 INSTAT, Tirana 2018 http://databaza.instat.gov.al/pxweb/sq/DST/START_MM/NewMIM0003/table/tableViewLayout2/?rxid=854adfd0-5bde-4532-874d-009beb2a9681

5 World Bank, 2012 [https://en.wikipedia.org/wiki/List_of_countries_by_net_migration_rate#World_Bank_\(2012\)](https://en.wikipedia.org/wiki/List_of_countries_by_net_migration_rate#World_Bank_(2012))

Table 1: The presence of Albanian migrants in principal destination countries, 2005-2017

Receiving Country	2005* *	2008	2009	2010* *	2011	2012	2013	2014	2015**	2016	2017** *	2017** *****
Italy *	360,954	401,949	441,396	466,684	482.627	491.495	497.761	490.483	467.687	467,700	448.407	460,000
Greece	423,598	414.153	429.683*****	465034*****	480000****	300.839**** *	574,840**** **	480.85	437,356	468000*****	429,428	430,000
Germany	13,162			14,597					15,209		18,102	20,000
Austria	2,434	2,599	2,655	2,690		2,818			3,147	3,634	3,465	<10,000
France	5,747			6,189					6,810		6,796	<10,000
Belgium	2,078	4,702	5,535	6,132	7,574	8,750	8,735	8,861	9,380	9,855	4,389	<10,000
Netherlands	666	710	796	896	919	977	1,063	1,166	1,337	1,536	1,643	<10,000
UK	7,351			13,075					28,688		30,157	30,000
Slovenia	46	69	71	96	145	138	142	145	147	126	126	

Sources:

* Dossier Statistico Immigrazione, IDOS

**<http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml>

***<http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates17.shtml>

**** Migration in Greece Recent Developments in 2014

***** Albanian Irregular Migration To Greece, ELIAMEP, 2013

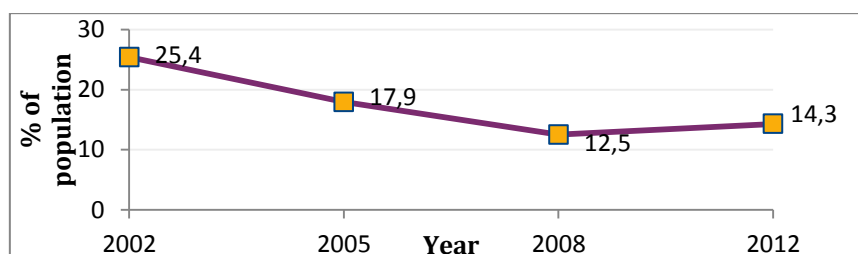
***** Greece migration profile, 2013, Unicef

*****Country Factsheet: Greece 2016, European Migration Network, European Commission (elaborated statistics)

***** Pew Research Centre, 2017, <http://www.pewglobal.org/2018/02/28/global-migrant-stocks/?country=AL&date=2017>

Albania's double challenge of continued poverty and high unemployment serve as constant push factors for migration (King, 2004). Approximately 14.3 % of Albanians lived below the national poverty line in 2012.⁶ The unemployment rate has remained high since 1993.

Figure 1: Poverty headcount ratio at national poverty lines



Source: INSTAT, Tirana 2018, http://databaza.instat.gov.al/pxweb/sq/DST/START_MM/NewMIM0003/table/tableViewLayout2/?rxid=854adfd0-5bde-4532-874d-009beb2a9681

⁶ World Bank, 2015.

These two drivers go along with lack of rule of law and corruption. People's dissatisfaction with the broader quality of life and opportunities in Albania plays an important role in their pro-migration attitude. **The last decade has witnessed an increase of Albanian communities abroad, due to family reunifications and an irregular migration flux.**

Albanian migration is composed of **five main types**:

- i) Labour migrants - the largest group of Albanian migrants;
- ii) Family members reuniting with their families abroad: their share in the communities of Albanian migrants is increasing in parallel with the facilitation of reunion procedures from the receiving countries;
- iii) Students: Albanian studying in Italian universities are the biggest community of foreign students in this country;
- iv) Asylum-seekers and refugees: a rapid increase of flows of emigrants and asylum seekers from Albania to Germany and other EU countries was recorded during 2014-2015;
- v) Unaccompanied minors. Emigration of unaccompanied minors (UAMs) from Albania to EU member states, such as Italy, France, Germany, the United Kingdom, Belgium and the Netherlands, is increasing. In 2016, EUROSTAT recorded a total of 1,028 cases of Albanian UAMs who have applied for asylum within the EU (with the exception of Italy where minors do not need to apply for asylum). In Italy, in August 2016, there were 1,343 UAMs from Albania, equal to 9,7per cent of the total number of UAMs on the Italian territory.⁷

In all countries of destination the majority of the Albanian migrants' communities belong to the first three groups.⁸

Albanian emigration is considered as a **permanent migration**, as those who left the country in early 1990s initially expected that they would never return back to Albania. This perception was fed by their economic and social situation in the context of the transformation of Albania from a totalitarian state into a democracy, from centralisation into a free market economy. Temporary migration concerns the unsuccessful asylum requests and educational projects abroad.

Table 2: Dynamic of naturalisation of Albanian migrants in principal EU countries, 2010-2016

GEO/TIME	2010	2011	2012	2013	2014	2015	2016
Belgium	334	216	369	427	256	460	560
Germany	354	226	279	274	227	289	250
Greece	6,059	15,452	17,396	25,830	18,409	11,615	28,548
Italy	9,129	8,101	9,493	13,671	21,148	35,134	36,920
United Kingdom	1,339	1,045	1,049	820	362	310	466

Source: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_acq&lang=en

The increasing rates of naturalisation in the main receiving countries, shown in the above table, also favour the trend towards permanent migration.

⁷ Report on the Albanian community in Italy, developed by Italia Lavoro, funded by the General Directorate of Immigration and Integration Policies, Italian Ministry of Labour and Social Policies, available at:

http://www.integrazionemigranti.gov.it/Aretematiche/PaesiComunitari-e-associazioniMigranti/Documents/RAPPORTI_COMUNITA_2016/RC_ALBANIA_DEF.pdf

⁸IOM, Policy on Engagement with Albanian Communities Abroad 2016-2020, August 2016

Albanian emigration is **young and relatively well-educated**. Due to the fact that high school education is obligatory in Albania, the emigrants from Albania have at least completed the cycle 9+3 corresponding to high school studies.

In 2015, Albania was among the top five origin countries of asylum applicants in the EU. The number of Albanian asylum seekers in EU-28 increased from 16,950 in 2014 to 24,600 in 2017, with a peak of 67,950 in 2015.

The exceptional number of Albanian asylum seekers in 2015 mainly concerned applications in Germany. This could have been triggered by an Albanian travel agency spreading the word of “new asylum opportunities in Germany” for Albanians. Thousands of Albanians went with the flow of what resulted to be a fake notice done for profit purposes. The tendency of Albanians to migrate from Albania for economic reasons is high, though this isolated event representing a sporadic group migration was not pertinent in relation to other EU Member States.

Table 3: Albanian Asylum Applicants in EU, 2014-2017

Albanian Asylum Applicants in EU	2014	2015	2016	2017
EU-28	16.950	67.950	34.610	24.600
Germany	8.110	54.760	17.230	6.095
France	3.000	3.650	7.445	11.330
United Kingdom	2.015	2.020	1.920	1.575
Netherlands	90	1.010	1.700	340

Source: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

Most Albanians with rejected applications have been sent back to Albania. The return of Albanian asylum seekers is due to the fact that Albania is on the list of safe countries for many EU Member States (Belgium, Germany etc.). This information, which was spread by the **Ministry of Interior through mass-media awareness raising and information campaigns**, contributed to **substantially reducing the number of asylum seekers from Albania**, whose migration was economic rather than political.

The case of the Albanian migrants in Germany, as the below table shows, asylum seekers and irregular migration are closely interconnected as those who remained did so in an irregular situation, seeking to migrate to another EU Member State. The irregular migration is also due to visa overstaying in EU countries and illegal border crossing. **Albania remains at the top of the countries for the number of people crossing the land borders illegally**, followed by Pakistan and Afghanistan, during 2014-2017.

Table 4: Illegal border-crossing between BCPs, 2014-2017⁹

2014	2015	2016	2017
9 268	9 450	5 316	6 502

Source: Frontex Risk Analysis for 2018. http://frontex.europa.eu/assets/Publications/Risk_Analysis/Risk_Analysis_for_2018.pdf

The below data shows the number of Albanians staying illegally in EU member states increased during 2014-2015 and decreased during 2016 and 2017 as a result of the so-called Albanian asylum-seekers described previously. The decrease during 2016-2017 could also be explained by tougher measures of receiving countries to send back the illegal migrants in their own territories.

⁹ Idem

Table 5: Albanians illegally staying in EU member states
(Detections reported by place of detection and top ten nationalities)

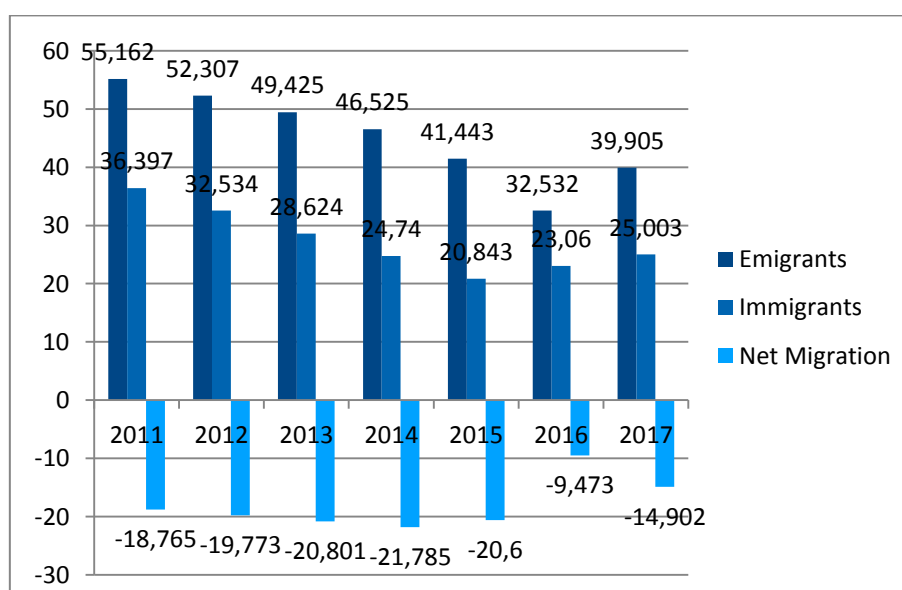
2014	2015	2016	2017	Share of total	% change on prev. year
21 248	28 926	24 127	24 800	5.7	2.8

Source: Frontex Risk Analysis for 2018. http://frontex.europa.eu/assets/Publications/Risk_Analysis/Risk_Analysis_for_2018.pdf

The refused entries of Albanians at EU member states' borders have increased (2014- 2017) due to the strengthening of border management, which along with information campaigns is expected to discourage irregular migration. In fact, in order to cooperate with the EU in combatting irregular migration towards Europe, Albania signed the Readmission Agreement with the European Commission in April 2005, and it entered into force in May 2006. The Agreement established the procedures for the return of illegal Albanian immigrants from EU member states. Albania has also signed Implementing Protocols to the Readmission Agreement with the United Kingdom, Belgium, Luxemburg, the Netherlands, Denmark, Italy, Check Republic, Slovakia, Romania, Hungarian, Switzerland, Norway, and Ireland. Blood feud remains a reason for asylum request for a marginalised group of people affected by the phenomenon. The Readmission agreement and its Implementing Protocols may have had a role in combating irregular migration, due to the fact that return under the Return Agreements marked the end of *impunity* for irregular migration to EU Member States - which decreased but still remained high. Moreover, information campaigns also proved effective as, according to IOM sources, in 2016 there were also 18,000 voluntarily returned Albanians from irregular migration to EU Member States.

The **net migration ratio** could have also been influenced by the **peak of Asylum seekers in Germany** as it is explained by the trends of emigration and immigration flows. During the last decade, it has been around -3.3 per 1,000 people.

Figure 2: Annual number of emigrants, immigrants and net migration, 2011-2017



Source: INSTAT, 2018, http://databaza.instat.gov.al/pxweb/sq/DST/START_MM/NewMIM0003/table/tableViewLayout2/?rxid=854adfd0-5bde-4532-874d-009beb2a9681

Net migration slightly increased during 2011-2013, slightly decreased during 2014-2016, while increasing significantly during 2016-2017. During 2011-2013 the emigration flows decreased slightly

(with 5,737 emigrants), meanwhile the immigration flows decreased considerably (with 7,773 immigrants). Fewer migrants returned to Albania during these years. During 2014-2016 the emigration flows decreased considerably (with 14,000 emigrants less) and the immigration decreased only by 1000 people. This can be explained by the political changes after the 2013 elections and hopes for the promising new government programme aimed at increasing opportunities for people in the country. The increase of emigration flows from 2016 to 2017 happened as the asylum-seekers flows towards the EU (principally to Germany, Netherlands and France) resumed for economic reasons, also stimulated by the “go with the flow” effect. Around 7,000 people more than in 2016 left the country, meanwhile the return increased by only 2,000. The slight increase of returnees is due not only to return in the framework of Readmission Agreements, but also to loss of job in the host countries.

During the last three decades, Albania’s migration flows can be characterised as intense, economically driven, irregular, and rapidly evolving, with a dominant tendency of the younger generation dreaming of building a future abroad. The primary destination countries for Albanian migrants are the EU countries, especially Italy and Greece, where there is a higher concentration of Albanian emigrants. Regardless of the fact that 1/3 of Albanians live abroad, there is a lack of accurate data and statistics. There is a need for improving data collection and statistics related to migration.

Given the circular nature of migration from Albania and the effect of visa liberalisation on mobility of Albanian citizens in the EU Schengen area, **the propensity to migrate and consequently to return remains considerable.** National capacities are therefore required to address future challenges of labour mobility that relate to the return and reintegration of migrants.

Albania is an EU candidate country undergoing key reforms. With the full alignment of the country and its integration in the European Union, push and pull factors are likely to enter another dimension similar to the current movement of Member States citizens in the European Union. **However, until then, concrete measures need to be taken by Albanian government to increase the economic situation, social and health services in the country, while seeking to build “regular channels of migration” with EU Member States, which are interested in labour from Albania.**

The migration management in Albania needs a comprehensive strategy, where migration, return migration and Diaspora policies are all included and a common Action Plan addresses a holistic implementation approach, rather than fragmented policies split among different country strategies, be it Diaspora Strategy, National Strategy for Development and Integration or National Strategy for Employment and Skills.

1.2 Bosnia and Herzegovina. Diaspora for development: a new policy mantra?

Current migration flows from Bosnia and Herzegovina are predominantly characterised by **emigration of highly skilled** people. They are supported by the country’s programmes to employ individuals in Germany and Slovenia. This emigration contributed to a changing structure of the diaspora, which on the one hand has an increasing potential to contribute to the country’s development through investment, transfer of skills and tourism. Such a development potential was largely ignored for years, and the **Policy on Cooperation with Diaspora** was only finally adopted in 2017. In addition, key international development agencies, such as USAID and SDC, since last year, have started large projects aiming at utilisation of the development potential of the Bosnian diaspora. Although very welcome, this sudden increase in interest by donors and the introduction of several projects that lack coordination and compete with each other in some activities can also harm as much as they are expected to help.

1.2.1 Labour migration policies

Bosnia and Herzegovina (Bosnia and Herzegovina) is a highly decentralised state, with administration often facing unclear and overlapping competencies between institutions at different levels of government (state, entity, cantons, Brcko District). However, the situation with migration is slightly better since the Bosnia and Herzegovina Constitution, in the Article III, paragraph 1, item f, defines that the migration policy is under competencies and authorities of state level institutions.

Bosnia and Herzegovina, in the last two decades, has adopted three several four-year strategies “**in the Area of Migrations and Asylum and Action Plan**” so far (2008-2011, 2012-2016 and 2016-2020). The main characteristic of these strategies is that despite comprehensively addressing visa policy, border control, immigration, asylum, irregular migration and trafficking, which do not constitute relevant migration challenges, they completely **ignore the issues of emigration, return and diaspora**, which are of the utmost importance for Bosnia and Herzegovina. Only in April of 2017, the **Policy on Cooperation with Diaspora** was finally adopted, after years of blockage and as a compromise for the initially envisaged Law on Diaspora.

The Policy is the first document that institutionalises the cooperation between Bosnia and Herzegovina and the Diaspora. It is the result of the joint effort of the Ministry of Human Rights and Refugees of Bosnia and Herzegovina and other institutions in the country, aiming at improving cooperation with the emigration to mutual interest. The Policy also envisages design of a development strategy document that will establish a programme for attracting the investment and savings of emigrants, as well as removal of administrative barriers to such investments. One of the activities proposed in the Policy, i.e. **mapping of diaspora** in key destination countries, was already implemented by IOM in 2017. The mapping included 8 EU countries, USA and Australia. The IOM mapping report was published on August 6th 2018.

Concerning the institutional framework, a recent development is that the **Bosnia and Herzegovina Ministry of Foreign Affairs**, which has been expressly mentioned in the Policy on Cooperation with Diaspora, **started activities towards more active involvement of this government institution in cooperation with the Bosnian diaspora**.

The Bosnia and Herzegovina Ministry of Security can be considered the key state level institution in the field of migration. It has an authority over most sectors related to migration (immigration, asylum, foreigners, as well as its Border Police). Another important ministry with a focus on emigration and human right of migrants is the Ministry for Civil Affairs (MCA). It is responsible for administrative tasks related to acquisition and loss of citizenship, issuance of travel documents to foreigners, and keeping central database of Bosnia and Herzegovina citizens, including acquired and lost citizenships. Also, its Sector for Labour, Employment, Social Security and Pensions, defines strategies at the international level in the areas of labour, employment, social protection and pensions, especially regarding the preparation, proposing and drafting of bilateral agreements on social security issues. MCA submits the annual quotas for employment of foreigners to the Council of Ministers, prepared by the Bosnia and Herzegovina Employment Agency. Although the state level Agency for Labour and Employment is in charge of signing bilateral agreements on employment of foreigners, two entity level employment agencies (one in Bosnia and Herzegovina entity and another in RS entity) are in charge of their implementation. Also, the Bosnia and Herzegovina Agency for Labour and Employment is the main institutions responsible for specifying quotas, but the issuance of work permits to foreigners is the responsibility of the two entity levels employment agencies in Bosnia and Herzegovina.

The main law that regulates the labour mobility is the Law on Movement and Stay of Aliens and Asylum (LMSAA). The law, besides a number of chapters that regulate other forms of mobility

(migration, asylum, visas, border crossings, etc.) also includes chapters on work permits and regulates their issuance.

In the last years, in order to fight high unemployment in the country, Bosnia and Herzegovina through its Labour and Employment Agency signed **bilateral agreements on employment** of Bosnia and Herzegovina workers in Slovenia and Qatar, as well as agreement with Serbia on employment of Bosnia and Herzegovina workers in Serbia and Serbian workers in Bosnia and Herzegovina. Also, Bosnia and Herzegovina has signed an agreement with Germany on temporary employment of healthcare staff from Bosnia in Germany and protocol on cooperation between PESPEs of Bosnia and Herzegovina and Montenegro. According to the latest official reports of the Bosnia and Herzegovina Employment Agency, during the year 2017 more than 9,000 Bosnia and Herzegovina nationals were employed in of Slovenia, while 851 Bosnia and Herzegovina nationals were employed in Germany. Compared with the year of 2016 (5,857), this number has increased by 69%. The direct consequence of these agreements is that through assistance of the Bosnia and Herzegovina Labour and Employment Agency around 3,000 health workers were employed in Germany in the last several years, and 15,000 (mainly construction) workers were employed in Slovenia. The main characteristics of these agreements is that, contrary to the “Gastarbeiter” agreement signed between Yugoslavia and Germany in the 1960s, the new agreements **do not include any clause** about requirements of the **workers employed** through these programmes **to return to Bosnia and Herzegovina after temporary work abroad**. This policy not requiring workers employed abroad to return after a certain period further contributes to the permanent emigration of individuals from Bosnia and Herzegovina and loss of its labour force.

There was an initiative started several years ago for signing a bilateral agreement with Croatia as well, but with no success. However, the new Croatian government has renewed their interest, so the agreement is expected to be signed in 2018. The renewed interest is mainly due to the fact that **Croatia is losing its skilled workforce to Western Europe and needs to replace them with workers from Bosnia and Herzegovina**. So, we can expect further permanent emigration from Bosnia and Herzegovina in the future. In case of gradual EU accession of the Western Balkans, this situation may even worsen as an accession of Serbia and Montenegro before Bosnia and Herzegovina would produce the same effect as accession of Croatia, i.e. skilled workers from Serbia and Montenegro would emigrate to Western Europe and would be replaced by workers from Bosnia and Herzegovina.

Managing emigration, particularly of young and highly skilled people from Bosnia and Herzegovina, requires a whole range of policies that should tackle the problem from different angles and treat not only symptoms but also the different causes discussed in this report. Furthermore, coordination among these policies needs to be established and assured. Promoting cooperation at all levels - local, national, regional and international –will be critical to managing migration to harness the development potential of youth migration while mitigating associated risks. Bosnia and Herzegovina policy towards diaspora should not be concentrated within any single institutions but should be inclusive and cover all relevant institutions, youth organisations, other CSOs, and diaspora organisations.

1.2.2 Mapping contemporary labour migration and mobility

Bosnia and Herzegovina has traditionally been prone to migration; however the most significant migration flows occurred in the last two decades. Migration trends can be divided into **three distinct periods**. The first one matches with the war 1992-95. It was marked by mass population displacement of about half of the entire population of the country. The second period is the aftermath of the war 1996-2000, which was characterised by mass return (repatriation) of refugees from abroad, but also

significant return of internally displaced people to their homes. Third period concerns the voluntary emigration of the 21st Century.

According to the 2013 Census, there are around 3,531,159 permanent residents in Bosnia and Herzegovina. Just for the comparison, in year of 1991 (the latest Census before 2013) the population of Bosnia and Herzegovina consisted of almost 4.3 million people in slightly less than 1.3 million households.

According to the Ministry of Human Rights and Refugees of Bosnia and Herzegovina (MHRR) the total number of persons originating from Bosnia and Herzegovina living abroad (including second and third generation of Bosnia and Herzegovina emigrants) reached an approximate amount of at least 2 million. This means that **Bosnia and Herzegovina citizens living abroad account to more than 50% of the Bosnia and Herzegovina population** currently living in Bosnia and Herzegovina, which puts Bosnia and Herzegovina among the top countries based on the number of people abroad in comparison to the population of the country. The World Bank's estimate of the Bosnia and Herzegovina diaspora is a bit smaller and it calculated a percentage of 44.5 of the Bosnia and Herzegovina diaspora as a share of the Bosnia and Herzegovina population - which positions Bosnia and Herzegovina as the 16th place in the world ("Migration and Remittances" Factbook 2016).

Top destination countries for migrants from Bosnia and Herzegovina are Croatia, Serbia, Germany, Austria, the United States, Slovenia and Sweden. **Tertiary-educated as a percentage of total emigrants in OECD countries in 2011 was 14.0%.** Tertiary-educated women as a percentage of total women emigrants in OECD countries in 2011 was 14.8% and the number of refugees in 2014 was 21,877. **On the other side, in respect to immigration, the stock of immigrants in 2013 was 23,000.** The top source countries in 2013 were Croatia, Serbia, Montenegro, the Slovak Republic, the former Yugoslav Republic of Macedonia, and Slovenia.

Table 6. Number of emigrants born in Bosnia and Herzegovina in 20 leading host countries

No.	HOST COUNTRY	NUMBER	SOURCE OF DATA/REFERENCE YEAR
1	Croatia	394,146	UN, 2017
2	Serbia	333,687	UN, 2017
3	Germany	200,510	UN, 2017
4	Austria	170,864	UN, 2017
5	USA	125,442	UN, 2017
6	Slovenia	103,663	UN, 2017
7	Switzerland	59,685	UN, 2017
8	Sweden	58,372	UN, 2017
9	Australia	43,456	UN, 2017
10	Canada	41,722	UN, 2017
11	Montenegro	29,462	UN, 2017
12	Albania	29,077	UN, 2013
13	Denmark	21,492	UN, 2017
14	Norway	14,370	UN, 2017
15	France	14,150	UN, 2017
16	Italy	12,025	Eurostat, 2016
17	The former Yugoslav Republic of Macedonia	8,729	UN, 2017
18	United Kingdom	6,943	UN, 2017
19	Poland	3,642	UN, 2017
20	Turkey	2,807	UN, 2017

Source: Bosnia and Herzegovina Migration Profile 2017

More educated persons were more likely to emigrate. Uvalic (2005) found that 75% of PhD degree holders and 81% of master's degree holders left the country during the war. Dimova and Wolff (2009) reported that 28.6% of emigrants from Bosnia had tertiary education, while the World Bank Factbook indicates, for example, that 12.7% of emigrants were physicians.

Current migration flows from Bosnia and Herzegovina are predominantly characterised by **emigration of highly skilled** people. They are supported by the country's programmes to employ individuals in Germany and Slovenia, while other flows are still negligible. This emigration contributed to the changing structure of the diaspora, which on the one hand has an increasing potential to contribute to the country's development through investment, transfer of skills and tourism and on the other hand emerges as a potentially important opposition to the current political establishments in the country and their clientelistic arrangements. The majority of emigrants use migration abroad as an exit option from the system they are not willing to accept or in which they are being discriminated.

A survey conducted by de Zwager and Gressmann (2010) on 1,216 long-term migrants from Bosnia who visited the country during the holiday season, provides a set of interesting findings about the characteristics of migrants. According to this study, migrants from Bosnia predominantly belong to the most economically active part of the population. Still, there are differences in the age structure of migrants, according to destination country. **For those who migrated toward the EU countries, the average age is 41, whereas for the neighbouring countries it is 37.** The surveyed emigrants are well integrated in the destination countries. **Although they might have been irregular migrants at the beginning, they managed to regularise their stay relatively quickly** (on average, in 2.4 years in EU, and 1.4 years in neighbouring countries). As a result, the majority of them work in the formal sector. The **forecast period of migration is relatively long (31 years)**. Interrogated about the possibility to return to the labour market in Bosnia and Herzegovina, the majority of them stated that they do not intend to do so. More than a half of respondents from the survey replied that they intend to return, but only after retirement in the destination country.

Based on an analysis of a DIOC-E database on immigrants to 31 OECD and 58 non-OECD countries in 2000, the report of Dumont et al. (2010, p. 24) informs that in the total stock of Bosnian immigrants to these countries, 51.4% of them are women, 11.9% are young people in the age 15-24, and 11.2% of all Bosnian immigrants are tertiary educated¹⁰. Compared to the share of tertiary educated adults in Bosnia of 5%, the difference suggests an above average emigration of highly qualified people.¹¹ In terms of the destinations of tertiary educated migrants from Bosnia to other OECD countries, Katseli (2006) reported that 39.5% of them migrate to the Americas (mainly to the USA), 45.8% to the EU, 5.3% to other OECD members from Europe, and the remaining 9.3% to Asia. The report of Bhargava et al. (2011, p. 24) on the emigration of physicians, placed Bosnia among the top 30 countries, as their data from 2004 show that 12.2% of total number of physicians trained in the country resided abroad.

10 In total population of BiH in 2015, according to estimates based on the HBS (there are no official figures), share of women was 51.1%, share of youth 14.7% ,and share of tertiary educated was around 5% (BHAS, 2007).

11 On the basis of an analysis of statistics from OECD Database on Expatriates and Immigrants, Katseli et al. (2006, p. 17) reported that in the EU-15, number of low educated adults from Bosnia was 182,651, or 12%. In Bosnia, this share is 10.2%. Also, he reported that the percentage of tertiary educated immigrants from Bosnia to EU-15 was 10.95%.

Table 7. Emigration rates of 25+, by gender, country of origin and educational level to OECD countries¹²

		Total		Men		Women	
Emigration rates	Men and Women	World	Bosnia and Herzegovina	World	Bosnia and Herzegovina	World	Bosnia and Herzegovina
2000	Total	1,59%	21,45%	1,60%	23,40%	1,57%	19,64%
	Low	1,26%	34,67%	1,39%	39,49%	1,15%	31,45%
	Medium	1,16%	13,14%	1,04%	15,50%	1,32%	10,74%
	High	4,14%	35,31%	4,02%	34,40%	4,27%	36,54%
2005	Total	1,82%	19,94%	1,82%	21,26%	1,82%	18,75%
	Low	1,34%	34,80%	1,47%	37,46%	1,24%	33,15%
	Medium	1,31%	12,22%	1,20%	14,33%	1,46%	10,16%
	High	4,96%	40,40%	4,78%	39,34%	5,16%	41,69%
2010	Total	1,91%	19,65%	1,91%	20,88%	1,92%	18,54%
	Low	1,40%	36,18%	1,57%	39,50%	1,28%	34,17%
	Medium	1,29%	12,10%	1,19%	13,94%	1,40%	10,32%
	High	5,31%	43,01%	5,09%	42,63%	5,55%	43,43%

Source: own elaboration using IAB International migration database¹³

The above table shows that **Bosnia and Herzegovina is a country where migration of the highly skilled has been quite substantial and increasing over time.** According to these figures, 43% of all highly skilled individuals from Bosnia and Herzegovina currently reside abroad. The gender aspects of emigration are also evident. Gender differences were pronounced in 1980s, with higher emigration rates of men and male emigrants more educated, while in recent years this difference has almost disappeared. Overall, compared to the world figures, the emigration from the country has involved both the low and high skilled segments of the populations at a considerable rate. In particular, the **highly skilled emigration has been eight times higher than in the rest of the world, implying severe consequences for human capital of the country.**

Bosnia and Herzegovina has **traditionally been an emigration country and will remain such for some time.** However, due to negative demographic trends and increased economic development, it will start to attract and will be in need of young and educated workforce from less developed countries.

Still according to the above figures, it is possible to conclude that **overall emigration rates, despite being considerable, are not the main concern. The more important issue is the structure of emigrants who are much more educated** than the population remaining in the country. If we take into account a well-known fact that emigration, as an activity that involves risks, is usually undertaken by more “entrepreneurial” individuals, we can see that such an emigration of the “best and brightest” has important consequences for the country. Such an emigration will not reduce unemployment but in contrary can even increase it, as these individuals were supposed to be the ones who would generate new jobs if they remained in the country.

12 For any given skill level and year, the emigration rate is defined as the total migrant population from a given source country divided by the sum of the migrant and resident population in the same source country. The data on the total number of residents aged 25 years and older in any source country by skill level and year are taken from Barro and Lee (2013) and United Nations Population Division (2011).

13 Source: Brücker H., Capuano, S. and Marfouk, A. (2013). Education, gender and international migration: insights from a panel-dataset 1980-2010, mimeo.

High unemployment rates, especially among youth, as well as unfavourable labour market arrangements for employed, are some of the key drivers of migration. Such a situation requires more investments in active labour market programmes (ALMPs) targeting youth. Active labour market measures can encourage labour-market participation, provide short-term employment opportunities and spur entrepreneurship, but they need to be financially sustainable and coordinated with policies that increase the demand for labour. Programmes to support the youth entrepreneurship can also have significant impact on reducing migration pressures among young people.

1.3 The former Yugoslav Republic of Macedonia. From late prioritisation and institutionalisation of migration policy to new institutional dynamism.

The Governments of the former Yugoslav Republic of Macedonia (1990-to date) have taken a passive approach in dealing with high emigration, as well as in seizing the developmental potential of diaspora and high inflow of remittances. Hence, while it has always been the right time for a policy action in this field, the lack of data and studies have made the task murkier than it seems. It is only recently that a Diaspora Cooperation Strategy is being prepared, based on wide consultations with the relevant stakeholders. This section dwells on the institutionalisation of migration policy in the former Yugoslav Republic of Macedonia, by also presenting migration trends which lay the ground for such institutionalisation.

The feeble policy setup is a result of the lack of appropriate data as well as insufficient policy focus and inadequate funding. Migration data is insufficient, especially that collected by domestic authorities, and especially in the circumstances of no census for 17 years. It was only in mid-2017 when a special Cabinet for diaspora was established. However, this does not guarantee the required focus and the appropriate allocation of funds for the utilisation of the development potential of diaspora and remittances. If the new Diaspora Cooperation Strategy is to be adopted soon, then the Government must improve budget planning to ensure timely and purposeful allocation of the budget resources for its implementation.

1.3.1 Labour migration policies

Despite emigration being a long-lasting phenomenon in the former Yugoslav Republic of Macedonia, governments did not adopt any specific policy for a long time, neither for the migration movements, nor for seizing the potential of diaspora and remittances for the country. Moreover, some governments in the past ignored the problem, or simply did not recognise its existence, mainly for political purposes.

The first document adopted was the Resolution on Migration Policy for the period 2009-2014. This policy focused on creating an efficient and transparent management of legal migration in accordance with national development, especially economic growth and demographic development. Subsequently, a new Resolution on Migration Policy 2015-2020 has been adopted. Both documents involve a set of measures and activities concerning emigration: measures for consistent application of the legal obligation for the reporting of departures/arrivals of the former Yugoslav Republic of Macedonian citizens upon leaving of / returning to the country; Diaspora mapping and creation of a database for distinct categories of migrants (businessmen, scientists, students, artists, etc.); supporting temporary emigration and circulation of the labour force, including staff with higher education; measures for facilitation of return of citizens from abroad; creation of policy for reduction of intellectual emigration and return of highly educated persons from abroad; measures concerning legal transfer of remittances and its productive use; mobilisation of the development potentials of the Diaspora for improvement of the local economic development. However, the second Resolution did

not assess the achievements of the first Resolution. Likewise no documents are available about its implementation, despite responsible ministries having been assigned to report to the inter-ministerial group on the implementation progress. The quick overview of the objectives and tasks of the Resolutions suggests that the implementation has been slow if not halted: at least the measures for improving the statistical information on emigrants have not been pursued. There has been no progress towards taking advantage of the potential of remittances.¹⁴

Given this backdrop, the new government, which took office in June 2017, has, for the first time since independence, defined a portfolio of diaspora and with a Minister with general portfolio. Soon this Ministry formed a group composed of ministries, non-governmental organisations, international organisations and academia, to prepare a national Strategy for Diaspora Cooperation. In a thematic sense, this can be considered a follow-up of the Resolution on Migration Policy, specifically focusing on grasping the potential of the diaspora development nexus through a variety of forms, such as: direct investment, remittances and educational and cultural spill overs. The process is so far apparently sluggish, as at the time of writing of this report (May 2018), no particular document has been exposed to public debate.¹⁵

1.3.2 Mapping contemporary labour migration and mobility

The former Yugoslav Republic of Macedonia has a large diaspora, as the outward migration has been intensive and persistent. However, official figures on the stock of the former Yugoslav Republic of Macedonian emigrants are lacking. One key reason could be the ***absence of census for the last 16 years (the last census took place in 2002)***. In addition, the long history of emigration led to an absence of reliable data for "old" migrants who emigrated within ex-Yugoslavia and their descendants, as well as for those who have returned home. There are some estimates from external sources, though. Most notably, the UN migration data suggest that the former Yugoslav Republic of Macedonian migrants' stock abroad has been about 534.720 at the end of 2017, while the World Bank estimates suggest a stock of 626.312 at the end of 2013. About 18% of these live in Germany, followed by the United States (14.3%), Turkey (13.3%), Italy (11%), Switzerland (9.2%), Australia (8.5%) and Serbia (6.8%). Other countries included Austria, Croatia, Slovenia and Canada. These percentages have been calculated on the basis of the World Bank estimates, although they are largely corresponding to the latest UN data. Limited statistics on the ethnic divide (Bornarova and Janeska, 2012, p.45) suggests that the share of ethnic Albanians in the total diaspora of the former Yugoslav Republic of Macedonia may have increased over time.

