

## The Balkans' Other Migrant Crisis

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Photo credit: Nonviolent Peaceforce

- The 2015 migration crisis has led to new barriers not only for Middle Eastern migrants but also for migrants from the non-EU Western Balkans countries. These states suffer from high unemployment and social exclusion, which were previously “exported” to the EU in the form of economic migration, including through the asylum system.
- Even with new restrictive policies to deter asylum seekers from the Western Balkans, the push and pull factors that induce economic migration remain in the region. Push factors are the slowing down of EU integration, deterioration of democracy, and persistent socio-economic challenges; large diaspora communities in the EU and the EU’s labor needs act as pull factors.
- The new obstacles to migration increase the urgency of dedicating more resources and attention to social cohesion within the Western Balkans. The “Berlin Process” initiated in 2014 to sustain the Western Balkans’ EU integration momentum and to improve regional cooperation offers one opportunity to do so. At the same time, EU countries should explore quota solutions to legalize labor migration from the Western Balkans and address their own domestic labor shortages.

## The 2015 Surge

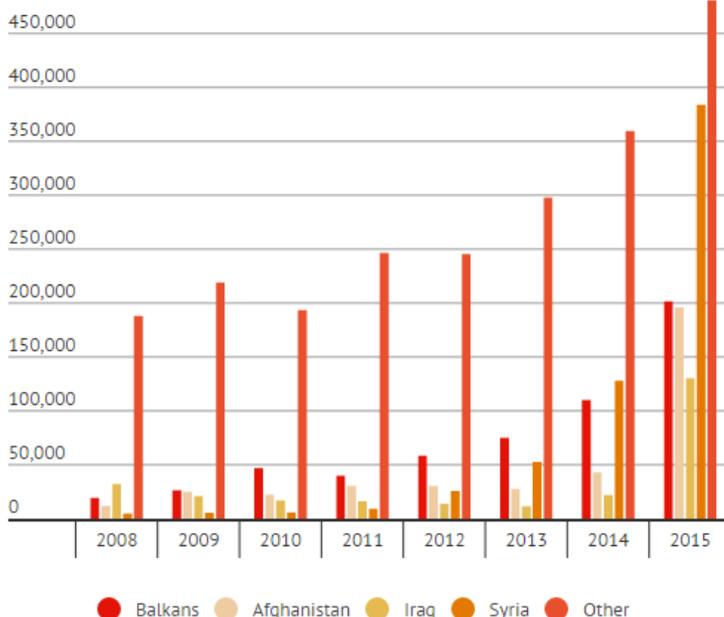
The number of people seeking asylum in the European Union (EU) has been steadily increasing for several years, and surged dramatically in 2015. The number of asylum seekers from Syria, Afghanistan, and Iraq spiked in 2015—but so did the number from the Western Balkan countries of Bosnia-Herzegovina, Serbia, Montenegro, Kosovo, Albania, and Macedonia. However, while the former migrants are coming from war-torn countries and are more likely meet the legal definition of refugee, the latter are not fleeing violent conflict, but rather the deterioration of democracy and increasing socioeconomic hardship. The large numbers of asylum seekers coming from the Western Balkans are very likely to be economic migrants using the asylum system.

As the number of asylum applicants increased dramatically in late 2014 and in 2015, the EU’s policy responses became increasingly restrictive. The pinnacle was Hungary’s June 2015 decision to start building a fence to prevent Kosovo migrants from entering the country. Later, the fence served to close off the border to refugees from the Middle East. Member states, most importantly Germany, declared Western Balkans countries to be “safe countries of origin,” allowing for faster return of asylum seekers.

Western Balkans governments’ responses have been similarly restrictive for a while. Macedonia in 2011 introduced profiling practices on its borders to prevent potential asylum seekers from leaving, however, the Constitutional Court ruled that the practice violated human rights. Serbian Prime Minister Alexander Vucic visited Germany in September 2015, and among other things, announced that Serbia would cut social welfare payments for Serbian asylum applicants as a deterrent. Western Balkans governments cracked down on travel facilitators and cooperated in media campaigns sponsored by the EU to make it clear that asylum cannot be granted on economic grounds, as well as explain the benefits of visa-free travel in the Schengen zone.

