



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**

### **Montenegro**

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Montenegro, an independent state since June 2006 became a candidate for EU membership in December 2010. Montenegro has 620,029 inhabitants (Census 2011) and is a multi-ethnic state. The country has been under the influence of the disintegration of the ex-SFRY and inter-ethnic violence which ensued. The war events, NATO strikes and political changes were all deterrent to the economy of the country leading to its complete collapse in the last decade of the 20th century. In 1999 the GDP in Montenegro was lower by 61% than in 1989; high unemployment and hyperinflation led to a decline in living standards of citizens who lost confidence in state institutions. In this period Montenegro experienced its largest emigration waves since the mid-1960s but also inflows of refugees and displaced persons. While the net migration rate was still positive until 1995, emigration increased significantly, leading to a largely negative migration rate (-10%) for 1995-2000 which remained high (-7%) until 2005 in the context of a still difficult and late transition. Between 1991 and 2003 the share of the Montenegrin population abroad in total population rose from 3.9% to 8.1%. The lack of safety and security caused by the wars, fears of war mobilisation by young people, ethnic tensions and the poor economic situation were all elements that forced young and middle-aged people (especially men) to migrate abroad. During the 2000s Montenegro went through a period of economic recovery; the GDP steadily increased up to 4.2% in 2005 and economic growth remarkably accelerated between 2006 and 2008 with average growth rates amounting to around 8%. In this period employment and investments in the educational and social sectors increased and the tourism and banking sectors experienced a dynamic development. As a result of favourable economic development, Montenegro increasingly became a country of immigration and the migration balance improved, however remaining slightly negative for the period 2005-2010 (-1%).

Montenegrin emigrants are predominantly male, young to middle-aged persons and a majority of them originate from the Northern region, one of the three regions of the country. A vast majority of migrants of Montenegrin origin come from the Central region while most people with Bosnian and/or Muslim background originate from (some municipalities) of the Northern part and ethnic Albanians from areas of the South. Nearby the traditional destination countries of emigration (USA, Germany, Switzerland), new destination countries, both European (e.g. Luxembourg, Sweden) and non-European (Australia, Canada) have emerged since the nineties. The USA traditionally attracted a high share of highly-educated migrants while their share in European countries is much lower (except in the UK). Traditionally, migrants in Montenegro (ethnic Albanians in particular) move with their spouse and children; for this reason the phenomenon of children left behind by migrating parents is almost unknown in Montenegro. Similarly, elderly parents of migrants are rarely left alone, as it is a tradition, in case one or more children migrate, that one child stays in the country with older parents and supports them with financial support from the migrating family members.

Emigration has accelerated the ageing process in Montenegro as the age structure of the incoming population has not enabled to compensate for the loss of young people. The labour market suffers from several structural problems, in particular a mismatch between supply and demand which might have been further exacerbated by migration: unfilled vacancies exist in some low-skilled occupations of the tourism, catering and construction sector and other medium to highly skilled professions (nurses, teachers, doctors, engineers). To fill shortages in the low-skilled segment, seasonal employment of foreigners, mostly from other Western Balkan countries, has been increasingly used in the last years. A specific feature of the Montenegrin labour market is the oversupply with mariners and other maritime professionals who are traditionally educated in schools and universities of the country but cannot find a job due to a decreasing home demand. These professionals usually take employment "abroad" (on foreign ships) and earn high salaries which enable them to remit important amounts. In general, remittances present an important inflow of money and a significant contribution to households' income in Montenegro (average monthly amount of EUR 200 in 2009) which is mainly used for consumption and maintenance of property. Their volume and share in GDP has varied during the period 2000-2010 with shares between 4% in 2002 and 11.7% in 2005 (7.5% of GDP in 2010). According to recent surveys the financial crisis seems however to have impacted negatively on the capacity of migrants to remit money.

Internal migration of population in Montenegro was very intense in the last two decades too, mainly dominated by population movements from the North to the Central and Southern parts of the country and from rural to urban areas. Reasons for internal migration are the search for better

business and life conditions and for employment, esp. in tourism and constructing. As a combined effect of internal and international migration, the population in some municipalities of the Northern region has been continuously declining since 1991, while the capital city Podgorica and municipalities of the South had a constant influx of inhabitants. As a result, the net migration rate for the whole Northern region constantly remained largely negative (-15.5% as compared to -1.6% at national level for 1991-2003). From the municipalities which feature an above average (over 10%) or a very high proportion of the population abroad (over 20%), most are located in the Northern region. This mostly rural, ex-industrial region lags clearly behind the two other ones as shown by all socio-economic indicators. As high unemployment is a major driving force of poverty and social exclusion, the region also faces biggest problems with poverty (highest share of population living below the poverty line - EUR 162/month - of 19.2% and high proportion of cases of multi-deprivation).

Among the groups most vulnerable to migration, the Roma, Ashkali and Egyptian (RAE), IDP and refugee population, esp. children, are the most affected, whereby this concerns mainly persons who migrated or re-migrated to Montenegro, in particular population of RAE origin displaced from Kosovo. The vulnerability of this population is caused by their unresolved status, prejudice, lacking documentation and a low level of education which limit their access to social welfare and employment. The specific situation of refugees and IDPs has been paid greater attention in the last years since the status of refugees is part of the roadmap to EU membership and a number of laws and by-laws have been passed to facilitate the integration of these population groups, however further efforts are necessary to improve the situation.

The poverty status of the population aged over 65 years does not diverge from the poverty of the population in general. However, it seems that internal migration in particular impacts on the elderly population as in this case, elderly usually stay alone in villages, where they are often visited by family members who migrated to cities but who cannot support them financially. When located in remote areas of the North especially, these elderly usually face multiple risks of poverty, social exclusion and limited access to services.

Among the policies undertaken by Montenegrin policy-makers to tackle the challenges caused by migration are programmes oriented towards the Diaspora, aiming at reinforcing information about and communication with Montenegrins abroad, promoting their investment potential and economic ties and offering incentives for circular and return migration, especially of highly qualified. These actions are coordinated and promoted by the Directorate for Diaspora, operating within the Ministry of Foreign Affairs and responsible for implementation of the Strategy of Cooperation of Montenegro with the Diaspora 2011-2014. As most activities have been initiated only recently or are ongoing, an analysis of their impact is not possible yet. The same is true for the measures proposed within the Strategy to facilitate the reintegration of return migrants or initiated in the frame of EU-funded projects (e.g. MIDWEB). Clearly, policies towards a better use of the potentials of the Diaspora, in particular of its business community, and the reintegration of returnees incl. the promotion of business opportunities, should remain in the focus of policy-makers for the years to come.

Several strategies aimed at improving the position of the most vulnerable population groups have been elaborated and a number of different actions which are in accordance with these strategies have been implemented on national and regional level, but the progress achieved so far is limited as documented by regular assessments of the European Commission, Further actions towards the most vulnerable groups, especially those located in the Northern region, aimed at alleviating poverty and social exclusion thus remain necessary.

Finally, among the policies that are necessary to retain talents in the country those aiming at improving the functioning of the labour market, social protection and education system would be the most important ones. Further, the challenges of migration could be tackled by means of a better connection and coordination of sectorial policies with migration policy, with the objective of facilitating and promoting mobility between home and destination countries.

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.