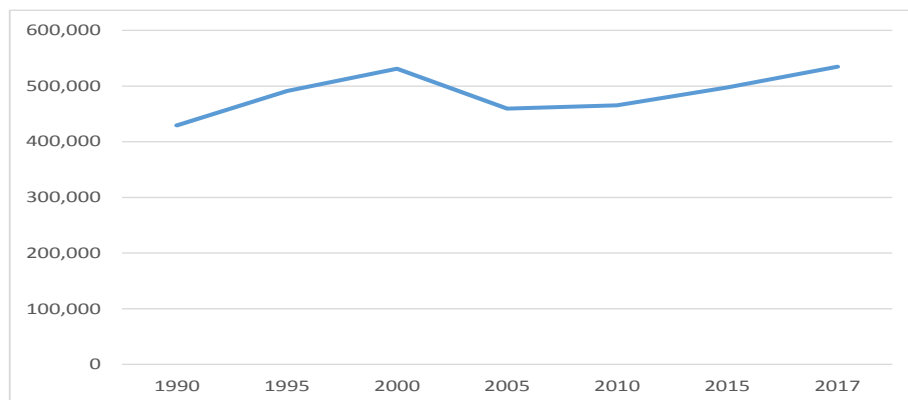
The former Yugoslav Republic of Macedonia has a long history of migration; hence the trend has been generally increasing. In particular, the data suggest two waves of emigration: one after the independence declaration in 1991 and the other one after the fall of the Schengen curtain in 2009. However, the two waves might have been different: it is argued. Bornarova and Janevska (2012) argue that the early wave had a permanent character (permanent employment abroad, family unification etc.), while the latter presented a temporary character. In fact, 2000s saw **intensification of temporary and circular emigration for employment** and for other reasons (education, training, visits of the family members abroad). However, 1990s and 2000s were also characterized by claims for Bulgarian citizenship by the former Yugoslav Republic of Macedonian citizens, in order to reap the

¹⁴ The author sought to establish contacts with the inter-ministerial group responsible for preparation of the Resolution, as other documents except the Resolution do not exist. However, the information obtained from the Government suggests that the group does not exist anymore, neither information is available on who participated in the group.

¹⁵ Further information on this aspect follows through the interview with the Minister in charge of the diaspora portfolio.

benefits of Bulgarian passport possession, especially those granted by Bulgarian accession to the EU in 2007. While there is no firm data about the size of the former Yugoslav Republic of Macedonians who obtained Bulgarian passport, anecdotal evidence suggests a figure of 70.000-80.000 persons in the period 2011 – to date. This provided impetus for the former Yugoslav Republic of Macedonian emigration – of a more permanent character – in the period after 2007.

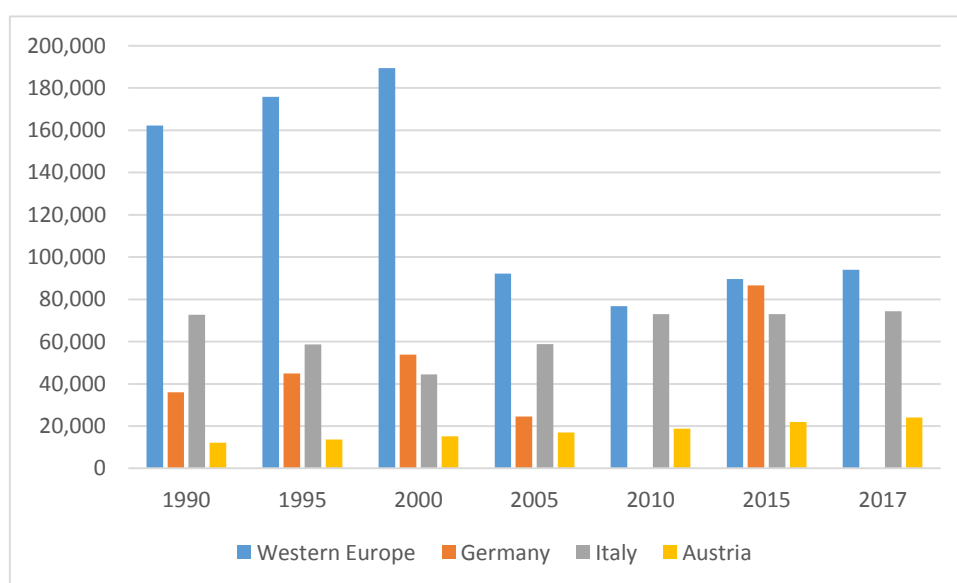
Figure 3 – Migrants' stock abroad over years



Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). Trends in International Migrant Stock: The 2017 Revision (United Nations database, POP/DB/MIG/Stock/Rev.2017).

EU-15, remain the most attractive countries for the former Yugoslav Republic of Macedonian citizens. Most notably, the former Yugoslav Republic of Macedonia has the largest diaspora in Germany, which has been maintained over years (despite a series of halts in 2010), followed by Italy and Austria. Own forecasting based on a Delphi process (Petreski et al. 2017) revealed that the current pace of emigration from the former Yugoslav Republic of Macedonia will be maintained and further accelerations are not expected as the main emigration inclination has been exhausted. However, the maintenance of the pace will imply that the stock of emigrants abroad will continue rising.

Figure 4 – Migrants' stock in 3 countries of the EU

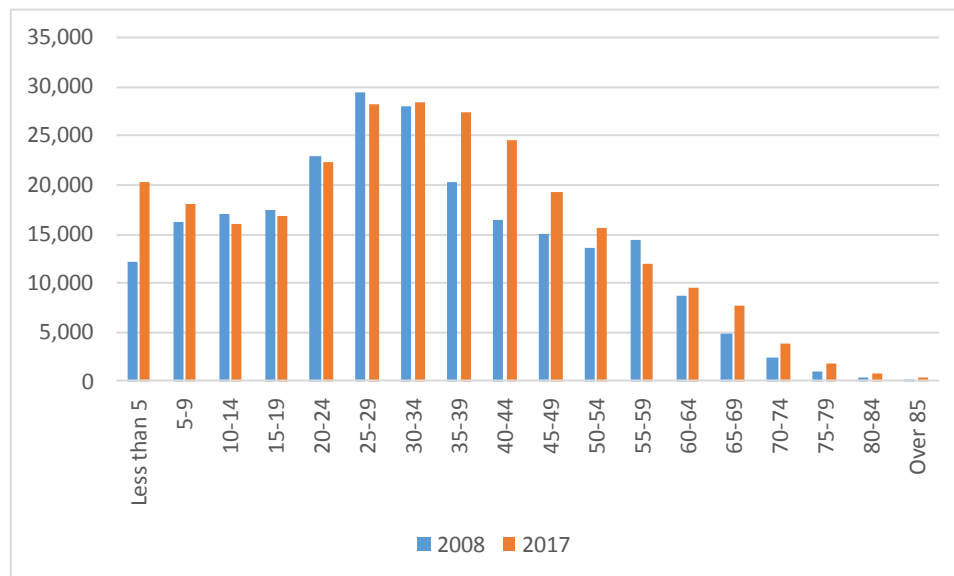


Note: The figure for Germany in 2015 is for 2013.

Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). Trends in International Migrant Stock: The 2017 Revision (United Nations database, POP/DB/MIG/Stock/Rev.2017).

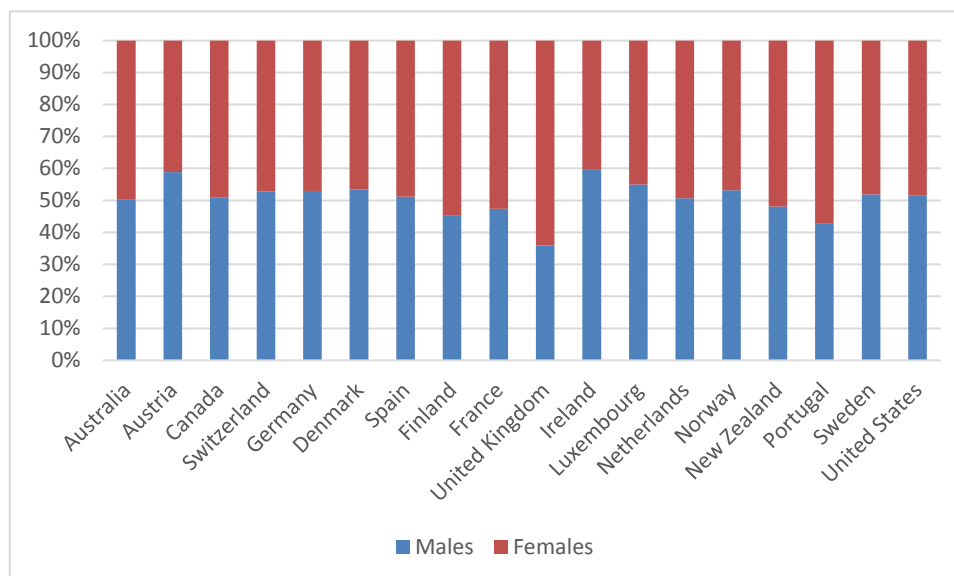
The former Yugoslav Republic of Macedonian emigrants abroad tend to be young, while equally distributed among the two genders. Children (up to 15 years old) make up a large share of the emigration stock and a significantly larger share in 2017 than 10 years before (Figure 5). The share declines for ages above 55, although there is a tendency for aging of diaspora between 2008 and 2017. Figure 6 presents the gender decomposition of the emigrants' stock in selected countries for which such data is available. Female emigrants are predominant in France and Portugal, while male ones are more common in Austria and Ireland.

Figure 5 – Breakdown of emigration by age



Source: EUROSTAT: Population on 1 January by age group, sex and citizenship [migr_pop1ctz]

Figure 6 – Breakdown of emigration by gender in selected developed countries (2010)

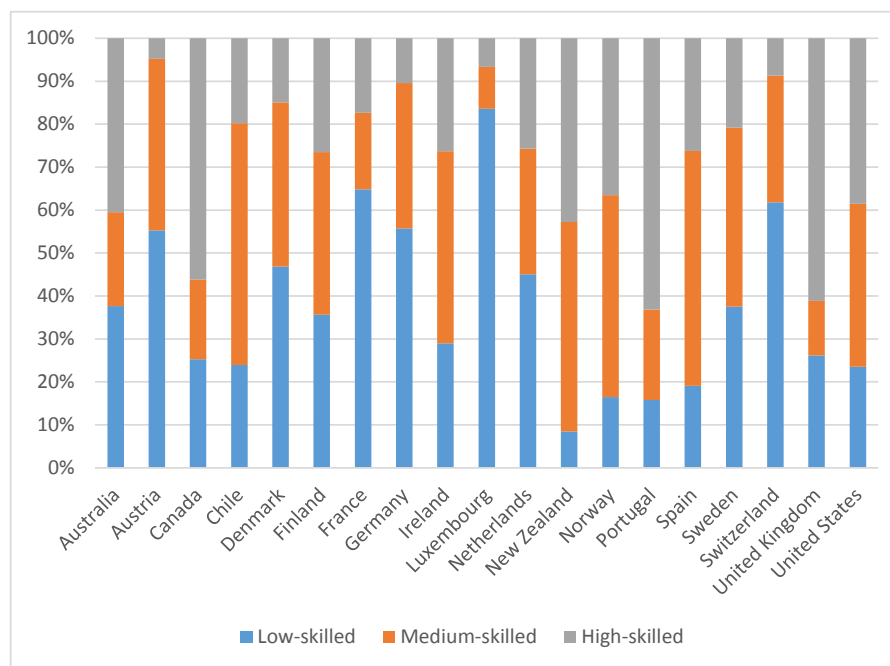


Source: IAB Brain Drain Database (Brucker et al. 2013)

More low-skilled (43%) than high-skilled labour force (26%) left the former Yugoslav Republic of Macedonia. Figure 7 presents the skills disaggregation by country and suggests that these shares significantly vary from country to country. The shares of high-skilled emigrants populate the

transcontinental countries like Australia, Canada, New Zealand and USA, while low-skilled emigrants are mainly concentrated in the European continent. This may be related to the waves of emigration: the earlier waves of emigration were mainly transcontinental, so that emigrants and their successors had more time and opportunities to acquire skills. Differently, recent waves of emigration – including less skilled labour - populated European countries more than the others. It is also worth noting that in all countries, the share of medium-skilled emigrants is large, persistent and frequently dominant.

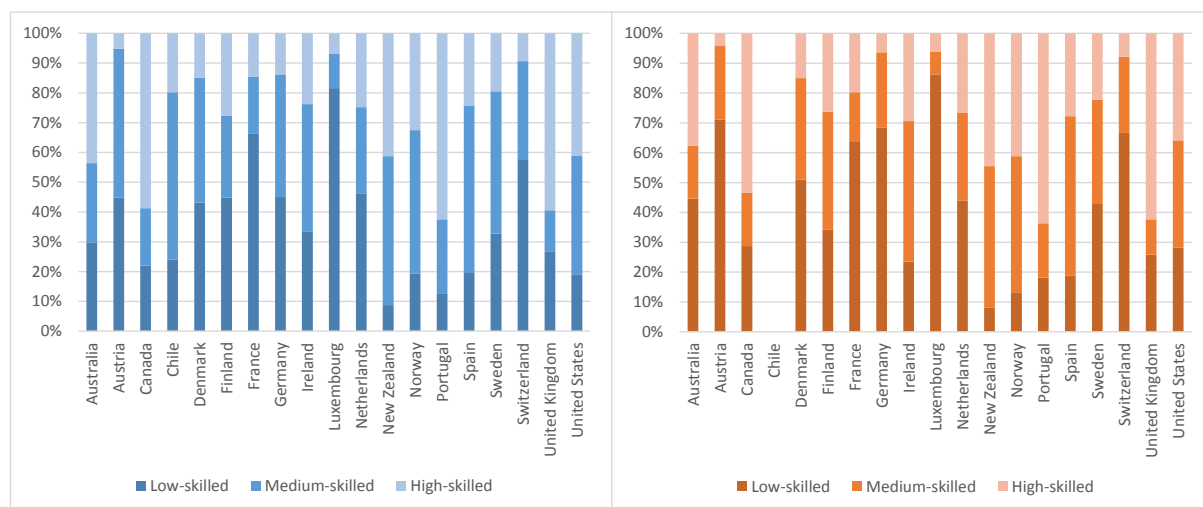
Figure 7 – Breakdown of emigration by level of skills in selected developed countries (2010)



Source: IAB Brain Drain Database (Brucker et al. 2013)

Below figures show, female emigrants are more frequently low-skilled than male ones. Figure 8 points out the pronounced variability among countries, although the composition per country is largely maintained across genders.

Figure 8 – Breakdown of emigration by level of skills and gender in selected developed countries (2010)



Source: IAB Brain Drain Database (Brucker et al. 2013)

According to Petreski and Petreski (2015), the dissatisfaction with the societal conditions of the former Yugoslav Republic of Macedonians most likely to migrate grows with age (up to 36 years). After that it declines, suggesting that youth are most inclined to think about emigration. Also, the study finds that the dissatisfaction is more prevalent among ethnic Albanians, and lower among richer regions in the country. Conversely, feeling of gender and ethnic inequalities grows with age, while, expectedly, Albanians, on average, have higher feeling of inequality. Hence, dissatisfaction feeds inclination to emigrate, i.e. the more dissatisfied the person is, the higher his/her inclination to emigrate. On the other hand, this is not the case with the feeling on inequality: it is not correlated with the inclination to emigrate. However, males and less educated persons are more inclined to emigrate, irrespective of their level of dissatisfaction. Remittances were found to play a strong role for the inclination to emigrate: in essence, inclination is larger in households receiving remittances and grows with the amount received, as it is likely that remittances alleviate financial constraints for other persons of the household to depart.

These results succinctly describe **the profile of the former Yugoslav Republic of Macedonian emigrants: people in late 20s or early 30s who become dissatisfied with the societal context in the former Yugoslav Republic of Macedonia are more incentivised to emigrate.** The male head has the brevity to migrate first, usually at the moment when a demand for his level of skills emerges. Then, he has an intention to 'drag' his wife and/or his children later when the remittances he sent have been commensurate to the costs needed for them to depart. Therefore, overall, while the drain brain has been a valid concern in the country and the region, it cannot be concluded that it has been an exclusive problem in the country, as the share of low- and medium-skilled emigrants has been still dominant.

1.4 Kosovo. Migration as livelihood strategy: will regular migration channels reduce irregular migration?

A brief observation of data from Eurostat, reveals that in 2015 the number of illegal migrants from Kosovo* was very high (72,480), while the number of regular migrants in the same year was only 864. However, only one year later, in 2016, the ratio changed significantly as the number of regular migrants increased to 2,675 and the number of illegal migrants fell sharply to 11,680 (Eurostat 2017). We observe the tendency of further increase in the number of regular migrants and decrease in the number of illegal migrants, as young Kosovars are better informed and counselled and more of them choose regular over irregular migration.

1.4.1 Labour migration policies

Kosovo* made important progress in developing an appropriate institutional framework to address issues related to migration, although further improvement is required in terms of coordination, management and outreach. The Migration Management System in Kosovo* is based on a legal and institutional framework that is defined by the Ministry of Internal Affairs (MIA) as the main institution for addressing asylum, foreigners, citizenship and the reintegration of repatriated persons. MIA hosts the **Government Authority on Migration (GAM)**, an inter-institutional body composed of 15 institutions aiming to coordinate collection and analysis of data on migration, and develop policies and recommendations. GAM is led by a National Coordinator on Migration, who steers migration management in Kosovo* and coordinates the implementation of the Strategy and the Action Plan on Migration. This authority aims at interlinking migration with development policies by applying the **"Whole-of-Government Approach"**. The Swiss State Secretariat for Migration through

the SCO in Kosovo* launched on November 2017 the project 'Strengthening Migration Management Authorities in Kosovo* (MIMAK)' aiming at strengthening the work of the National Coordinator on Migration and of GAM by supporting restructuring of the migration management structures in Kosovo*, facilitating improved data collection and analyses, training of GAM members, and supporting government officials in their outreach to the public aiming at improved information on migration.

The Ministry of Internal Affairs and the Ministry of Labour and Social Welfare (MLSW) lead the management of regular labour migration with substantial support from international organisations and donors (namely the Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ). While the Department of Citizenship, Asylum and Migration within MIA is responsible for reviewing requirements for entry permits and residence in Kosovo*, the MLSW is responsible to provide employment services and vocational training to foreigners to access the national labour market and for establishing cooperation in the area of employment services and vocational training for Kosovar citizens in countries with which Kosovo* has diplomatic relations. Law no. 04/L-205 on the Employment Agency sets out clearly, that this body shall provide different services related to employment, offer counselling and provide information related to labour migration for both, foreigners aiming to work in Kosovo* as well as Kosovo* job-seekers looking for employment abroad. Labour migration services and counselling are also provided at a municipal level through Employment Offices using a one-stop-shop approach. Furthermore, the Employment Agency is currently developing an online module that will provide complete information related to labour migration. MLSW is working to arrange new labour migration agreements with EU member states other than Germany, however concrete results are still absent. So far neither holistic nor targeted approaches towards the management of circular labour migration have been considered in Kosovo* and existing programmes seemed more like *ad hoc* isolated activities (Sauer & Kllokoqi 2017).

Due to the predominance of EU-set goals related to border protection and combating irregular migration, labour migration does not receive adequate attention in national strategies. As an example, the Employment Agency of Kosovo* established the Migration Division to facilitate labour migration for Kosovo* citizens and to deal with work permits for immigrants seeking to work in Kosovo*. However, the Division is understaffed and largely lacking in concrete initiatives. The head of Division is not appointed yet, and out of the 3 planned staff, only one was hired.

Design and implementation of the National Strategy and Action Plan on Migration needs further improvement. In 2013, the Government of Kosovo* adopted a *National Strategy and Action Plan on Migration 2013–2018*, that was realistic in terms of objectives, but primarily concerned with irregular migration and administration of returning migrants and its implementation falls largely under the Ministry of Interior. In terms of labour migration strategy, the policy aims to improve legal and circular migration management stating that Kosovo* will promote legal migration, including migration for study purposes, seasonal employment, experience exchange and different trainings. The assessment of the implementation of the action plan reveals that Kosovo* achieved partial success, namely in the field of institution strengthening and completion of legal framework (sub acts on Law on Foreigners), membership in the Migration, Asylum and Refugees Regional Incentive (MARRI) in 2014, improvement and availability of migration data through publishing of Migration Profile (2015, 2016 and 2017), and signing of bilateral agreements with EU members states on regular migration, such as the one with Germany.

On the other hand, elements of the action plan that require further progress are: collection and provision of accurate data on circular migration (largely absent), further bilateral agreements with EU member states for regular migration and initiation of agreements with EU member states for education and scientific research.

High youth unemployment rates necessitate targeted interventions for youth, including circular migration. The new *Action Plan for Increasing Youth Employment 2018-2020* of the MLSW includes the provision of opportunities for circular migration for Kosovar youth. It also focuses on the improvement of labour skills through a combination of harmonisation of vocational education and training (VET) with labour market requirements, provision of career guidance and counselling services and through increasing the quality of practical learning at school and professional practice outside of schools for youth. In terms of labour migration, the ongoing collaboration of the Employment Agency of Kosovo* with GIZ is focused on the improvement of the quality of VET, identifying the models that work in Kosovo* and on recognition of certificates in Germany and the EU to allow for employment of Kosovar youth in the EU market. In addition, agreements such as the one with Landesverband Bayerischer Bauinnungen aim to provide training and employment for young Kosovars in Germany. Prospective interventions will also include entrepreneurship training for youth to prepare them to start a business in Kosovo* and transfer their skills to their homeland after completing their training in Germany.

The role of the private sector in preparing the youth for regular labour migration in the EU market is essential. Heimerer College Pristina in cooperation with WBS Expert Solutions runs the German Kosovar Programme for Career and Education providing qualitative education, professional career and exclusive employment abroad for students that have studied or are studying nursing in healthcare.

International Organization for Migration (IOM) in partnership with MLSW and MIA established **Centres for Migrant Services (CIS)** in all seven regions of Kosovo*. These centres provided information, counselling services, references related to migration in 37 countries. They also provided information on visas, working and living conditions, studying abroad, migration programmes, rights and support for immigrants, family unification, and reintegration programmes for returned immigrants. Unfortunately, there was no update of the information provided in these centres, witnessed by the same brochures designed at the onset of the initiative being used even after 5 years. Updating regular migration policies of 37 countries is challenging and requires resources. There was no exit strategy for these centres; hence **they are not operational now.**

Kosovo* Mobility Platform is a promising initiative that could yield positive results if properly managed. The MLSW through the Employment Agency is collaborating with GIZ and the South Eastern European Institute for Health and Social Policy to develop the mobility platform. The platform has a sectoral limitation and focuses on the social services sector and in particular on care activities and aims to enable: 1) The adjustment of the sector-specific vocational education and training along the needs of labour markets; 2) the management of the migration process along the migration cycle: before leaving the country, integration in the destination country and return and reintegration in the home country; and 3) the development of a market for social services in Kosovo* (Sauer & Kllokoqi, 2017).

1.4.2 Mapping contemporary labour migration and mobility

Migration remains an important livelihood strategy for a significant share of Kosovos population.** Nearly one third of Kosovars live abroad today and a quarter of households in Kosovo**¹⁶ has at least one family member living abroad.

Despite sizeable emigration, Kosovo* is the only country in Western Balkans that is witnessing an increase in population (+8.2 % during 2010-2015), especially that in the working age (WIIW, 2017).

The labour market in Kosovo* is persistently characterised by high unemployment rates. The share of people outside the labour market is the highest in the Western Balkans (57 %) and the female inactivity is more than double of that of males (80 %). Youth unemployment is at 52.7 %, with the inactivity of low educated youth as high as 80 % (LFS, 2017). Between 2010 and 2016, youth unemployment rates increased in all three educational groups (that is, low, medium and highly educated). With 30.6 % of the labour force unemployed in 2017, Kosovo* lags behind the average of the Western Balkan countries with a rate of 21.1 %.

Considering high unemployment rates, a very young population and relatively high poverty rates, Kosovo* remains principally a labour emigration country. Kosovo* has worse absolute poverty relative to the Western Balkans for all measures. Median income in Kosovo is around seven-tenths that of the Western Balkans averages and Kosovo* has the worst absolute poverty relative to the Western Balkans for all measures, including the poverty headcount, gap, and severity (IMF, 2018). This means that poverty is more pervasive, the poor are further below the poverty line, and there is more extreme poverty. International migration hence plays an important role in cushioning the problem of unemployment and as an important source of income in Kosovo*.

Net migration will remain negative. Around 17,500 Kosovars are estimated to emigrate (regular and illegal) every year and 7,000 immigrants will reach Kosovo* every year, resulting in an annual net migration of -10,000 for the predicted period, according to the Population Projection Report 2017-2061 (KAS, 2017).

Kosovo Agency of Statistics published the first official report on migration in 2014. The total number of persons (only of those born in Kosovo*) who had emigrated from Kosovo* was 380,826¹⁷, which compared to the number of residents in Kosovo* is around 21.4 % of the population (KAS, 2014). Around 35 % of Kosovo* migrants live in Germany, followed by Switzerland with around 23 %, and Italy with over 7 %. Other countries included Sweden, Belgium, Austria, Canada, USA, and Australia (KAS, 2014). The destination countries are similar to those of neighbouring Western Balkan countries.

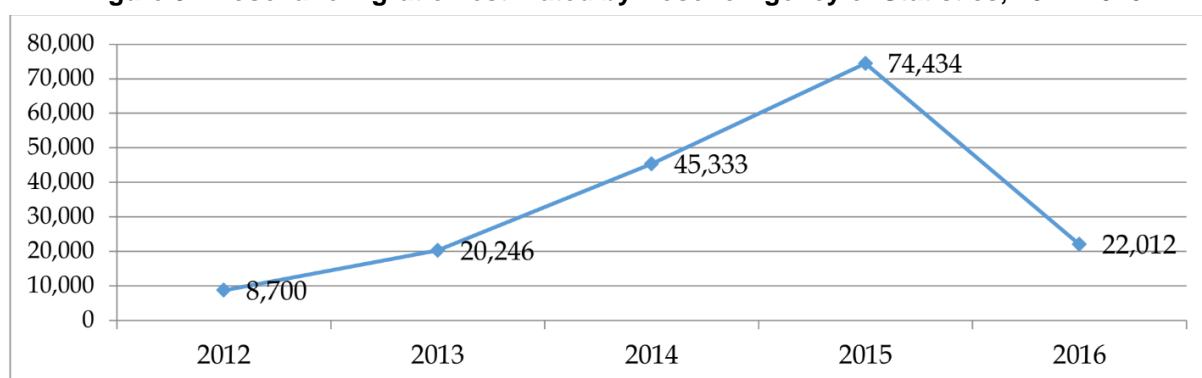
¹⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo* declaration of independence.

¹⁷ Data from the Kosovo Agency of Statistics (KAS) is probably an underestimation of international migration, since there are some households where all the members were absent at the time of the survey ("family migration"). KAS figures are generally accepted as a lower boundary estimate, while the upper boundary estimate is as high as 874,000 calculated by the cumulative deaths and births since the last Yugoslav census of 1981 minus the total population from census data of 2011 (UNDP 2014).

The majority of the migrant population is male and of Kosovo-Albanian origin. In 2011, the migrant population was predominantly male (56.67 %) with the female population at 43.33 %. A significant number of the migrant population was aged 0-14 years (16.9 %), while the age group 25-44 years comprised 47.2 % of the migrant population (KAS, 2014). Compared to other ethnicities, Kosovo-Albanian households are considerably more likely to have a migrant relative abroad, and are more likely to receive remittances. Kosovo Serb households are the least likely both to have a migrant and to receive remittances, after controlling for migration incidence; however, they enjoy the highest average amount of remittances. Other ethnic groups (including Kosovo Roma/Ashkali/Egyptians) stand between Albanians and Serbs in terms of the incidence of migration and remittances, but receive lower remittances than all other groups (UNDP, 2014).

The type of migration that Kosovo* has experienced so far cannot be considered a brain drain because 92 % of migrants have no more than secondary education and only 5 % had a bachelor's degree when they left Kosovo* (WB, 2011). Haxhikadrija (2009) reported trends regarding labour market integration of former Yugoslavs in Switzerland - the proportion of unqualified labour workers was 59 % among Kosovo*-Albanians, 50 % among Serbians and 54 % among the former Yugoslav Republic of Macedonians. About two third of the recently arrived and professionally active Kosovo*-Albanians were enrolled in unqualified, low skill labour work. This number was even higher for female population of Kosovar Albanians as 70.7 % of them were unskilled labourers (Haxhikadrija, 2009).

Figure 9: Kosovar emigration estimated by Kosovo Agency of Statistics, 2012-2016



Source: Government Authority for Monitoring of Migration Flows (2016) Migration Profile 2016, Ministry of Internal Affairs, Pristina.

Irregular migration remains pervasive, but the ratio of regular to irregular emigration is improving steadily.

During the last ten years, Kosovo* witnessed some sharp fluctuations in terms of emigration and return, most notably the wave of massive irregular migration during 2014-2015.

Misinformation spread through the media played a crucial role in the rise of irregular migrants and asylum seekers. Rumours, widely circulated, stated that Germany was accepting seasonal workers from Kosovo*, and it was broadly taken for granted that asylum seekers would quickly receive housing benefits and the right to employment (Mollers et al, 2015¹⁸). The number of individuals from Kosovo* seeking asylum in the EU from 2008-2013 has hovered between 10,000 and 20,000 per annum, however, in 2014, it nearly doubled to 37,890, and in 2015 it nearly doubled again to 72,480. This figure then decreased substantially in 2016 as the number of asylum seekers reversed to 11,680, while the number of regular migrants increased to 2,675. This significant drop in the number of

¹⁸ Mollers, J., Gjini, A., Xhema, SH., Herzfeld, Th., (2015) Mass exodus from Kosovo: How a struggling state loses its citizens, IAMO Policy Briefs No. 24, June 2015.

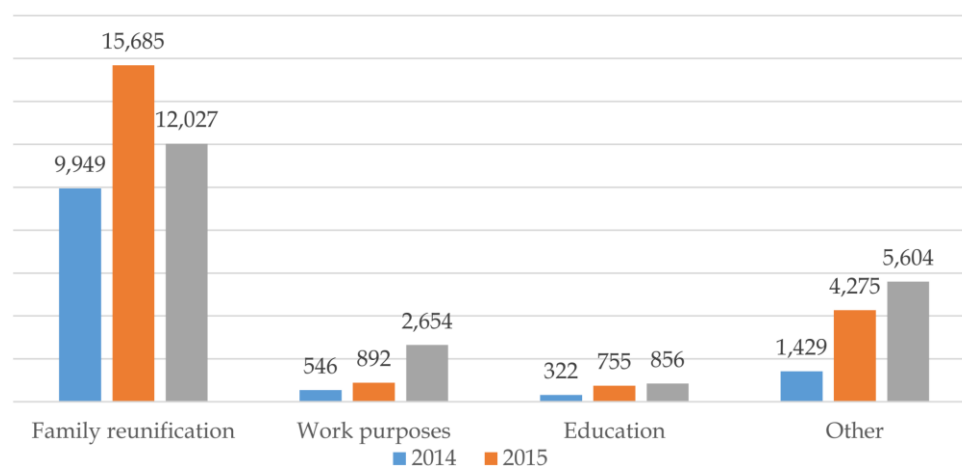
Kosovar asylum seekers in EU countries in 2016 came mostly as a result of policies and prohibitions imposed by EU countries, including Hungary's June 2015 decision to start building a fence to prevent Kosovo* migrants from entering the country and most importantly the decision of Germany to declare Western Balkans countries "safe countries of origin," allowing for faster return of asylum seekers.

Three main factors fuelled the 2014-2015 exodus. According to Muller et al (2016): a high degree of frustration with Kosovar politics; persistent economic hardship and a lack of prospects; and a conglomerate of facilitators fuelled the massive migration in 2014-2015. The majority of people hence did not leave because they were unemployed and poor, but rather because they lost hope that things will change for the better.

The large wave of irregular migration to the EU during 2014-2015 followed by major returns alarmed the national government and **EU member states who began to develop concrete alternatives to irregular migration, most notably the decision of Germany to allow labour migration from Western Balkans** initially for the period 01.01.2016 to 31.12.2020. In May 2015 an agreement between the German Federal Ministry for Economic Cooperation and Development and Employment Agency in Kosovo* was reached to establish the German Information Centre for Migration, Vocational Training and Career (DIMAK) that offers a number of services and advice to Kosovars in terms of conditions for legal migration to the EU.

The number of Kosovars receiving residence permits in EU for work purposes increased significantly in 2016 and 2017. The top three destination countries, where the regular labour migration occurred from Kosovo* were Germany, Slovenia and Italy. In terms of qualifications of workers, only a marginal number of permits were issued for highly skilled workers.

Figure 10: Kosovar citizens with valid residence permits in EU and Schengen area countries as per reason of stay, 2014-2016



Source: Government Authority for Monitoring of Migration Flows (2016) *Migration Profile 2016*, Ministry of Internal Affairs, Pristina.

Propensity to migration remains high, but it is not increasing. According to a survey conducted by UNPD researchers, approximately half of the respondents in Kosovo* between 18 and 36 years (and more than one third of all respondents) typically say they plan to migrate (UNDP, 2014). On the contrary, the forecasting based on a recent study using a Delphi process, revealed that emigration from Kosovo* would decrease by 9 % in 2021 (MPRA, 2017). Males are 7.5 % more likely to migrate

to an EU country compared to their female counterparts. Youth between 15 and 25 years old are the social strata most willing to migrate. Unemployed individuals are more likely to migrate compared to their employed counterparts by 10.5 % (Loxha & Elshani, 2013).

1.5 Montenegro. From emigration to immigration¹⁹

Although accurate data on contemporary Montenegrin emigration is not available, it is clear that Montenegro is transitioning from an old emigration region to a country facing a labour shortage and increasingly attracting workers from the Western Balkan region. While the topic of emigration is present in the policy documents, mainly with respect to maintaining Diaspora relations, attracting their investment and preventing Brain Drain, the issue of employment of foreign workers is on the top of the agenda of policy makers in this field. Several reforms have been undertaken in the past couple of years intended to, on the one hand, simplify the process of issuing work permits, while on the other hand, leading campaigns intended to motivate employers based in Montenegro to employ Montenegrin citizens - a couple of years ago they even had an 'Employ Montenegrin' campaign. While an open labour market policy approach seems to have been pursued, in reality the position of the policy makers is much more ambivalent.

1.5.1 Labour migration policies

The **2017-2020 Strategy for Integrated Migration Management** and an accompanying action plan have been adopted, however they **do not address the issue of labour migration in much detail** other than to declare the Government's commitment to adherence to the *Acquis Communautaire* in the field of employment of foreigners.

It should be said that the Action Plan for Implementation of the Strategy for Integrated Migration Management in Montenegro for Period 2008-2009 has already recognised the **lack of data on migration** flows, as the first activity planned was to create conditions for setting up a unique population data base (Montenegrin citizens and foreigners). However, it seems not much progress was made in this respect.

Presently, the **Montenegro Diaspora Centre**, which operates within the Ministry of Foreign Affairs of Montenegro, is the main institution coordinating and promoting Diaspora links with their homeland. The Centre helps to organise meetings of emigrants and provides logistical support in the organisation of visits of business, cultural and other delegations from emigrant destination countries to Montenegro. The Centre also organises humanitarian assistance from the Diaspora to Montenegro and solves individual problems of emigrants. The latter also have the possibility to make suggestions and proposals to state institutions through the Montenegro Diaspora Centre.