It is unclear if these restrictive policies will decrease the number of economic migrants—people will not remain in Western Balkans countries if they see no future there. However, even before Germany declared the Western Balkan countries safe countries of origin, the asylum acceptance rate for Serbia, Macedonia, and Bosnia-Herzegovina was as low as 0.3 percent.<sup>1</sup> From January to early August 2015, Kosovars submitted the second-most asylum applications in Germany, after Syrians; however, only 0.2 percent of Kosovars were granted asylum.<sup>2</sup> And yet people continued to leave. The question then is, why?

## Number of asylum applications to European countries



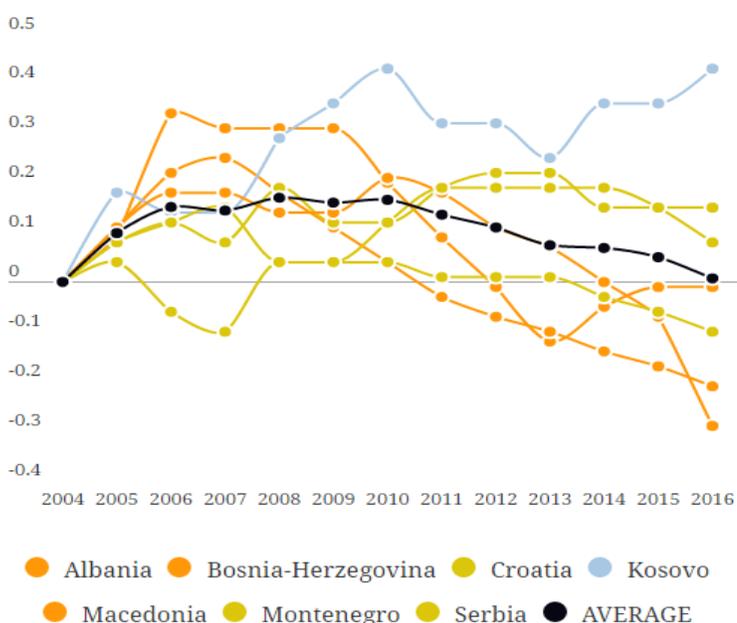
Graph 1: Asylum applications to European countries  
Source: Eurostat

## Push and Pull

The dominant push factor in the Western Balkans is a lack of confidence in the prospects for their home countries. EU enlargement fatigue, exacerbated by the continent’s economic and financial crisis, has blurred the chances of Western Balkans countries joining the union, and the effective enforcement of EU conditionality (i.e. pressure on Western Balkan countries to sustain democratic reforms) has weakened. People have low trust in all public institutions, and not only elected ones: political parties are the least-trusted in the region.<sup>3</sup>

### BACK WHERE WE STARTED IN THE BALKANS

Chart shows Democracy Scores for all Balkan countries normalized so that 2004 score equals zero.



Citizens in all Western Balkans countries witness rampant abuse of power. Elites pay lip service to democracy, but practice authoritarianism and engage in political criminality. As Freedom House’s Nations in Transit shows, the quality of democracy is either stagnating or declining across the region.

In addition, each country is facing major international political problems that impede opportunities for development. Kosovo is still struggling to gain full recognition as a state, Macedonia is caught in the “name dispute” with Greece, Serbia is engulfed in negotiations with Kosovo, Bosnia-Herzegovina is deadlocked politically and institutionally, and Montenegro and Albania are deeply polarized along political lines.

