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### **Thomas Jackson: Return Migration of the Highly Skilled to Serbia**

About the author:

Thomas Jackson is a PhD candidate at the School of Slavonic and East European Studies (SSEES), University College London. He holds a BA in politics from the University of Sheffield and an MA in Central and South East European Studies from SSEES.

Email: [tjmstja@ucl.ac.uk](mailto:tjmstja@ucl.ac.uk)

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Forschungsstelle Osteuropa an der Universität Bremen

Research Centre for East European Studies at the University of Bremen

Klagenfurter Straße 3

28359 Bremen

Germany

e-mail: [fsopr@uni-bremen.de](mailto:fsopr@uni-bremen.de)

Language editing: Hilary Abuhove and Christopher Gilley

## Abstract

The focus of this research is skills and knowledge transfer to Serbia through return migration. The project will examine Serbian migration (specifically the wave that began in the 1990s) in order to capture the complete migration dynamic: from the receptivity of the source country, the different sectors in which migrants can return to, the acquisition and utilisation of skills, and the networks within which they are active.

An important consequence of migration is the potential for co-ethnics living in developed countries to contribute to transition in the homeland. Individuals play a crucial role in the transfer of technology, skills and knowledge across borders, though the precise mechanisms involved in this exchange are not fully understood. Research into return migration and its impact upon development has led to an increasing recognition of the importance of specific institutional, economic and political conditions in the home country which may affect the likelihood that the highly skilled return to their home country. Return migrants can also experience improvements in wages and status as a result of the diverse ways in which their acquired skills and knowledge are 'commodified' in the homeland. Recent case studies suggest that migration is driven by a range of disparate factors not captured by earlier theoretical and conceptual research. In addition to economic (and perhaps philanthropic) motivations, we must add rationales such as better opportunities for children or better spouse career opportunities. Indeed, quality of life often trumps career opportunities as a reason for return migration.

For many years it was common for migration studies to downplay the potential impact of circulatory migration upon sending countries, or to emphasise the negative consequences of return migration on labour markets. More recently, this evaluation has changed and there is greater acknowledgement of the value of migrant investment and support to the sending country. A growing number of studies have shown that migration, even for short periods, is a source of financial capital and skills acquisition on a scale that would not be otherwise possible.<sup>1</sup> Our understanding of circulatory and return migration, however, is undermined by a lack of reliable data and case studies. Theory remains untested because few qualitative – and fewer quantitative – studies exist. Data problems are huge obstacles to qualitative migration research (leading to increasingly complicated models and more inventive use of proxies). More representative surveys and detailed qualitative studies would clearly help to produce stronger conclusions and recommendations. This research intends to contribute to the modest body of empirical work on migration by comparing the return migration in different sectors of employment in Serbia, including the research sector (university and institute), government, international organisations, NGOs (domestic and international) and the corporate sector (domestic and international business).

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1 Agunias, Dovelyn Rannveig: Remittances and Development: Trends, Impacts and Policy Options, Washington: Migration Policy Institute, 2006.

## 1. Introduction

South-eastern Europe is not a popular subject for migration studies, due to concerns over the veracity of data, confusion over conflict-related population changes and problems of disaggregating national statistics after changes in territorial definition. Indeed, the few studies that examine migration from the region, notably the former Yugoslavia, complain that accurate statistics are hard to come by. The former Yugoslavia experienced several waves of migration in the post war period, mainly for economic reasons. The 1990s saw the start of a new exodus in response to a combination of factors including war, dire socio-economic conditions and the isolation of the regime. Among the hundreds of thousands of Serbian migrants living abroad, a significant proportion are professionals, specialists and academics. These include scientists, researchers, senior managers and students, the majority lured abroad by attractive career opportunities, salaries and better overall conditions. The migration has decimated some fields of research in Serbia. At the Nuclear Research Institute, for instance, a third of senior staff left in 1993 alone – some 70 scientists. As a result of this massive ‘brain drain’, the former Minister of Science and Technology, Vlastimir Matejic, remarked on the country’s retreat into a ‘pre-industrial era’.<sup>2</sup>

In part because of the prolonged economic and political problems facing the country, the prospect of return among highly skilled migrants is lower in Serbia than neighbouring countries. Moreover, since 2000 it has become easier for migrants to move abroad as competition has grown in developed countries for highly skilled migrants, along with improved visa procedures. However, there are signs that Serbia is taking a greater interest the potential for its diaspora to contribute to development. The Ministry of Diaspora is active in contacting Serbian communities in Europe, North America, Australia and New Zealand, whilst there are growing efforts to re-establish connections in the field of scientific-technical co-operation.<sup>3</sup> Using survey and interview techniques this research will examine the attitudes of returnee migrants by collecting data on their experiences, competences and perceptions. The goal is to contribute to a greater understanding of skilled labour migration.