A project called "**Fund for Diaspora**" has also been developed, which consists in offering loans to help Diaspora members to start a small or medium-size business. It was planned that the project would be implemented by the Montenegrin Agency for Small and Medium Size Companies. Unfortunately, this idea was **never implemented** in practice up to now.

Generally speaking, the objective of the Montenegrin state administration is to:

- Promote successful mechanisms to alleviate brain drain;

¹⁹ The case of Montenegro is detailed in Ch. 5.1 "Montenegro – the region's destination country"

- Establish a web site to identify young scientists having left Montenegro in the last 10 to 15 years;
- Create a database of experts in selected identified disciplines who have left the country and who have expressed interest in contributing to the Montenegrin economy;
- Reduce mass emigration of young intellectuals and maintain an effective two-way communication between young professionals who have left Montenegro and their colleagues who remained in the country;
- Develop mechanisms to promote contacts and offer opportunities for short and long-term positions to returning experts as well as for their "virtual presence" and continued contribution to the cultural, scientific and economic life of the country (Grecic and Kaludjerovic, 2012).

Although the topic of emigration is present in the policy documents, it is evident, that **the issue of employment of foreign workers is on the top of the agenda of policy makers** in this field. Several reforms have been undertaken in the past couple of years and several Government led campaigns are currently active.

In terms of the legal solutions adapted, Montenegro pursues the **policy of an open labour market** and has been reforming its legal framework so as to comply with the *EU Acquis* and simplify the process of engaging foreign workers. The key laws regulating this are the Law on Employment of Foreigners, passed in April 2015, and the new Law on Foreigners passed this February, 2018. The specificities of the adopted solutions will be presented in detail within the Case Study.

1.5.2 Mapping labour migration and mobility

Throughout the 20th century Montenegro has been a typical emigration area. Poor economic development and large-scale destruction during the wars (World War I and World War II) were the main cause of mass exodus of the population. Over a long period of time, Montenegrin communities have been formed around the world. **From 1991 to 2003 there was a significant increase in the number of Montenegrin citizens working abroad** (outside the republics of former Yugoslavia). During this period, the number of temporary migrants staying and working abroad more than doubled, increasing by 32,000, or over 2,500 per year. It was the most intense increase in the volume of migration as from the mid-1960s the share of the population abroad out of the total Montenegrin population rose from 3.9% to 8.9%. The most important destination countries for Montenegrin citizens abroad, according to census data for 2003, were the USA, Germany, Switzerland, Luxembourg, Sweden, France and Italy. Indeed three-quarters of the total number of Montenegrin citizens working or staying abroad are located in these countries (Grecic and Kaludjerovic, 2012). Unfortunately, such analysis has not been conducted on the basis of the 2011 Census data.

According to the UN population database, in 2015, a total of 138,356 Montenegrin citizens resided abroad. Among these, 61% lived in the West Balkan region, while out of these 84.4% were based in Serbia. In other words, over half of all Montenegrin emigrants live in Serbia²⁰.

20 It might be suggested the number of Montenegrin immigrants in Serbia is significantly higher. The Montenegrins of Serbia are a national minority in the country and according to the 2011 Serbian census, there are 38,527, ethnic Montenegrins in Serbia. The Montenegrin law does not allow for dual citizenship, resulting in a significant number of Montenegrins with established households, jobs, pensions, etc. in Serbia denouncing their right to Montenegrin citizenship in favour of Serbian citizenship. This is considered to be a politically highly sensitive issue.

Generally speaking, emigration of Montenegrin citizens outside former Yugoslavia was of two types: (1) regular (permanent) migration, first of all to overseas countries, mainly for highly skilled migration and for the purpose of family reunification; (2) temporary migration (both regular and irregular) to the European countries for employment purposes. Circular migration in the case of Montenegro is relatively weak, but in the last couple of years it has become more evident alongside stronger immigration processes. Following independence in 2006, the implementation of economic and other reforms, the labour market in Montenegro has been stabilised and job growth is noted. Thus, **Montenegro became a country of net immigration**²¹ (Grecic and Kaludjerovic, 2012), **attracting numerous workers, mainly from the West Balkan Region.**

The UN population data-base shows that in 2015, 57,763 foreigners lived in Montenegro. Out of these, nearly 60% originated from Bosnia and Herzegovina, followed by 30% originating from Serbia. Although in absolute terms, this figure may not be so compelling (compared to the nearly ten-fold higher number of migrants from the region in Serbia) but considering the size of the population of Montenegro, it is justified to view Montenegro as the destination country of the West Balkan region.

1.6 Serbia. The long path in transforming brain drain into brain gain

The body of research on labour migration in Serbia is mounting as the topic is raising increasing interest. Particularly in the spot-light of the public, through a pronounced media presence and the expressed concern of State Officials' spokespersons, is the ongoing Brain Drain of Serbian intellectuals, especially regarding the youth. While the existence of a Brain Drain is broadly perceived as a worrisome fact and is focusing most attention, no reliable data is available to register or monitor the prevalence of the emigration of highly educated Serbian nationals, as no data on emigration flows is collected by the Serbian Government. This is also the topic dominating the related policy framework aiming at reducing Brain Drain and stimulating the return of educated emigrants by fostering their cooperation with national institutions and/or businesses. The planned policy measures are however rarely acted upon. Besides, insufficient information is collected on the number and characteristics of returnees to Serbia.

1.6.1 Labour migration policies

The *White Paper: Towards a Labour Migration Policy in the Republic of Serbia*, prepared by IOM in 2010, concludes, that in the migration management sphere, the Republic of Serbia is still in the process of laying down the foundations for a comprehensive national policy and an efficient and operational framework for its implementation. The **2009 Migration Management Strategy** (*Official Gazette*, RS No. 59/2009), with a corresponding action plan, highlights key migratory trends and challenges in the Republic of Serbia and sets up the overall priorities in the years to come. **The intention is to transform migrations into a positive developmental factor benefiting both the receiving and sending countries.** Serving as a comprehensive and objective-setting framework, the Strategy calls for *streamlining migration issues into other spheres* and developing more specific sector policies, including the *policy on labour migration*. Strategic Objective 2, "Integrating the strategic, legal and institutional framework for the joint management of migration", formulates the priorities of relevance to economically-induced migration as follows:

²¹ The decreased emigration propensity is confirmed through an IOM study, according to which nearly 70% of Montenegrin youth expressed no serious consideration to emigrate. This is the highest share of such respondents across all of the countries from the region which participated in the study (Grecic and Kaludjerovic, 2012).

- 1) instituting “[...] a policy of employment in the Republic of Serbia according to the needs of the labour market and the principle of freedom of movement for the labour force” (measure 11, specific objective 2),
- 2) clearly defining “[...] the jurisdictions and procedures in the employment and protection of citizens of the Republic of Serbia abroad in a manner that will ensure the effective employment and protection of citizens temporarily working abroad and in the process of redirecting employees to work abroad” (measure 2, specific objective 3),
- 3) continuing “[...] negotiations and conclud[ing] agreements on social security with the countries of interest for the Republic of Serbia” (measure 3, specific objective 3) (IOM, 2010).

The Strategy is calling for programmes to be developed to promote the return of highly qualified Serbian nationals or applying their knowledge and skills remotely, to aid the development of the Republic of Serbia.

The National Sustainable Development Strategy (NSDS) was adopted in May 2008. The phenomenon of migration has been directly included in several sections. Again, **the third key national priority**, related to human resource development, highlights the need to **prevent emigration of high skilled people** by creating better working conditions. The continuous brain drain after 2001 is listed as an internal weakness. Consistently, one of the aims of the population policy of the country is set as eliminating the factors influencing brain drain and creating favourable conditions for the return and/or investment of diaspora in Serbia (Rasevic, 2016), yet the policy makers, **fall short when it comes to translating these words into actions**.

Similarly the **Strategy and Policy of the Industrial Development** of the Republic of Serbia for the period **2011–2020** and the **Strategy on Scientific and Technical Development of the Republic of Serbia for the Period 2016–2020 – Research for Innovation** highlight the need to **enhance communication with Serbian researchers** living and working abroad in order to strengthen Serbia's industry's innovation potential and maximise the potential of the Serbian diaspora, as well as **encourage their return**. In addition the former, also recognises the potential of the influx of remittances from the diaspora (Ibid). Also, the **Ministry of Education has not designed nor implemented any measure to this end**.

In summary, **the main concern from a migration management perspective is the emigration of qualified youth, the so called 'Brain Drain' and how to prevent this phenomenon**. However, the development potentials of such emigrant stock are also recognised and various ministries have pledged to enhance cooperation with the diaspora in Serbia (Rasevic, 2016). At the moment, **few implemented policy measures to this aim have been identified and no account on progress in this respect is available**. Again, accounting for and benefiting from the Serbian emigrant stock appears to be a weak spot and does warrant additional research.

1.6.2 Mapping contemporary labour migration and mobility

UN statistics, estimate that the number of emigrants from Serbia in 2017 reached nearly one million (964,585), which amounts to 14% of the resident population. 51 % of these emigrants live in the EU (e.g., Austria and Germany), while Switzerland is another important destination (17 %). Only 4.5 % live in other countries in the region. Most of the emigrants were aged between 20 and 40 years of age, and women surpassed the number of men, while work related reasons dominate among the

motivations to emigrate, family reunion is gaining foothold. Interestingly, **the number of women has been increasing as their prevalence among emigrants for working purposes has been increasing too**. More than 20% of the jobs held by Serbian citizens working abroad are high-skilled jobs, while the vast majority hold jobs of medium skill occupations (World Bank Group, 2018).

Serbia is **traditionally a country of emigration**. In addition to Germany, Austria, Sweden and Switzerland, to which people with primary and high school education go, and overseas countries that are interesting for students and highly educated persons, popular new destinations are Italy (attractive for those with high school) and Great Britain (popular with the most educated youth). Recently, also Slovenia and Hungary among new EU countries are emerging as the most important destinations for Serbian citizens. A representation of emigration from Serbia was based on Eurostat data and available national statistical offices data (Kupiszewski, Nikitović, 2012; Vlada Republike Srbije, 2015).

Table 8. Share of Serbian citizens living abroad by main destinations

Foreign country	2011 Census data
Austria	22.5
France	6.5
Germany	17.9
Switzerland	13.1
Sweden	3.5
Benelux	2.0
Other European	16.8
USA	4.3
Australia	1.2
Canada	2.0
Other non-European	1.6
Unknown	2.4
Ex SFRY republics	6.3

Source: Republic Statistical Office, 2014

Census data on Serbian emigration, even with a relatively low coverage of Serbian citizens living abroad, still represents the best source for examining the socioeconomic characteristics of this population and their territorial origin. The 2011 Census registered 311.4 thousand individuals who had emigrated, which is a quarter less than the 2002 Census (and a third of those estimated by the UN). The causes for such a big reduction of the number of citizens working/staying abroad are numerous: the method of registration – through households in the country; boycott of Albanian ethnic minority; new remote destinations; considerable number of applicants for asylum; so-called fake asylum seekers; and intensive emigration of highly educated individuals, who are as a rule less covered by the census. However, regardless of the insufficient coverage of the emigrant contingent, experts (Stanković, 2014; Bobić, Vesković, Anđelković, Kokotović, 2016) agree that **emigration from Serbia was less intensive during the last inter-census period than during 1990s**.

Among the emigrants that originated from Serbia according to the 2011 Census, the highest number were persons working abroad (53,1%) and their family members (36,4%) who were there as dependents. **Men prevailed among the persons working abroad and women among family members**. In addition to the considerable better age structure, the structure of **the emigrant contingent is also of higher educational attainment** in relation to the population in the country of origin.

The 2011 Census registered notably among emigrants aged 15 and above 6.0% had no or uncompleted primary education, 27.5% had completed primary school. 38.8% of emigrants were registered as having a high school education and 15.7% with higher education. The identified education structure of registered emigrants in 2011 was higher than the same structure registered by the previous Census.

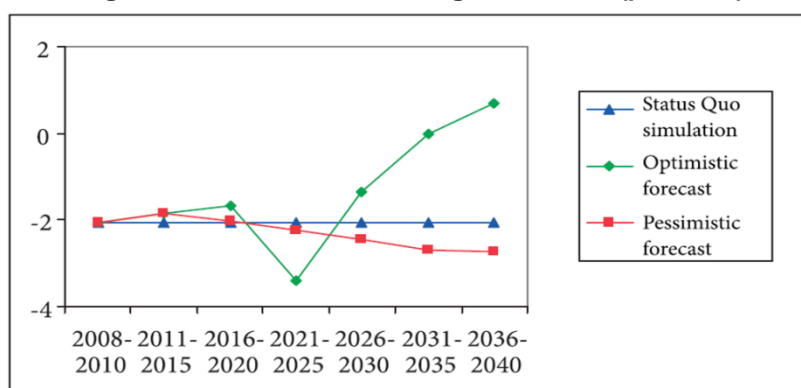
The 2011 Census registered over 31.5 thousand persons with higher level education. Among them there were 11.0% of persons registered with masters and 6.8% with PhD degrees. The vast majority of Serbian emigrants with higher education (15.8%) are in the USA. Next on the list, by the share of Serbian citizens with higher education working/staying abroad, is Germany (10.4%), followed by Canada (7.1%), Switzerland and the UK (with 5.2% each) (Stanković, 2014). **In Serbia, compared to other countries in the region, Brain Drain is significantly less pronounced.** While the neighbouring countries have lost between 32 and 43% of their highly educated population over the age of 25, in Serbia this share barely reaches 15% (World Bank Group, 2018).

The reasons for emigration of highly educated persons, or experts, professionals and talents from Serbia on a macro level can be divided into four groups:

- 1) political context including the degree of democratisation;
- 2) level of economic development related primarily to living standards and business environment;
- 3) social climate related to appreciation of individual knowledge and skills;
- 4) the attention devoted to science in the sense of the degree of development, status of science in the society, working conditions, institutional support, financial transfers (Bobic, 2016).

Net migration rates have been forecasted, taking into account a variety of political, economic and demographic variables, for the coming decades in three scenarios. First, representing *Status Quo*, *second* encompassing an optimistic scenario to EU accession in the next few years, and third, under the assumption progress, accompanied with economic development does not take place.

Figure 11 - Forecasted net migration rates (per 1000)



Source: Arandarenko, M. and J. Zarkovic Rakic (2016)

Serbia has evolved into a mature emigration country of steady emigration flows in the past 10 years. As the relatively low level of economic development persists, and even more importantly, the incapacity of the system to generate jobs of good quality, **the labour migration push factors remain intact.** Moreover, the flexibility of today's jobs, ease of communication and travel make the decision to migrate in search of employment less permanent and most likely easier to make, as the benefits for the family left behind become all the more important as remittances play a key role in ensuring their livelihood. **Labour migration should no longer be viewed as a permanent, life-long decision.**

Instead, research among University students demonstrates that most of them consider migration a temporary move that should enhance their likelihood of securing employment upon return. The **domination of temporary and circular migration embedded in family survival strategies** has important positive effects in relation to the volume of remittances and related transfers (Arandarenko, 2018).

1.7 Statistical data sources' overview

The aim of this section is to briefly analyse the availability of national and international data sources and to emphasise their limitations and gaps. The Annexe 2 presents the trends in international migrants stocks and the emigration rates of 25+ by gender, country of origin and educational level.

National data sources

Recording of statistics about emigrants of a country is a cumbersome task. The first challenge with the recording of emigrants' numbers is the definition of a migrant. During the last years, a number of Statistical offices in the region, e.g. Albania, Kosovo*, Bosnia and Herzegovina have adjusted the collection of emigration data using Eurostat's definition of emigration (see the Conceptual toolkit in the Introduction). Also in the collection of Census data conducted in Albania (2011), Bosnia (2013) but also Kosovo* (Population projection 2011-2061) such adjustment has been addressed. One difficulty with this approach – especially if the data are recorded from the sending country - is that it requires the citizen who leaves the country to register in a respective office and self-declare the change of residence. However, in practice residents of the country are not systematically registered when they leave their residence and this is not a common and straightforward procedure followed by them. Citizens of the country for several reasons - practical and administrative once – rarely do so.

As an alternative, the statistical offices coordinate with the Interior Ministry, customs offices or different employment agencies and combine the records from such agencies with registered and administrative data to get an approximation about the number of emigrants from the respective country. Besides the administrative register data other indirect methods are used to produce estimations about individuals who leave the country. Such methods combine census data, birth and death statistics, by age category and gender and the differences attained are attributable and considered as estimated net migration rate.

International data sources

The international data are taken from the *United Nations Statistics, Trends of migration stocks*, 1990-2015 which are provided on bilateral basis origin-sending country, five year period and by gender. Further available data about net migration by gender and skill level is attained by *Brain Drain database* produced by the team of Herbert Brücker, IAB database (2013). Another data source is the *Global Migration Database* produced by the UN Statistics, UN Population Division, the World Bank, and the University of Sussex. Matches between the origin and destination country are provided by gender and skill level. Depending on the data availability the bilateral migration data are provided in some cases by country of birth or by citizenship.

Table 9: Inventory of international data sources about emigration and remittances from the Western Balkan countries

Indicator	Period	Source	Link
Trends in International Migrant Stock: Migrants by Destination and Origin, 1990-2015	1990-2015	UN Statistics on International migration	http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml
Emigration rates of 25+, by gender, country of origin and educational level to OECD countries	1980-2010	IAB International migration data base	http://www.iab.de/en/daten/iab-brain-drain-data.aspx
International skilled migration by age of entry and country of origin	1990-2000	International skilled migration, Docquier	http://perso.uclouvain.be/frederic.docquier/oxlight.htm
Medical brain drain	1991-2004	Docquier et al (2010)	http://perso.uclouvain.be/frederic.docquier/oxlight.htm
New immigrants to the OECD, 2004-14	2004-2014	OECD International migration outlook, 2016	http://www.oecd.org/migration/international-migration-outlook-1999124x.htm
Net flow ratio of internationally mobile students (inbound - outbound), both sexes, in %	1998-2013	UNESCO Institute of Statistics, 2016	http://www.uis.unesco.org/Pages/default.aspx
Remittances as a share of GDP	1992-2015	World Bank migration and remittances database	http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators#
Remittances inflow	1992-2016	World Bank migration and remittances database	http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators#
Emigration by education level	1975-2000	World Bank database	http://econ.worldbank.org/programmes/migration
Immigration from the Western Balkan into the United States	1820-1924	NBER book International Migrations, Volume I: Statistics (1929), Walter F. Willcox	http://papers.nber.org/books/fere29-1
Global Bilateral Migration database	1960-2000	World Bank	http://data.worldbank.org/data-catalog/global-bilateral-migration-database

Source: Nermin Oruc elaboration

Disaggregation by age, gender, and education or skill levels is at best provided by using international databases such as IAB database, International panel database of migration, physical brain drain and emigration by age of entry produced by the team of Docquier in 2010. As concerns remittances, World Bank Database about migration and remittances provides a broad and comprehensive overview about remittances flows, trends and their importance over time given as a share of GDP.

Data limitations and gaps

Data about mobility from the region and in particular emigration data are subject to a number of limitations, which are related to a number of conceptual, structural and content wise issues.

From the perspective of the sending country, especially in a Western Balkan country, a crucial and primary issue characterising the collection of statistics about who emigrates is the geopolitical one. The break-up of Yugoslavia and creation of new States has created numerous difficulties in collecting

and harmonising the statistics. Censuses and population registers data are the main source of the migration statistics but another issue is that not all the countries have conducted Censuses regularly. The countries of the region do not have a standard and harmonised procedure of counting emigrants and immigrants. Hence, relying on international migration data turns to a more accurate data source, but it has however its own limitations. The international databases which provide migration statistics from the perspective of the receiving country uses also statistics which are collected through censuses and population register databases. Immigrants in the country are reported by citizenship or by country of birth. The naturalisation of a number of immigrants creates a big difference in the number of immigrants recorded either by country of birth or by citizenship. In terms of structure, the data collection should be improved and provide a comprehensive coverage of emigration by gender, age, skill composition, emigration, temporary or permanent, circular and return in the country of origin, or out-migration in another destination country.

2 DIASPORA, REMITTANCES AND DEVELOPMENT NEXUS – ALBANIA AND THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

This chapter looks at the role of the Diaspora and the use of remittances in Western Balkans through the lenses of the migration-development nexus. The Diaspora engagement in development is analysed at a national level through the political prioritisation and institutionalisation and at local level through direct investment, transfer of knowledge and social capital. In the last decades the potential of diaspora has been conceived by some authors as “wings of development” and “heroes of development” (Khadira 2008) in the light of strengthening the relations of the state with the diaspora (Gamlen 2008). Remittances can generate output growth either by increasing consumption or by increasing investment (Stahl and Arnold 1986, Stahl and Habib 1989, Glytsos 1993, Das and Serieux 2010, Ratha 2007) - both are examined in the study.

The case studies are selected according to both specific and general criteria. The latter are presented in the Introduction. The specific criteria for each of the case studies are the following:

Albania

- Albania has a State Minister for Diaspora for the first time. The new Diaspora strategy plans the establishment of a Development Fund, a guarantee fund for Diaspora.
- Albania is among the countries with the highest dependency on remittances in both European and global contexts.
- Remittances have a strong impact at both macro and micro level. They play a key role in financing imports and covering the trade deficit. They also contribute to alleviating poverty.
- Remittances have a very limited role in sustainable job creation.

The former Yugoslav Republic of Macedonia

- Late, but high prioritisation of the policy of diaspora as part of the government’s development agenda. A Minister for engagement of diaspora was only first appointed in June 2017. His first objective was to design a Diaspora Engagement Strategy.
- The country has a sizeable diaspora, being estimated at over 25% of the total population. The emigration intensified after the fall of the Schengen wall (2009).

- The country is a large recipient of remittances. The conservative estimate of the amount of remittances received is about 400 million USD per year, however it is also argued that this amount extends up to 1 billion USD (10% of GDP)
- The developmental impact of remittances is very high: they contribute to poverty alleviation, improve income equality, and as well provide support for self-employment of youth.
- Limited evidence, however, exists that remittances may be contributing to reducing labour-market inactivity, especially among female recipients.

2.1 Albania. Diaspora – a multifaceted development opportunity

2.1.1 Policy on diaspora engagement

The Albanian Diaspora, counting more than 30% of the total of Albanian population, has considerable human and social capital, with resources, skills, knowledge and their respective networks in receiving countries.

The Diaspora-development nexus is a new policy. The **National Strategy for Development and Integration, 2014-2020** highlights the need to **increase the development impact of migration** by creating mechanisms for: prevention of irregular migration and visa overstay; provision of opportunities for sustainable return and reintegration; promotion of migrants financial and human capital investment, as well as improvement of remittance related services for migrants. A Policy Document on Engaging with Albanian Communities Abroad has been agreed upon during the Albanian Diaspora Summit in November 2016 and it is now in the process of being officially endorsed by the government.

The Strategy follows the 3E strategic approach: Engage, Enable and Empower. **Engagement** is being encouraged by developing the legal framework and establishing new institutions and agencies to reach out to all Diaspora communities, paving the way for their participation in the country's development. These include the **State Minister for Diaspora**, National Agency for Diaspora, sub-parliamentary commission on Diaspora, Diaspora Council etc. **Enabling** is being achieved through identifying mechanisms and resources to maximise Diaspora potential and supporting particularly transnational entrepreneurial activities, innovative business activities; dedicated funds for Diaspora Direct Investment. The Government is also organising the **annual Diaspora Summit** to increase the awareness on Diaspora potential investments in Albania. There are several actions **empowering** the Diaspora contribution for the country, mainly focused on the transfer of Diaspora's skills and the development of collaborative knowledge sharing platforms. All these activities will be followed by promotion of Diaspora tourism, Diaspora heritage, youth study programmes; encouraging dialogue, cultural promotion and diplomacy etc.

At the present, the government is implementing several **measures for promoting Diaspora investments**: i) Improving the business climate; ii) Fighting corruption; iii) Reviewing fiscal policies and applying fiscal incentives; iv) Reducing procedures for opening businesses; v) Improving banking services and reducing interest rates; vi) Promoting Public-Private Partnership, with particular focus on infrastructure projects; vii) Encouraging local government to establish direct collaboration with respective authorities in migrants' destination countries for the purpose of helping local development and local communities.

As part of efforts to promote the use of economic capital, the Parliament of Albania recently passed the **law on Albanian Diaspora Development Fund** (June 2018). The Fund will: i) guarantee funds for Diaspora investments through replicating successful models from Latin America; ii) guarantee funds

for Diaspora investments through substituting collateral for getting loans; iii) increase negotiating power of financial intermediaries and loans opportunities in destination countries; iv) encourage Albania's financial institutions to facilitate, loans through offering additional guarantees; v) Multiplying investing power of Diaspora members.

A major risk for efficient implementation is the **lack of synergy among institutions**: the State Minister for Diaspora, the Ministry of Finance and Economy and the Ministry of Interior are competing for competencies in addressing migration and Diaspora issues.

2.1.2 Diaspora and development

Bringing home a new labour culture, knowledge and skills would benefit the Albanian labour market and greatly influence the young Albanian generation. Many new job profiles have been transferred into the Albanian job market together with the returned migrants, such as pizza making. New technologies have also been transferred to Albania along with migrants return (digital and ICT, carpentry, agriculture etc.).

Within the implementation framework of the Strategy for Diaspora the promotion of a **mechanisms for non-monetary transfers** is also foreseen, which would include: i) Transferring technical skills and "technological transfers", with particular focus on construction and agriculture; ii) Offering projects and programmes to the Diaspora; iii) Promoting and supporting networks of qualified professionals from the Albanian Diaspora.

Returned migrants and the Diaspora serve as **channels for the transfer of culture, arts, literature, heritage, music or gastronomy.**

The high level of corruption, politicised public administration, lack of merit based recruitment policy and the slow process of diploma recognition, all discourage highly qualified youth from returning.

2.1.3 Development effects of remittances on poverty and economic growth

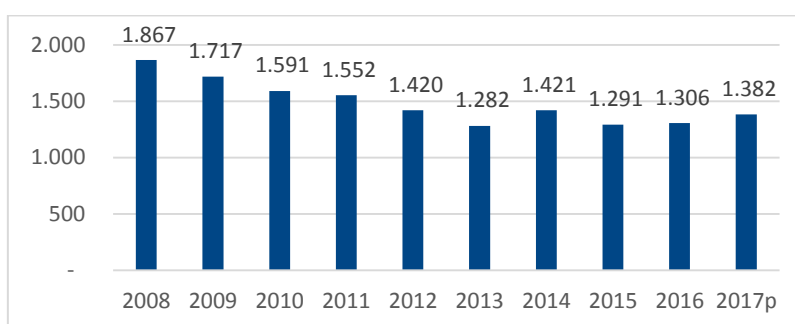
At the micro level, remittances have contributed to alleviating poverty and are considered as a safety net. The overwhelming majority of remittances were used primarily to finance daily family needs. Building, upgrading and furnishing houses, and maintaining traditional family ceremonies are the following categories with the highest consumption, followed by investment in real estate. While undoubtedly important for poverty alleviation, this use of remittances implies a very limited role in sustainable job creation. Only a small part of them were deposited in the Albanian banking system during the first years of transition. In only very few cases were remittances invested in real estate, production, industry, construction and the service or agricultural sectors. Such a model of remittances use helped to alleviate family poverty, but did not create new jobs through investment, which would in turn boost incomes and thereby possibly prevent new migration flows. An individual, family, and local remittances dependency had been created, because remittances were not used as incentives to encourage economic and social development.

During the first 15 years of Albanian contemporary migration, **remittances have been a substantial source of social protection for family members left behind.** They replaced the missing safety net and the lack of effective social protection programmes. As our interviewees highlight, *the money sent from their emigrant children, (mainly) informally, cover not only their basic needs in terms of food, clothes, but also medical care and assistance.* Remittances are also used to finance higher education, cultural and business related projects in support of siblings. Hence, the extended use of remittances to

also cover development needs for their families *i.e. the artist who graduated in the Art Academy of Brera admits her first book was published through her sibling's financing; while the money sent home from the emigrant supported the purchase of a tractor for the family in the rural area to increase the agricultural production and as a result improve the family incomes.*

Remittances represent, according to different estimates, between one-seventh and one-fifth of the country's GDP.²² For the period 1992-2009, remittances represented on average 17% of the Albanian GDP but in specific years they reached 27% of GDP, equal to manufacturing as a key sector of Albania's economy. However, considering that an important part of remittances are transferred through the informal channels, the real data on remittances to Albania might be higher.²³ They reached the peak in 2008 and started to decrease after that year. Lower remittances after 2008 were due to the global economic crisis, lower incomes, higher cost of living, and higher education expenses in the host countries.

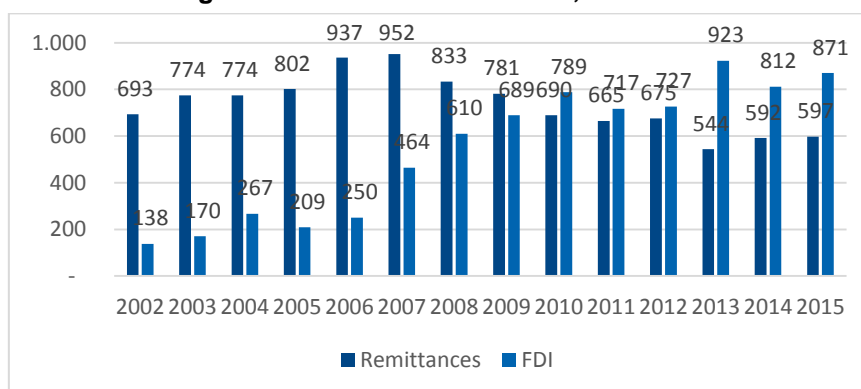
Figure 12: The annual remittances flow to Albania, 2008-2017



Source: Word Bank Albania 2017, <https://data.worldbank.org/country/albania>

At the macro level, remittances have had a positive impact on macro-economic stability of the country, which helped finance the Albanian commercial deficit, contributed to the financial consolidation and strengthened the national currency. Remittances represent **a net gain for Albania similar to development aid**. They constitute one of the sources of development, together with foreign direct investment, trade liberalisation, aid and improved governance.

Figure 13: Remittances and FDI, 2002-2015



Source: Open.data.al, 2015, <http://open.data.al/en/lajme/lajm/id/1756/titul/FDIs-and-remittances-in-2015>

22 Barjaba at al, (2016) Asimetritë e Zhvillimit, sishkakvarferie/Asymmetries of Development as a Poverty Cause, Tirana: Academy of Sciences of Albania & UET Press;

23 Christos Nikas, C. & Blouchoutzi, A. (2014) Emigrants' remittances and economic growth in small transition economies: The cases of Moldova and Albania, Journal of Economics and Business Vol. XVII – 2014, No 2;

Currently, there is no formal scheme for the channelling of remittances in place, promoted or supported by the Albanian government. Channels of remittances remain informal for the senders from EU Member States, and somehow formal from those from USA and Canada. The high informality level -78.7% - in channelling remittances is due to the high bank transfer charges in Albania. Albanian migrants bear higher transfer costs reaching almost 8.5% of the amount sent while the average cost in Europe and Central Asia is 6.6% and the global average is 7.1%. Evidence collected through our interviews with senders and receivers confirm *that due to high bank charges rates, for senders from EU Member States, usual channels of transfer of remittances remain the informal ones (in person, by third parties, courier), while senders from USA and Canada also use the formal channels of transfer due to a smaller periodicity of travels to Albania.*

In Albania, the efforts towards developing strategies to combine the impact of remittances with other sources of development such as FDI and international trade are at the inception stage, e.g. the Memorandum of Understanding between the State Minister for Diaspora and the Bank of Albania, signed in November 2017. The Memorandum envisages drafting concrete and feasible recommendations to attract the investment potential of Diaspora and remittances.

The use of remittances as a development and growth opportunity requires efforts from both central and local government to build trust among Diaspora investors and entrepreneurs. The creation of the **Diaspora Development Fund**, as proposed by the Strategy, would be a good step which should be followed by financial and fiscal measures, as well as by fighting corruptive practices which serve as a serious constraint to Diaspora investment and involvement.

Our interviews also revealed that good practices from many successful Diaspora and returned migrant entrepreneurs can serve as an inspiration for many other potential entrepreneurs. *The case of the owner of Mrizi i Zanave, a bio-restaurant, whose philosophy was forged in Northern Italy, transforming a remote area into a tourist and gastronomic attraction, by using local products, opening new jobs and increasing the local economy, can out pass the difficult reality of lack of incentives for returned entrepreneurs.*

The implementation of the new migration policies by the Government of Albania embedded in the Strategy for Diaspora, with special emphasis in the migration-development nexus, require the re-engineering of the institutional framework of the state and governmental agencies and bodies to allow their full implementation.

The necessary financial resources to allow the full implementation of the Diaspora Strategy Action Plan should be mobilised on time. The previous experiences characterised by a good will to write comprehensive strategies and action plans, which cannot be implemented due to lack of financial resources or political consensus should be a lesson learnt.

In addition, the government should undertake concrete steps in involving the private sector. It is important to understand that the investment of migration, financial, human and social capital, can only have the expected effect on development, through a close partnership and collaboration with the private sector.

2.2 The former Yugoslav Republic of Macedonia. A need to seize diaspora and remittances potential

Diaspora contains an indispensable source of opportunities for helping the development of the former Yugoslav Republic of Macedonia. Diaspora investors, remittances, returnees with accumulated wealth and know-how, returnee tourists, educational exchanges and so on, all constitute a large potential to support various facets of development. However, this potential remains significantly underutilised, mainly because of the lack of official robust statistics and understanding of (potential) investors' perceptions on their willingness to and/or experiences with investing in The former Yugoslav Republic of Macedonia. This section provides an overview of the context in which diaspora (is expected to) work(s) for development.

The Diaspora Cooperation Strategy may bring sound and comprehensive measures for seizing the potential of the diaspora and remittances. However, it is key that it is then mainstreamed into various government strategies and action plans, and that it produces actual action. For so doing, the effort of a multitude of ministries will be required, while it is recommended that the Ministry of Diaspora evolves into a 'one stop shop' for emigrants in whatever form they want to engage with development.

Still, the lack of high-quality data on various aspects of migration and remittances makes the above tasks unnecessarily complex and even jeopardises the good intentions of the Strategy.

While some figures for remittances exist and the National Bank of The former Yugoslav Republic of Macedonia makes an effort to measure them, official statistics (State Statistical Office) need to be involved in more standardised and regular form of compiling data on remittances – not only on size but also utilisation. Similarly, the reasons for and problems while investing or disinvesting by the diaspora should be well understood; which could be achieved through the conduct of systematic and representative surveys. While, understanding diaspora needs and intentions must be preceded by its mapping and establishing a type of registry.

Even if these technical obstacles are resolved, the restoration of confidence and trust between the diaspora and the homeland is indispensable. As any investor, diaspora investors are reluctant to invest their money in politically unstable environments, as well environments of government inefficiency, sluggishness and unnecessarily bulky procedures. Therefore, high political will is required for these issues to start being resolved, hence contributing to confidence building.

Remittances remain an importance way of supporting households. Presently, the bulk of remittances are consumed, hence alleviating poverty, while motivation and mechanisms to convert them into a long-term venture do not exist. The Government needs to devise doable instruments to support such a process: examples may involve: establishing matching venture fund for small firms erected from remittances, subsidising interest for loans backed by remittances, issuing bonds for the diaspora and so on.

2.2.1 Policy on diaspora engagement for development

The Ministry of Diaspora was established for the first time in June 2017. The objective of the Ministry has been to serve as a 'one stop shop' for diaspora investors. Namely, Resolutions for migration policy 2009-2014 and 2015-2020 have been adopted previously, by an inter-ministerial group composed of representatives of various ministries. However, the current Ministry of Diaspora is not aware if this Resolution produced any action, likely suggesting that the Resolution remained stuck in the administrative labyrinths. Hence, the Ministry approached to devising Strategy for Diaspora Cooperation, which at the time of writing of this text is not available for public consideration, while its adoption is expected by the autumn of 2018.