Meanwhile, nepotism and corruption curb economic development. Poverty has been increasing since 2008. Unemployment across the region is above 20 percent in all countries, and closer to 30 percent for Kosovo, Bosnia, and Macedonia. This chronic underutilization of

Graph 2: Nations in Transit scores for Balkans countries

human resources is “perhaps the biggest flaw in the Western Balkan economic model,” as an IMF study has argued.<sup>4</sup> The reduction of social and welfare protections in the largely neoliberal economic transition has left its mark. As another IMF paper documents, the effect of transition in the former Yugoslavia has been “more traumatic and persistent in the Western Balkans” and has led to “many more people appear[ing] to feel poor” than economic measures show.<sup>5</sup> Rising inequality has left a few people ultra-rich and a majority very poor. Gini coefficients for Macedonia, Albania and Bosnia and Herzegovina are notably higher than in the EU.<sup>6</sup>

Most of the industrial sector in the region did not survive the transition. There is a large but not very productive agricultural sector, which mainly provides subsistence for families, while local SMEs operate in a complicated political and legal environment. Most foreign direct investment has been in services like telecommunications, banking, and insurance.

All residents have suffered the consequences of the region’s economic and financial crisis, but it is the socially vulnerable and marginalized, especially Roma and people from rural areas, that have been hit the hardest. These populations face underdevelopment in the areas where they live, and chronic discrimination in housing, heating, and electricity. Roma also deal with entrenched racism and discrimination in education and health care. It is no surprise then that Roma make up the majority of economic migrants from Serbia, Albania and Macedonia.<sup>7</sup> Many opted to seek asylum because during the process they were treated as

human beings: they got affordable welfare support and medical attention; their children were admitted into kindergartens and schools; and they had a warm place to sleep, clothes, and food.<sup>8</sup>

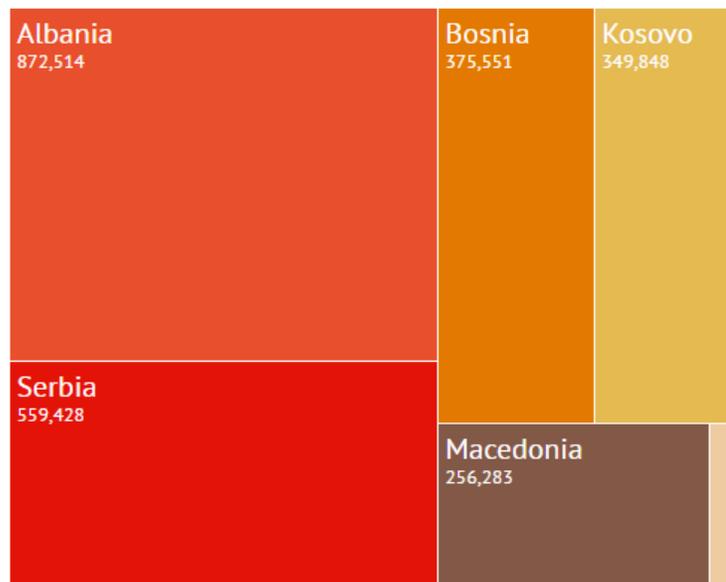
There are also pull factors that influence economic migration from the Western Balkans to the EU, including the EU’s labor needs. Skilled professionals such as medical professionals and IT engineers are able to integrate into the labor market and work legally in the European Union. This pull factor significantly contributes to the brain drain from the region. With lack of employment and career perspectives back home, many from the skilled workforce choose to emigrate.

The other major pull factor is the significant Western Balkans diaspora that has settled in the union over many decades. The first big wave of migration was in the 1960s and 70s, when Western Balkans nationals came as “guest workers;” the second wave was a product of Yugoslavia’s wars in the 1990s, when many fled the region as refugees.<sup>9</sup> In addition, there has been a steady flow of economic migration in the past 20 years. Estimates through the end of 2013 show over 2.7 million Western Balkans nationals who have valid residence permits in the EU and Switzerland.<sup>10</sup> Most of these come from Albania and Serbia, which could potentially explain why the outflow of asylum seekers from these countries was relatively higher when compared to other countries in the region. One should point out that these figures do not account for Western Balkans nationals who have obtained EU citizenship.