## 2. Brief Overview of Highly Skilled Migration in Serbia

Evidence from Serbia shows that significant numbers of scientists, academics and managers have left the country in the past two decades. In 2005, the emigration rate at tertiary-level education was 17 per cent. For the same year, 7.3 per cent of physicians (or 1,794 individuals) went abroad.<sup>4</sup> Research conducted by the Belgrade Institute for International Politics and Economics during 1993, 1994 and 1995 found that almost 1,300 researchers (mostly graduated students, PhD researchers from the natural sciences) went abroad 1979–1994.<sup>5</sup>

The science sector in Serbia is considered a notable strength because of the high output of qualified graduates produced by the education system. However, the exodus of the most qualified is a threat. The most important ‘push’ and ‘pull’ factors for the brain drain are recorded in Grecic et al. (1996), who examined migrant motivations and found that among scientists and the highly skilled, 24.8 per cent cited ‘low living standards’ and 18.7 per cent ‘future uncertainty’ as the main motivation behind their migration.<sup>6</sup> Further reasons are listed below:

- 2 Kinser, Stephen: Yugoslavia Losing the Highly Skilled, in: *New York Times*, 1993, <http://query.nytimes.com/gst/fullpage.html?res=9F0CE7D71F3AF937A35756C0A965958260&sec=&spon=&pagewanted=all> [accessed 7 December 2007].
- 3 Vukovic, Drenka: Migrations of the Labour Force from Serbia, in: *South-East Europe Review*, 2005 (Vol. 4), pp. 139–150, here p. 148.
- 4 International Organisation of Migration: *The Republic of Serbia including the Province of Serbia: Migration profile*, Ljubljana: Ministry of the Interior Republic of Slovenia, 2007.
- 5 Nikolic, Marko: Immigration of Serbia and Montenegro Citizens in the European Countries, in: *Studia Universitatis Babeş-Bolyai – European Studies*, 2–3, 2005, pp. 79–90, here p. 85.
- 6 Grecic, V. / Matejic, V. / Kutlaca, Đ. / Mikic, O.: *Migration of highly-skilled and scientists from Yugoslavia*, Belgrade: IMPP, 1996, here p. 40.

Material-technical conditions unfavourable to scientific work	5.5%
Economic instability	5.5%
Insufficient possibilities for the affirmation of scientific work	2.1%
Lack of scientific information	2.1%
War in Yugoslavia	1.8%
Political instability	1.4%
Lack of possibility for the realisation of own ideas	1.4%

Some international organisations are involved in attracting the highly skilled back to their homelands. In 2007, in conjunction with the Serbian Ministry of Diaspora, the Dutch government and the International Organisation for Migration (IOM) launched a programme directed at the temporary return of first or second generation migrants of Serbian origin living in the Netherlands. The programme targeted specialists in the health, education and infrastructure sectors. The Ministry of Diaspora is also compiling a database of highly qualified Serbian migrants in order to connect them with relevant institutions in the country. This initiative is part of the government's aim to create a global network of highly educated Serbs. The Ministry of Diaspora has also produced an 'Action Plan' designed to develop economic, political and cultural links with the diaspora, whilst Serbs living abroad are encouraged to vote in Serbian elections. Further, the Serbian government has simplified registration processes for foreign investors.