The Strategy for Diaspora Cooperation aims to facilitate cooperation, i.e. a two-way process, between the former Yugoslav Republic of Macedonia and the diaspora, in the domains of, inter alia, diaspora investment, return migrant investment and remittances. *Other elements [of the Strategy, n.b.] include more effective promotion of these measures... There should be a process of mapping the diaspora - people who will want to hear the measures,* explains the representative of the Minister's Cabinet for Diaspora. The Strategy will be mainstreamed in a multitude of laws and government documents. However, one measure pertinent to investors has already been adopted within the Law on financial support of investment in April 2018, which stipulates that a **diaspora investor is entitled to receive a 10% subsidy of the amount of the investment**, on top of the subsidy for which he/she is eligible on the grounds of making a foreign investment.

The Government recognises the restoration of trust as the key element in enabling increased diaspora engagement in development. *Diaspora investors were particularly concerned with the instability that was present in the former Yugoslav Republic of Macedonia in the previous period. Every investor wants to invest his assets in an environment that guarantees security,* says the representative of the Minister's Cabinet for Diaspora. As the country went through various episodes of political instability in the entire period after the independence, this could be considered as one of the reasons preventing more productive engagement of the diaspora in national development.

There is a lack of systematic data on various aspects of diaspora. *Access to information for various aspects of diaspora is tough,* a representative from a think tank dealing with diaspora puts this neatly. First and foremost, there is not any mapping of diaspora, let alone persons who would be capable of conducting any investment in the homeland. Second, systematic investigation about diaspora needs and expectations has not been conducted. Similarly, there is not any robust insight into the hurdles, needs and intentions of diaspora investors who already invested, nor any orderly approach to understanding the reasons of those who withdrew. This is currently a key obstacle to full utilisation and channelling of the diaspora potential for development.

However, there have been few initiatives to engage diaspora in the political and economic life of the former Yugoslav Republic of Macedonia, the most notable being Macedonia 2025. It was established in 2015, as an NGO founded of prominent Macedonians residing and working abroad. The objective of Macedonia 2025 is to foster various ways in which the diaspora could support the socio-economic development of the country, through establishing links, supporting diaspora investment, educational exchanges and so on. However, the organisation neither provides any statistics pertinent to diaspora engagement, nor has evidenced a significant power to convert its efforts in to a nation-wide strategy for reaping the effects of the diaspora engagement for the country.

2.2.2 Diaspora and development

Similarly as with the overall picture, there are neither official figures on the amount of diaspora direct investment, nor on the share of foreign investment flowing into the former Yugoslav Republic of Macedonia that comes from the diaspora. There is only anecdotal evidence that about 70 firms from diaspora investors operate in the former Yugoslav Republic of Macedonia: *We do not have an exact figure for the amount of investments from the Diaspora, but according to some figures we received from the non-governmental sector, there are 70 companies that are established by diaspora investors,* says a representative of the Minister's Cabinet for Diaspora. However, it does not mean that efforts to facilitate such investment have not been pursued. It is likely that the Agencies for foreign direct investment and for technological-industrial development zones have also been in charge of facilitating the entry of diaspora direct investment, by not differentiating them from the FDI flowing into the economy.

The willingness of the diaspora to invest in the former Yugoslav Republic of Macedonia indisputably exists. According to a survey conducted by Macedonia 2025 – a think tank working to facilitate the cooperation with diaspora, diaspora investors choose the country for several reasons: low labour costs (38%), patriotic reasons (31%), low cost of doing business (31%), skilled workforce (31%) and to provide employment opportunities for friends and family (31%). *Emigrants abroad are willing to contribute to the development of The former Yugoslav Republic of Macedonia. You need to tell us what the country needs, in which direction it goes. However, we need to have a joint vision and we need to know where to head,* says a highly-skilled emigrant who has been residing in Canada for five years.

There are various forms in which diaspora investors set up in the former Yugoslav Republic of Macedonia. An emerging trend that likely started under the umbrella of the national FDI attraction policy “Invest in Macedonia” has been the so-called transnational diaspora investors. Qualitative insights point to cases where diaspora members who worked for a company abroad were asked to form a team, come and operate an affiliation in the former Yugoslav Republic of Macedonia, or cases where a company established in the former Yugoslav Republic of Macedonia has been a support (or supplier) to a large company abroad. On the other hand, there are the small diaspora investors who usually come back to their native town in the former Yugoslav Republic of Macedonia and open a micro or small business in an array of the service sectors.

The vast majority of diaspora who decided to invest in the former Yugoslav Republic of Macedonia repatriate back their savings to establish a business. While official figures do not exist, qualitative analysis suggests this was the most common form of financing from diaspora investment. *There are cases where returnees have returned and established companies from saved money. They often have teamed together, established a business and reached a certain level of development. Such firms do not use state support. Also, they used minimal support by bank loans,* explains the Minister of domestic SMEs. *The capital is 90% own savings,* confirms the representative from the think tank dealing with diaspora issues. Insights further suggest that diaspora investors are cautious with their investment, i.e. usually start at a smaller scale and then gradually grow. Their comparative advantage is not the size of the financial investment, but usually the learned technology, equipment and craft of production abroad.

Administrative barriers, government inefficiency and corruption have been identified as the key stumbling blocks for efficient and sustainable diaspora investment. The Diaspora Investors Survey 2017 showed that unhelpfulness of government agencies, the volume and length of the administrative processes have been pointed out by nearly each interviewed investor. Investors are frequently trying to find an informal safety net against government inefficiency. *We have a lot of US Embassy clients, who say ‘if you have any problem, immediately come to us’... We feel that to be kind of soft support from the Embassy,* says a returned migrant who erected a successful business in the textile/fashion industry.

At any rate, the lack of systematised information on the problems faced by diaspora investors prevents deriving strong conclusions about how widespread these particular problems may be. *Some problems are intractable, but the examples I mentioned [of investors having problems, n.b.] haven’t been solved,* adds the representative of this think tank dealing with diaspora issues. Nevertheless, based on the qualitative perceptions, it is likely that investors run into problems after they commit to the investment, which are usually of technical, onsite nature, like purchase of land, access to utilities and so on, whereby the (local) authorities are frequently slow to respond or throw the responsibility to other government agency, hence entering a vicious cycle for the investor. This frequently leads to withdrawal of the investor, even if some funds for investment have been committed.

In general, emigrants and potential diaspora investors feel a lack of security and considerable exposure to the political cycle as important factors in their decision not to invest in their homeland. The political instability present in the country over a protracted period of time leads to many from the diaspora taking a 'wait and see' position for investment, as any other investor. *Presently, we do not plan any investment in Macedonia. There is some fear from the economic situation in Macedonia, says an emigrant in the US. However, it is not necessary only because of the economic climate, but also because they [emigrants and diaspora investors, n.b.] have become accustomed to other manners of working abroad,* adds the Minister on SMEs. An emigrant in Australia, living for 33 years there, describes his investment experience in the former Yugoslav Republic of Macedonia in the 1990s: *At that time, private firms for producing juices were popular. So, I decided to try in that. But it was hard. People were not paying on time. Krushevo is passive for business. So, overall, after some time, I decided to go back.*

The Diaspora has also been serving as a catalyst for foreign investors. Qualitative insights suggest that the support has been two-way: when a foreign company wanted to invest in the former Yugoslav Republic of Macedonia, it would frequently reach out to the diaspora's business circle to solicit information and opinions on the business environment in the country. In specific cases, organisations working in the field of diaspora engagement were even the link between investors and the government. Similarly, diaspora served as a network to place Macedonian products on the foreign market.

The Diaspora supports the economy through spending in the country during their visits. It is customary that the largest inflow of emigrants back to the former Yugoslav Republic of Macedonia is realised over the summer, despite official counting of returning emigrants for vacation purposes is non-existent. Inter-continental returns, in particular, usually last for several months. *When we go to Macedonia, we spend. One needs to consider the effect of the consumption of migrants and the money they bring in when coming to Macedonia. We need at least 5-7.000 USD for one stay in Macedonia,* says Macedonian emigrant who has spent 19 years in the US.

The two-way educational exchanges becoming popular in recent years may strengthen economic benefits of the diaspora in the future. Various diaspora-related organisations nowadays work on supporting educational exchanges of Macedonian citizens – students, academics, professionals, and executives – in places abroad where the diaspora is also located. Similarly, they offer opportunities for the second and further kin of the diaspora to spend the summer in the fatherland. However, to our knowledge, there is no systematic government policy supporting these emerging trends, or simply offering vigorous framework for facilitating the return home of persons who obtain their degrees abroad.

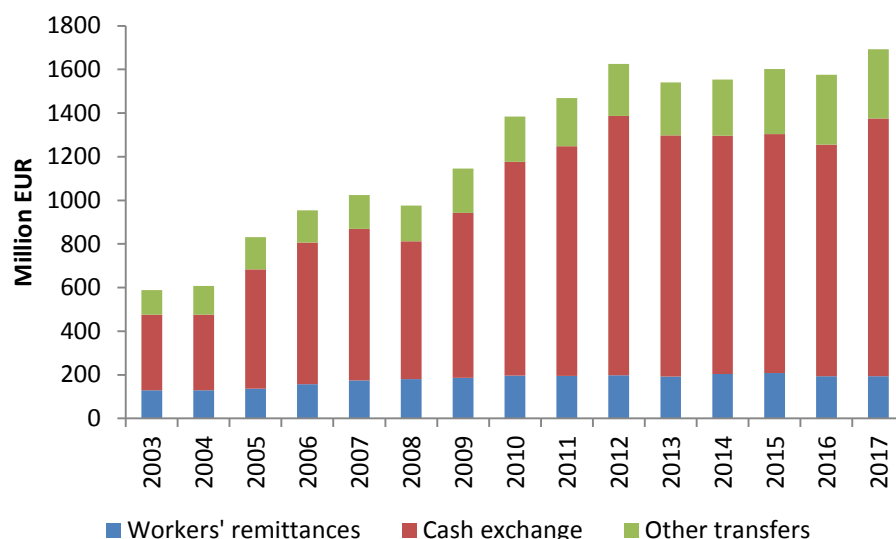
2.2.3 Developmental effects of remittances on poverty and economic growth

Remittance flows represent an important income for households in the former Yugoslav Republic of Macedonia and important source of financing the current account deficit - since 2004 they have averaged 4% of GDP, roughly the same as flows from foreign direct investment. Furthermore, their upward trend has been maintained; it has been estimated they amount to about 300 million euro (World Bank data). Petreski et al. (2017b) provide forecasts based on a Delphi process and conclude that remittances will further increase, while the amount of people departing annually will likely not change.

The measuring of remittances remains a challenge, though. The National bank of Macedonia (NBM) Balance of Payments data suggests that the clear distinguishing between the three key components of the private transfers: workers' remittances, cash exchange stemming from unrecorded

export, and exchange of foreign-denominated deposits remains a daunting task. According to this source, the workers' remittances amount to less than 200 million euro per year. "Along with workers' transactions via banks, using these conservative assumptions would tentatively bring the total amount of remittance flows to about 6.5 % of GDP, significantly higher than FDI" (IMF, 2014, p.4).

Figure 14 – Private transfers



Source: National Bank of Macedonia: Balance of Payments Statistics.

The micro data on remittances (Remittances Survey 2012) mainly coincide with the official macro data, as can be seen in Table 10. About a fifth of the households in the former Yugoslav Republic of Macedonia receive remittances (Table 11, despite a larger number (27.2%) reported an emigrant.

Table 10 – Basic facts about the remittance flows

Average amount of remittances per receiving household (euro)	%age of households receiving remittances (%)	Estimated amount of total remittances (mil. euro)	World Bank data on total remittances (mil. euro)
2068	20.7	230.6	293.9

Source: Remittances Survey (2012).

Table 11 – Households with absent migrant

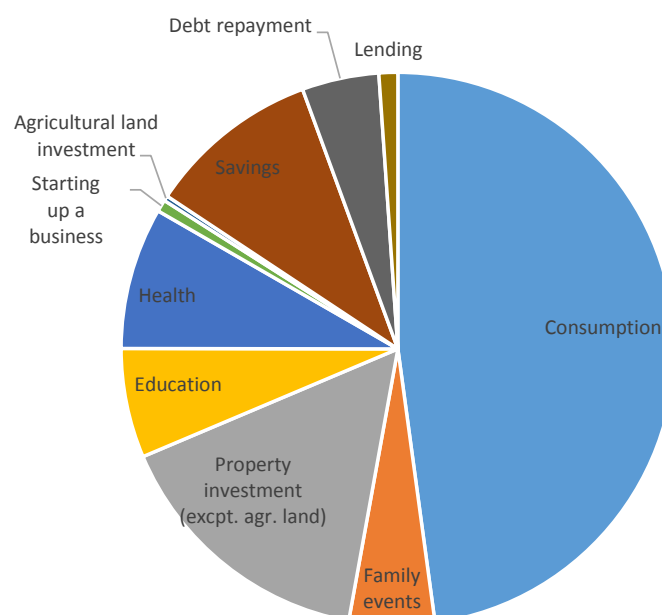
	% of remittances' receiving households	% of households who reported absent migrant	% of hh with migrants not sending money
Male-headed	20.6%	27.3%	24.4%
Female-headed	21.2%	26.9%	21.4%
Total	20.7%	27.2%	23.9%

Source: Remittances Survey (2012).

Remittances have not been mainstreamed into government documents. In fact, the Resolution on Migration Policy 2015-2020 contains a set of measures pertinent to remittances channelling into a more productive usage, however, as said, these measures have never been pursued in practice. The devising of the Strategy for Diaspora Cooperation contains a set of measures related to remittances, but their finalisation and publication is yet to be seen. Recently, the Government proposed that money received through the transfer agencies should be reported in the annual individual income tax form, but the proposal has not been adopted yet at the time of writing of this report. *The goal is not taxation of diaspora remittances. We should not create unnecessary perception that remittances will be taxed,* assures the representative of the Cabinet for Diaspora.

Remittances are well known to reduce households' poverty and social vulnerability, through predominantly financing household consumption (Mughal et al. 2008). *The money we send is key for survival,* says a UK-based emigrant. Remittances reduce poverty by 2-3 % points, being similar to the effect of the social assistance in the former Yugoslav Republic of Macedonia (Petreski and Jovanovic 2016). Similarly, the conclusion in Petreski et al. (2017a) suggests that remittance-receiving households have, on average, a 20.1% lower vulnerability than compared to non-receiving ones, suggesting that remittances could indeed act as social protection of Macedonian households.

Figure 15 – Remittances utilisation



Source: Remittances Survey (2012).

The poverty-alleviating role of remittances has been key in almost all interviews with the remittance receivers. Households predominantly use remittances to buy food, cloths, heating stuff and to pay bills. *My kids are sending some money, so that's how we are surviving, so that we could cover our expenses,* says a 63-year old recipient of remittances whose children emigrated to Germany. *The income in our family is not enough, but my children will give me some money, and I pay my bills...*, says a 71-year old recipient whose children emigrated to Australia. Moreover, remittances have been used for the usual repairs of the house and furniture. *All you see here is their [of her children, n.b.]. It is reconditioned by them: the kitchen, the fridge, the oven... everything you see,* says a 60-year old recipient of remittances whose children emigrated to Sweden. However, it is also well known anecdotal evidence that people could afford luxury apartments and cars, or make large

wedding, because of remittances. *Through the evidence we compiled or produced in our work, we concluded remittances are indispensable for the livelihoods of people. They frequently help them escape destitute poverty. They are thirsty for this money,* says a representative of a think tank involved in remittances' analysis.

Overall, emigrants and remittances are considered as a strong safety net for receivers. Even if households do not receive remittances on a frequent or regular basis, they consider their migrants abroad to be the 'lender of last resort', as one of the receivers describes: *When there was a need, for example, when my husband died; they sent all the money needed... they paid for everything.*

Non-negligible share of remittances is used for supporting educational and health expenses of households. Remittance-receiving household members had better health outcomes than households who did not receive any remittance (Petreski 2016). Namely, increasing remittances by about 2,000 MKD increases consumption by 1,176 MKD, and the health consumption by 370 MKD, which then reduces the probability of falling into a bad health condition by a sizeable 63 per cent (Petreski et al. 2018).

The role of remittances for relieving the education and health costs in the households is widespread in the interviews. Interviewees significantly claim that these resources supported the human capital accumulation and even prevented life loss in severe circumstances. *He [the emigrant, n.b.] sends me 150-200 EUR each month... now, I will spend them on my last exams... and, he sends me money to cover the semester, 700-800 EUR whenever I need,* says a 26-year old student from Tetovo, whose brother emigrated to Belgium. *I always have health problems; many times I stay in hospitals in Skopje... My son sent money for the surgeries... without this, I would have died,* says the 63-year old recipient with son in Germany.

Negligible share of remittance receivers used the money for starting up a business. *The insights we have suggest that the key reason for not investing remitted money is that they are insufficient for establishing a business, but receivers usually also lack the basic skills for establishing and doing business,* reports the think tank engaged in remittances analysis. However, Petreski and Mojsoska-Blazevski (2015) find that youth receivers of remittances are more inclined to use the received money for starting up own business, opposing the general finding that remittances produce labour market inactivity.

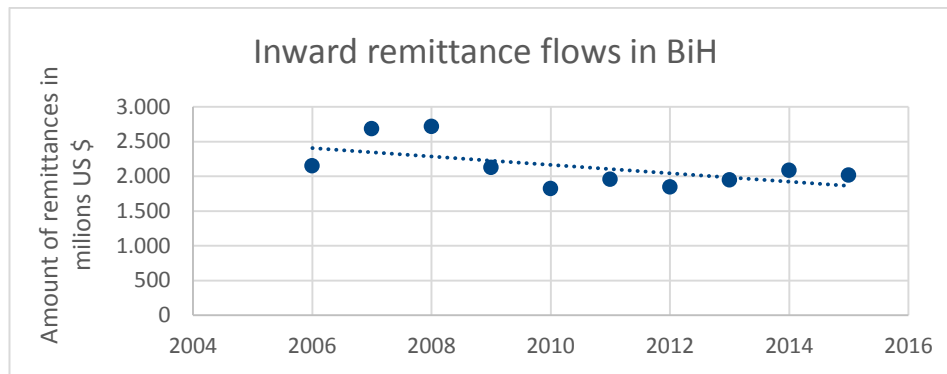
2.3 Evidences of diaspora and remittances & development nexus from other Western Balkans countries

Bosnia and Herzegovina

Bosnia and Herzegovina Diaspora sends a considerable amount of remittances to Bosnia and Herzegovina - 11% of GDP.²⁴ According to the EHBS 2011, an average annual amount of remittances received by a receiving household is 4,000 BAM – around 2 000 EUR. The amount of remittances inflows reported by the Bosnia and Herzegovina Central bank is **1 billion EUR a year** (excluding pensions). The annual inflows of remittances since 2006 are presented in the following Figure . As we can see from the trend line for **remittance inflows in Bosnia and Herzegovina for period from 2006 to 2015 is negative**, mainly due to the sharp decline in the start of global financial crisis (2008-2010) while it remains constant since then.

24 <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=BA>

Figure 16. Remittances inflows to Bosnia and Herzegovina



Source: Central Bank

Remittances are mainly used for current consumption, although a large proportion of them are also used for savings (27.8%) and education of children (22.3%) (Lianos 2005)

Remittances are generally perceived **as an informal social protection mechanism** for vulnerable groups in Bosnia and Herzegovina, which is a very significant feature taking into consideration the fact that Bosnia and Herzegovina is **among “four of the world’s largest recipients of remittances as a portion of GDP in Europe and Central Asia.”**²⁵ The EU Progress report for 2010 indicate that “[r]emittances dropped by around 20% but, nevertheless, transfers still represent the major offset to trade within the current account.”²⁶ The data from the Living in Bosnia and Herzegovina 2004 survey show that approximately 11% of households in Bosnia-Herzegovina receive remittances (Oruc, 2010).

Similar to the social transfers, **remittances do not contribute to the decrease in inequality**, as the average amount of remittances steadily increase from the poorest to the richest decile. The data indicates that higher %age of richest households receive this type of assistance (6%) than poorest households (2%)²⁷. Also, the proportion of household receiving remittances in each decile, with the exception of the richest quintile, increases as we move from poorer to richer decile.

Remittances sent to Bosnia-Herzegovina are also not pro-poor. The average amount received in non-poor household is twice larger than the amount received in poor households. Still, larger proportion of households with low educated head receives remittances, although slightly lower average amount compared to highly educated. Also, **significantly larger number of female headed households receives remittances than male headed households. Households in rural areas receive more remittances**, both in terms of proportion of households that receive them and in terms of average amount than households in urban areas.

Kosovo*

The Government of Kosovo* launched a Ministry of Diaspora (MoD) in 2011, yet direct policy to mobilise Diaspora is slow to develop. The establishment of a dedicated Ministry for Diaspora and the adoption of a Diaspora Law were not followed by other legislation to bring in direct policies to mobilise the Diaspora. Instead, the Ministry is trying to coordinate a range of existing and disparate small-scale activities across the country. The Strategy for Diaspora 2014-2017 was a key guiding policy, which set out the goals of supporting Diaspora integration in their host countries while at the same time facilitating investments and transfer of skills to their home country. There is however no evidence that this strategy has led to any actual changes in policy as yet. MoD assisted by

²⁵ World Bank (2007); Migration and Remittances: Eastern Europe and the Former Soviet Union, World Bank, Europe and Central Asia Region p. 57

²⁶ European Commission (2010); EU Progress Report for Bosnia and Herzegovina 2010; Brussels, p. 54

²⁷ UNDP (2011); MDG Progress Report for Bosnia and Herzegovina for 2010; UNDP BiH

international organisations (GIZ, EU) and Diaspora members (through NGO Germin) are currently working on a new Diaspora Law and Diaspora Strategy 2019-2023. GIZ will hire external consultants to facilitate the process and write the strategy, while other development agencies are also participating in the process.

Several good practices and policies have been implemented, such as organisation of Diaspora Business Unions, regular Diaspora business fairs, conferences and forums, agreements with Diaspora host countries on issues such as protection of investments and issuance of investment guarantees by the Kosovo* government, the provision of tax breaks and other financial incentives on imports, and the establishment of a digital network. Another good example is the *Albanian Diaspora Economic Forum* that took place on November 25-26, 2017 in Pristina - 85 Kosovo* businesses and over 250 Diaspora businesses attended to discuss export opportunities for Kosovo*-based companies. The B2B meetings, that were organised as part of the forum resulted in eight concrete contracts signed between Kosovo* and Diaspora businesses (Dedushaj, 2018). Two contracts were signed in the amount of more than 700.000€ - the first one between a Kosovo* based company ArtaTex, and Diaspora company from Germany B&D Verwaltungs GmbH, while the second contract was signed between Mobileria Max, and Diaspora company Bautech GmbH from Germany. In addition, two arrangements were made in the wood sector, three in the energy sector, and one in the food and beverages sector. According to the organiser and B2B participants, another thirty-six arrangements were underway (USAID, 2018).

Establishment of Unions of Diaspora Businesses is widely recognised as a great achievement towards better connection and eventual joint investment in Kosovo*. Twenty five Diaspora Business Union (DBNs) are established in 20 countries (Dedushaj, 2018)²⁸. Establishment of unions was supported by Diaspora Engagement in Economic Development (DEED) project - an initiative funded by the Ministry of Foreign Affairs of Finland.

Setting a quota for investments originating from Diaspora in specific economic zones, e.g. a diaspora investor opened his business in Gjakova Economic Zone in June 2015 and hired 35 female workers, thus encouraging others as an example of a successful investment (DEED, 2016). Recently, the government promised to set a designated economic zone for business investors from USA, something that could trigger more Diaspora investors from this country.

Diaspora investment initiatives in Kosovo* could be soon supported by the establishment of the Bank of Diaspora. The main purpose of the Bank is to facilitate transfers of remittances at more favourable rates, and to provide funds for Diaspora investments in Kosovo*. It is expected that the Bank will begin its operations by the end of 2018 (Lipoveci, 2018).

Despite partial progress, mobilisation of the Diaspora to contribute to economic development is currently not reaching its potential, in part caused by a lack of effective policies and coordination. Distrust in Kosovo* governing bodies, lack of security and safety, corrupted officials, unstable market, lack of financial security, bureaucratic problems and Kosovo*'s legislation are the main challenges cited by potential diaspora investors during focus groups discussions in Germany, Switzerland, Austria, UK, Finland and Sweden (DEED, 2016).

²⁸ Dedushaj, Naim. Ministry of Diaspora (Personal Communication, May 29, 2018)

In terms of brain gain, the *National Development Strategy 2016-2021* foresees an essential role for Diaspora, primarily through short-term mobilisation of Diaspora experts and students namely through the establishment of Homeland Engagement Programme (HEP). Another similar initiative was the *Brain Gain Programme (BGP)* - a project implemented by the World University Service Austria with the support of the Austrian Development Cooperation from 2002-2011, bringing diaspora academics to deliver courses, which were not available at Pristina University.

Summer internships in public institutions bring around 100 Diaspora students to Kosovo* every year. Since 2015, the Ministry of Diaspora coordinates internships for Diaspora students who are placed in public institutions in Kosovo* during the summer. The experience with this programme seems to be positive as witnessed by significant increase in the number (1,000 applications for 2018 programme of applicants and interns selected every year (Lipoveci, 2018).

Policymakers did not engage with the Diaspora to ask for their input when designing return and reintegration policies. Making use of diaspora experiences and insights can help design more adequate reintegration policies.

Civil society has a significant role to play and brings valuable dynamism and innovation. The involvement of members of Diaspora in development and implementation of national laws, strategies and action plans in Kosovo* is growing. These efforts are coordinated by NGO Germin who are working closely with the Kosovo** government to engage members of Diaspora to participate in the design of laws and strategies that are directly or indirectly linked to them. Currently, Germin is facilitating the collection of views and contributions through their network for drafting the new Law on Diaspora and new Strategy of Diaspora 2019-2022.

Kosovo* ranks in the top five countries in Europe with the highest percentage of remittances with 11.4 % as a share of Kosovo*'s GDP for 2016. An assessment of remittances during 2008-2016 revealed that 35.67 % of remittances were sent from Germany, 21.75 % from Switzerland, 6 % from Italy, 5 % from Austria, 4.8 % from USA and 26.8 % from other countries²⁹.

Table 12: Remittances from Kosovo* Diaspora since 2008.

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Remittances (in Million EUR)	608.7	585.7	584.3	492.5	516.4	573.4	622.3	665.5	691.0

Source: Central Bank of Kosovo* (www.bqk-kos.org)

On average, every person in Kosovo* received around 347 Euros a year. According to UNDP Kosovo Remittance Study (2012), 25 % of households report reliance on remittances. Regarding the channels for transferring money, as seen in Table 12, about 63.8 % of remittances are transferred through the financial system, while the rest include remittances of emigrants in goods, as well as other means that are transferred through informal channels.

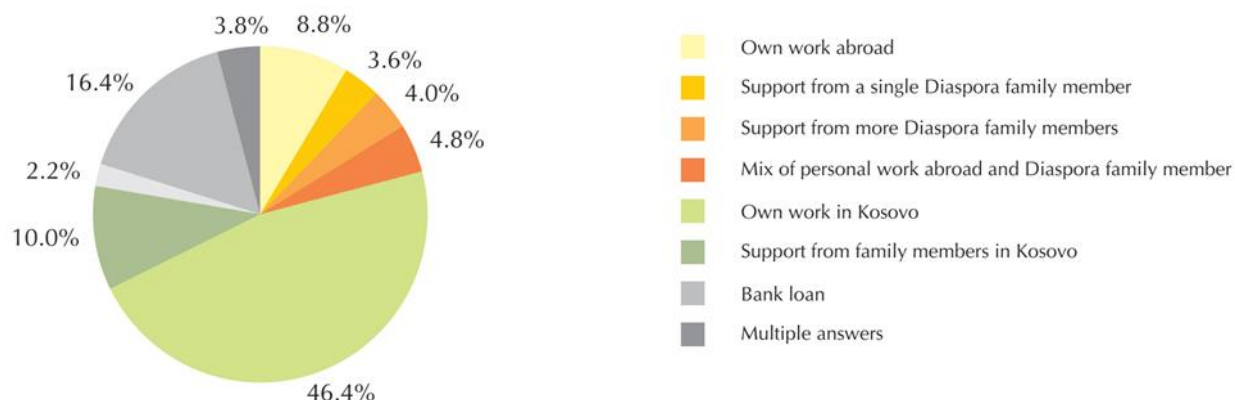
Remittances represent the second largest source of income for remittance-receiving households, more precisely, 20.1 % of total monthly income. That is drastically higher than the share of any formal social protection benefit or non-permanent employment activity. The distribution of households with and without remittances across income quintiles suggests that **remittances have moved a considerable part of recipient households from low (poor) to mid and high income**

²⁹ Riinvest Institute. (2018) The Power of Diaspora! Available from <http://www.riinvestinstitute.org/En/riinvest-story/232/the-power-of-diaspora/> (accessed July 5, 2018)

quintiles. In other words, it gives indications that remittances have moved a considerable proportion of recipient households from poverty. According to the UNDP Kosovo Remittance Study (2012), the share of households that claim remittances have been invested in production or profit generating activities or invested in business are very small, 4 % and 8 % respectively. Moreover, only around 4 % of received remittances are designated for savings. This tends to suggest that given the necessity of financing basic consumption needs, very little from remittances is left for investment or saving purposes.

There is **persistent trend of male dominated remittances in Kosovo***. Evidence suggests that remittances are dominated by men at both ends – sending and receiving. Almost in 80 % of the cases the remitting person is male (in order of frequency: brother, son, father, husband), with less than 10 % of cases having a female remitter (sister, daughter, wife, mother). Most importantly, on the receiving end, in 90 % of cases, the person who manages the finances in Kosovo* is male (father, brother, son, uncle etc.), which makes women left behind heavily dependent on the decisions of the male members of the family (De Zwager et al., 2010).

Figure 17: The different forms of support received for start up the businesses in Kosovo*



Source: Haxhikadrija, A., (2009) *Diaspora as a Driving Force for Development in Kosovo: Myth or Reality*, Forum for Democratic Initiatives, Pristina.

A quarter of all businesses in Kosovo* started with a support from Diaspora. Based on self-declaration of 500 business owners in Kosovo*, a quarter of all their businesses have been started up with partial or complete funds generated from abroad (either from their own work, work of their family members or both). This support came mainly through cash (42.9 %), through joint investment (11.5 %) through support in the form of vehicles, equipment, raw materials (6.5 %), through links with companies abroad (0.7 %), through their know-how and education (3 %), through professional skills (4.6 %) etc. From the 500 businesses inquired only 10 businesses (2 %) have answered positively with regard to support received from international organisations, hence the support received from the Diaspora to start up SME-s in Kosovo* was twelve-fold higher than that received from international development agencies (Haxhikadrija, 2009).

Serbia

A research conducted by IOM within the Youth and Migration Joint UN Project on Serbia's diaspora in 2009 clearly demonstrate that **over two-thirds (68.1%) of the Serbian diaspora is willing to contribute to development efforts at home but may be sceptical** of the institutions and labour opportunities that exist in Serbia. However, the survey data presented does not shed any light on the circumstances under which the diaspora would be interested in contributing, and what obstacles to

such a contribution could be. It is also not understandable from the data, the kind of opportunities for which the diaspora would be eager to return (Baird, 2009).

The Strategy for Sustaining and Strengthening of Relations between the Home Country and Diaspora and between the Home Country and Serbs in the Region points out to the need to create a data base of persons with university or college degrees who moved out of the country, and to the need to mobilise the emigrant population and their resources for the country's development, including for reducing the unemployment rate and poverty in the Republic of Serbia (IOM, 2011). Unfortunately, not much progress has been made in this respect and no such data-base is initiated.

The Serbian Chamber of Commerce has been active in attracting Diaspora investment for the past several years. A new project, initiating this year in partnership with the Ministry of Foreign Affairs intends to map investment potential across Serbia and make this information available to members of the Diaspora interested in investing in Serbia. Other than this, the **State is doing very little to maximise either on the know-how of Serbians living abroad or attract their investments.**

The World Bank estimated that Serbian emigrants sent between 3,549 and 4,648 million USD to their connections in Serbia in the period between 2007 and 2015. According to this source, in the said period, 34,937 million USD arrived in Serbia by way of remittances. The report places **Serbia second among the countries of Europe and Central Asia (after Ukraine) according to the absolute amount of the estimated influx of remittances in 2015.** In the period between 2007 and 2014, the average estimated annual share of this type of personal transfer in the GDP was at 9.0%. The highest value of the share at 10.9% was estimated for 2009 (KNOMAD and World Bank Group, 2016).

The Statistical Office of the Republic of Serbia (SORS) conducted a representative research during 2014–2015 on remittances that were widely defined as total private cross-border transfer from persons living or working in any country in the world towards persons in Serbia (SORS, 2015). **One in ten households in Serbia receives remittances (SORS, 2015)** The main origin countries of remittances are Germany (27.5%), Austria (15.0%) and Switzerland (7.5%). Spending the money for food, utilities, petrol, cigarettes, clothes and shoes (79%) prevailed in the structure of this item, while far less money was spent on home appliances, health care and education or entertainment (7.3%; 16.4% and 6.0%, respectively). Investments in purchasing, building or renovating flats/houses were ranked second in the share of spending the money from remittances (26.0%). **The smallest shares of the received money through these transfers were used to invest in business (2.9%) and savings (1.2%).** The information obtained showing that 97.7% of total business investments related to agricultural production is also important (Rasevic, 2016).

3 SUSTAINABLE REINTEGRATION OF RETURNEES – BOSNIA AND HERZEGOVINA AND KOSOVO*

This chapter analyses the magnitude and dynamics of return and the need for adequate policy to address the various types reintegration of returnees. **The emphasis is on the recent policies linking the reintegration of returnees to the labour market and entrepreneurship with the development agenda.** The chapter also critically assesses the negative or ambiguous trends identified in recent publications: “While they are recognised as an important source of remittances, entrenched interests often view returning migrants as competitors and put in place obstacles to taking positions (e.g., in the universities) in the region—despite officially welcoming their return” (The Western Balkans and the Berlin process 2018: 4).

Literature classifies contribution of return migrants to their countries of origin into **four categories or channels**. First, they bring with them new skills (human capital) acquired through experience, training, or education in host countries. Second, they may come back with financial capital in the form of savings from abroad. This acquired capital allows returnees to participate as entrepreneurs or investors in their home countries. Third, they contribute through their social capital (networks) that they acquired as a result of their migration experience. Finally, returnees can act as social change makers by challenging and changing existing relations within the origin societies (Debnath, 2016).

Hein de Haas (2016) and Jean-Pierre Cassarino (2004) defined typologies of return migrant based on the “willingness” and “readiness” to return as the key aspects in the process of return. Using modified de Haas’ typology this report distinguishes between two broad categories of returnees in Kosovo*—“repatriated persons” (involuntary³⁰ and voluntary but unavoidable³¹ returnees) and “drivers of development” (voluntary returnees³² and transnational entrepreneurs³³). Throughout this text we will analyse institutional framework, policies, strategies and actions along these two broad categories of returnees in Kosovo*.

Different theoretical approaches conceptualise and explain return migration. The table summarises their insights on the return & development nexus:

30 These are usually individuals with no legal residence status, whose economic and/or social integration failed, and who are deported back home. Most are unable to mobilize resources such as social capital, networks or know-how upon their return to the country of origin, where their reintegration will be determined by individual circumstances, including a changing or unstable economic situation, limited access to the labour market, and recognition of foreign qualifications (Haase and Honerath 2016).

