



On behalf of the
European Commission
DG Employment,
Social Affairs and Inclusion

Gesellschaft für
Versicherungswissenschaft
und -gestaltung e.V.



Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Executive Summary

Serbia

July 2012

**Authors: Ljiljana Pejin-Stokić
Vladimir Grečić**

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In the past two decades, the Republic of Serbia (hereafter: Serbia) has been influenced by major political and socio-economic developments. The period 1990-2000 was marked by the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY) and several changes in the country's statehood status, which were accompanied by regional armed conflicts and severe economic and social turbulence. During this period, Serbia was subject to considerable population movements with an inflow of large numbers of refugees originating from other former Yugoslav republics (523,000 refugees and 72,000 war-affected persons in 1996)¹ that resulted in a positive migration balance until the mid-1990s. At the same time, the fear of military recruitment drove significant numbers of young people out of the country in search of educational opportunities abroad. In the following years, Serbia suffered a net migration loss as increasing numbers of families emigrated to seek better living conditions abroad, albeit without clear plans for the future.

Following former President Slobodan Milosovic's downfall in October 2000, a period of stabilisation ushered in political and economic recovery. The implementation of economic reforms boosted the Serbian economy which saw steady growth accompanied, however, by rising unemployment. During these years of political and economic transition, emigration remained a dominant factor as the net migration rate more than doubled as compared to the period from 1990 and 2000. At the same time, regional disparities widened in favour of the two largest cities (Belgrade and Novi Sad) and a few other large urban centres that have undergone continual growth and have attracted large flows of migrants from other Serbian regions. A large number of local communities, particularly in remote areas of Southern and Eastern Serbia, have suffered considerable emigration outflows and depopulation. These areas of net migration losses typically remain less developed in terms of economic, infrastructural and social capacities. As a whole, demographics in Serbia are characterised by low fertility rates, strong internal population movements (from rural to more urban areas, in particular the capital) and emigration.

Serbia has been losing considerable numbers of its working-age young population to out-migration. In the last two decades, these migrants were predominantly male, younger and better educated than the overall resident population. Germany, Austria, Switzerland, France and the United States figure among Serbian migrants' top five destination countries, whereas the United States and Canada (as well as the UK and Germany) are preferred destinations for highly educated Serbian migrants.

Emigration has caused a drastic decline – a 31 percentage point drop from 1990 to 2003 – in the number of scientists and engineers in Serbia's public and private (industrial) sectors (most of them left Serbia in the period from 1990 to 1995). A recent World Economic Forum report ranks Serbia among the top ten countries most affected by brain drain, pointing to the substantial damage this does to competitiveness and modernisation efforts in the country.

The impact of (out-)migration on poverty and social exclusion is complex: Available data show that in most cases, migration does improve status, as poverty rates are generally lower among the migrant population than they are among the resident population. This holds true in particular for ethnic minorities, especially the Roma population. However, migration also exacerbates the vicious circle of poverty and exclusion for rural elderly households in remote areas. Children, the elderly in remote areas, as well as refugees, IDPs and forced returnees are most affected by migration. Children left behind by migrating parents are more frequently implicated in delinquency and deviant behaviour. Returning children, in particular those facing involuntary return, face obstacles to the continuation of their education. Elderly individuals left behind who lose the (informal) support of their (out-migrant) children find no compensation in a system lacking social and support services, especially in net-migration loss regions. The refugee and IPD populations, as well as forced returnees, continue to face several obstacles in accessing their rights, particularly when it comes to obtaining ID documents or securing housing and employment. Although the state has been implementing a number of policy measures to mitigate the problems faced by these groups through the

¹ Persons with Serbian citizenship, residing in other republics.

support of EU funds (IPA) and the involvement of international partners, further measures and assistance are required.

Underdevelopment, poverty and social exclusion are deeply rooted in areas with net-migration losses. The on-going depopulation of underdeveloped regions will continue to erode these communities if policy measures to raise living standards and enhance development potential are not undertaken immediately. However, the economic crisis and the on-going process of transition place additional strains on the country's available resources. State officials have recognized these problems and, in cooperation with international partners, have been identifying appropriate policy measures. These regions should receive increase attention within the EU's IPA framework for human resources, regional and rural development now open to Serbia as a candidate country. It is crucial here to invest in capacity building at a local level.

Since the end of the 1990s, issues related to emigration, in particular the international mobility of highly qualified workers, have drawn increasing attention from policy-makers in Serbia. Predominantly a sending and transit country, Serbia is increasingly a destination country for labour migrants. It has large emigrant stocks, but with high unemployment levels. However, Serbia has not made the employment of nationals abroad a development strategy, despite a considerable inflow of remittances (13% of GDP in 2010), knowledge transfers and close ties with the diaspora:

The Serbian diaspora, which has been fuelled by major waves of migration already from the 1950s to the 1970s, is large. Recognizing that these individuals can play a key role in development, the government has strengthened relations with Serbians living abroad in order to facilitate potential investments and knowledge transfers. Efforts in this respect include the development of economic networking opportunities between Serbs in diaspora and regional stakeholders, and the creation of information tools regarding investment possibilities and promotion in Serbia (in 2007, investments made by Serbs in diaspora comprised 11% of FDI). However, engagement with Serbs in diaspora and their constituent organisations could be deepened. In particular, the Serbian diaspora should be involved systematically in discussions on development strategies, voluntary remittance schemes and sustainable return. It is crucial that policy-makers encourage the flow of remittances and introduce measures that reduce the costs borne by migrants when sending money home. It is of utmost importance that the investment climate in Serbia be improved to facilitate the productive use of remittances and poverty reduction. Further efforts are necessary, at local levels in particular, to develop good governance and the capacity of local authorities to manage local and economic development professionally, which would restore the confidence of potential (Serbian) investors abroad.

In order to reduce the rate of emigration, mitigate internal migration, create incentives for returning workers (in particular professionals and highly education individuals) from abroad, and maintain current levels of immigration, the government has adopted several strategies and policies. However, these measures have yet to be properly or effectively implemented. The government should therefore improve its planning efforts and undertake a series of concrete measures to achieve targeted goals while improving coordination between the various authorities responsible for policy implementation. In education, for example, university admission policies should be synchronised with the needs of the Serbian economy (i.e., lower enrolment and improve learning outcomes) to improve employment opportunities for young graduates in Serbia. In accordance with regional and local development plans, public authorities should also initiate specific return programmes for professionals from abroad by 2020.

Finally, the quality of data and information on migration issues is in need of improvement. The government should establish a monitoring institution responsible for the collection of data needed to inform and shape appropriate strategies and policies.