Baraulina et al. (2007) argue that the internal political structure in Serbia has a strong impact upon the level of diaspora involvement.<sup>7</sup> During the Milosevic era, the emergence of Serbian identity was exploited as much within the diaspora as it was in Serbia, and the government managed to raise substantial funds abroad. Consequently, the post-2000 government ignored the diaspora, believing that it was largely pro-Milosevic. Suspicious of the diaspora in general, this attitude might explain why the Serbian government's policy has focused on attracting the wealthiest migrants, hoping that they will buy entire companies.<sup>8</sup> This approach is advocated by Devane (2006), who argues that the most promising model for attracting investment is to focus on the key players within the diaspora, the politically active and professionally successful actors.<sup>9</sup> The position they hold could be used to boost awareness of the business opportunities in the homeland. By convincing their company to invest in their homeland, and by being involved in this process, some migrants use their background to advance their career prospects.<sup>10</sup>

One problem that limits pro-active policy formulation is the relative low priority given to migration within the government. The Ministry of Diaspora is the responsibility of a minor political party without any influence, meaning that its ability to influence policy is marginalised and limited to symbolic policies. It is common for diaspora actors within the home government to have limited resources to press forward an agenda within the government. However, symbolic actions can also have important effects: 'They contribute to the establishment of political relationships, with important repercussions for the economic activities of the diaspora in Serbia.'<sup>11</sup>

7 Baraulina, Tatjana / Bommers, Michael / El-Cherkeh, Tanja / Daume, Heike / Vadean, Florin: Egyptian, Afghan, and Serbian Diaspora Communities in Germany: How do they Contribute to their Country of Origin, Hamburg: Hamburg Institute of International Economics, 2007.

8 Martin, Susan: Best Practice Options: Yugoslavia, in: International Migration, 2002 (Vol. 40), No. 3, pp. 59–70, here p. 66.

9 Devane, R.: 2006. The Dynamics of Diaspora Networks: Lessons of Experience 2006, in: Kuznetsov, Yevgeny (ed.): Diaspora Networks and the International Migration of Skills: How Countries can Draw on their Talent Abroad, Washington: World Bank Institute, 2006, pp. 59–70.

10 Baraulina, Tatjana / Bommers, Michael / El-Cherkeh, Tanja / Daume, Heike / Vadean, Florin: Egyptian, Afghan, and Serbian Diaspora Communities in Germany: How do they Contribute to their Country of Origin, Hamburg: Hamburg Institute of International Economics, 2007, here p. 23..

11 Baraulina, Tatjana / Bommers, Michael / El-Cherkeh, Tanja / Daume, Heike / Vadean, Florin: Egyptian, Afghan, and Serbian Diaspora Communities in Germany: How do they Contribute to their Country of Origin, Hamburg: Hamburg Institute of International Economics, 2007, here p. 47..

### 3. Overview of Migration Research

Until the 1970s, brain drain was generally considered dangerous for countries; the loss of highly-skilled human capital depressed growth and production potential.<sup>12</sup> In response, research concentrated on developing policies to mitigate large-scale migration of the highly skilled. Recent literature has emphasised that migration can act as a spur for reform, human capital formation and economic productivity.<sup>13</sup> Countries are encouraged to create conditions that encourage 'brain circulation', that is the maintenance of a relationship between the migrant and the homeland.

A significant bulk of migration literature has focused on the position of migrants within receiving countries. For example, detailed studies of permanent migrants have largely concentrated on integration issues and their impacts on the receiving country's economy and society. The same can be said of studies on temporary worker schemes.<sup>14</sup> An expanding sub-category in the field is migration and development. However, perhaps reflecting the requirement of commissioning agencies to present concrete findings and recommendations, there is a discernible tilt towards tangible, measurable transfers, i.e. remittances. Yet the emergence of the highly skill diaspora also reduces the burden on the developing country in other ways than money transfers. Successful individuals in the diaspora have the opportunity to gain professional skills that would only be available to a tiny elite in the home country, if at all.<sup>15</sup>

A well-educated workforce is crucial to national economic development. In terms of technology, evidence suggests that progress in developing countries comes from transfers from abroad rather than domestic innovation. The loss of experts, scientists and managers at the top of their professions who make direct contributions to development and innovation will therefore have a palpable impact. It is exactly within these fields, however, that the risk of migration is often highest.

