Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits

SERBIA

Key facts

- **GDP growth (2021)**: 7.4%
- **Unemployment (2021)**: 11.0%
- **Net FDI (2021)**: 6.8% of GDP
- **Personal remittances received (2020)**: 7.3%
- **Serbian migrants in OECD countries (2015/16)**: 0.76 mil
- **Migration rate to OECD countries (2015/16)**: 10%

Sources: ‘European Commission (2022), EU Candidate Countries’ & Potential Candidates’ Economic Quarterly (CCEQ) – 1st Quarter 2022; ‘OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits;’ World Bank (2022), World Development Indicators

Migration from Serbia to the European Economic Area has almost tripled over the last decade

Note: Number of first residence permits attained by WB6 citizens in European destination countries by citizenship and reason. European destination countries include EU Member Countries, European Economic Area non-EU countries (Iceland, Liechtenstein and Norway) and Switzerland. “Other” includes international protection, residence without the right to work (such as pensioners), and people in the intermediate stages of the regularisation process. Data for the United Kingdom are available until 2018.

Source: Eurostat (2021), First permits by reason, length of validity and citizenship [MIGR_RESFIRST].

In 2011, Serbian citizens predominantly migrated to the European Economic Area (EEA) and Switzerland for family reasons. However, work reasons gained importance between 2011 and 2019, with the number of first residence permits for remunerated activities issued to Serbian citizens increasing fivefold.

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This report analyses labour migration patterns of the Western Balkan economies, investigates their root causes as well as potential consequences, and examines the economies’ current migration and diaspora policies. It builds on results from an original survey of emigrants from the Western Balkans in addition to a wide range of OECD and international migration data sources as well as regional stakeholder consultations.

The report provides Western Balkan policy-makers with targeted policy recommendations on how to address the structural challenges, which incentivise emigration and maximise the benefits from emigration for the Western Balkan economies’ own socio-economic development by strengthening ties with the diaspora and capitalising on its skills and investment resources.

Key findings:

- **Emigration from Serbia has been significant, with about 10% of the Serbian population living in OECD countries.** Emigration from Serbia to other European countries has been on the rise over the past decade. Between 2011 and 2019, Serbian migrants received 23% of all first residence permits issued to Western Balkan Six (WB6) citizens in the EEA and Switzerland. With the start of the COVID-19 pandemic in 2020, the number of permits decreased by 35% compared to the previous year.

- **Serbian migrants have slightly better labour market outcomes compared to other WB6 migrants in OECD countries.** However, their unemployment rate (12%) is higher than for those from most WB6 economies, and foreign-born migrants in OECD countries (9%). Employment and labour force participation also remain lower compared to rates for foreign-born migrants in the OECD area (OECD DIOC 2015/16).

- **The gender gap in the labour market participation rate (16 percentage points) and employment rate (14 percentage points) of Serbian migrants is also one of the narrowest among WB6 migrants in OECD countries,** and relatively close to the average gap in the migrant population in the OECD area.

- **Serbia also stands out as the only WB6 economy with a higher over-qualification rate for women than for men,** which is in line with the pattern observed for the overall foreign-born population in the OECD area.

- **Serbia has a holistic, multi-year migration strategy in place** – the Economic Migration Strategy of the Republic of Serbia (2021-2027). It concentrates on encouraging and supporting circular and return migration as well as on reducing emigration push factors and reaping the development benefits of the diaspora.

Main priorities:

- **Continue to develop national and local policy frameworks to support diaspora and return migration investment.** National and local policy frameworks to support diaspora and return migration investments should continue to be developed, especially when it comes to supporting business start-ups that could generate important job creation.

- **Mainstream migration into other key policy areas, to ensure policy coherence and effective implementation of migration policies.** The migration policy framework in Serbia is relatively well developed, but the link to other key areas such as labour migration and education could be strengthened by integrating migration in policy strategies beyond those dealing specifically with migration.

- **Encourage the return of students and knowledge transfers of the scientific and professional diaspora.** Increasing numbers of international students and a significant scientific diaspora hold important development potential for the home economy. The creation of the Science Fund is a good platform on which to build and further strengthen knowledge transfers while promoting the short- and long-term return of the scientific diaspora.

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