31 This form of return might look voluntary, but is usually the inevitable consequence of failed migration and integration experiences in the host countries. Usually, these migrants’ residence status will expire in the foreseeable future. Return may also be chosen on account of regulations which prevent family reunification in the country of destination. These returnees can often tap into some form of resource, such as return premiums from the host countries or, occasionally, personal savings. Otherwise, their reintegration prospects resemble those of involuntary returnees, and many suffer at least initially from personal and psychological problems and a lack of motivation to reintegrate (Ibid).

32 These migrants have an explicit intention to return, especially once they have reached their savings goals, or acquired skills, higher education or business networks in their host countries which they can transfer and apply back home. Their reintegration can stimulate business development or create jobs through investments. Nonetheless, an unfavourable business climate or government bureaucracy can pose reintegration challenges (Ibid).

33 Transnational entrepreneurs or “quasi-returnees”: Diaspora members who wish to invest in their home country.

neoclassical approach	The return migration could be a result of failure in achieving objectives that caused initial migration. This negative self-selection hypothesis (Borjas and Bratsberg, 1996; Cohen and Haberfeld, 2001) does not allow for significant brain gain effect. Still, it may exist if the accumulation of human capital abroad is introduced.
the new economics of labour migration	Return migration is part of migration process and a natural outcome of individual's consideration of cost and benefits of acquiring human capital in different places (Dustmann et al., 2008). Return, as well as migration, is a strategy of maximisation of outcomes at the labour market.
structuralism	assumes that, although migrants should be positively selected, their ability to successfully employ their human capital is limited, due to opposition of local group and interests to the returnees and their initiatives towards innovations and changes (Cassarino, 2004). This implies that return migrants are expected to face obstacles to their plans to start a new business upon return. In terms of policy implications, countries should work on providing friendlier environment for return migrants.
transnationalism	studies the new forms of simultaneous entrepreneurship or work in both the country of origin and of destination.
social network theory	Emphasises the role of ties that migrants develop between their home and host countries and the impact of migrant networks in reintegration to the home labour market and starting entrepreneurial activities.

Bosnia and Hercegovina and Kosovo* have been selected for the analysis of patterns and policies of reintegration of returnees in relation to development. The general criteria are defined in the Introduction. The specific criteria for each of the countries are the following:

Bosnia and Herzegovina

- A large-scale post-war return in the 1996-2000, as Bosnian refugees were given “temporary protection” status, not “refugee”. The same later applied to Syrian refugees, so the Bosnian experience of return may be of current policy relevance for the EU.
- Inefficiency of policy of return – the return of refugees was not always successful, many of them remain internally displaced after return, and the link to development is rather weak.
- Return of highly skilled is crucial for development. Two large projects on return and cooperation with diaspora (one funded by Swiss Development Agency and implemented by UNDP and IOM, another funded by USAID) are currently implemented and will contribute to availability of fresh data.

Kosovo*

- In late 2014 and early 2015, many parts of Europe saw a sharp increase in asylum seekers from Kosovo*, resulting in broad repercussions across the region. The majority of asylum applications from Kosovo* were rejected, since most EU countries have listed Kosovo* as a “safe country”, hence the number of persons repatriated to Kosovo* rose sharply since 2014, putting a greater strain on the institutions responsible for reintegration.
- Three different categories of returnees need targeted policies for reintegration: a. Refugees who fled Kosovo*³⁴ during the conflict in 1999 who wish to return home (mostly Kosovo Serbs who are refugees in Serbia and elsewhere); b. Refugees who left Kosovo*³⁵ during 1999

34 This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

35 This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

conflict whose temporary permits expired in EU countries (mainly Roma, Ashkali and Egyptians); c. irregular migrants who migrated recently and are returned with fast procedures.

- Kosovo* could provide “lessons learned” or success stories of reintegration thanks to the Reintegration fund, which offers assistance with employment, establishment of small businesses, vocational training and linguistic training for children. The Reintegration Fund is allocated each year to the Ministry of Internal Affairs (MIA) Kosovo* offers a good opportunity to assess the repatriation of vulnerable persons, including persons belonging to communities in a numerical minority (ethnic minorities).

3.1 Bosnia and Herzegovina. Highly-skilled returnees – unwanted competition

Highly skilled returnees are very much needed potential for the development of Bosnia and Herzegovina. In a situation of strong emigration trends and almost non-existent immigration, Bosnia and Herzegovina will soon experience lack of highly skilled professionals, especially in some sectors such as health or IT. Diaspora members have **high intention to return, as well as to contribute to the country’s development** (Oruc et al. 2011). Despite the formal commitment of Bosnia and Herzegovina government to utilise the development potential of highly-skilled diaspora, there are not yet targeted policies for highly skilled returnees.

Since there are multiple governmental actors now interested in cooperation with BiH diaspora (in addition to MHRR, there is also interest by Ministry of Foreign Affairs, ministries of education, etc.), establishment of an inter-governmental "Council for Cooperation with Highly-Skilled Diaspora", which could also involve NGOs and academia, would be welcome. They should then draft a targeted Policy or Program for cooperation with this diaspora.

Only recently, Bosnia and Herzegovina Ministry of Human Rights and Refugees published a **call to Bosnia and Herzegovina nationals abroad for support of their knowledge transfer activities**. Returnees are facing a number of different obstacles for integration in the Bosnia and Herzegovina labour market, even before physical return. This continues upon return through discrimination at the labour market.

Analysis of the obstacles faced by highly-skilled, and addressing them by simplifying administrative procedures and promotional activities to improve social cohesion between returnees and population in BiH, by explaining that they are not competition but rather support to each others.

3.1.1 Policies on return and development

The returnee issues (fall under the auspices of various institutions in Bosnia and Herzegovina. At the national level, this includes the Ministry of Human Rights and Refugees in Bosnia and Herzegovina and at the entity level there is the Ministry for Refugees and Displaced Persons in RS and the Ministry of Displaced Persons and Refugees in Bosnia and Herzegovina. The national government of Bosnia and Herzegovina adopted **“A strategy for the acceptance and integration of BH citizens who are returning under the readmission agreement” including an action plan for the 2015-2018 period**. The most vulnerable returnees identified in the Strategy are: Roma; people with disabilities; people with infectious, contagious and chronic diseases, persons with psychological disorders; and minors and children without parental care. MHRR coordinates activities for adequate reception of such individuals.

Current policies on return are still predominantly dealing with the issue of return of refugees to their pre-war place of living, although they have been obsolete for some time as such return has been completed while ago and that current circulation of skills is mainly among post-war economic migrants. There is a lack of targeted policies making the country a friendly environment for returnees which would contribute to the utilisation of their development potential.

Only recently (in January 2018), and again through the SDC-funded “Diaspora for Development” project, Bosnia and Herzegovina Ministry of Human Rights and Refugees published a **call to Bosnia and Herzegovina nationals abroad for support of their knowledge transfer activities.**³⁶ The Ministry will cover their travel and accommodation expenses, but the candidates are expected to volunteer while in Bosnia and Herzegovina. It is not yet clear how the support by public institutions, which are the only eligible to host these candidates, will be assured.

Highly skilled returnees are very much needed potential for the development of Bosnia and Herzegovina. The available evidence points to a significant mismatch between the qualifications provided by schools in Bosnia and Herzegovina and the qualifications required by employers (Bartlett et al. 2012). Reform of the education sector is therefore needed to resolve this mismatch as part of a wider set of structural reforms to improve economic competitiveness. Possible alternative, or a temporary support during the implementation of reforms in the education sector in Bosnia and Herzegovina could be engagement of graduated who acquired their skills abroad, by attracting to Bosnia and Herzegovina both the ones who spent their period of studies abroad and the ones born there (diaspora). In order to achieve results in that field, appropriate policies need to be designed.

Some positive initiatives have been implemented, such as “Brain +” programme implemented by WUS, “TOKTEN” programme implemented by UNDP, and “TRQ” programme implemented by IOM, but most of them are ad-hoc, projects funded and implemented by international donors and organisations, where state institutions usually play rather passive role of a project’s stakeholder.

NGO representatives working with the government stress the **lack of capacity and understanding** of the issues that are facing in their cooperation with diaspora, particularly with regard to facilitation of their return.

There is no clear vision what measures a good policy for return and development should include. Interviewed representatives of the business believe that **incentives for return may cause more harm than good by fuelling frictions between returnees and other employees in a business, since local employees can see returnees as the “favoured”** ones who spent the war abroad, made some savings, improved their skills and now are even receiving support for returning.

3.1.2 Return and development

Diaspora members have **high intention to return, as well as to contribute to the country’s development** (Oruc et al. 2011). All interviewees stated that they were highly motivated to return and offer their specific knowledge and skills to the country and its institutions.

Unfortunately, **only a third of returnees found a job** upon their return (Barnes and Oruc 2012).

The initial enthusiasm fades out and **the ones who returned 2-3 years ago are becoming “more realistic”, while others who returned around 10 years ago are “seriously considering emigrating again”.**

³⁶ The Call, in local language, is available here: <http://mhrr.gov.ba/iseljenistvo/aktuelnosti/prenos%20znanja-poziv%20strucnjacima.pdf>

It is interesting to note here that **re-emigration** is not necessarily back to their host country of previous emigration, but rather to third countries, mainly depending on job prospects. The main reason for considering re-emigration is the impression that the situation in the country is not changing, particularly in terms of security and development, as well as failed expectations that they can make significant contributions to changing current situation. In addition none of interviewed returnees mentioned **any support received by the government**. They even did not contact MHRR or similar government institutions, as they did not expect any support from such institutions.

On the other hand, interviewed representatives of businesses which employ returnees, despite acknowledging specific skills and knowledge of these people, often complain about their lack of knowledge of the local context and *the way the business is done here*.

Return and entrepreneurship. Return migrant to Bosnia and Herzegovina can make different occupational choices than non-migrants for several reasons. Firstly, return migrants bring back savings that they can invest in entrepreneurial activities, as these savings alleviate liquidity and credit constraints. Secondly, they also bring back useful skills they acquired abroad, and then they become more likely to become self-employed or entrepreneurs than those who did not have migration experience. Finally, return migrants can face unfriendly environment and lack of social capital that reduces their available options for paid employment.

Low share of remittances – 3.6% - is spent on investments in business, while only 0.5% were spend on new business start-up (Lianos (2005). However, a **positive trend of returnees as entrepreneurs** is emerging. According to interviews with some businesses, the number of returnees in Bosnia and Herzegovina establishing own companies or working as freelancers for their previous companies abroad is increasing, **particularly in the IT sector**. Many of them returned motivated by the opportunity to work as a partner instead of an employee for their company abroad. This outsourcing arrangements should be explored as an opportunity for return of highly skilled people from abroad, which would have positive fiscal, development and employment benefits for Bosnia and Herzegovina economy. Interviewees emphasised that returnees also bring “social remittances” which induce them to start their business here.

Barriers, obstacles. Returnees are facing a number of different obstacles for integration in the Bosnia and Herzegovina labour market, even before physical return. Members of Bosnia and Herzegovina diaspora are faced with difficulties in accessing information about positions available, as well as in fulfilling administrative eligibility criteria (Cosic and Ovcina 2014). Collection of a number of documents for a job application, obtaining stamps on their copies by a local administration and their submission, are tasks often impossible to complete in time and an obstacle that prevents many interested migrants to return to Bosnia and Herzegovina. Still, some interviewees decided to return even without clear job prospects, but experienced a long period of unemployment, which is surprising given specific skills they have and a postgraduate degree from a prestigious university they hold. So, upon return they continue facing obstacles to labour market integration, including unfriendly environment, underemployment, and unfavourable labour contract arrangements The lack of social networks plays also an important role..

As stressed by NGO representatives and migration scholars interviewed, positive initiatives (see below) that made large impact on development of the country are results of private initiative only, without any support from the government. Moreover, owners of these companies were involved in the 2014 protests against government.

Good practices. A positive example for entrepreneurship and local development is the one of the Gorazde town, where two Diaspora members (owners of large companies) decided to locate production plants of their companies in their hometown, which resulted in a considerable reduction of unemployment in the town, but also in the neighbourhood municipalities. Only a few years earlier, Gorazde was one of the towns with leading unemployment and poverty rates, and now experiences lack of labour force, which is now sought in other towns.

International organisations finance projects for attracting investments by diaspora members, such as USAID which implements a four-year “Harnessing Diaspora Potential” project, and UNDP, implementing “Diaspora for Development” project. In addition, **local NGOs such as “Nasa Perspektiva” and “Restart” offer advisory services to potential investors** from Diaspora and organise events gathering Diaspora investors in order to connect them and share positive stories. However, **actions from government institutions, such as Foreign Investments Promotion Agency, are generally lacking.**

The concept of “**virtual return**” as a channel of Diaspora’s contribution to their home country’s development is increasingly being considered as an option, particularly due to the increased global connectivity. Diaspora members can transfer their knowledge to their colleagues in a home country regularly without the need to be physically present there. The similar concept of “**thinknets**” could be explored as a possibility for improving scientific research. It is an organisational model for a research centre that allows collaboration between physically distributed researchers. Transfer of knowledge can include webinars, web chats, as well as short-term involvement of diaspora members in knowledge transfer activities in the home country. These concepts can be a good solution in countries where physical return is difficult for many reasons.

3.2 Kosovo*. The Impact of return migration on development: factoring young entrepreneurs into the equation

The new wave of returning migrant entrepreneurs in Kosovo* are increasingly younger, more educated and trained, and able to shuttle back and forth between their country of birth and their adopted country. Their commitment to contribute to their home country goes beyond their financial investment as they bring innovation and resource mobilisation for effective community development initiatives.

3.2.1 Policies of return and development

Kosovo* has a well-established institutional framework to facilitate the return and reintegration process. Ministry of Internal Affairs (MIA) through its Department for Reintegration of Repatriated Persons (DRRP) is the institution responsible for handling repatriation cases throughout the process of readmission and reintegration. The DRRP was established by the 2013 Regulation, which expanded the Reintegration Office into a fully-fledged department within the MIA. The DRRP responsibilities are carried out by the department itself, by its staff at Pristina International Airport, at the accommodation centre and by regional co-ordinators. In addition, municipal coordinators for returnees are pivotal in coordinating, delivering and monitoring the assistance to returnees.

Substantial progress has been achieved in both developing and implementing the legal and policy framework for the reintegration of repatriated persons in Kosovo*, through *inter alia* the adoption of a comprehensive regulatory and policy framework as well as the allocation of funds to assist the reintegration of repatriated persons. Competences of various stakeholders have been set out, a centralised database established, and the scope of assistance for repatriated persons

expanded to focus predominantly on long-term support with the aim of making the return more sustainable.

The National Strategy for the Reintegration of Repatriated Persons and its Action Plan constitute the main strategic document and outlines policies for the reintegration of repatriated persons. The current *National Strategy and Action Plan 2018-2022* was adopted recently and guides the work of the reintegration process by applying a needs-based inclusive approach and addressing the particular needs of vulnerable groups. Since 2016 there was a considerable increase of repatriated persons who have benefited from the reintegration programme (OSCE 2016).

The role of municipalities in supporting sustainable reintegration has been extended to provide appropriate information, guidance and advice concerning municipal services in 2015 with the adoption of the Regulation No.08/2015. At the municipal level there are **three bodies** responsible for assisting repatriated persons: the municipal offices for communities and returns, the municipal commissions for reintegration, and centres for social welfare. The performance of local level institutions was enhanced through the adoption of Local Action Plans for Reintegration. In addition, Municipal Offices for Employment and Centres for Social Welfare are mandated to conduct thorough needs assessments of repatriated families, while the introduction of a Case Management System (CMS) and the strengthened role given to regional co-ordinators ensures a functioning flow of information between central and local level institutions.

Interventions assisting the reintegration of returnees follow the “do no harm” approach. Discussions with the main stakeholders (DRRP, GIZ) reveal that concrete measures are undertaken to prevent the harmful effects that reintegration interventions may have on host communities. When the DRRP assists returnees with Vocational Education and Training or business support schemes, the Employment Agency of Kosovo* and international organisations simultaneously provide similar assistance to people most in need from the host community. To avoid discrimination towards host communities, DRRP also stopped building new houses for returnees and limited its assistance to refurbishment and small renovations (Ternava, 2018).

3.2.2 Return and development

Kosovo* is witnessing large numbers of return migrants, however, the majority of them are forced returnees with little prospect to contribute to development (Ternava, 2018). The number of returnees increased significantly during 2016 and 2017, due to the fast return of the illegal migrants who left Kosovo* during the 2015 /2016 exodus. **Most repatriated persons return from Germany and the majority of them are male, ethnic Kosovo-Albanians.** According to the official data from the Kosovo's Department for Reintegration of Repatriated Persons (DRRP, 2016) the number of repatriated persons in Kosovo* during 2016 was 9,730, of which 7,334 were forced and 2,396 voluntary returnees. The majority of them, 8791 were male and only 939 were females. Most of the returnees (8,161) came from Germany, 374 from Switzerland, 274 from Sweden, 252 from France, 161 from Austria and the rest from other EU member states. The majority of them (7,030) were Albanians, 1152 Ashkali, 1152 Roma and 263 Egyptians. Other ethnic groups were represented in much smaller numbers. These figures decreased substantially in 2017, with a total of 4,182 returnees, of which 3,320 were forced and 862 voluntary returns. Most of them were Albanians (2,289), males (2,855) and returning from Germany (3,216) (DRRP, 2017). Figures for the first quarter of 2018 reveal that the number of returnees is decreasing further with 602 repatriated persons recorded during the

first three months of 2018. The trend remains similar to previous years, returnees are mostly Albanian men, returning from Germany (DRRP, 2018).

Perhaps the most difficult situation was observed among returned Roma, Ashkali and Egyptian children and youth. According to a 2010 report (Knaus, V. and Widmann, P. 2010) three out of four returned RAE children were no longer attending school in Kosovo*. A considerable number did not possess a birth certificate and are therefore unable to exercise their right to educational, medical or welfare services. For most of them, Kosovo* is a distant country they know only from stories told to them by their parents or relatives and from news reports. They hope for nothing more than the legal right to stay in Germany. And, those who have already been returned to Kosovo* by force, dream of returning to what they consider their 'home'. As a result many deported children and youths are expected to attempt to return to Germany, where the only prospect awaiting them is the status of an irregular immigrant (ibid).

Incidentally, the number of young transnational entrepreneurs who chose to return and invest in Kosovo* is also increasing, despite receiving little or no support from Kosovo* institutions. According to the Kosovo Business Registration Agency (2018), around 166 call centres and 961 digital marketing companies, providing outsourcing services mainly to clients abroad, are registered in Kosovo*. Their number increased particularly in the last 5 years. While the agency does not collect data on the number of businesses opened by Diaspora entrepreneurs, it is generally known that most of these outsourcing firms are run by young, educated, second generation Diaspora members, who bring skills, capital and their networks to make most of their enterprises very successful and employing a growing number of local youth. They received little or no support by Kosovo* institutions and some of those entrepreneurs cite "no obstacles from government" as the main "support" received by Kosovo* institutions, exemplifying the lack of direct policies to facilitate the Diaspora investment home ("Diaspora Talks" Conference, 2018).

The level of education of returnees is lower than that of the general population in terms of the share in upper secondary and higher education. Mollers et al (2017) interviewed 179 recent returnees in rural Kosovo*. Almost all of the return migrants (93 %) left Kosovo* illegally in 2014/15 and were repatriated after applying for asylum in Western Europe. A major part (80 %) of the returnees left Kosovo* together with their family; single migrants were more common among males, while women almost always travelled together with other family members. At the time of the interview, migrants were between 18 and 65 years old. The average age was 35 years. This relatively young age reflects the young age structure of Kosovo*, as well as the typically young age of migrants. Two-thirds of the male migrants were the heads of their household, while this was the case for only about 10 % of female respondents. On average, migrants attended school for around nine years (lower secondary school). Gender differences exist as the largest group among women tended to have only a lower secondary degree, while for men the higher secondary school degree was the most prominent category. The typical households had five to six members. Two of them were children (Mollers et al, 2017).

Previous studies reveal that **participation (activity) and employment rates of returning migrants are higher at all skill levels than for those who never migrated.** Having migrated is correlated with a perception of better employment prospects upon return to Kosovo*: 43 % of migrants surveyed by World Bank (2010) who had returned, reported that migration had improved their prospect of finding a job in Kosovo*, and 10–15 % reported that their migration experiences had given them ideas for starting a business in Kosovo* or promoted partnering with businesses in the country to which they

had migrated. Returned migrants seem to earn slightly higher wages than non-migrants at all education levels. This may be because returnees have greater motivation to work or entrepreneurial or leadership skills (World Bank 2010).

Obstacles, barriers. There is no system in place in Kosovo* to track the number of voluntary returnees and transnational entrepreneurs. The business registration in Kosovo* does not require business owners to declare if they belong to Kosovo* diaspora hence it does not distinguish between foreigners and diaspora. Furthermore, many of the transnational entrepreneurs use their Kosovo* personal documents (dual citizenship) to register their business, making it harder to track accurately all investments from diaspora. Accordingly, there is no database of diaspora businesses. Kosovo* Investment and Enterprise Support Agency provided a list of 60 largest diaspora businesses, mainly operating in the construction, metal processing, gastronomy, food processing, trade and IT sectors, however, this number is much bigger and the scope of work of diaspora businesses far more diverse. The number of call centres and digital marketing companies confirms this.

Lack of employment or unemployment is a key integration issue. The same study revealed that more than 50 % of respondents cited unemployment as a key integration challenge. Adequate housing, economic conditions and basic needs like "no place to stay" or "poverty/food supply" were also mentioned relatively often as barriers to reintegration. Other challenges included adequate health service, the problem of indebtedness, and psychological and family related problems (Mollers et al, 2017).

Lack of information distribution within global markets, poor international communication regarding its economic environment and opportunities for foreign investment, and the absence of a credit rating by a credible foreign rating agency are among the few obstacles for diaspora investment. Foreign investment inflows have also been hindered by high degrees of corruption, slow and ineffective business environment reforms, lack of transparency, economic inactivity in many sectors, negative perception by foreign investors and Diaspora populations, and the failure of institutions to implement and achieve their set objectives (GLPS, 2016).

Lack of skilled labour and lack of professional level language skills remains a challenge. Transnational entrepreneurs who are steadily investing in outsourcing services cite inadequate competence in German language and certification by accredited institutions as key challenges to their business. Many of them invest substantially on the advancement of their employees even before they start working for them. The owner of MiK Agency listed German courses (professional level), Google Ads Certification and Digital Marketing certification as prerequisite for local staff to join his team. All costs related to these advancements are covered by the business owner. In addition, lack of information and consultation related to accounting and financial reporting requirements in Kosovo* was identified as a major obstacle especially at the start of the enterprise (Asani, 2018).

Low proportion of women receives employment assistance, particularly in the form of business financing. While women constituted nearly a third of all repatriated persons during the period 2013-2015, only 8 % of beneficiaries of this particular form of assistance were women. In 2017, 181 returnees received financial support and training to start their business, of which only 27 (14 %) were women. Furthermore, it is worrying that DRRP does not provide consistent gender disaggregated data on other categories of assistance, i.e. assistance upon arrival and emergency support, and it is thus impossible to analyse the provision of reintegration assistance from a gender perspective.

Good practices. Several positive initiatives for use of diaspora potential and (short-term) return for development have been implemented, e.g. Expert Return Programme in Kosovo*. The programme supports two types of missions for diaspora experts – short term (three weeks to six months) and long term missions (up to two years). Another similar initiative in Kosovo* is the BGP bringing diaspora academics to deliver courses, which were not available at Pristina University. Although the objective of the project was not to support the permanent return of these scholars and experts, 20 of them did indeed decide to permanently relocate to Kosovo* as regular staff of the University of Pristina. Another interesting community development initiative is Kosovaldeas - the first crowd funding platform 100 % committed to projects in all fields of art & culture, civic engagement and sustainability realised in and for Kosovo*.

Transnational entrepreneurs list green-fielding opportunity and the potential to turn challenges into business opportunities, as important drivers guiding their decision to invest home. Four very successful returning entrepreneurs³⁷ revealed during the Conference “Diaspora Talks” held in Pristina between 17-20 May, 2018 that apart from the obvious willpower to make positive changes in the country of origin, the green-fielding opportunity that Kosovo* offers was equally important when deciding to invest. They are aware that their businesses are successful partially because their business models were inexistent in Kosovo*, while in their destination countries the market was saturated and very competitive. In addition, challenges faced by their businesses are seen as opportunities for business expansion e.g. lack of online payment systems (such as Pay Pal) was listed as one of the biggest challenge for businesses that trade online, yet, instead of complaining, the entrepreneur was already preparing the plan to develop an online payment system in Kosovo* not only to address the shortcomings affecting their business, but to turn it into an additional profitable business for him.

The new wave of returning migrant entrepreneurs in Kosovo* are increasingly younger, more highly trained, and able to shuttle back and forth between their country of birth and their adopted country. For the owners of call centres, digital marketing and IT outsourcing brought up and educated in Switzerland, the German–speaking markets of Germany, Austria and Switzerland feel like and are actually ‘home’ markets. The diaspora brings language skills and understanding of the local context and culture in foreign markets to the new, export-oriented business growth model. In such, the Diaspora effectively converts internationalisation and export activities into sales and marketing on another domestic market.

The members of Scandinavian Business Network joined forces to open call centres in Kosovo* serving the Scandinavian speaking clients. The main idea of the business was to employ mothers from the comfort of their home by installing the necessary technical gadgets to answer client demands. They trained fifty individuals in 2015 and employed them in 2016. Additional 50 individuals, mostly women working from home were trained and employed in 2016 (DEED, 2016).

Successful diaspora entrepreneurs bring innovation to community development initiatives.

The owner of Made in Kosovo Agency, which is among the leading digital marketing agencies working exclusively with Swiss and German markets is developing the “*One year for Kosovo*” campaign, aimed at mobilising skilled diaspora members to spend a year in Kosovo* in their relevant field of expertise. He is using 350,000 e-mail addresses that were collected during the online Diaspora registration to promote his campaign (Asani, 2018). *Encouraging Young Entrepreneurs* (EYE) is another private and voluntary initiative to promote the creation of successful and sustainable companies, with a substantial growth potential, in Kosovo*, by supporting innovative and compelling business ideas through the

37 Owners of Baruti GmbH, Gjirafa Mall, UBT University and NGO Toka were the four conference panelists.

yearly competition “EYE Venture”. The owner of EYE also established *Bonevet* (Do it yourself) a non-profit community centre where children and youth gather to share resources and knowledge, work on projects, network, and build. Bonevet provides a fully equipped and professionally maintained space dedicated only for kids in order to infuse the spirit of making by re-energising education with the creativity, innovation, curiosity, motivation, technical know-how, and playfulness. The centre started as a pilot initiative in Gjakova, and then expanded to Pristina, with plans to open similar centres in other parts of Kosovo* soon (Bonnevet, 2018). Another interesting community development initiative is *Kosovaldeas* - the first crowd funding platform 100 % committed to projects in all fields of art & culture, civic engagement and sustainability realised in and for Kosovo*. It connects project owners with their community in and outside Kosovo*. For more than a year since its start, Kosovaldeas collected 123,318 Euro from 873 backers to fund 20 successful campaigns, including funding for a community centre Termokiss in Pristina, organisation of summer camps for youth empowerment, renovation of a dance hall in Gjakova, mobile puppet theatre etc. (Kosovaldeas , 2018).

3.3 Sustainable reintegration of returnees – evidence from other countries

Albania

The return migration flows to Albania increased during the last years. At least 100,000 Albanian returned during 2012-2016 (2012 – 15,000 returnees; 2013 – 21,000; 2014 – 20,000; 2015 - 25,000; 2016 – 18,000) (IOM World Migration Report 2018). The return flows from Greece and Italy increased rapidly after the financial and economic crisis. Gedeshi & Xhaferaj (2016) identify two groups of returnees: economic migrants and asylum-seekers. Many of the voluntary returned migrants return with a (re) integration plan (i.e. funded by the UK Government and European Union) (Caro, 2016). IOM Albania implements voluntary return integration schemes for returned migrants from Greece and Italy, funded by the EC, while the UK government has funded Assisted Voluntary Return schemes for returning migrants.

Evidence shows that **the return migration is mainly due to the economic crisis accompanied with loss of jobs in destination countries (Greece, Italy) and less as a migrants’ choice.** Therefore, it is likely to be reduced in case the economic and social situation in Greece and Italy improves.

Policies for reintegration have been adopted the last years, such as **the National Strategy on Reintegration and Return of Albanian Emigrants (2010-2015)**. The implementation depends mainly on international funding, e.g. European Commission or EU Member States (voluntary returnees, victims of trafficking, etc.). Initial funds for vocational training or opening a small family business (i.e. hairdressing, farming and agriculture business) are provided. The Government was supported by UNDP through a Brain Gain programme (2006-2008), which aimed to enhance the role of the Albanian Diaspora in the development of the country as underpinned in the National Migration Strategy. It aimed to foster a positive environment for the return of qualified nationals in the areas of higher education and public administration. This programme which initially attracted the interest of several highly skilled Albanian professionals to return and invest their skills and know-how, was completed without significant results. 102 individuals have been supported through this programme, of whom 71 individuals were engaged in working on new forms of university management models in Albania; 20 visiting professors were supported to foster partnerships in scientific research and teaching; and 11 individuals were supported with incentive packages for capacity-building in the Information-Technology sector. The success of this programme was limited because of the lack of financial resources and sustainable employment perspective in Albania for those graduated abroad.

Returnees face several **challenges and obstacles**, among which high level of unemployment, low wages, lack of adequate reintegration packages for families, high corruption rate, scarce health services, a politicised public administration, slow recognising of diplomas. Evidence shows that the social and economic (re) integration difficulties and the lack of employment opportunities make returnees considering re-emigration as an exit strategy.

Regardless the challenges and obstacles, **among returnees there are successful entrepreneurs**. From master chefs to managers of fashion industry, many successful returnees invested their financial and human capital contributing to the economic development of the country. Hausmann and Nedelkoska (2017) reveal positive effects of return on employment. The employment gains are concentrated in the agricultural sector, where most of the return migrants engage in self-employment and entrepreneurship.

The former Yugoslav Republic of Macedonia

The number of returnees back to the former Yugoslav Republic of Macedonia from legal emigration has been very low. Emigration from the former Yugoslav Republic of Macedonia has been frequently of permanent character; the temporal migration that apparently intensified in the late 2000s, for economic and educational purposes, has been frequently converted into a permanent migration. Namely, people first leave under a time-definite employment contract which is afterwards extended until full work permission is obtained. In parallel, people dragged their families (spouses and children). Or, people left for education abroad and tried to stay at destination or in other developed countries; many of them succeeded. However, overall, this is anecdotal evidence. Credible database on returnees from legal emigration does not exist.

The issue of returnees and their reintegration came to the forefront of the policy action after the visa liberalisation in 2009, in the context of illegal emigrants and asylum seekers. Namely, their number significantly increased after visas liberalised; poorer and more marginalised groups, predominantly Roma, had higher inclination to seek asylum in the Western European countries. Earlier, the Government of the former Yugoslav Republic of Macedonia and the European Community signed an Agreement for Readmission of Illegal Migrants, which was ratified in 2007, and entered into force on 1 January 2008. The Government was decisive to combat illegal emigration through repressive measures (Lembovska, 2012), implying stricter border control and fast execution of the readmission agreements. However, when the problem started escalating in 2009 and afterwards, it was recognised that there is no systematic and organised government response to the reintegration problems of the returnees. Hence, **in 2010 the Government adopted a Programme for Reintegration of the Returnees under the Readmission Agreements with wide-ranging forms of assistance and support to returnees** in several domains: 1) Legal aid and personal documentation; 2) Social protection/housing; 3) Economic support/employment; 4) Health care; 5) Education (MLSP, 2010; Bornarova, 2011). In the first years of implementation, the reintegration programme has been weakly executed, mainly due to budget constraints. Then, the gap in the provision of public measures of support to the returnees has been mainly filled in by activities of the non-governmental organisations. Later, the intensity of the problem decelerated, as the measures to prevent illegal emigration were strictly maintained.

The International Organisation for Migration office in Skopje runs the Assisted Voluntary Return Programme since 2006, by supplying return and reintegration support in housing, health care, education, vocational training and establishment of small businesses. Further, upon request by the host country, IOM provides information on the reintegration opportunities to those Macedonian migrants who wish to voluntarily return to the former Yugoslav Republic of Macedonia. Migrants are

provided with assistance for their safe return into the country of origin through variety of services – counselling, medical assistance, transportation, transit and receipt services. However, over the years, the number of recipients of such assistance by IOM has been small.

Serbia

Returnees under the Readmission Agreement are citizens of the Republic of Serbia who have been refused an asylum application or have lost their rights to temporary residency, most commonly in a country of the European Union. Such people are returned on the basis of the Readmission Agreement which Serbia entered into with the European Union and individual countries.

The **2009 Strategy for Returnee Reintegration under the Readmission Agreement** is a national strategic document that defines the mechanisms for the sustainable and active integration of returnees. The main goals are set as:

1. Viable integration of returnees with full respect of social and cultural aspect of integration, creating the conditions for admission and taking care of returnees;
2. Active inclusion of local self-government and developing the network of support services according to the needs of returnees, local community and the region, which will contribute to the strengthening of their resources for fulfilling the needs of their citizens in the area of social protection and for supporting the process of decentralisation;
3. Prevention of new poverty;
4. Prevention of secondary migrations, migration control;
5. Prevention of human trafficking;
6. Inclusion of competent returnees in the labour market in order to decrease the unemployment rate;
7. Development of rural and depopulated areas;
8. Building trust and interethnic tolerance;

The Law on Migration Management obliges local authorities to create local councils for migration as bodies which will locally conduct migration policies. A positive development is that a total of **128 local self-governments have established local councils for migration** composed of representatives of various institutions on the local level relevant for the realisation of the rights of migrants, with the aim of coordinating activities related to: local administration, police administration, employment service, school administration, local trustee, a health centre, a centre for social work, Red Cross and civil society organisations.

The data collected during the research on the implementation of public policies concerning improvement of the status of returnees under the Readmission Agreement in the towns and municipalities of Vojvodina³⁸ showed that **a system of support needs to be further developed, and the coordination between local authorities and other levels of government improved**. It seems that small and insufficiently developed municipalities and towns lack the capacities to take steps on their own initiative on such a complex issue as the status of returnees under the Readmission Agreement. In that sense the institutional framework needs to be made more comprehensive by adopting the remaining local plans of action, but also by reviewing results achieved in those municipalities and towns in which these plans have been adopted. It also seems that activities aimed at improving cooperation between donors and other stakeholders, who might be in a position to support certain activities of significance for improving the position of readmittees, are often lacking (Curcic, 2015).

³⁸ This study considered only Vojvodina, however, as Vojvodina is one of the most developed regions we can only assume the situation is worse elsewhere.

In describing **the main challenges faced by the returnees**, the Strategy highlights the lack of information, personal documents, housing, employment, social protection, health care and education with an emphasis on the knowledge of Serbian language. The research conducted shows that the issue of personal documents, which are a prerequisite for exercising other human rights, is in many cases not a question of bad legislative solutions, merely a question of providing services to returnees, who lack the necessary information and knowledge to go through the procedures themselves with the various authorities. While the problems in education are easily resolved by increasing the existing capacities of the education system, there is still no adequate response to the challenges relating to improving housing conditions for those returnees who lack proper housing, nor to the question of the economic empowerment that is a prerequisite for improving their position and the exercise of their guaranteed human rights.