Remittances from these diasporas play a significant role for all countries in the region in both preserving their current account balance and alleviating social pressures. World Bank data shows a substantial and stable pattern of inward remittances to Western Balkans countries. On average, remittances have been around \$3-4 billion in Serbia, above \$2 billion in Bosnia, over \$1 billion in Albania and Kosovo, and below \$500 million in Macedonia and Montenegro per year in the past five years.<sup>11</sup> In terms of social cohesion, remittances act as family-organized social protection schemes. Emigration allows migrants to support their family members back home when jobs are scarce or nonexistent domestically. The diaspora therefore exerts a pull on residents of the Western Balkans, who see emigration as a credible option to improve their quality of life and that of their families.

Considering the benefits they garner in terms of remittances and the difficulty of providing for their citizens at home, it is not surprising that Western Balkans countries have allowed people to leave. In a sense, they have “exported” their poverty and social exclusion to the EU. With an increasingly restrictive border and migration system in Europe, however, this strategy may no longer be possible. Furthermore, some economic migrants will be coming back as migration conditions tighten. The influx of poor and deprived will be reflected in the-

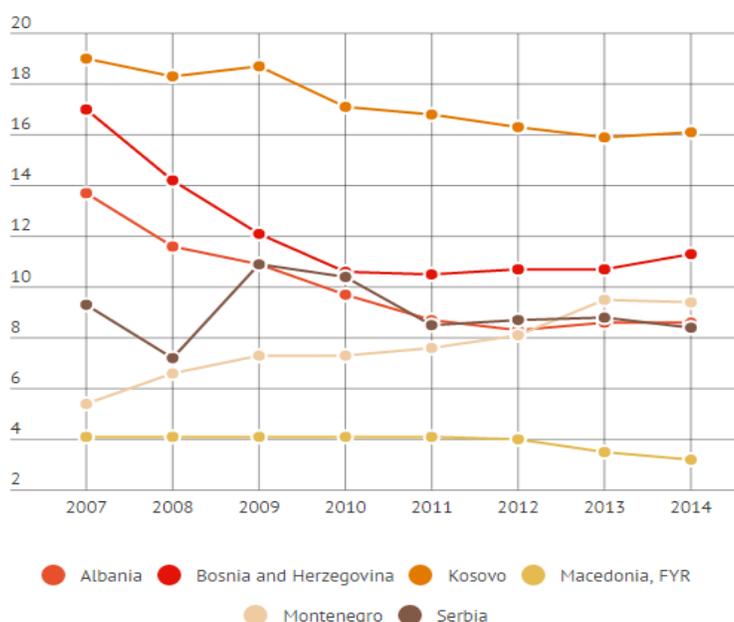
## Balkans nationals with residence permits in Europe, 2013



Graph 3: Balkans residence permits in the European Union and Switzerland  
Source: Stefan Alscher et al, 2015

socioeconomic situation. Social costs will increase, and social welfare will be burdened, which could lead to more frequent social protests if the state is unable to meet its citizens' needs.

## Remittances to Western Balkans countries, % of GDP equivalent



Graph 4: Remittances sent home by Balkans nationals  
Source: World Bank

### What way forward?

In times of elections or in lip service to the EU, Western Balkans governments have made declarations to improve social welfare, to provide public employment for the socially vulnerable and excluded groups, and to improve public services and infrastructure in rural areas. The implementation of such declarations remains uncertain. Without a decline in poverty or social exclusion, it is likely that economic migration from the region will continue and perhaps even increase. Illegal migration may rise as more barriers to legal migration are imposed.

Western Balkans countries should prioritize social cohesion to a greater extent. Even though public debts and budget deficits are a challenge across the region, there is room to maneuver within the current public finances. One way to secure funds for social cohesion is to cut down on wasteful public spending. A second way is to apply higher

scrutiny to public procurement by redoubling efforts to fight corruption and political criminality. In addition, national governments should make sure that existing policy instruments to spur growth and development, like self-employment programs and support for SMEs, are not abused and manipulated. They should also explore possibilities to introduce microcredits and other instruments that support agricultural cooperatives, and improve vocational education.

The EU's "Berlin Process" provides another opportunity for dealing with the root causes of Western Balkans migration. Initiated in August 2014 under German leadership with a summit meeting in Berlin, the process seeks to sustain the EU integration momentum, improve regional cooperation and good governance, and promote sustainable economic growth.<sup>12</sup> A follow-up meeting in August 2015 in Vienna resulted in concrete projects facilitating infrastructure and connectivity in transport and energy, regional cooperation, and youth exchange.<sup>13</sup> The next meeting is set to take place in Paris in July 2016.