Evidence from country studies suggests that migration prospects encourage domestic enrolment in education.<sup>16</sup> Individuals enrol in training in subjects with high employment potential abroad, such as the IT industry. Cases studies in Armenia, Ireland and India suggest that the return of highly skilled specialists from the diaspora has been of particular importance in the development of IT industries in these countries.<sup>17</sup>

Some countries such as South Africa, Colombia and South Korea have established networks to help scholars abroad find employment at home. South Korea and Taiwan particularly are viewed as countries which 'pioneered' return migration networks and policies during the 1970s. They gave government support to research institutes charged with finding the most talented individuals within the diaspora. The individuals identified were then lured back (with incentives) to accept positions in these institutes or to return on temporary 'testing the waters' trips. The establishment of migrant associations and databases was crucial to these efforts.<sup>18</sup> Moreover, as noted above, policies directed at improving conditions in terms of

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- 12 Adams Jr./ Richard J: *International Migration, Remittances, and the Brain Drain: A Study of 24 Labor-Exporting Countries*, World Bank Policy Research Working Paper 3069, Washington: World Bank, 2003, here p. 1.
  - 13 Horvat, Vedran: *Brain Drain. Threat to Successful Transition in South Eastern Europe?*, in: *South East European Politics*, 2004 (Vol. 5), No.1, pp. 76–93, here p. 81, <http://www.seep.ceu.hu/archives/issue51/horvat.pdf> [accessed 2 February 2007].
  - 14 Agunias, Dovelyn Rannveig: *Remittances and Development: Trends, Impacts and Policy Options*, Washington: Migration Policy Institute, 2006.
  - 15 Kuznetsov, Yevgeny / Sabel, Charles: *International Migration of Talent, Diaspora Networks, and Development: Overview of Main Issues*, in Kuznetsov, Yevgeny (ed.): *Diaspora Networks and the International Migration of Skills: How Countries can Draw on their Talent Abroad*, Washington: World Bank Institute, 2006, pp. 3–20, here p. 16.
  - 16 Docquier, Frederic / Rapoport, Hillel: *Skilled Migration: the Perspective of Developing Countries*, Policy Research Working Paper Series: no. WPS 3382, Washington: World Bank, 2004.
  - 17 Lowell, Lindsay B. / Gerova, Stefka G.: *Diasporas and Economic Development: State of knowledge*. Institute for the Study of International Migration, paper prepared for the World Bank, Washington, 2004.
  - 18 Wade, Robert: *A New-Old approach to Industrial-Cum-Immigration Policy*, Working Paper Series, No.01-13, Development Studies Institute, London School of Economics, 2001.

research and development environments and infrastructure have the potential to attract talented individuals. Whilst much attention has been given to the science sector, it must not be forgotten that return migration is important in other areas where other agency is involved, such as regional government, multinational business, media, arts, agriculture, etc. Technology adoption can benefit the country's development in many different ways.

#### 4. Stored Knowledge Abroad: the Benefits of Return Migration

According to Gosh (2005), three factors are important for the transfer of skills and knowledge through return migration.<sup>19</sup> Firstly, individuals must have acquired skills that were unavailable in the homeland. Secondly, there must be a demand for these skills. Finally, the returning migrants must be willing to adapt their acquired skills and knowledge to the sending country's environment. However, the benefits of migration are not limited to formal skills. Many working in industries where there are few opportunities to pick up formal skills and qualifications (such as domestic help) still leave with a positive evaluation of their time abroad. Williams and Balaz (2003) found that some au pairs who returned to Slovakia after working in the UK had gained tacit skills and were able to get better jobs and wages.<sup>20</sup> This finding supports the argument that by focusing on explicit skills and knowledge and financial capital, the existing research fails to capture an important aspect of skilled migration.<sup>21</sup>

Despite the publishing of more positive literature on the linkages between migration and development in recent years, doubts still remain over the role that migrants can play in development, especially regarding the relative benefits of temporary versus permanent return, and what the best agents and policies for encouragement are. More research is needed to shed light on the following questions so we can evaluate the effectiveness of return migration:<sup>22</sup>

1. What are the conditions that lead to return migration?
2. What determines migrant selectivity?
3. Under what circumstances do they choose to return?
4. What are the social and economic benefits and costs of their return?
5. What is the role of the sending and receiving countries, and of international organisations?
6. How do networks influence return migration?