The number of Serbian citizens – **returnees from work/stay abroad**, is not known on annual level. **Database on emigration flows of Serbian citizens does not exist**, considering that the citizens who leave to work/stay abroad mainly do not unregister from their place of residence. Data from the last Census on returning migrants suggest encouraging although inconclusive data. While in 1981 only 3.3% of the returnees aged 15 and older possessed a higher education degree, in 1991 there were 7.6% of such returnees while their share increased to 18.9% in 2011 which is almost double this share among the adult resident population of Serbia (Arandarenko, 2016). However, over 60% of the returnees are inactive (the majority of which return as retirees). Among the labour market active returnees, 74.6% are employed.

Research investigating the **motives of younger people who have returned to Serbia** after 2000 aged between 25 and 40 years, which were successful in the USA, Canada, Australia, Austria, Germany, France, Norway and Sweden, has been conducted. Their individual motives were different in nature: elderly parents need to live in the country of one's ancestors, accepting a partner's decision, insisting on a more acceptable concept of living in Serbia, Belgrade's cosmopolitanism. Still they all primarily wanted to participate in the economic and democratic development of the country. However, many of them were facing problems related to recognition of diplomas, insufficient efficiency of the society, professional stagnation and unacceptance of returnees. Some of the interviewees left the country again (Rasevic, 2016).

4 THE REGIONAL ECONOMIC AREA AND INTRA-REGIONAL MOBILITY

The **'soft connectivity' agenda** is the new political project for strengthening the regional cooperation, launched by the European bank for reconstruction and development (Levitin and Sanfey 2018). Within the framework of the new Regional Economic Area, the focus will be on crucial area for the sustainable long term economic development of the region. Enhancing the regional mobility is the third pillar of the new policy together with removing trade barriers, highlighting investment opportunities and synergies, and digital integration (Levitin and Sanfey 2018). The political context of the regional cooperation has been improved during the first half of 2018: the European integration of the Western Balkans has been promoted as the top policy priority of the Bulgarian rotation presidency of the Council of the European Union (January – June 2018).

This chapter focuses on the **conditions, positive outcomes and obstacles to the enhancement of the regional mobility as a response to the labour market needs and regional development**. This promising new political vision is scarcely researched as there is a systematic lack of reliable data. Most of the regional mobilities are informal ones which further complicate the reconstruction of a comprehensive and coherent panorama of the regional flows.

4.1 Montenegro: the Region's labour destination Country

4.1.1 Policy of employment of foreigners

The issue of employment of foreign workers is on the top of the agenda of policy makers.

Montenegro pursues a **policy of open labour market** and has been reforming its legal framework so as to comply with the EU Acquis and simplify the process of engaging foreign workers. The key Law in this regard is the Law on Foreigners. Montenegro applies a **quota-based system** in managing the influx of foreign workers. The first such Decision on Determining the Number of Work Permits for Foreigners to be issued was made on the basis of the previous Law on Employment of Foreigners adopted in 2009.

Under this law and the prescribed conditions under which a foreigner may be employed or work in Montenegro three institutions were involved in the process of hiring foreigners:

1. Public Employment Service (PES) where the employer paid for the work permit,
2. Ministry of Interior (MoI) in charge of issuing a residence permit,
3. Tax Administration, where the foreign worker applied for compulsory insurance.

Despite the established legislative framework in the area of keeping records on labour mobility, the available data were much poorer and the records from the Ministry of Interior, Public Employment Office and Tax Office were not aligned and consistent. There was no developed data exchange, as each institution provided information only within their jurisdiction. In addition, facing procedures in several institutions, with different deadlines and documentation was found to be a disincentive for employers. It was assessed, this was one of the reasons some employers partially or entirely avoided adherence to the Law on Employment and Work of Foreigners (ISSP, 2016). Aiming at addressing these gaps and simplifying the procedure for the employers hiring foreign workers, the Government reformed this process in line with EU Directives through the establishment of a **One-stop Shop procedure**.

As the Law on Foreigners from 2015 prescribes the Ministry of Interior is solely responsible for the issuance of a permit which is simultaneously a residence and work permit through a single procedure. In addition, as of 2018, the earlier prescribed condition that a working permit may be issued only if there are no unemployed fitting the required qualifications on the registry of the PES, or if those that do match the criteria had refused employment has been abolished. This has additionally simplified the process and opened the labour market for foreign workforce. The MoI is obliged to issue this permit within 21 days upon receipt of application.

On more relevant **novelty brought by this new Law is the cancelation of the requirement for work permits for EU nationals** and their family members to take-up employment in Montenegro.

Three types of work permits are recognised:

- 1) Work permits for employment of foreigners
- 2) Work permits for seasonal employment of foreigners
- 3) Work permits for a referred worker

As of the adoption of the new Law, the permits issued for referred workers are not counted against the set quota. The number of permits issued on this ground has been increasing over the last three years, and at the moment **32% of the permits issued are 'out' of the quota**. These mainly include workers moving within the same company, or those engaged through contracted services. Also permits issued to workers returning to their country of origin at least once a week (daily migrants) are exempt from the quota, as well as works engaged in development projects recognised by the Government.

Beside this, the quotas are defined in relation to sectors and occupations, but also a certain number of permits remain un-allocated, and serve as a 'reserve' permitting flexibility and swift reactions to emerging needs.

The number of quotas to be issued each year is based on the criteria and procedure defined in the Regulation of the Criteria and Procedures for the Determination of the Annual Number of Permits for Temporary Residence and Work of Foreigners. An inter-sector Working Group is tasked to determine this figure annually on the basis of the relation between labour supply and labour demand, the potential to satisfy the labour demand through the employment of Montenegrin citizens, the share of employed foreigners in the total employment in Montenegro and the employer's needs for employment in the following year.

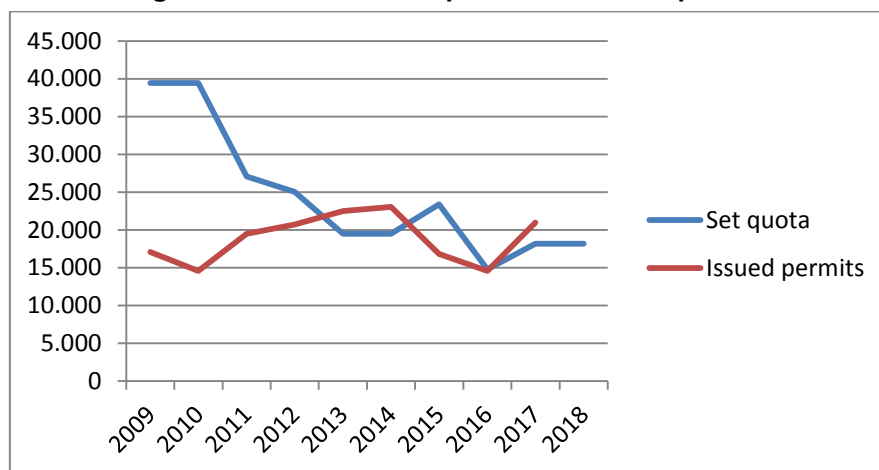
As explained by the Ministry of Labour and Social Affairs (MoLSA), the **quota system is established with an aim of "balancing between the needs of the employers and protecting the Montenegrin labour force"**. However it should be emphasised that this in practice no limitations are actually enforced. Several instruments are in place to ensure the quotas are not a barrier to employment. Firstly, the quotas are quite generously set and are usually never fulfilled. Secondly, although distributed across sectors and occupations, in practice there is flexibility in redistributing across these categories if the need arises. Thirdly, as already mentioned a certain 'reserve' continent of non-prescribed quotas is determined and also increasingly, permits are issued that do not fall within the quotas. Overall, **the quotas are not creating any difficulty in the employment of foreign workers** and this has been confirmed through the interviews with employers hiring such workers.

The PES annual reports provide a wealth of information on the issued working permits for the period 2009-2007. Unfortunately not all data is systematically reported. For example information on the number of work permits as compared to seasonal work permits and other work permits is only available for 2008, 2009, 2016 and 2017. Apart from 2008, when more seasonal permits were issued as compared to longer term work permits (9,631 compared to 6,443) the trend appears to have reversed and since then, in all of the years for which data is available the number of work permits issued for the employment of foreigners is by far higher than that issued for seasonal work. This is most likely the result of the policy detailed bellow on promoting the employment of Montenegrin citizens for seasonal work.

Considering that in 2007 and 2008, 40,289 that is, 58,348 foreign workers were employed in Montenegro respectively, the quota in 2009 and 2010 was set at the level of 38,450. The number of actual permits issued was significantly lower. In 2009, 17,108 permits were issued, and this number

decreased by around 25% the following year, when only 14,596 permits were issued. This decrease is explained by the fact that the economic crisis resulted in lower levels of economic activity and more Montenegrin nationals were willing to take-up seasonal jobs.

Figure 18. Trends of set quotas and issued permits



Source: Compiled by the author on the basis of PES Annual reports and data obtained through MoLSA interview

At this time, the majority of the foreigners holding a work permit in Montenegro were from Serbia (around 40%), followed by citizens of Bosnia and Herzegovina (around 30%) and the former Yugoslav Republic of Macedonia (20%). 45% of these workers were of prime age (30 to 50 years old), 35% were youth (up to 30 years old) and 20% were older than 50 years.

Taking into account the reality of the number of permits the employers have requested, the quota was lowered in 2011 was set at 27,050. Although by 33.4% higher than the number issued in the previous year, the number of quotas issued was still significantly lower and equalled 19,469. This year, the number of workers from the Russian Federation increased, taking over the third place (13%), while workers from the former Yugoslav Republic of Macedonia were fourth in number (9%). The share of Serbian and Bosnian workers remained unchanged representing the vast majority of all foreign workers.

The following year, the quota was further lowered by 2000, however the number of permits grew by 6.4% reaching 19,469 and as result of permits issued beyond the quota the number of issued permits was higher than the set quota. The structure in relation of country of origin remained unchanged as well as in terms of sectors. Both the construction and tourism and related services sectors were more or less equally represented (21% and 20% respectively). In 2014 year the number of issued permits continued to grow, once again surpassing the set quota, with construction remaining the dominant sector (24% as compared to 22% for the tourism sector). The distribution across countries of origin remained the same.

The adoption of the new Law in 2015 seems to have caused some disturbance in the process of issuing permits (up to April when the new Law was adopted the number of issued permits was higher than the number of quotas issued in the same period in the previous year by over 50 %) as only 16,811 permits were issued that year, while the quota was set at 23,400 in line with the noted raising trend of the previous years. That year the construction sector prevailed significantly, as 34.8% of the issued permits were within this sector, while the distribution across nationality remained unchanged.

A trend of decreased levels of employment of foreigners has continued into 2016, as the number of permits issued was 14,588 while the quota was set at 14,792 (3,754 of the issued permits were not counted against the quota). The PES Annual Report for 2016 concludes that the employment of foreigners has indeed been reduced: in 2013 the number of employed foreigners was higher than the number of newly employed Montenegrin citizens by 54%, in 2014 this number was higher by 61%, in 2015 this %age has fallen down to 19%, while in 2016 the number of employed foreigners and citizens of Montenegro have equalised. 2017 brings a new increase in the number of employed foreigners, as the number of issued permits again, surpassed the quota (as a high percentage of permits were issued beyond the set quota). A total of 20,969 permits were issued while the quota was set at 18,185 (as in 2018 as well).

It appears that, after an initial 'shock' caused by the new Law, the employers, but also the Mol are adapting to the new system and the number of issued permits is approaching its pre-new Law level. It has been suggested through the interviews with the MoLSA and PES representatives that it took the Mol a bit of time to take up its new role in full capacity.

Overall, **the highest share of workers from the region are employed in tourism and related services sector and construction, but that also there is an increasing trend of those whose work is related to professional scientific and technical activities.** The majority of work permits were issued to foreigners with primary or vocational school - 87.6%, while 6.8% of work permits were issued to those with secondary education and 5.5% of the total number of work permits was issued to foreign workers with higher education (ISSIS, 2016). **The vast majority of workers holding working permits in Montenegro are from Serbia and Bosnia, followed by the former Yugoslav Republic of Macedonia.** As for workers outside of the West Balkan region, workers from the Russian Federation should also be mentioned, as being prominently represented among the foreign workers in Montenegro.

4.1.2 Regional labour migration and development

Throughout the 20th century Montenegro has been a typical emigration area. According to the UN population database, in 2015, a total of 138,356 Montenegrin citizens resided abroad. Among these, 61% lived in the West Balkan region, while out of these 84.4% were based in Serbia. In other words, over half of all Montenegrin emigrants live in Serbia³⁹.

Following independence in 2006, the implementation of economic and other reforms, the labour market in Montenegro has been stabilised and job growth is noted. Thus, Montenegro became a country of net immigration⁴⁰ (Grecic and Kaludjerovic, 2012), **attracting numerous workers, mainly from the West Balkan Region.** The PES estimates that during the summer season, the local workforce is able to satisfy approximately 30% of the employers need for workers. However, at the same time, the number of foreigners employed in Montenegro was roughly the same as the number of unemployed registered with the PES (PES, 2010).

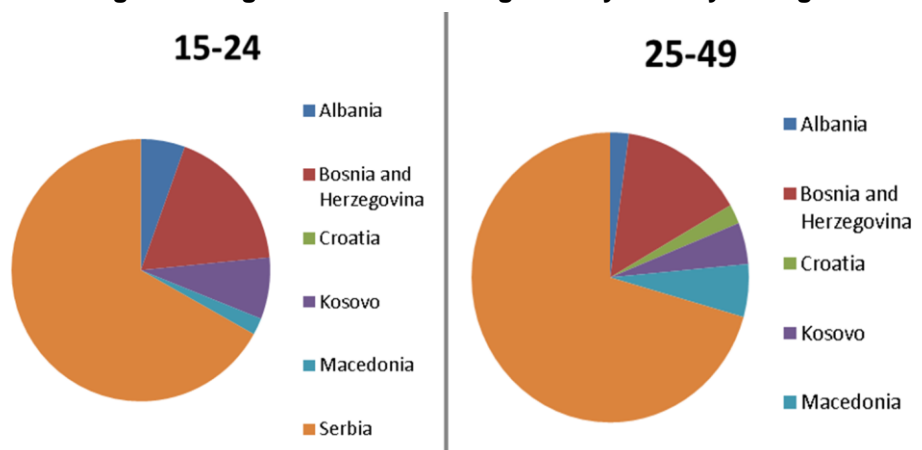
39 It might be suggested the number of Montenegrin immigrants in Serbia is significantly higher. The Montenegrins of Serbia are a national minority in the country and according to the 2011 Serbian census, there are 38,527, ethnic Montenegrins in Serbia. The Montenegrin law does not allow for dual citizenship, resulting in a significant number of Montenegrins with established households, jobs, pensions, etc. in Serbia denouncing their right to Montenegrin citizenship in favour of Serbian citizenship. This is considered to be a politically highly sensitive issue.

40 The decreased emigration propensity is confirmed through an IOM study, according to which nearly 70% of Montenegrin youth expressed no serious consideration to emigrate. This is the highest share of such respondents across all of the countries from the region which participated in the study (Grecic and Kaludjerovic, 2012).

The UN population data-base shows that in 2015, 57,763 foreigners lived in Montenegro. Although in absolute terms, this figure may not be so compelling (compared to the nearly ten-fold higher number of migrants from the region in Serbia) considering the size of the population of Montenegro, it is justified to view **Montenegro as the destination country of the West Balkan region**.

There is a **trend of increase of the number of immigrants from regional countries, aged 15-24 during recent period** (ISSP 2016). The share of these immigrants in total number of immigrants from regional countries increased from 12% (2010) to more than 20% (2014). However, **the largest share among regional immigrants belongs to those aged 24-49** (approximately 60-65% over the last several years).

Figure 19. Age structure of immigrants by country of origin

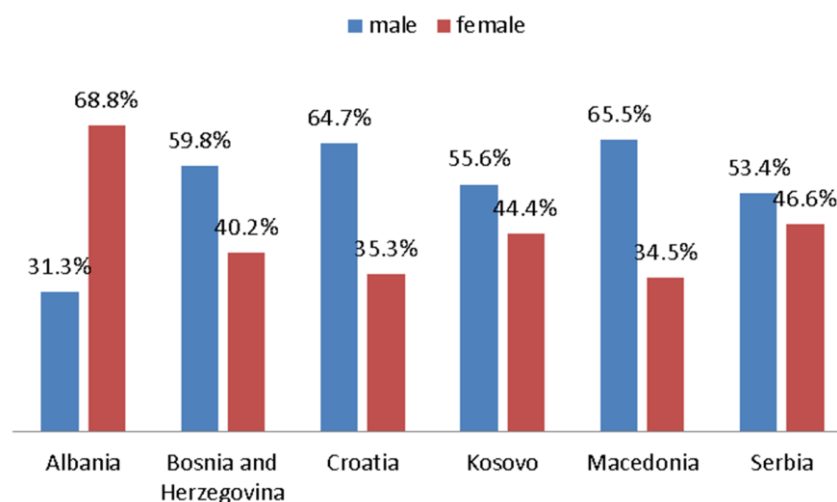


Source: ISSP, 2016

Immigrants originating from Serbia are by far most present, followed by citizens of Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo* and Albania (ISSP 2006). Serbian nationals represent the vast majority of immigrants in Montenegro both in the category of youth and prime-age workers. What is evident is that the share of immigrants from Albania and Kosovo* is higher among the youth than the older category, while the opposite is true for the Macedonians. This is probably due to the fact that due to greater differences in language and cultural proximity immigrants originating from the former Yugoslav Republic of Macedonia moved to Montenegro earlier as compared to those from Kosovo* and Albania where this is a more recent phenomenon attracting more 'adventurous' youth than older migrants.

Women are significantly more present among the migrants from all countries. This is most likely a result of employers preferences in employment (many of the employers interviewed stated they are employing more women than men) apart from Albania, where the gender difference is most pronounced, but in favour of men.

Figure 20. Gender structure of migrants by country of origin

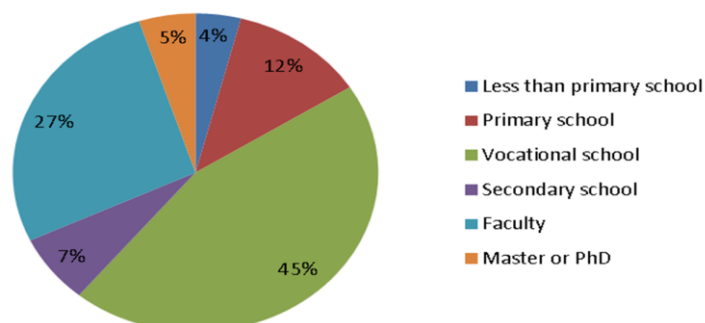


Source: ISSP, 2016

The most balanced gender structures are to be found among the Serbian and Kosovar immigrants, in which cases approximately 55% of the immigrants are female, while 45% are men. The difference in favour of female immigrants is most pronounced among the Macedonians.

The vast majority of immigrants in Montenegro possess a vocational high-school degree – 45% of them. 32 % hold a higher education degree, while 16% have no qualification.

Figure 21. Distribution of immigrants according to level of educational attainment



Source: ISSP, 2016

4.1.3 Employers, regional migration and development

The case of Montenegro is particularly interesting in respect the official, and truly documented, pursuit of an open labour market policy on the one hand and openly expressed concern and campaigns directed towards employers aiming at curbing the employment of foreign workers, as well as motivating the unemployed to engage in seasonal work, on the other. It appears as if two, somewhat contradicting, processes are underway simultaneously. **While the legal framework is adjusted so as to simplify the process of hiring foreigners, employers are to a certain extent encouraged not to.**

The policy makers are aware of the fact that the domicile workforce of the Montenegro coast-line (in particular) is not able to satisfy the employer's demand for workforce during the summer season. They are therefore, **encouraging** (also through active labour market programmes and financing the cost of

moving) **internal mobility of workers – from the North of Montenegro to its South**. At the same time, as students are not by Law permitted to be registered as unemployed with the PES, as of this year an online registration form is available, inviting interested **high school graduates and current University students to register their interest to engage in seasonal work**. This is intended to raise the number of Montenegrin youth engaged in such work. In addition, there is also an **on-going campaign intended to motivate employers to hire Montenegrins**. A couple of years ago the employment of young Montenegrins for seasonal work was even subsidised by the PES.

Their perception and concern may be summarised in a statement made by a PES official '*There are not enough Montenegrin workers, but also those that are available are not getting employed*'.

While the policy makers are aware of the **shortage of qualified workers** for some specific occupations, and that many employers will continue employing workers that have worked for them for years in many cases, mainly, they perceive the readiness of foreign workers to work for lower salary and under poorer conditions, including also informal work as the main reason employers chose to hire them over Montenegrins. They also explain that the age structure of the unemployed in Montenegro is changing. It is more and more the older unemployed that dominate the PES registry. At the same time, it is much less likely an older person will decide to move south from the North in order to work during the summer season.

Overall the employers **do not perceive the process of receiving the work permits as troublesome**, upon application – all applications were positively responded to. However some of the **documents required are perceived as unnecessary burden**. This particularly applies to the recognition of the worker's diploma (EUR 50 for a high school degree and EUR 150 for a University degree), as well as various certificates such as that of the worker's health and proof of not being convicted, etc. **The process of obtaining all documentation is demanding, but once collected, the process is rather smooth**. Still, one issue persists: while **anticipating the processing of the request** the workers are not permitted to conduct work and this causes **halts in their engagement** which is in some cases urgent. A couple of interviewed employers suggested some sort of proof of application be issued which would temporarily allow the worker to take-up his/her working duties.

The general assessment and **reasoning for hiring foreign workers lay in the lack of qualified workers** in Montenegro. This refers to both **vocational**, and perhaps even more the local workers' **soft skills**. Also the employers view many Montenegrin unemployed to have **unrealistic labour market expectations**.

As one employer summarised:

The Montenegrins don't want to work, that is, they value their work too highly and expect high salaries for low level entry positions. Often they are not willing to learn and develop, while there are few qualified workers.

This employer continues by describing how appreciated good local workers are – that they receive pay throughout the year, while the business is closed. The preference in hiring Montenegrin workers is echoed by another employer as well.

I would love to employ Montenegrins. If I could find them – my life would be all the more simple. No need for extra paper work, for finding and paying accommodation. If the PES could send me good workers I would hire them immediately.

It appears as if two problems are simultaneously at play. **When it comes to qualified workers, there is simply a shortage that must be filled by workers from abroad. On the other hand, there are**

also a high number of for less qualified jobs, however neither the type of work, nor the conditions offered are of interest to many unemployed Montenegrins.

Several employers also mentioned the problem of long-term employees rejecting their offers to return this season, as they have been offered better pay in Croatia. As of this year, the **Croatian labour market has been considerably opened**. Their quota is set at 31,000, while last year it was more than four times lower equalling 7,026. The procedure is much simpler and requires fewer documents, which are less demanding to acquire. Practically all that is needed is a job offer. (Narodni list, 15.02.2018). As the Croatian qualified workers found better paid opportunities in other EU countries, Croatian enterprises are facing a labour shortage and are opening up for workers from Montenegro, but also from Serbia and Bosnia and Herzegovina.

This could pose a serious challenge to the Montenegrin labour market already struggling with lack of qualified work force and should be addressed by the policy makers. This is also the opinion of an interviewed employer:

The Montenegrin Government should do something about this, as this year is difficult and next will be impossible. The process needs to be additionally simplified and made less costly in order to compete with Croatia.

4.2 Intraregional labour mobility/migration and development – evidence from other countries

Albania

Regional, cross border, seasonal and daily mobility are overlapping in Albania. The biggest flow is from Albanians to Greece, generally from South and Southern-Eastern areas of Saranda, Delvina, Konsipol, Gjirokastra, Permet, Kolonje, Korca and Devoll. The highest flows are happening during the summer and winter seasons. Other destinations are Montenegro and the former Yugoslav Republic of Macedonia, where Albanian waiters and seasonal workers work as irregular migrants in agriculture and tourism mainly during summer season. In Montenegro, there is evidence of workers from Albania in construction as well.

A specific case is the regular mobility between Albania and Kosovo* which due to the common ethnicity is not considered as migration per se. These mobility flows are perceived as a natural effect of the intensification of cooperation between both countries, including mobility of elites, to name but a few: appointment of deputy ministers in the current government, as well as in leading positions in institutions of national importance (i.e. National gallery of Arts). Both in Tirana and Pristina, there is an increasing number of university professors, project managers, bank sector experts, and businessmen etc. which work with regular contracts.

There is a recent **initiative to facilitate regional cooperation and labour mobility between Albania-Kosovo* and the former Yugoslav Republic of Macedonia**, which consist in increasing cooperation for vocational training offered by the regional Employment Centre of Prizren (Kosovo*) and the Public Employment Services in Kukes (Albania) across the border. Furthermore, a cross border job portal will be created to exchange information on vacancies between Kosovo*, Albania and the former Yugoslav Republic of Macedonia.

There is a **total lack of official statistics** on the number of seasonal and daily migrants to the neighbour countries.

Bosnia and Herzegovina

With regards to intra-regional migration flows, Bosnia and Herzegovina was traditionally an emigration country, primarily to Slovenia and Croatia, which goes back to the times of Yugoslavia and its internal migration from less to more developed regions. Since 1990s, Bosnia and Herzegovina was an important source country of seasonal workers for Croatia and Montenegro, and it is present until today. The main sectors of employment of seasonal workers are construction and tourism.

The share of foreign workers in the total number of employed⁴¹ in Bosnia and Herzegovina is low, it is approximately around 0.4%. Total number of work permits issued in the period 2007-2013 is presented in the table below. Four countries of the Western Balkans (Serbia, Croatia, Montenegro, and the former Yugoslav Republic of Macedonia), are among top ten countries during the entire period. However, large number of work permits (more than 50% since 2010) is issued to other countries, primarily China, Turkey, Russia, Italy and Slovenia.

Table 13: Number of work permits issued for workers from the region in Bosnia and Herzegovina, in the period 2007-2013

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Albania	3	6	5	3	5	6	7	2	2	3	7
Croatia	333	317	179	207	208	234	231	237	214	197	162
Kosovo*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
The former Yugoslav Republic of Macedonia	61	89	67	59	50	48	60	36	43	51	54
Montenegro	108	133	106	77	87	86	70	69	74	62	60
Serbia	1031	1108	909	806	918	800	809	642	701	752	679
Total	2696	2993	2592	2325	2607	2573	2563	986	1034	1065	962

Source: Bosnia and Herzegovina Employment Agency

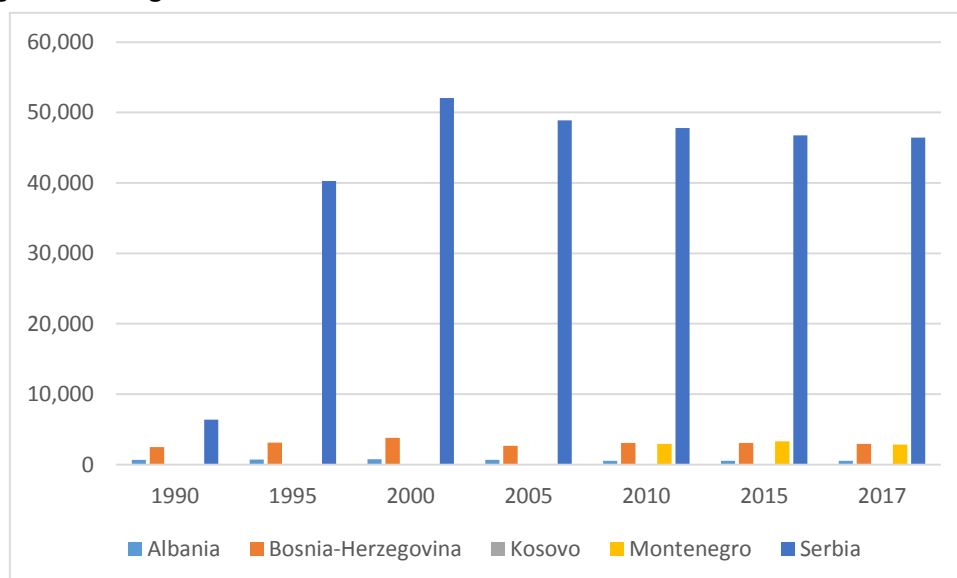
Regional mobility of students is also a widespread phenomenon, particularly in a situation of low quality of education in Bosnia and Herzegovina that motivated many young people to seek better quality education abroad. The main destinations are Austria (Vienna and Salzburg) and, to a lesser extent, Croatia. In case of Eastern Bosnia, the closest university centre is Belgrade. For example, it is estimated that about 40% of students from Visegrad go to study in Serbia. So, the rural-urban migration in Bosnia and Herzegovina is generally divided along ethnic lines, which cross the national borders. This means that Bosnian Croats migrate to Zagreb and Split and Bosnian Serbs migrate to Belgrade, while Bosniaks (including the ones from Serbia and Montenegro) migrate to Sarajevo, as urban areas where their ethnic group is dominant. These flows contribute further to ethnic homogenisation of territories in the Western Balkans.

The former Yugoslav Republic of Macedonia

The former Yugoslav Republic of Macedonia has a diaspora of about 53.000 persons in 2017 in the countries of the Western Balkans. The dominant part of the diaspora is based in Serbia, followed by Bosnia-Herzegovina. The trends over years have been variable, but the trend of the former Yugoslav Republic of Macedonian emigrants in Serbia has been slowly declining in the last two decades. Data for The former Yugoslav Republic of Macedonian citizens in Kosovo* are not available.

⁴¹ Including both paid employees and self-employed.

Figure 22 – Migrants' stock of Macedonians in the other Western Balkan countries

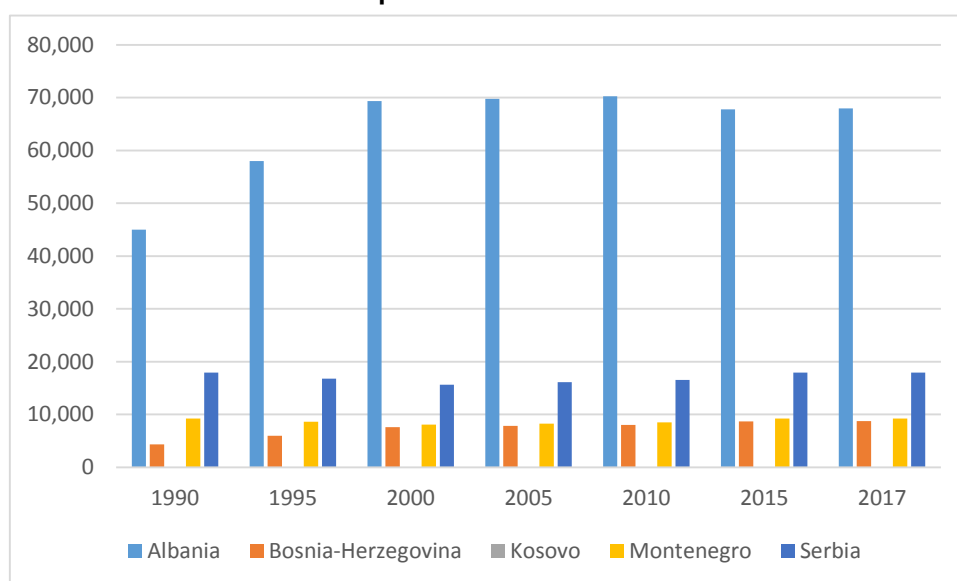


Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). Trends in International Migrant Stock: The 2017 Revision (United Nations database, POP/DB/MIG/Stock/Rev.2017).

Note: Data for Kosovo* are not available.

Conversely, the former Yugoslav Republic of Macedonia is also the residing country of citizens of the other Western Balkan countries. Albanians are the most frequent immigrant in the former Yugoslav Republic of Macedonia, followed by Serbs. In particular, the trend of immigrants from Albania has been strengthening in the 1990s, was maintained over 2000s, but saw a slight decline over 2010s. On the other hand, the immigration from Bosnia and Herzegovina registered a slight increase, while the one from Montenegro and Serbia has been maintained over years.

Figure 23 – Migrants' stock of other Western Balkans nationals in the former Yugoslav Republic of Macedonia



Source: Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). Trends in International Migrant Stock: The 2017 Revision (United Nations database, POP/DB/MIG/Stock/Rev.2017).

Note: Data for Kosovo* are not available.

The former Yugoslav Republic of Macedonia has a larger stock of Western Balkan immigrants than it has Western Balkan diaspora, the former is twice the size of the latter.

There have been few initiatives to facilitate regional cooperation and labour mobility: in recent years there has been cooperation in the area of vocational training between the regional Employment Centre of Prizren (Kosovo*) and the Public Employment Services in Kukes (Albania) across the border. A regional job portal is planned to exchange information on vacancies between Kosovo*, Albania and the former Yugoslav Republic of Macedonia. Finally, citizens of Kosovo* and citizens of Serbia part of the Albanian minority are exempted from the obligation of work permit and work registration certificate in Albania (Decision of the Council of Ministers dated 07.05.2014) (Vidovic, 2015)

Kosovo*

Limited data is available about labour migration of Kosovo* citizens to other countries of Western Balkans. Out of the total number of work permits issued in the Western Balkans region in 2013, the majority was accounted for by Montenegro (62 %) followed by Serbia (8 %), Bosnia and Herzegovina and the Former Yugoslav Republic of Macedonia (close to 7 % each) and Albania (6 %). Kosovo*'s share was about 4 % of the total work permits issued (Vidovic, 2015). Kosovo* issued temporary residence permits mainly to citizens from Turkey, Albania, Serbia and the former Yugoslav Republic of Macedonia. Municipalities with the highest number of foreign workers are Prishtina and Prizren, followed by Ferizaj.

Serbia

In regional terms, Serbia is much more of a destination than sending country. According to UN data, 44,586 Serbian citizens live in West Balkan countries (mainly in Montenegro and the former Yugoslav Republic of Macedonia), while over ten times as many migrants (mainly from Bosnia and Herzegovina, but relative to size, also from Montenegro) reside in Serbia (World Bank Group, 2018).

While in European (and Global) terms Serbia is undoubtedly a sending country, in a regional, West Balkan context Serbia is receiving ten times fold the number of immigrants than the number of Serbian citizens emigrating within the region.

Between the last two population censuses, according to the results of the 2011 Census, 67.6 thousand persons moved into Serbia from abroad. **Immigration towards Serbia primarily consisted of Serbian nationals that moved from surrounding countries.** In the recent years, **immigration is of highly regional character.** Nearly one-third of the immigrants originate from Bosnia and Herzegovina (31.0%), 17.2% from Montenegro and 9.1% from Croatia. 8.2% of the immigrants are from Germany, and these are mainly retirees of Serbian origin.

The National Employment Strategy 2011-2020 which was adopted in May 2011, recognises that Serbia faces demographic and educational challenges; it predicts that some of the necessary new solutions may include **encouraging immigration of younger and more educated workers, primarily from neighbouring countries.** While this scenario may be realistic in a medium term, considering unemployment rates remain high, also among highly educated youth, the Ministry of Labour, Employment, Veteran and Social Affairs has not invested effort in measures intended to encourage high skilled workers immigrate to Serbia, nor is it anticipated this will be the case in the near future.

5 CONCLUSIONS

5.1 Migration policies and migration trends

Migration policies

Western Balkan migration policies during the last decade could be summarised in **two major trends: innovations in policy design and institutionalisation of migration policy, and the increasing linking of migration to development.**

The most significant achievement of the analysed decade is laying down the foundations for comprehensive national policies aiming at transforming migration into a positive development factor. There is an overwhelming consensus in all countries and governments for the strategic importance of migration and development nexus and of the need to maximising migrants' potential to contribute to the development of host and sending societies. In some countries like Albania this policy innovation marks the shift from irregular migration to labour migration management.