The Berlin Process promises new opportunities for the region. It is reinvigorating EU enlargement and is keeping the region on the EU's map. At this point, however, like the overall EU enlargement process in the region, the Berlin Process lacks support for social cohesion and has a weak focus on democratic reforms. It may deliver much-needed investments in infrastructure that are necessary for economic growth, but only if corruption and rent-seeking are contained. To improve the odds of this, national governments should seek public-private partnerships to match the EU's investments. In this way, governments can decrease capital investments and use the finances for the needs of returning economic migrants, including investing more in rural and underdeveloped regions to create economic opportunities for those most in need. Governments should target the socially marginalized, including Roma and people living in rural areas, as these are the ones who are most likely to seek "economic asylum." These populations need improvement in their basic living

conditions, such as access to clean water, sanitation, and proper housing. They also need improved access to public services, like education and health.

Last but not least, Western Balkans governments and the EU should engage in a policy discussion to create instruments that channel economic migration toward legal means of employment. There can be mutual benefits from labor mobility, as Western Balkans economic migrants can help overcome labor shortages in the EU. But to do that, it is necessary to introduce work visas for these nationals as proposed by the Parliamentary Group of the German Social Democrats in August 2015.<sup>14</sup> If the EU can determine labor shortages in different member states, then it can seek qualified people in the region. While this is already happening with some professions, such as medical professionals, there is a need to systematize the effort. Such a policy could have a positive effect for the region and the union as well, and in the long run would contribute to the integration of Western Balkans countries into the EU.

<sup>1</sup> Felix Henkel and Bert Hoppe (eds), "Flucht und Migration. Debattenbeiträge aus den Ländern des Westbalkans, Internationale Politikanalyse," Berlin: Friedrich Ebert Stiftung, September 2015. Available at <http://bit.ly/1YUtZ11>

<sup>2</sup> Ibid.

<sup>3</sup> Regional Cooperation Council (RCC). "Balkan Barometer 2015," <http://bit.ly/1DVJcKF>

<sup>4</sup> For more see Zuzana Murgasova, et al., "Regional Economic Issues. The Western Balkans, 15 years of Economic Transformation." <http://bit.ly/1HbYZxw>

<sup>5</sup> For more see Zsoka Koczan, "Being Poor, Feeling Poorer: Inequality, Poverty and Poverty Perceptions in the Western Balkans", 2016, <http://bit.ly/1TfggSk>

<sup>6</sup> Standardized World Income Inequality Database v5.0 available at <http://bit.ly/1XplzXQ> and Eurostat available at <http://ec.europa.eu/eurostat>

<sup>7</sup> Felix Henkel and Bert Hoppe (eds), "Flucht und Migration. Debattenbeiträge aus den Ländern des Westbalkans, Internationale Politikanalyse," Berlin: Friedrich Ebert Stiftung, September 2015. Available at <http://bit.ly/1YUtZ11>

<sup>8</sup> Ibid.

<sup>9</sup> Stefan Alscher, Johannes Obergfell and Stefanie Ricarda Ross, "Migrationsprofil Westbalkan. Ursachen, Herausforderungen und Lösungssätze," Bundesamt für Migration und Flüchtlinge, 2015, <http://bit.ly/1X8krbU>

<sup>10</sup> Ibid.

<sup>11</sup> World Bank "Migration and Remittances," <http://bit.ly/1gJg1BM>

<sup>12</sup> "Final Declaration by the Chair of the Conference on the Western Balkans", 28 August 2014, <http://bit.ly/1Ww305Z>

<sup>13</sup> For more see the Federal Ministry for European Integration and Foreign Affairs of the Republic of Austria, <http://bit.ly/1Lyf2Hc>

<sup>14</sup> "Divided Germany seeks response to growing migration from the Balkans", Euractiv, 11 August 2015, <http://bit.ly/1Op4RHg>

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