In terms of policy relevance, circular migration is important from two perspectives: firstly, the return of those permanently based abroad (with a retention of foreign residency) for business, professional, philanthropic and educational reasons, and secondly for temporary residence abroad for work, study, research, cultural activity or voluntary service. The latter may 'involve repeated cycles of residence abroad, possibly with some privileged access to re-entry to the destination country'.<sup>23</sup>

It has been suggested that the optimal outcome is for high rates of return after temporary migration. In this view, the promotion of international mobility of highly trained workers generates 'feedback effects,' one of which is return migration. Most researchers agree that the category of skills and employment are important determining factors for whether migration leads to brain circulation and the transfer of skills. Having a large highly skilled diaspora offers great potential for attracting investment and boosting trade.

19 Gosh, Bimal N.: Economic Effects of International Migration: A Synoptic Overview, in: IOM, (ed.): World Migration, Geneva: IOM, 2005, pp. 163–83, here p. 179.

20 Williams, Alan M. / Balaz, Vladimir: From Private to Public Spheres. The Commodification of the Au Pair Experience? Returned Migrations from Slovakia to the UK, in: Environment and Planning A., 2004 (Vol. 36), pp. 1813–1833.

21 Williams, Allan M. / Balaz, Vladimir: What Human Capital, which Migrants? Returned Skilled Migration to Slovakia from the UK, in: International Migration Review, 2005 (Vol. 39), pp. 439–468, here p. 465.

22 Lucas, R.E.B.: International Migration to the High Income Countries: Some Consequences for Economic Development in the Sending Countries, Annual Bank Conference on Development Economics, 2004.

23 Global Forum on Migration and Development: Roundtable 1: Human Capital Development and Labor Mobility: Maximizing Opportunities and Minimizing Risk, Background Paper, Brussels, 2007, here p. 4.

Domestic workers may pursue higher education in the hope of going abroad, and if they return they can boost the sending country's productivity through the technological expertise, knowledge and skills they have picked up in the receiving country.<sup>24</sup>

In addition to viewing the diaspora as potential entrepreneurs and investors in the homeland, recent literature has stressed the importance of its role as bridges between sending and receiving countries. They can provide access to markets and investment whilst those in influential positions can direct debate and 'articulate reform plans, help implement reforms and new projects'.<sup>25</sup>

The pessimistic flip side argues that the source country loses qualified manpower and emigrants do not pick up new skills or use the ones they already have. Further, highly skilled individuals are unlikely to return if they must forego relatively higher living standards in the receiving country. Many argue that return is only likely after sustained growth, by which time the high point of brain drain is likely to have passed. Some also view mobility as highly detrimental on developing countries since they lose the best people from key positions, thus weakening human capacity (capital) to harness modern technology.

There is a lack of consensus on the best recommendations for return policy, particularly in terms of the utility of permanent return and temporary worker programmes. On the whole, migration literature bemoans the lack of data and its own inability to prescribe policy recommendations. It is generally accepted that the impact of policies designed to promote migrant circulation depends on the political, economic and social conditions within the home country. Papademetriou (1998) identifies two necessary conditions before return migration can have a positive impact upon development: there needs to be a critical mass in the numbers of successful migrants, and the country must have put into place structural reforms that are required for sustainable development.<sup>26</sup> A favourable environment not only facilitates and encourages re-migration (through reducing the risks of return) but also increases the impact of the transfer of skills and expertise that the professional migrant has to offer to the country beyond a material impact upon households.

As Lowell and Gerova (2004) write: 'infrastructure, the business climate, and prevailing political and legal rights strongly condition the desirability of return and the possibility of success'.<sup>27</sup> There is too little research, however, to conclusively argue that return is unconditionally good, and far too little is known about the various mechanisms that may foster successful development in the wake of returning migrants.

## 5. Research Methodology

Faced with the complexity of migrant decision-making, an effective research methodology must be able to capture the dynamics of the migration experience and to identify and rank motivations according to economic, political, social and personal reasons. Along these lines, this research will break down a selection of migrants according to how spatial and social differences within the group affect their experiences and the valorisation of their acquired skills when they return.