The conversion time of the migration and development nexus into strategic policies is very similar across the region. All countries have adopted strategies on migration during the last decade: National Strategy for Migration (2005-2010) in Albania; National Strategy and Action Plan on Migration (2013-18) in Kosovo*, Resolution on Migration (I – 2009-2014; II – 2015-2020) in the former Yugoslav Republic of Macedonia, etc. This **late prioritisation of labour migration policies and diaspora engagement** is illustrated also by Bosnia and Herzegovina which has adopted several four-year migration strategies the last two decades that largely ignored the issues of emigration, return and diaspora and only recently (2017) adopted a Policy of cooperation with diaspora.

Streaming migration into several specific sector policies, such as employment, science and technology, sustainable development, etc. expresses the political will to improve the migration management and to maximise the benefits of migration in numerous fields.

The migration & development nexus is still much more positive policy agenda than efficient policy. Three types of gaps/deficits have been identified.

- The **first** one is the gap between the discourse of political will to develop diaspora engagement policies and the low profile policy documents adopted in some countries. Bosnia and Herzegovina for instance after years of blockage and as a compromise for initially envisaged Law on Diaspora adopted a Policy on cooperation with diaspora.
- The **second** gap is between the ambitious political programme, from one side, and institutional capacities, expertise and financial support for implementation, from another side. The Migration division of the Employment Agency in Kosovo* is understaff, as well as the sector on diaspora with six employees at the Ministry of Refugees and human rights in Bosnia and Herzegovina.
- The discontinuities in policy making prevailing on continuities and policy development is the **third** deficit, e.g. the new resolution on migration policy in the former Yugoslav Republic of Macedonia (2015-20) does not make any assessment of the achievements of the first resolution (2009-2015); no any other documents are available for the progress in the implementation. The Serbian report arrives at a similar conclusion that few implemented policy measure have been identified and no account of progress is available.

The institutionalisation of migration policy innovates with new migration councils and centres established in several localities. *Centres for Migrant Services* have been established in all seven regions of Kosovo*. *Migration Counters* have been set up in the former Yugoslav Republic of Macedonia. *Local Migration Councils* have been established in 128 local self-governments in Serbia. Some of these institutions failed to reach sustainability, e.g. the migration centres in Kosovo*

Despite the significant progress in developing appropriate institutional structure, **institutional deficits and inefficiencies still persist and further improvement is required in terms of coordination, management and outreach**. For instance, Kosovo* does not have a lead institution to guide the development of migration policies; the Migration counters in the former Yugoslav Republic of Macedonia fail to fully serve the potential migrants due to the lack of labour agreements with EU member states.

The role of international and foreign organisations is crucial for catalysing policy innovations, developments and implementation. International cooperation accounts for a significant share of interventions. IOM is very active in all countries, other organisations and institutions play also a significant role, such as the EU, World Bank, Swiss State Secretariat for Migration, GIZ, etc. also contribute with initiatives to engage diaspora for development.

Migration research is boosted mainly by international organisations, but there is still **inadequate monitoring, research and analysis of labour migration** and a need to address the research gaps.

Data limitations and gaps

The break-up of Yugoslavia and creation of new States has created numerous difficulties in collecting and harmonising the statistics. Censuses and population registers data are the primary source of the migration statistics but another issue is that not all the countries have conducted Censuses regularly (e.g. The former Yugoslav Republic of Macedonia).

Data about migration and remittances in the Western Balkans are generally available for different topics in all countries. However, **a number of issues remain**. The **first** is that the weakest section is about emigration data, which are the most important for policy purposes. **Second**, data are not harmonised in different countries, which make comparative analyses of data rather difficult. There were attempts to harmonise the administrative data with the EU Regulation 862/2007 on migration statistics in some countries, but there is still work to be done in that regard. **Third**, even harmonised data are not always available for research purposes. **Fourth**, although the data on migration types are available, there is still a lot to be done to have information about demographic characteristics of migrants. **Finally, there are still large inconsistencies between figures produced by national and international sources**. The reasons are usually related to differences in definitions of estimation and methodologies uses.

Migration trends

Labour emigration remains a crucial livelihood strategy for the Western Balkan countries. In 25 years the Western Balkans experienced an emigration rate of 28% of its current population. Bosnia and Herzegovina is the region with the highest emigration rate (43%) compared to its population in 2015. Albania, which was an isolated country for 50 years, has more than 39% of its population living outside its territory. In the former Yugoslav Republic of Macedonia emigration rate has reached the level of 25%, in Montenegro 22% and in Serbia 11%, (UN Statistics, 2015). In Kosovo*'s case, the

stock of emigrants abroad is estimated at more than 610,000 representing 34% of the current population.

All analysed countries, with the notable exception of Montenegro, remain sending countries. **Outflows are less intensive** the last decade than during the 1990s, but the push factors remain intact and strong and the **propensity to migration is high**. Net migration from the region will continue at a pace ranging between 0.1 and 3.2% per 1000 inhabitants, on an annual basis.

Migration plays a **significant role in cushioning the problems of unemployment** and as an important source of income.

Most of emigration remains permanent, but there is an increasing trend for a shift from permanent to temporary and circular migrations. Three different reasons substantiate this shift. The first one is communicational: easy travels make the decision to migrate easier and less permanent. The second reason is connected to the increased number of returnees, including involuntary ones, who are a specific pool for temporary and circular migrants. Former migrants are more mobile than no migrants and more likely to address reintegration difficulties and lack of satisfactory employment opportunities by re-emigration. The third reason is the increasing attractiveness of some regional destinations, such as Montenegro, that facilitate circular and temporary migrations.

Irregular migration is decreasing, but at relatively high level in the two most concerned countries – Albania and Kosovo*. Albania remains at the top of the countries for the number of people crossing illegally the land borders.⁴² Irregular migration remains pervasive in Kosovo*, but figures are decreasing since 2016 and the dynamic of the ratio regular vs irregular migration is improving steadily.

Brain drain and youth migration remain major policy concerns. Emigration of highly skilled in some countries like Bosnia and Herzegovina has been quite substantial and increasing over time. The emigration of the best and the brightest has important consequences for the country. In other countries low-skilled are considerably more numerous than high skills among emigrants (e.g., 43% and 26% respectively for the former Yugoslav Republic of Macedonia).

Brain drain and youth emigration are highly sensitive political issues because of the composition of the nation in terms of demographic, educational and social capital. They both need targeted measures, e.g. **more investments in active labour market programmes targeting youth and programmes to support the youth entrepreneurship**.

Albania

Albania is considered as a laboratory of migration, with more than 35% of its active population abroad. **Albania remains a country with a high rate of irregular migration.**

So far migration policies have been focused predominantly on the prevention of irregular migration. **The latest migration policies, especially the Diaspora Strategy (2017), translate the shift from irregular migration to migration management.**

⁴² Followed by Pakistan and Afghanistan.

In absence of a National Migration Strategy (the latest one covers the period 2005-2010) the migration management is included in the main country strategies (National Strategy for Development and Integration 2015-2020) and National Strategy for Vocational Education Training and Lifelong Learning (2014-2020) highlighting the need for the promotion of regular channels of migration through renewal of existing labour migration agreements and signing of new ones.

With a newly approved Diaspora Strategy and law aiming to engage Diaspora in the socio-economic development of the country, it would be premature to confirm that the **policy gap** is filled due to the lack of a proper Migration Strategy. Moreover, for an efficient migration management, it is crucial that such strategy receive necessary support in terms of expertise and funding for its successful implementation.

The **Migration Counters**, established within the National Employment system following the National Strategy for Migration (2005-2010) **were not able to provide accurate information on regular immigration opportunities abroad** to potential migrants, due to lack of labour agreements with the EU Member States.

Bosnia and Herzegovina

The strategies “in the Area of Migrations and Asylum and Action Plan” the last two decades ignored the issues of emigration, return and diaspora, which are of the utmost importance for the country. Only recently, the **Policy on Cooperation with Diaspora** was finally adopted (in April of 2017), after years of blockage and **as a compromise for initially envisaged Law on Diaspora**.

Institutional capacities are not sufficiently developed. The Sector for Diaspora of the Ministry of Human Rights and Refugees currently has 8 employees. Such a small department for almost 2 million Bosnians abroad is not sufficient. Bosnia and Herzegovina policy towards diaspora should not be concentrated within any single institutions but should be inclusive and involve all relevant institutions, youth organisations, other CSOs, and diaspora organisations.

In the last years, and in order to fight high unemployment in the country, Bosnia and Herzegovina through its Labour and Employment Agency signed **bilateral agreements on employment** of Bosnia and Herzegovina workers in some countries like Germany and Slovenia. These agreements **do not include any clause** about requirements of the **workers employed** through these programmes **to return to Bosnia and Herzegovina after temporary work abroad**. This policy further contributes to permanent emigration of individuals from Bosnia and Herzegovina and loss of its labour force.

The overall emigration rates, despite being considerable, are not the main policy concern. It is worth noting **the emigrants are much more educated** than the population in the country. More targeted programmes to support youth entrepreneurship are needed.

The former Yugoslav Republic of Macedonia

Migration and development nexus is a new policy. The new government which took office in June 2017 **for the first time since independence defined a portfolio of diaspora and nested it with a Minister** with general portfolio. However, this does not guarantee the required focus and the appropriate allocation of funds for the utilisation of the development potential of diaspora and remittances.

The existing **migration data are feeble**, especially in circumstances **of no census for 17 years**.

Emigration is permanent, but the period after the fall of the Schengen visa curtain saw **intensification of temporary and circular emigration for employment** and for other reasons (education, training, visits of family members abroad).

Only a small number of Macedonian citizens have left the country illegally or sought international protection in other countries.

Propensity to migrate decreases with age. Dissatisfaction with the societal conditions in the former Yugoslav Republic of Macedonia grows with age, up to the 36, after which it declines, suggesting that **youth are most inclined to think about emigration**. Also, it is found to be more prevalent among ethnic Albanians, and lower among richer regions in the country.

Kosovo*

To date **labour migration did not receive adequate attention in migration policies and strategies due to the predominance of EU-set goals related to border protection and combating irregular migration**, e.g. National Strategy and Action Plan on Migration (2013–2018) was primarily concerned with irregular migration and returning migrants.

There is a **lack of institutional capacity** for efficient labour migration policy, e.g. the Migration Division of the Employment Agency of the Republic of Kosovo* is a promising institutional development, but understaffed, under-trained and under-developed.

Some positive institutional developments failed because of lack of funding, unsustainable design by international organisations and lack of commitment by national institutions e.g. the **Centres for Migrant Services (CIS)** in all seven regions in Kosovo* established by the International Organization for Migration in partnership with MLSW and MIA are **not operational any more** due to the lack of funding and lack of commitment by national institutions.

Despite sizeable emigration, Kosovo* is the only country in Western Balkans that is witnessing an increase in population (+8.2 % during 2010-2015).

During the last ten years, Kosovo* witnessed some sharp fluctuations in terms of emigration and return, most notably the wave of **massive irregular migration during 2014-2015**. **Misinformation spread on media played a crucial role** in the rise of irregular migrants and asylum seekers to EU. The government did little to prevent the exodus of 2014-15. **Irregular migration remains pervasive, but ratio regular/irregular emigration is improving steadily**. Measures taken on both ends (EU and Kosovo*), such as speedy rejection of asylum requests in EU and incentives for businesses at home played a significant role in improving this ratio.

EU member states began to develop concrete alternatives to irregular migration, most notably the decision of Germany to allow labour migration from Western Balkans (initially for the period 01.01.2016 to 31.12.2020).

Labour migration policies are slowly becoming indispensable in government plans and strategies (supported considerably by international organisations), although the results are still marginal.

Propensity to migration remains high, but it is not increasing. Many Kosovars realised during the wave of 2014-2015 that their prospects to settle in EU countries is zero, hence the fair assumption is that the tendency is not increasing and logical assumption is that the propensity is probably slightly decreasing.

Montenegro

Labour migration policy is at initial stage. The 2017-2020 Strategy for Integrated Migration Management does not address the issue of labour migrations in much detail other than declare the Government's commitment to adherence to the *Acquis Communautaire* in the field of employment of foreigners.

The institutionalisation of the migration and development nexus is also at initial stage. **Montenegro Diaspora Centre**, which operates within the Ministry of Foreign Affairs of Montenegro, is the main institution coordinating and promoting Diaspora links with their homeland.

Some promising practices are initiated, but fail to implement, e.g. “**Fund for Diaspora**” for offering loans to help Diaspora members to start a small or medium-size business has **not been implemented** up to now.

Following its independence in 2006, the implementation of economic and other reforms, as well as the stabilisation of the labour market and job growth, **Montenegro became a country of net immigration, attracting numerous workers, mainly from the West Balkan Region.**

Serbia

The migration policy prioritises the **transformation of migration into a positive developmental factor** benefiting both the receiving and sending countries.

As the educational structure of Serbia's emigrants has gradually shifted to those of higher educational attainment, the main concern from a migration management perspective is the '**Brain Drain**' and how to prevent it, or at least **benefit from the expertise** and knowledge gained abroad, but no account on significant progress in this respect is available. The path of actually transforming Brain Drain into Brain Gain is long and it appears the journey has not fully commenced yet, despite the great attention devoted to this topic in policy documents and media.

Emigration from Serbia was less intense during the last intercensal period than during 1990s.

Labour migration should no longer be viewed as a permanent, life-long decision, instead, **temporary and circular migration** are developing. The latter, embedded in family survival strategies has important positive effects on the volume of remittances.

5.2 Diaspora and remittances for development

Diaspora contains an indispensable source of opportunities for helping the development. Diaspora investors, remittances, returnees with accumulated wealth and know-how, returnee tourists, educational exchanges and so on, all constitute a **large potential to support various facets of development.**

The **political prioritisation and institutionalisation of the diaspora & development nexus is the major political innovation** in migration management the last decade. There is a large consensus in governments, institutions and NGOs on the crucial importance of diaspora engagement.

All countries have adopted **legislation and/or strategies** for enhancing diaspora engagement. Serbia is among the first ones that adopted already in 2011 Strategy for sustaining and strengthening the relations between the home country and the Serbs in the region. Kosovo adopted a National Strategy and Action plan on migration for the period 2013-2018. Bosnia and Herzegovina adopted the Policy of cooperation with diaspora in 2017 as the first document that institutionalises the cooperation between the country of origin and its emigrants. A new Law on Albanian Diaspora Development Fund has just been adopted in June 2018. The Diaspora Cooperation Strategy is in preparation in the former Yugoslav Republic of Macedonia.

The **institutionalisation of Diaspora engagement** clearly illustrates the strategic importance of the new policy: several countries have set up ministries, such as Minister of Diaspora in the former Yugoslav Republic of Macedonia (June 2017); Governmental Authority on migration as inter-institutional body in Kosovo*; Diaspora Centre within the Ministry of Foreign Affairs in Montenegro. Albania is establishing several institutions: State Ministry for Diaspora; National Agency for Diaspora (law approved in December 2017); sub-parliamentary commission on Diaspora, Diaspora Council.

Different approaches for facilitating and maximising the Diaspora engagement are defined: Albania introduced the **3E strategic approach – Engage, Enable, Empower**. The former Yugoslav Republic of Macedonia develops **‘one stop shop’ approach** for emigrants in whatever form they want to engage for development; Kosovo* implements **‘Whole-of-Government’ Approach**.

Despite the consensus on the importance of linking remittances and diaspora engagement to development, **no much progress has been made**. The main reasons are the insufficient institutional capacity, inadequate state support, and lack of communications with the diaspora. Some documents are rather a political compromise than strategic visions, e.g. Policy of cooperation with Diaspora of Bosnia and Herzegovina instead of a law on Diaspora engagement. A major challenge is to build trust between Diaspora and state institutions, especially among these members whose emigration is an 'exit' and a critic to inefficient governments.

Diaspora has been more active in starting initial contacts for development projects and ideas. Several diaspora representatives are both willing to engage with development, mainly in their native region/town, and active in the pursuit of the projects.

The **factors stimulating** and facilitating diaspora investments and transnational entrepreneurship could be systematised in four groups: skilled and low cost workforce, patriotic reasons, willingness to create employment for family and friends and cooperation with destination countries. Diaspora connections support also start-ups in the region, Kosovo* is a case in point - a quarter of all business started with a support from the diaspora.

Best practices, which could be transferred to other countries. 'Connect Albania' is an interesting initiative of cooperation between a sending and destination countries with IOM for Start-up Fund for second-generation migrants in Italy who wish to start businesses in Albania. The former Yugoslav Republic of Macedonia also implemented a policy with clear developmental potential - the Law on financial support of investment in April 2018 stipulates that a diaspora investor is entitled to receive a

10% subsidy of the amount of the investment, on top of the subsidy for which he/she is eligible on the grounds of making a foreign investment.

The **barriers and obstacles** to diaspora investments could be systematised in three groups: political instability and state capture; government inefficiency; slow administrative procedures.

People in Western Balkans are '**addicted**' to remittances. Serbia is second among the countries of Europe and Central Asia (after Ukraine) according to the absolute amount of remittances (9-10% of GDP). Bosnia and Herzegovina is among four of the world's largest recipients of remittances as portion of the GDP (11%) in Europe and Central Asia. Kosovo* ranks in the top five countries in Europe with the highest %age of remittances with 11.4% as a share of GDP. Remittances represent a net gain for Albania, similar to the development aid. In the former Yugoslav Republic of Macedonia the flow of remittances (4% of GDP) is similar to the FDI.

The **impact of remittances on reducing poverty and inequality** varies from country to country. Two impacts can be distinguished: Kosovo* is emblematic of the considerable impact on reducing poverty and inequality, e.g. remittances in Kosovo* reduced inequality by 3.2 Gini points, compared to 1.3 points for social assistance and have moved a considerable part of recipient households from low (poor) to mid & high income quintiles. Even if households do not receive remittances on a regular basis, they consider their migrants abroad as 'lender of last resort'. In contrast, in Bosnia and Herzegovina remittances do not contribute to the decrease of inequality. Remittances in BH are not pro-poor. The average amount received in non-poor households is twice larger than the amount received in poor households.

Gender asymmetries have been identified, e.g. in Bosnia and Herzegovina significantly larger number of female headed households receives remittances than male headed households.

Remittances generate economic growth by increasing consumption or by increasing investments. The two functions are unevenly realised in their Western Balkans uses. **Developmental potential of remittances is underutilised.** Remittances invested in business or profit generating activities vary from 2.9% in Serbia to 3.6% in Bosnia and Herzegovina and 4-8% in Kosovo*, but remain very low. Policies hesitate which measure to apply on or do not implement relevant measures. The former could be illustrated by a policy proposal by the Macedonian government that remittances should be reported in the annual individual tax form that has not been adopted yet because of possible negative perceptions that remittances could be taxed.

The **high informality level** in channelling remittances is a negative phenomenon. Albania is the most emblematic case. 78.7% of remittances are transferred informally. This could be considered the migrants' response to unbalances of the banking system and particularly high transfer charges.

5.3 Reintegration of returnees

The reintegration of returnees has been recognised as high political priority, especially during the last decade. Several countries have adopted strategies for reintegration, such as the National Strategy on Reintegration and Return of Albanian Emigrants (2010-2015), a Strategy for the acceptance and integration of Bosnia and Herzegovina citizens who are returning under the readmission agreement, including an action plan for the 2015-2018 period, Kosovo's National Strategy for the Reintegration of Repatriated Persons and its Action Plan 2018-2022 and/or the previous one 2013-2017. The Government of the former Yugoslav Republic of

Macedonia adopted in 2010 a Programme for Reintegration of the Returnees under the Readmission Agreements with wide-ranging forms of assistance and support to returnees. **These strategic visions are still to be translated into efficient policy practices.**

Some countries are witnessing significant waves of returnees, however the majority of them are **forced returnees** from the exodus in 2015-2016 **with little prospect to contribute to development.** The case in point is Kosovo*. **The most difficult situation is observed among young returnees from minorities**, e.g. returned Roma, Ashkali and Egyptian children and youth in Kosovo*. A considerable number of people do not possess a birth certificate and are therefore unable to access their right to educational, medical or welfare services.

The role of municipalities in supporting sustainable reintegration has been extended to provide appropriate information, guidance and advice. In some countries like Kosovo* an articulated institutional structure is developed – three different bodies responsible for assisting the repatriated persons.

However, it has also been noted, that in some cases, such as in Serbia, the initial wave of national policy and donor **attention** noticeable 10 years ago has substantially **subsided as the Migration Crisis and its ‘Balkan Route’ caught the spotlight.** The issue of sustainable reintegration of returnees under the Readmission Agreement is rarely addressed⁴³.

Most returnees do not receive support by governmental institutions for their reintegration in the labour market or for starting a business. Only 8 % of the repatriated persons in Kosovo* mentioned governmental programmes as a source of "effective support". Most returnees even do not contact responsible institutions, as they do not expect any support from them. The successful return is due mainly to the agency of returnees and their determination, innovation and the hard work.

Gender aspects of return are not efficiently managed. There is a lack of consistent gender disaggregated data on assistance upon arrival, and it is thus impossible to analyse the provision of reintegration assistance from a gender perspective. Low proportion of women receive employment assistance, particularly in the form of business financing: while in Kosovo* women constituted nearly a third of all repatriated persons only 8%-14% of women returnees received financial support and training to start their business.

The obstacles the returnees face for integration in the labour market could be summarised in **three groups.**

The first cluster of obstacles starts before physical return and consist in the difficulties in accessing information about positions available. The second cluster of obstacles is the major one – the low absorbing capacity of Western Balkan economies, professional stagnation, inefficiency of institutions, (non)recognition of diplomas. Returnees face often unfriendly environment and unacceptance of returnees, underemployment, and unfavourable labour contract arrangements which compose the third group of difficulties.

⁴³ GIZ is increasing significantly its funding for the integration of returnees under the readmission agreement. It appears the sending back a significant number of false asylum seekers is planned in the next period and grounds are setting up in this regard. In addition to the 3 million eur project they are now planning an additional 7 mil.

Some incentives for return may cause more harm than good by fuelling frictions between returnees and other employees in a business, since local employees can see returnees as the “favoured”.

Re-emigrating again is a strategy for several returnees not satisfied with their reintegration.

The main reason for re-emigration is the lack of employment opportunities. Another important reason for considering re-emigration is the feeling that the impression that situation in the country is not changing, particularly in terms of security and development, as well as failed expectations that they can make significant contributions to changing current situation.

Several positive initiatives for use of diaspora potential and short-term return for development have been implemented, e.g. Expert Return Programme and the Brain Gain Programme in Kosovo*. However these are scarce and lacking in many other countries, even those that declaratively place the Brain Drain phenomenon at the forefront of their migration policy agenda, such as Serbia.

“I’ll never stop”. The self-confidence of a middle-age lady returnee in Kosovo*, innovator in agriculture and active citizen in her local community, is illustrative of the success story of numerous returnees who bring back specific skills and repatriate savings, often used for starting a new (small) business upon return. *“Nobody could stop me”* is a similar statement of satisfaction of a highly-educated young returnee working in an important NGO for Diaspora and Reintegration. Both examples, as well as several other interviewees, illustrate successful individual cases of reintegration. Returnees bring back useful skills they acquired abroad and are more likely to become self-employed or entrepreneurs than those who did not have migration experience. **Participation (activity) and employment rates of returning migrants in several countries are higher at all skill levels than for those who never migrated.**

Positive trend of returnees and transnational migrants as entrepreneurs is emerging. The number of returnees in establishing own companies or working as freelancers for their previous companies abroad is increasing, **particularly in the IT sector**, call centres and digital marketing companies. These outsourcing firms are run by educated, often second generation Diaspora members, who bring skills, capital and their networks and employ a growing number of local youth.

There is a large discrepancy between willingness of diaspora members to contribute to the country's development (more than 2/3 of people, according to different reports), particularly through knowledge transfer, and their lack of readiness to return physically (less than 1/3) (e.g. IOM, 2011; Oruc et al., 2013). This gap can be bridged by offering models and channels of contribution of diaspora through virtual knowledge transfer, such as **‘virtual return’**. This could be more effective than “brain gain” projects implemented in some countries, which had only temporary success as many people who returned actually remained in their home country for the period of the project financing and then re-emigrated again.

5.4 Intra-regional labour mobility and development

Intra-regional mobility is getting **higher on the political agenda**, especially in the framework of the **Regional Economic Area**.

Several positive effects of increased intra-regional labour mobility on development are expected, e.g. reducing the high level of skills mismatches between skills available and jobs offered in each country; improving competitiveness of the region by facilitating intra-firm mobility of workers from multinational companies less complicated. Examples of best practices are implemented by Procter & Gamble or KPMG, which promote internal promotion and greater mobility within their company, showing the importance of liberalising the regional labour market.

A few new incentives for facilitating cross-border mobility are envisaged or implemented e.g. the cooperation in the sphere of vocational training between the border cities of Kukes (Albania) and Prizren (Kosovo*) and a cross-border portal to exchanging information on vacancies between Kosovo*, Albania and the former Yugoslav Republic of Macedonia.

Immigration is of highly regional. Serbia is an emblematic case for regional immigration: nearly one-third (31%) of immigrants originate from BH, 17.2% from Montenegro and 9.1% from Croatia. Immigration primarily consists of Serbian nationals that moved from surrounding countries. Foreigners present a minority in the immigration population – only one in four immigrants is a foreign national. Four countries of the Western Balkans, Serbia, Croatia, Montenegro, and the former Yugoslav Republic of Macedonia, are among top ten countries whose residents have received work permits in Bosnia and Herzegovina.

Shifting migration profiles. Serbia is a sending country in a European perspective while in the regional context it is a receiving country with ten times fold the number of regional immigrants than the number of Serbians in the region. Similar to most migration outflows, several **intra-regional flows are asymmetrical**: the former Yugoslav Republic of Macedonia has a larger stock of Western Balkan immigrants than it has Western Balkan diaspora; A small %age (4.5%) of Serbian emigration lives in the region, while immigration is primarily regional; the Albanians are particularly attracted by Greece, the former Yugoslav Republic of Macedonia and Montenegro.

In opposition to the asymmetry of most regional flows, there is symmetric exchange of workers, e.g. the **regular circulation of labour force between Albania and Kosovo*** is even not considered as migration, due to the common ethnicity, rather as intensification of cooperation between the two countries. This mobile labour force consists of workers, as well as of highly-skilled professionals.

Regional mobility is a youth phenomenon: the largest share (60-65%) of regional immigrants belongs to those aged 24-49.

Montenegro is the new regional labour migration ‘champion’ with an increasing number of immigrants from regional countries. Montenegro is making the transition from an old emigration country to a country facing labour shortage and increasingly attracting workers from Western Balkans. Montenegro has adopted the One-stop Shop procedure simplifying the administrative practice for employers hiring foreign workers for boosting the labour mobility – economic development nexus.

Gaps and mismatches in the labour market in Montenegro remain salient: a high number of unqualified foreigners are finding seasonal employment in Montenegro, while the local unemployed remain jobless. The labour market is suffering from skill gaps, but the expectations of the local workforce do not necessarily match the reality of the available jobs, nor are the soft skills possessed by the majority of unemployed to the satisfaction of the employers.

The **labour shortage in Croatia, and its resulting labour market openness is resulting in unexpected problems for Montenegrin employers**, as regional workers prefer the new EU member state to Montenegro. It may be expected this trend to intensify in the coming years, posing even greater shortages of workers during the summer season in Montenegro.

Focused research and data on this crucial new policy **are lacking**.

6 RECOMMENDATIONS

6.1 Country recommendations

6.1.1 Albania

Elaborate a holistic strategy on migration, where all aspects of migration are addressed. The National Strategy on Migration 2005-2010 was succeeded by several fragmented strategies such as the National Strategy on Return and Reintegration including mainstreaming of migration policies in the National Strategy for Development and Integration or the National Strategy for Employment and skills (2014-2020), each one providing policies and actions relating to a specific topic. In addition, Albania recently developed a National Strategy for Diaspora (2018-2024). A comprehensive policy on migration should combine a variety of preventive and integration measures for all aspects of migration, e.g. regular information campaigns; programs for reintegration of returnees, renewal of existing labour agreements and signing new ones, engagement of the Diaspora in the socio-economic development of the country etc.

Continue to support through expertise the Ministry of Interior and inter-ministerial working group on migration to produce accurate policies for migration management in Albania. Recently the Ministry of Interior has established an inter-ministerial working group to draft a holistic approach policy document (National Strategy on Migration) to better respond to the increasing necessity for a better management of migration in Albania.

Take concrete measures to advance the further implementation of key reforms (justice reform, fight against corruption and organised crime, protection of human rights etc..) related to the EU accession, as a prerequisite for curbing massive outflow of Albanians through restoring faith in the justice system and institutions. Albania remains one of the top countries for the number of people crossing the land border illegally. A high unemployment rate and an overall lack of political stability accompanied by high levels of corruption have led to the high migration rate. Albania is waiting for the opening of negotiations for EU accession, depending on the implementation of key reforms.

Monitor and regularly assess the institutionalisation of the Diaspora Strategy, in terms of institutional capacities and policy efficiency. Regular assessment is needed of the Ministry of Diaspora and concerned institutions' performance, as well as of all initial steps of implementation of promising new institutional developments such as the Albanian Diaspora Development Fund and its capacity for supporting diaspora investments and creating a Chamber of Commerce of Diaspora.

Create an enabling environment to ensure the sustainability of diaspora policy implementation, which depends on political commitment of all parties. Political elites should prioritise diaspora policy as a strategic and long term policy so that the change of governments does not produce negative discontinuities.

Support initiatives linking diaspora investments potential with investments opportunities. The 'Connect Ireland' (platform) was selected as a best practice to be replicated with 'Connect Albania' aiming to engage the diaspora community in the socio-economic development of the country. Initial funding is provided by the Italian Government, while a close monitoring and evaluation system should be in place to ensure its sustainability. Both the Connect Albania Platform and the Diaspora

Development Fund are expected to act as a powerful engine for the promotion of the business links between Albania and its diaspora.

Leverage innovative programs related to transnational entrepreneurship. Disseminate best practices of transnational entrepreneurs who set up new ventures in host and origin countries, exploiting their relationships and resources in both countries. Develop a Policy Brief on Transnational Entrepreneurship, which augments SME internationalisation, development and growth and cross-border trade in goods and services.

Ensure capacity building programs for the civil servants contributing to the implementation of the Diaspora Strategy. Plan study tours and experience exchange missions with countries which have successfully implemented different aspects of this strategy, e.g.: a Diaspora Fund; platforms for connecting diaspora and development needs in Albania etc. The successful implementation and development of the Diaspora policy requires a high level of expertise in the responsible institutions.

Work intensively on strengthening rule of law and creating a better investment environment for diaspora. The lack of a secure investment environment jeopardises the prospective investments from the diaspora. Facilitating diaspora investments through incentives could attract more investments especially in farming, agro-food processing and the tourism industry. The increase of diaspora investments under the form of Micro and SME could help reduce the unemployment rates and contribute to the country's growth.

Tailoring new programs for youth VET to address the job market needs-skills gap in Albania, should be considered to increase their employability. VET program curricula should be updated to enable youth in Albania to take up new professions and enhance skills to make them competitive in the job market. Traditional programs such as hairdressing, carpentry and plumbing should be enriched with digital editing skills, IT technicians and tourism practitioners.

Develop programs to support brain gain and to encourage the sustainable return of high skilled Albanian migrants including PhD students. Given the scarcity of the higher education system in Albania, many young Albanians leave the country for a better education and job opportunities in the EU Member States. Thus Albania loses both demographic and intellectual capital.

Support new programs for curbing the migration of nurses and doctors, as a risk for the health system in Albania. Given the increasing needs of the German labour market, it results that one in three health professionals wants to leave the Albania, creating shortages for qualified medical doctors and nurses. Offering incentives and better salaries could be an option to curb the migration of health professionals.

Improve provision of information about regular channels of migration (i.e. with Germany) at national level. GIZ has supported the establishment of an Information Centre in Tirana about employment opportunities in Germany, without a substantial effort at national level. In addition, better information should be available on seasonal work in the tourism industry abroad, e.g. Greece, etc. Regional and local employment offices need to include accurate information about labour migration opportunities in Western Europe and other countries in a systemic way.

Prevent circular migration through programs for preventing and decreasing the emigration of Unaccompanied Minors (UAMs). UAMs often enter the circular migration route when they reach adulthood. Albania lacks programs for the reintegration of UAMs and prevention of their migration.

VET and active labour programs should be designed and implemented combining a variety of policy measures, e.g. awareness raising campaigns, targeted socio-economic measures for poor families, better integration into the education system and opportunities for job placements, both as a prevention method and upon return.

Build an accurate data system on migration and standardise statistic collection. Accurate data on emigration and remittances are often missing. Current domestic migration policies need to be informed on regular data and research conducted by Albanian institutions. Statistics and research on migration and remittances need to shed light on the extent of their volume and impact. In this regard, Albania should further plan training programs to strengthen the capacities of statistics institutions and data collection systems to allow for better analysis of the extent of migration and of remittances and their impact.

Build the capacities of Albanian researchers and students through promotion of research on migration studies at a doctoral level in Albanian Universities. The lack of sufficient systemic research and academic capacity for studying migration should be addressed. Policies depend largely on research funded by foreign and international organisations and donors. The local expertise should be developed and strengthened by policy measures for consolidating the existing capacities, e.g. by creating an Academic Migration Network, as well as creating new academic institutions, e.g. Centre for Migration Studies.

6.1.2 Bosnia and Herzegovina

Improving the efficiency of the management of diaspora engagement requires a more inclusive and comprehensive approach that covers all relevant institutions, youth organisations, other CSOs, and diaspora organisations. This is particularly important given the low capacity of the Diaspora Department at the BiH Ministry of Human Rights and Refugees. We propose establishment of a “*Migration and Diaspora Council*”, which would be an inter-institutional advisory body to the governments in BiH on migration and diaspora issues, composed of representatives of relevant ministries, other governmental institutions, academia and NGOs.

Creating synergies and avoiding competition between projects on diaspora engagement through better coordination is necessary among funding organisations, e.g. USAID, SDC, etc. This could be resolved through establishment of a “*Migration and Diaspora Council*”, which would advise the government and channel international support into non-competing activities that would be more in line with the country’s strategies on migration and diaspora.

Employment Institutes in both entities should be encouraged to improve labour market information such that it more accurately reflects labour market demand, supply and gaps. This is important for both assessing the impact of recently signed bilateral employment agreement on the structure of the labour force in BiH, and for assessing the skills gaps that can be filled by returnees. This process is vital to all young people in BiH. The impact of bilateral agreements on the structure of the labour force in the country and the type of emigration should be regularly assessed. Agreements with countries such as Slovenia, Qatar and Serbia do not include any clause about requirements for the workers to return which could increase the permanent emigration and the loss of labour force. Also, if labour market gaps are identified with respect to the supply of the in-country labour force, effective outreach to and networking with the young diaspora would ensure that skills gaps can be filled with young talent from abroad.

Address by targeted policies the highly skilled emigration from Bosnia and Herzegovina – a salient feature of the country - via the development of national level registers for highly skilled returnees, with technical possibility of communication between national registers in the region. The registers of returnees through the repatriation process (mainly Roma) are being developed in some countries. Since highly skilled returnees usually return voluntarily and are not obliged to register, it's very difficult to keep track of such a return. Registration should not appear as an additional administrative obstacle, but rather using current records. In addition, customs and tax reliefs (like in Denmark), or similar incentives for registration, could be offered to returnees. However, there are some points where they are recorded, such as employment bureaus (when they are looking for a job), universities (where they get a job or submit a diploma for nostrification), etc. Exchange of such records between institutions would help develop a good register, as a precondition for further policy designs.

Once the register is established, these people should be surveyed on their needs and service gaps, such as the provision of support in areas such as obtaining ID and other personal documents, obtaining health insurance, housing, and finding a job, etc. The survey should identify the main policy areas for intervention, including development of institutions.

Address the most important obstacles for returnees - the lack of information about administrative procedures to be completed in order to obtain personal documents, transfer social benefits and/or pension, and about job opportunities. Collection of a number of documents for a job application, obtaining stamps on their copies by a local administration and their submission, are tasks which are often impossible to complete in time and an obstacle that prevents many interested migrants from returning to BiH. There should be guidelines designed and disseminated to potential returnees, as well as a “one-stop-shop” service for the first contact of returnees with the BiH administration, possibly at the main airports or nearby. Moreover, given that many young people considering return have families, language and cultural orientation courses could be developed for accompanying children of returnees thus preparing them for transition to schooling in BiH.

The Foreign Investment Promotion Agency (FIPA) and regional development agencies should be more proactive and design promotional activities targeting the BiH diaspora, while also providing orientation to returnees interested in investing in BiH upon return or from their countries of residence.

Reducing the migration pressure on young people due to high unemployment and unattractive labour opportunities requires investment in active labour market programs targeting youth and programs to support youth entrepreneurship.

The establishment of a “Migration Observatory” should be supported. It would work on regular collection and analysis of data on various aspects of migration, in order to monitor migration trends, with an “early warning system” for policy makers on changes in trends or new developments that may require appropriate policy response by government institutions in charge of migration, as well as for developing timely response by non-governmental organisations in provision of services, etc.

6.1.3 Kosovo*

Continue targeted information campaigns to prevent illegal migration. Due to a recent history of massive migration from Kosovo*, in part driven by misinformation, there is a need to continue and enhance information campaigns to counter false or misunderstood information circulating on social

and other media promoting irregular migration. It is advisable that these information campaigns use real life experiences of recent returnees who left Kosovo* illegally in 2015 and 2016 based on the misinformation, and then were quickly returned home due to "zero" chances of getting asylum in any EU member state.

Improve information regarding labour migration opportunities in the EU. GIZ is supporting the Migration Division of the Employment Agency in Kosovo* and municipal Employment Offices through the development of guidelines/manuals that provide correct information regarding labour migration possibilities in all EU member states. Manuals need constant updating and validation, and local officials need continuous training due to the dynamic and frequent changes of the migration legal framework in EU member states. Linking the Migration Division of the Employment Agency in Kosovo* with relevant counterparts in EU member states to maintain and update information regarding labour migration possibilities in the EU, could appropriately complement the existing initiative and would ensure sustainability of the intervention.

Counter high youth unemployment in Kosovo* through circular migration. Countering high youth unemployment in Kosovo* requires a comprehensive approach, including also circular or temporary migration. Good practices such as VET training of young Kosovars in EU countries (Germany), including entrepreneurship training to prepare them to start a business in Kosovo* and transfer their skills to homeland after completing their training in the EU, should be promoted and multiplied.

Continue supporting the Government Authority on Migration (GAM) as a coordinating body on migration issues. Successful development and implementation of migration policies requires a high level of expertise from the responsible institutions. So far, most institutions covering migration aspects are understaffed and undertrained, thus hampering the implementation of the "Whole-of Government-Approach" regarding migration and development. A program for hiring and training of civil servants and regular updating of their competences should be sustained.

Improve migration policy following the Action Plan on Migration 2013–2018. The migration policy following the Action Plan on Migration 2013–2018 requires further progress on: a) collection and provision of accurate data on circular migration (largely absent); b) further bilateral agreements with EU member states for regular migration, and; c) initiation of agreements with EU member states for education and scientific research. Kosovo* could benefit largely by a twinning program with EU member states that are experienced in developing successful migration and development policies (e.g. Ireland).

Establish a migration institute or migration observatory that will lead evidence-based migration research and development initiatives in the country, including return and reintegration.

Develop programs that incorporate the private and civil society sector to implement labour mobility initiatives. Programs that incorporate the private and civil society sector to implement labour mobility initiatives should be encouraged, considering their untapped potential to bring innovation and efficiency that could appropriately complement interventions provided by the government. Very few (if any) development interventions have focused on supporting the private sector or civil society sector in managing labour mobility in Kosovo*. Initiatives such as the one led by Heimerer College Pristina that provide qualitative education, professional career and employment abroad for Kosovar students should be encouraged, promoted and scaled up. In addition, programs that support civil society organisations to involve members of the diaspora in development and implementation of national laws, strategies and action plans in Kosovo* are strongly encouraged.

Scale up initiatives such as Mobility Platforms to create positive results for both sending and receiving countries. A Mobility Platform aims to: adjust sector-specific vocational education and training according to the needs of the labour markets; manage the migration process along the migration. Developing the market for such services in Kosovo* could be scaled up and enhanced. The current Mobility Platform initiative has a sectoral limitation and focuses on the social services, in particular on care activities. Lessons learned from this initiative could be utilised to introduce similar platforms in other sectors and in collaboration with other EU member states based on mutual interest and agreement.

Facilitate the growth of the outsourcing services sector in Kosovo*, largely dominated by young diaspora entrepreneurs. Interventions should focus on two objectives: a) support for prospective Diaspora investors through promotion, facilitation and counselling, and; c) development and/or improvement of youth workforce skills in Kosovo*, including German language skills, digital marketing skills, etc. The growth of the outsourcing services sector will have a double impact: it will attract more diaspora investment and know-how transfer, and will inevitably increase employment prospects for youth in Kosovo*. The concept of designated quotas in economic zones for business investors from the diaspora or the concept of an economic zone completely devoted to diaspora businesses from USA, could be extended to provide economic zones or centres in Kosovo* that focus on provision of services for EU markets.

Strengthen Diaspora Business Unions (DBUs). There is a significant role to play by Diaspora Business Unions (DBUs) that were established in 20 countries to ensure better coordination and Diaspora investments in Kosovo*. Future programs could utilise the DBU structures, strengthen them, and along with them design interventions that would increase diaspora investments in Kosovo* as well as promote exports of Kosovo* products into the EU market.

Assist the Kosovo Business Registration Agency to develop mechanisms to track diaspora businesses operating in Kosovo*. An accurate list of Diaspora businesses in Kosovo* will allow for better coordination, analysis and development of evidence-based policies.

Leverage the growing community of young transnational entrepreneurs in Kosovo* to encourage mobilisation initiatives driven by them. Program interventions could leverage the growing community of young transnational entrepreneurs in Kosovo* to encourage initiatives driven by them, such as the “*One year for Kosovo*” concept, that aims to mobilise skilled diaspora members to volunteer for a year in Kosovo* in their relevant field of expertise. It is essential that such initiatives are developed and driven by successful transnational entrepreneurs (because they already invested their time and energy in Kosovo*) who could be assisted by CSOs to reach out to as many potential candidates as possible. This initiative could complement the Expert Return Programme in Kosovo* and the summer internship program that brings around 100 Diaspora students to Kosovo* every year.

Leverage the innovative approach of transnational entrepreneurs to design community development programs*. Community development programs should leverage the innovative approach of transnational entrepreneurs who returned to Kosovo* and are contributing finances and know-how for the benefit of the larger community. The government could provide space and financial support for such initiatives, while international organisations could match funding and scale up these interventions.

6.1.4 The former Yugoslav Republic of Macedonia

Improve the data on migration and remittances. An immediate step in this regard may be the revision and expanding of the questions pertinent to migration and remittances within the current Survey on Income and Living Conditions (SILC). Then a module on SILC related to migrants and the money they send back may be developed and pursued each 2-3 years. For operationalisation, previous independent surveys, like the Remittances Survey 2012 may be significantly helpful.

Improve the data collection mechanisms at the points of entry and exit of the country. The Ministry of Interior should upgrade its facilities to be able to produce – in real time – statistics for any person with Macedonian citizenship, about the times of entry and exit from the country. This will help in understanding the permanency or temporality of the emigration, as well as reveal the potential seasonal character of travel of Macedonians living abroad, which may further serve some development objectives (e.g. devising ways to engage diaspora over summer – if the data shows an increased inflow of diaspora over this period).

Re-confirming the government's focus on the issues of migration and remittances – primarily through institutional investment in the matter. The current institutional setup – Cabinet on diaspora – may be sufficient to serve as a 'one stop shop' system for emigrants, but its institutional capacity should be significantly strengthened. We recommend that besides the Diaspora Engagement Strategy – which is currently being prepared – the Government should be involved in devising a strategy for the design, responsibilities and the expected outcomes of the Cabinet (institutional strategy). This is immediately needed, since such an institution will have to coordinate other institutions relevant for the domain of migration and remittances (e.g. Mol, Agency for emigration, Ministry of Finance, of Economy, of Social Policy and Labour etc.), for which it will have to possess sufficient credibility and human resource capacity.

Once the Cabinet's institutional capacity is established at the sufficient level, an initiative for mapping Macedonian diaspora should be undertaken. This is unlikely to be a census for diaspora, but rather mapping of emigrants in a general sense (e.g. the area of New Jersey is inhabited by approximately X Macedonians, a considerable part of which have an investment potential, etc.). The mapping will facilitate later activities for ways of engaging diaspora.

The Government may consider launching of a program that will facilitate quick and effective integration of emigrants who want to return back, particularly high-skilled emigrants. This is especially needed given the amounting deficits of human resource capacities in various domains of the economy. The program may also target particular sectors or occupations and do a kind of 'brain gain'. The returnees of this kind should be offered high-paid jobs in the public sector (e.g. public health) or subsidised high-paid employment in the private sector.

Setting a subsidy of 10% of the investment for diaspora investment, on top of the general package for investors, is a positive first step for attracting diaspora investments. It may be, however, insufficient. The 'one-stop-shop' system, the after-care opportunities, possibilities for involvement into the chain of the other FDIs in Macedonia, should accompany this process. However, the investment component of the diaspora engagement should not be considered separately from the other parts of the investment agenda, under the Agency of FDIs and the Agency of the technological industrial development zones. Therefore, the Cabinet of Diaspora should have a unit that will

cooperate with these two agencies and will ensure that whatever investment policy the government pursues, diaspora investment constitutes an integral part of.

The Government may think of devising a program through which high-skilled Macedonians living and working abroad are incentivised to spend few weeks in matching Macedonian institutions (public or private) for the sake of know-how transfer. The patriotic sense, the understanding of the language, culture and mentality, should be used as a comparative advantage, will not cost as much as other foreign consultants, while at the same time they will strengthen their bond with the homeland. The benefits for the know-how recipients would be undisputable.

Similarly, the Government should devise a special program within which Macedonians teaching at universities of world repute will be incentivised to spend a teaching semester in Macedonia. This should be a compulsory activity of each study program and as such may be embedded in the Higher Education Act.

As remittances continue to be an important source of income for receiving households, government strategy may position at several fronts:

Instruments should be developed to strengthen the role of remittances for setting up micro-and small businesses. Several options exist at the global level, and some of them would fit the Macedonian case. One example is setting a government matching fund that would provide cheap matching loans or grants for remittances receivers who decide to use remittance proceeds for investing in their own businesses. Another type of fund may be a Guarantee fund that will guarantee the investments made of remittances, i.e. would cover losses related to bank loans in case the investment fails. Both funds may be physically located within the Macedonian bank for development promotion.

The government should engage in discussion with the commercial banks, through the Bank Association for the possibility that they start accepting stable remittances receipts as collateral when providing loans to remittance receivers. This possibility will also strengthen the share of remittances received through official channels.

The Government may further think of providing some basic health and pension insurance packages/subsidies for remittance receivers, in case they decide to set aside part of remittances, e.g. with the third pillar of the pension system – the voluntary pillar. Currently, saving in the third pension pillar secures a relief of the personal income tax on the amount saved, hence saving money from remittances in the third pillar may be further incentivised.

The government should, in any case, refrain from taxing remittances, since the current estimate of 50% of them being transferred through informal channels (e.g. relatives, busses etc.) will only surge, hence further aggravating the difficult task to measure remittances. In the same vein, asking people to only report remittances in the annual tax form will result in a similar behaviour, as many receivers will understand it as an introduction into taxation.

6.1.5 Montenegro

Support the improvement of migration data collection. This refers primarily to data on migration outflows. Support should be provided to the Ministry of Interior to collect data on Montenegrins living abroad through regular information sharing channels established with the authorities of EU countries and other countries attracting immigrants from Montenegro. However, the data on immigrants should be improved, in terms of details on the structure of foreign workers, but also in terms of access to this data.

Commission a detailed labour market study in order to identify the structure of the unemployed (age, educational attainment, gender, etc.) and diagnose the causes of unemployment in order to effectively design policy measures that may address the barriers they are facing. Particular attention should be devoted to the investigation of low-skilled unemployed youth. While policy measures promoting the employment of highly educated youth have been put in place and appear to be yielding positive impact, low/no qualified unemployed youth remain on the margin of the policy makers attention. This group of unemployed could greatly benefit from training programmes for occupations demanded by the labour market. In relation to this, a skills need assessment could be beneficial.

The policy makers should as an immediate response invest in training for the occupations in high demand, as well as improve the labour market information available to the unemployed. Such measures will improve the position of the unemployed on the labour market and will decrease the skills gap.

The policy makers should consider a tax reform, or change in the minimum wage policy that would positively impact the salary levels. This would make work more attractive for Montenegrin citizens.

The policy makers should additionally simplify the process of obtaining work permits. In order to 'compete' with the swift and simple procedure in applying for and obtaining work permits in Croatia the Montenegrin authorities should lessen the administrative burden and make the process less expensive (abolish the need to obtain diploma recognitions and similar). The preference of workers to perform seasonal work in Croatia over Montenegro has already been noted, and employers have been faced with labour shortages which are likely to grow if the process is not simplified.

Investigate the fall-backs of recent initiatives aiming to promote diaspora investment. Build these lessons learnt into the design of new projects to foster cooperation between the Diaspora communities and Office for Diaspora of the Montenegro government.

Provide technical assistance to the Office for Diaspora in designing and implementing projects fostering the development potential of large Diaspora community.

6.1.6 Serbia

Provide technical support in revisiting and revising the Strategy for Migration Management. The current strategy was developed in 2009. This strategy should be revisited keeping in mind the current context and much more attention should be devoted to labour migration and the new and emerging trends, such as circular migration.

Support the policy makers in Serbia to prepare to deal with labour market shortages in the near future. Given the unfavourable demographic trends in Serbia and the labour migration outflow, labour shortages will soon become a reality. The current policy focus is not inviting the consideration of policies to govern labour immigration on a large scale. It would be of great value to conduct a labour market forecasting analysis, in order to envisage the future labour supply needs and support the Government of Serbia to plan in advance in an informed manner.

Improve the quality and availability of data on emigration and support the Commissariat for Refugees and Migration and the Ministry of Interior to improve the system for data collection on immigration.

Reassess the needs of returning migrants and ensure appropriate support measures are in place and operating functionally. As the national policy makers and international communities spotlight has shifted from the returnees under Readmission Agreement towards the *Balkan route* within the migration crisis, there has been a noted decrease in attention devoted to the returnees under readmission agreement. As a new wave of funding (most notably from GIZ) is announced it is necessary to ensure these funds are invested wisely.

Conduct evaluations and impact assessments of previous re-integration initiatives. Given sufficient time has passed since the initial re-integration measures were put into place, a detailed evaluation and rigorous impact assessment would provide important insight into the effectiveness, efficiency, sustainability, relevance and impact of previous measures and ensure the lessons learnt are incorporated in the new wave of funding.

Compile and share best practices on integration measures from the region and establish a knowledge sharing mechanism. Given the similarity of experience with returnees under the Readmission Agreement across several West Balkan countries a publication or web platform and/or joint conference on the best practices could be of great value to reap the accumulated experience of the past ten years.

Leverage the existing local infrastructure, i.e. the Migration councils established at a local level to support the (re)integration of returnees. A detailed training needs assessment should be conducted in line with the identified needs of the returnees, followed by a round of training. This training should be, at the very least, instrumental in ensuring the returnees are accounted for and their profiles are made in order to identify the support services they require. In addition, expansion of the number of Local Migration Councils should be considered and their coordination with NGOs and international organisations should be enhanced. This also refers to data exchange between the Migration councils and the Readmission office.

Support the Government of Serbia to develop a proactive, yet subtle public policy intervention to “nudge” remittances towards being invested in what would be most beneficial in the long-term (good quality education for children, informed and well-designed start-ups and similar). While it is clear the development potential of remittances is entirely underutilised, an openly paternalistic approach to “dictating” how one should spend one’s own money could backfire and additionally alienate the diaspora and their family members from government development initiatives.

Support a study to determine the impact of migration outflow in relation to the dropping unemployment rates and tracing the prevalence of circular migration. This type of analysis could provide insight into what might be considered to be the unspoken endorsement of labour emigration by the Government of Serbia.

Conduct research investigating the scope of the 'Brain Drain' problem. While this appears to be the prevalent migration concern no accurate data on the phenomenon is available. The emigration of the highly educated (particularly youth) should be analysed from both the perspective of its negative impact, but also from the perspective of maximising its development potential. This mapping would serve as a baseline for the formulation of evidence based policy.

Provide technical support in cross-sector cooperation resulting in coordinated policy design to prevent Brain drain and maximise the development potential of highly educated emigrants through encouraging their return and skills' transfer, investments, etc. This should include a comprehensive cross-sector policy evaluation in order to assess the effect of the multitude of planned policy interventions formulated with the aim of maximising the development potential of migration and preventing 'Brain Drain'.

Leverage the existing infrastructure of local Diaspora councils, the Office for Diaspora at a central level and the Diaspora organisations in EU countries, as well as the regional Chamber of Commerce Diaspora Centres. Structures that have been established have much greater potential in attracting diaspora investments than is currently the case. Technical support should be provided to create a stronger network and cooperation between these organisations, alongside promotional activities towards the diaspora. Focal points within the local self-governances where local diaspora councils are not established and where there is no potential for their establishment, should be identified and tasked to represent their municipality in the network, feed in relevant information and liaise as appropriate with other municipal stakeholders. In addition, the staff of these organisations/members of the network should continuously be trained in emerging investment opportunities and economic growth opportunities region-specific.

Support the design and financing of projects promoting Diaspora investment, similar to the Chamber of Commerce initiative. Such projects should include a mapping of local/regional development needs and economic potentials, including value chain analysis and sector development, with a focus on regions of Diaspora origin.

6.2 Regional recommendations

6.2.1 At the policy level

Elaborate a holistic policy on migration where all aspects are addressed. Currently in some countries there are different strategies, e.g. on diaspora, return, etc. A comprehensive policy on migration should combine a variety of preventive and integrative measures, e.g. information campaigns, engagement of diaspora, reintegration of returnees, labour agreements, etc.

The policy action **for promoting the migration & development nexus** should be positioned on **three basic fronts**: return of skilled emigrants and knowledge transfer, devising ways in which the diaspora will contribute to development, and seizing the large developmental potential of remittances.

To transform the innovative policy idea of migration and development into efficient policies, governments should work in three major directions – policy assessment, action plans and budget allocation, institutional coordination: 1/ assess the (lack of) results of previous strategies and documents, most of them well written, but several never applied in practice; 2/ improve budget planning to ensure timely and purposeful allocation of the budget resources for the implementation; 3/ advance the coordination among the government agencies for significantly elevating the issue of diaspora and remittances, to ensure effective policy-making, implementation and evaluation of the program outcomes.

Institutional capacities of responsible governmental ministries/agencies for migration management and diaspora engagement should be significantly developed for optimising the balance between international organisations' support and national institutions' involvement. So far, the former are crucial for catalysing policy innovations, developments and implementation. **Good practices, such as scholarships for civil servants** in foreign universities and the obligation to work in home institutions should be multiplied and expanded.

Institutional developments and policy initiatives failed to reach sustainability, such as Centres for Migrant services in Kosovo* that are not operational any more, the Migration counters in Albania that failed to serve potential migrants due to the lack of labour agreements with EU member states, and the project "Fund for Diaspora" for loans for Diaspora representatives to start a business in Montenegro which has never been implemented. The reasons for these policy and institutional failures should be scrutinised.

The 'one stop shop' approach for diaspora representatives who want to invest, exchange, return and reintegrate should be strengthened. It should be complemented by **mainstreaming of migration & development nexus** and linking it to several sector policies, such as employment, fiscal and social policy, science and technology, sustainable development, etc.

The cooperation between the networks and organisation of the Diaspora, and especially between unions of diaspora businesses and companies at home, should be enhanced.

Encouraging remittances through banking channels can improve their impact on development. Measures for **reducing transaction costs** for remittances transfers need to be implemented through financial institutions and banking products, especially in countries like Albania with the negative nexus of high banking costs and high level of transfers through informal channels.

An interesting policy option for countering the brain drain and the high mobility of highly qualified is the **"virtual return"** as a channel of diaspora's contribution to their home country's development in the framework of increased global connectivity. Diaspora members can transfer their knowledge to their colleagues in a home country regularly without the need to be physically present there. The virtual return could be a **win-win option** for the country's development and the highly skilled diaspora. The **"thinknets"** is an organisational model for a research centre that allows collaboration between physically dispersed researchers. Other positive practices such as 'One year in Kosovo' could be multiplied.

6.2.2 At the programming level

Four clusters of policy measures for the diaspora & development nexus should be prioritised:

- 1/ creation of a country/regional system for quality assurance of statistical data;
- 2/ systematic and representative surveys of the reasons for and problems with investing or disinvesting by the diaspora for better understanding their intentions and needs;
- 3/ mapping the diasporas and establishing a type of registry;
- 4/ restoration of confidence and trust between the diaspora and the homeland governments and institutions.

Improve the collection, quality and management of statistical data. Any policy prescription must be underpinned by high-quality, comprehensive and comparable statistics on labour migration and mobility. **Regional data centre** or Migration Observatory should be created for:

- 1/ further harmonising administrative data with the EU Regulation 862/2007 on migration statistics;
- 2/ initiating a system of quality assurance of statistical data dissemination and comparative assessment of data from different sources;
- 3/ improving the information about demographic characteristics of migrants;
- 4/ creating an “early warning system” for policy makers on changes in trends or new developments that may require appropriate policy response by government institutions in charge of migration, as well as for developing timely responses by non-governmental organisation in provision of services;
- 5 / making the data more available for research purposes.

Continue targeted information campaigns to prevent irregular migration to counter false or misunderstood information on social and other media promoting irregular migration.

Improve information on labour market opportunities in the EU. Link the employment agencies with relevant counterparts in EU member states to update information about labour migration possibilities.

The institutionalisation of migration policy should be advanced not only at national, but **also at local level**. Wide coalition between local governments, businesses and NGOs, and their coordination should be supported by both national funds and international donors. **Advisory services for supporting and facilitating diaspora investments should be provided in municipalities**, especially in the field of financial regulations and workforce development.

More investments in active labour market programs targeting youth are needed for reducing youth emigration by countering the key drivers of emigration - high unemployment rates and the unfavourable labour market arrangements for employed. Developmental and active labour market measures need to be financially sustainable and coordinated with policies that increase the demand for labour. Measures for improving the skills of the youth workforce to match the needs of a growing outsourcing sector, namely IT and language skills, should be multiplied and expanded. **Programmes to support the youth vocational education, training and entrepreneurship** can also have a significant impact on reducing the migration pressure among young people. Scale and enhance initiatives such as Mobility Platforms aimed at sector specific vocational training based on the needs of the labour markets. **Leverage innovative programs related to transnational entrepreneurship.**

Successful reintegration of returnees requires the **implementation/improvement of a variety of administrative measures and services**, such as notification of the degrees from abroad, information about job opportunities, simplification of the procedures for obtaining documents, adequate guidance on access to rights, etc.

Simplify the process of obtaining work permits as an important policy measure for facilitating and enhancing regional labour mobility.

Mechanisms to convert remittances into a long term venture should be implemented. The governments need to devise **doable instruments**, e.g. establishing matching venture fund for small firms erected from remittances, subsidising interest for loans backed by remittances, Guarantee fund that will guarantee the investments made of remittances, issuing bonds for the diaspora. Financial institutions can develop remittances-linked products, e.g. housing or SMSs loans and insurance products for increasing the developmental impact of remittances. Governments should refrain from taxing remittances and even asking people to report them in the annual tax form.

Establish a regional knowledge sharing mechanism for exchanging best practices of reintegration of returnees, e.g. annual regional conferences, web platforms, etc

ANNEX 1 – BIBLIOGRAPHY / REFERENCES

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ANNEX 2 – TABLES ON WESTERN BALKANS MIGRATION

Table 1: Trends in International Migrant Stock: Migrants by Destination and Origin, 2017

Major area, region, country or area of destination	Country of origin										
	Total	Albania	in %	Bosnia and Herzegovina	in %	Montenegro	in %	Serbia	in %	The former Yugoslav Republic of Macedonia	in %
WORLD	257,715,425	1,148,144		1,659,852		137,589		956,455		534,720	
Europe	77,895,217	1,033,049	89.98	1,445,428	87.08	133,390	96.95	821,693	85.91	266,410	49.82
Eastern Europe	20,121,711	3,237	0.28	7,806	0.47	506	0.37	57,159	5.98	7,393	1.38
Bulgaria	153803	1706	0.15	167	0.01	41	0.03	4190	0.44	3777	0.71
Czech Republic	433290	286	0.02	2798	0.17	34	0.02	848	0.09	2121	0.40
Hungary	503787	271	0.02	276	0.02	66	0.05	41428	4.33	214	0.04
Poland	640937	130	0.01	3642	0.22	62	0.05	1083	0.11	276	0.05
Romania	370753	514	0.04		0.00		0.00	7628	0.80		0.00
Russian Federation	11 651 509	234	0.02	515	0.03	263	0.19		0.00	255	0.05
Slovakia	184642	96	0.01	408	0.02	40	0.03	1948	0.20	750	0.14
Northern Europe	13,946,390	34,944	3.04	102,882	6.20	2,470	1.80	24,568	2.57	25,020	4.68
Denmark	656789	368	0.03	21492	1.29	180	0.13	2009	0.21	3429	0.64
Finland	343582	390	0.03	850	0.05	4	0.00	171	0.02	8963	1.68
Iceland	41853	58	0.01	163	0.01		0.00	313	0.03	41	0.01
Ireland	806549	319	0.03	688	0.04	0	0.00	0	0.00	704	0.13
Norway	798944	1045	0.09	14370	0.87	435	0.32	4414	0.46	2667	0.50
Sweden	1 747 710	2598	0.23	58372	3.52	931	0.68	10208	1.07	6166	1.15
United	8 841 717	30157	2.63	6943	0.42	920	0.67	7385	0.77	2598	0.49

Kingdom											
Southern Europe	15,957,631	958,073	83.45	883,805	53.25	92,802	67.45	147,981	15.47	139,972	26.18
Albania	52484		0.00		0.00		0.00		0.00	538	0.10
Bosnia and Herzegovina	37100		0.00		0.00	4229	3.07	9831	1.03	2961	0.55
Croatia	560483	168	0.01	394146	23.75	6017	4.37	49828	5.21	9788	1.83
Greece	1220395	429428	37.40	432	0.03		0.00	4302	0.45	2129	0.40
Italy	5907461	455468	39.67	11301	0.68	2325	1.69	46382	4.85	74317	13.90
Montenegro	70984	2368	0.21	29462	1.77		0.00	14992	1.57	2852	0.53
Portugal	880188	50	0.00	42	0.00	78	0.06	51	0.01	276	0.05
Serbia	801903	463	0.04	333,687	20.10	70735	51.41		0.00	46416	8.68
Slovenia	244790	126	0.01	103663	6.25	4	0.00	5	0.00	26	0.00
Spain	5947106	1947	0.17	2139	0.13	168	0.12	3937	0.41	632	0.12
The former Yugoslav Republic of Macedonia	130972	67924	5.92	8729	0.53	9246	6.72	17963	1.88		0.00
Western Europe	27,869,485	36,795	3.20	450,935	27.17	37,612	27.34	591,985	61.89	94,025	17.58
Austria	1660283	3465	0.30	170864	10.29	24052	17.48	214925	22.47	24139	4.51
Belgium	1268411	4389	0.38	1929	0.12	144	0.10	2520	0.26	3709	0.69
France	7902783	6796	0.59	14150	0.85	1424	1.03	85988	8.99	4556	0.85
Germany	12165083	18102	1.58	200510	12.08	24	0.02	107032	11.19		0.00
Luxembourg	264073	318	0.03	2569	0.15	9065	6.59	6282	0.66	365	0.07
Netherlands	2056520	1643	0.14	905	0.05		0.00	176	0.02	172	0.03
Switzerland	2506394	2082	0.18	59685	3.60	2900	2.11	174909	18.29	60994	11.41
Northern America	57,664,154	106,204	9.25	167,164	10.07	1,772	1.29	83,080	8.69	38,739	7.24

Canada	7 011 226	15,823	1.38	41,722	2.51	1,772	1.29	45,379	4.74	11,173	2.09
United States of America	49,776,970	90,381	7.87	125,442	7.56		0.00	37,701	3.94	27,566	5.16
Australia	7,035,560	3,495	0.30	43,456	2.62	2,123	1.54	39,805	4.16	56,264	10.52
New Zealand	1,067,423		0.00		0.00		0.00	1,132	0.12		0.00

Source: Nermin Oruc's elaboration using UN Statistics on International migration

Table 2: emigration rates of 25+, by gender, country of origin and educational level to OECD countries⁴⁴

Emigration rates		total	Albania	Bosnia and Herzegovina	Croatia	The former Yugoslav Republic of Macedonia	Serbia and Montenegro	men	Albania	Bosnia and Herzegovina	The former Yugoslav Republic of Macedonia	Serbia and Montenegro	women	Albania	Bosnia and Herzegovina	The former Yugoslav Republic of Macedonia	Serbia and Montenegro
		World						World					World				
1980	Total	1,54%	1,02%	14,57%	12,63%	11,95%	2,34%	1,46%	1,38%	21,64%	15,60%	2,51%	1,61%	0,65%	7,02%	7,99%	2,16%
	Low	1,26%	1,18%	14,99%	10,86%	13,22%	2,50%	1,22%	1,65%	23,32%	17,22%	2,88%	1,30%	0,79%	7,96%	9,83%	2,18%
	Medium	1,39%	0,52%	12,32%	14,04%	6,95%	1,36%	1,13%	0,66%	18,74%	9,95%	1,29%	1,74%	0,33%	3,82%	2,95%	1,49%
	High	4,94%	3,49%	26,60%	24,07%	31,85%	4,07%	4,66%	4,13%	27,95%	34,06%	4,13%	5,33%	1,85%	23,46%	25,83%	3,96%
1985	Total	1,58%	1,30%	13,78%	12,47%	11,43%	2,46%	1,52%	1,72%	15,70%	13,19%	2,56%	1,63%	0,86%	11,94%	9,63%	2,35%
	Low	1,26%	1,79%	16,49%	12,39%	14,67%	2,64%	1,29%	2,59%	19,57%	17,61%	2,92%	1,24%	1,15%	14,22%	12,35%	2,41%
	Medium	1,35%	0,61%	9,55%	10,70%	5,60%	1,52%	1,03%	0,76%	11,39%	6,67%	1,49%	1,74%	0,42%	7,47%	4,32%	1,57%
	High	4,78%	3,52%	25,64%	22,43%	29,24%	4,41%	4,41%	3,96%	23,68%	29,40%	4,36%	5,30%	2,53%	29,17%	28,91%	4,52%
1990	Total	1,44%	1,13%	14,08%	12,88%	10,29%	3,78%	1,45%	1,50%	15,71%	11,70%	3,88%	1,44%	0,76%	12,49%	8,88%	3,67%
	Low	1,10%	1,97%	20,43%	13,50%	14,38%	4,00%	1,15%	2,79%	22,82%	17,22%	4,33%	1,07%	1,35%	18,70%	12,22%	3,71%
	Medium	1,20%	0,52%	8,63%	10,18%	5,21%	2,64%	1,07%	0,73%	10,85%	6,13%	2,60%	1,35%	0,26%	6,18%	4,19%	2,71%
	High	4,17%	2,15%	22,35%	22,58%	27,61%	6,47%	3,90%	2,47%	21,67%	26,93%	6,31%	4,54%	1,48%	23,55%	28,88%	6,74%

⁴⁴ For any given skill level and year, the emigration rate is defined as the total migrant population from a given source country divided by the sum of the migrant and resident population in the same source country. The data on the total number of residents aged 25 years and older in any source country by skill level and year are taken from Barro and Lee (2013) and United Nations Population Division (2011).

1995	Total	1,46%	4,97%	19,63%	14,06%	11,88%	3,56%	1,45%	5,54%	21,56%	12,99%	3,79%	1,47%	4,41%	17,82%	10,78%	3,27%
	Low	1,12%	7,13%	31,67%	16,74%	20,50%	4,09%	1,14%	9,36%	36,42%	24,26%	4,74%	1,10%	5,49%	28,26%	17,70%	3,46%
	Medium	1,15%	2,90%	10,88%	7,85%	4,41%	2,51%	1,07%	3,04%	12,86%	5,03%	2,59%	1,25%	2,76%	8,85%	3,76%	2,38%
	High	4,11%	14,38%	33,51%	30,68%	32,44%	4,62%	3,92%	13,39%	32,28%	31,15%	4,38%	4,32%	16,05%	35,34%	34,49%	5,03%
2000	Total	1,59%	13,82%	21,45%	17,05%	12,64%	5,18%	1,60%	15,89%	23,40%	13,94%	4,72%	1,57%	11,69%	19,64%	11,34%	5,77%
	Low	1,26%	24,41%	34,67%	19,55%	21,93%	6,77%	1,39%	32,62%	39,49%	26,46%	6,33%	1,15%	17,84%	31,45%	18,70%	7,18%
	Medium	1,16%	8,10%	13,14%	11,62%	5,89%	3,20%	1,04%	8,93%	15,50%	6,78%	3,06%	1,32%	7,18%	10,74%	4,92%	3,43%
	High	4,14%	22,84%	35,31%	34,83%	31,34%	6,31%	4,02%	21,49%	34,40%	30,61%	5,87%	4,27%	24,87%	36,54%	32,45%	6,97%
2005	Total	1,82%	16,88%	19,94%	14,95%	12,33%	8,32%	1,82%	19,25%	21,26%	13,11%	7,70%	1,82%	14,46%	18,75%	11,56%	9,11%
	Low	1,34%	33,03%	34,80%	16,06%	24,47%	10,90%	1,47%	42,70%	37,46%	27,87%	9,79%	1,24%	24,91%	33,15%	22,10%	11,94%
	Medium	1,31%	9,04%	12,22%	10,56%	5,40%	5,63%	1,20%	10,28%	14,33%	6,25%	5,83%	1,46%	7,74%	10,16%	4,50%	5,31%
	High	4,96%	35,86%	40,40%	36,08%	35,54%	10,51%	4,78%	33,89%	39,34%	34,03%	9,69%	5,16%	38,41%	41,69%	37,53%	11,67%
2010	Total	1,91%	18,10%	19,65%	14,02%	12,00%	10,17%	1,91%	20,40%	20,88%	12,49%	9,23%	1,92%	15,78%	18,54%	11,52%	11,39%
	Low	1,40%	34,54%	36,18%	14,08%	29,76%	14,02%	1,57%	45,00%	39,50%	32,75%	12,45%	1,28%	25,96%	34,17%	27,77%	15,61%
	Medium	1,29%	11,21%	12,10%	9,93%	5,06%	6,46%	1,19%	12,65%	13,94%	5,95%	6,38%	1,40%	9,69%	10,32%	4,13%	6,59%
	High	5,31%	38,99%	43,01%	35,62%	31,98%	14,82%	5,09%	37,66%	42,63%	31,71%	13,77%	5,55%	40,49%	43,43%	32,29%	16,21%

Source: Nermin Oruc's elaboration using IAB International migration data base⁴⁵

⁴⁵ Source: Brücker H., Capuano, S. and Marfouk, A. (2013). Education, gender and international migration: insights from a panel-dataset 1980-2010, mimeo.