Using the list of sectors and actors below as a foundation, I intend to question a sample of returnees (and circulatory migrants) about their complete migration experience. An initial pilot questionnaire will be used to test hypotheses and collect information on knowledge and skills acquisition and transfer. In order to capture the huge variance in migration, the respondents are separated into the following categories:

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- 24 Agunias, Dovelyn Rannveig: Remittances and Development: Trends, Impacts and Policy Options, Washington: Migration Policy Institute, 2006.
  - 25 Kuznetsov, Yevgeny / Sabel, Charles: International Migration of Talent, Diaspora Networks, and Development: Overview of Main Issues, in Kuznetsov, Yevgeny (ed.): Diaspora Networks and the International Migration of Skills: How Countries can Draw on their Talent Abroad, Washington: World Bank Institute, 2006, pp. 3–20, here p. 3.
  - 26 Papademetriou, Demetrios: Immigration Myths and Realities, in: UNESCO Courier, Washington, November 1998.
  - 27 Lowell, Lindsay B. / Gerova, Stefka G.: Diasporas and Economic Development: State of Knowledge, Institute for the Study of International Migration, paper prepared for the World Bank, Washington, 2004, here p. 14.

- Foreign university scholarship recipients
- Technical personnel
- Scientists and engineers
- Trainees within the corporate sector
- Entrepreneurs

The research uses a typology of development agency in Serbia, relevant for migration and development research. The targeting of these agents will help in identifying returnee migrants:

- Administrative bodies (government institutions and agencies),
- Intermediary organisations and funding agencies (such as innovation centres and IT parks),
- Foreign agencies for the support of technological and economical development (foreign embassies and international organisations),
- International and domestic non-government organisations, research bodies (universities, R&D institutes).

The sample size is expected to expand through a snowball method. Participants will be located through a variety of means, including alumni associations, diaspora databases and projects specially designed to promote return migration.

The questionnaire is divided into sections covering the pre-migration period (decision-making processes and the relative importance of different 'push' and 'pull' factors) the period in the host country and once they have returned to Serbia. The latter is particularly important for understanding how migrations evaluate their knowledge and skills, and the prospects for their involvement in Serbian transition and return. In brief, the survey will attempt to examine skills and knowledge transfers using the following hypotheses:

1. Migrants in unskilled jobs are also recipients of different types of knowledge, which are given value on the return to the country of origin. Unskilled jobs give migrants the opportunity to enhance their 'total' human capital by accumulating social skills and 'socially situated' learning.
2. Existing conceptions of highly skilled labour migration (brain gain, brain drain, etc) do not reflect changes in the employment experiences of the migrant according to the migration cycle.
3. Temporary migration can satisfy migration desires (new experiences, gains in skills and knowledge). On return to the sending country, these are commodified, in turn enhancing the individual's wages and status, and obviating the need for permanent migration.<sup>28</sup>

The questionnaire will be accompanied by in-depth semi-structured interviews of the respondents. Combining the two techniques has the advantage of, on the one hand, creating a dataset comparable with previous studies on migration which can be analysed using quantitative methods, and on the other hand, uncovering detailed individual migrant stories that cannot be discerned in a questionnaire format.

## 6. Summary

In summary, positive feedbacks from migration are more likely if the country is in a position to be developed. If migration does not stimulate development then structural problems within that country are to blame. Certain prerequisites must be in place before a country can attract highly skilled migrants to assist in the development process: firstly, the country must be in a position to make use of the human capital; secondly, it must be able to provide an attractive social and political system. The major benefit of migration is recognised as the transfer of technology and know-how, though the precise mechanisms for this exchange are not understood.

There are obvious difficulties in quantifying the skills and competences of returnee migrants. This has led many researchers to focus on formal qualifications and occupational attainment at the expense of

28 Williams, Alan M. / Balaz, Vladimir: From Private to Public Spheres, the Commodification of the Au Pair Experience? Returned Migrations from Slovakia to the UK, in: *Environment and Planning A.*, 2004 (Vol. 36), pp. 1813–1833.

other social and personal skills. Findings from some studies show that returning migrants value growth in personal attributes such as confidence and cultural perspective over increases in status and salary. The former can be fundamentally important for how migrants understand their development in both the receiving and home countries, and it is therefore a valuable exercise to collect information on these skills, as well as those which are more easily observable, if we are to fully understand whether migrants become agents for change in the sending country.