

Policy Brief

Authors: Ana Milinković, Junior Researcher, CEP; dr. Jelena Žarković, professor, Foundation for the Advancement of Economics - FREN

Circular and return migration

What can Serbia learn from EU countries' experiences?¹

In the last decades, Serbia has been facing serious demographical challenges. The low rates of natural increase in population combined with the negative net migrations caused depopulation² at the state level. This trend is the strongest in rural areas and less developed regions. Circular migration (repeated legal migration of the same person between two or more countries³), whose importance has been increasing both globally and in Serbia in the past decade, could lead the way out of this problem. Although today, it is much easier to emigrate from Serbia than it used to be in the past – primarily due to the termination of sanctions and the democratisation process, and later, visa liberalisation and bilateral agreements with some European Union (EU) countries on the facilitated movement of labour, Serbia hopes for further procedure simplification, especially in the context of EU integration. As an EU candidate, Serbia should be ready for all the upcoming changes.

Experience of EU countries, some of which have already gone or are currently going through the problems that are awaiting Serbia in the upcoming years – lack of qualified labour force, population ageing, the increased outflow of the population after the EU integration, are of great importance for decision-makers in Serbia. By learning from others, Serbia could save much time in searching for a circular and return migration management model and measures to encourage such migration. Accordingly, this paper analyses the state of play in circular and return migrations in Serbia, as well as the situation and measures in three EU countries that faced large population outflow and found different ways to deal with it – Estonia, Ireland, and Bulgaria. It aims to identify circular migrants' needs and to point out examples of good practices, mistakes made, and final results in the above-mentioned countries, as these could be used as a guide in circular migration management in Serbia.

1 This policy brief was written within the framework of the project "Circular migration before depopulation! Innovative solutions to encourage circular migration as a pillar of increased competitiveness and economic development" jointly implemented by the European Policy Centre – CEP and the Foundation for the Development of Economic Science – FREN from January 2022, with the support of the European Commission.

2 UNDP, 2021, [Predstavljena nova saznanja o depopulaciji u Srbiji](#) [Presented new findings about depopulation in Serbia].

3 European Migration Network (2011): Temporary and Circular Migration: empirical evidence, current policy practices and future options in EU Member States. Publications Office of the European Union: Luxembourg.

Migrations are not a one-way process

In Serbia and other countries in the Western Balkans (WB), the "brain drain" phenomenon is often discussed and highlighted. Accordingly, there are many suggestions on ways to slow down the brain drain and the population outflow. However, the real picture is somewhat different. The educational structure of emigrants is very similar to the educational structure of the domicile population.⁴ Recent research suggests the brain drain issue to be exaggerated as those with a secondary education have the largest share among emigrants. All WB countries recorded negative net migration⁵ (the number of emigrants was greater than the number of immigrants) from 2010 to 2019. Nevertheless, evidence of the brain drain phenomenon exists only in Albania, Bosnia and Herzegovina, and Kosovo⁶. On the other hand, Serbia is facing an inflow of highly educated population⁷, mostly due to a large number of those returning from studies abroad and the inflow of students and highly educated population from Bosnia and Herzegovina, and Montenegro.

Regardless of these factual discrepancies, due to the significant pressure from the public, the Government started preparing the Strategy on Economic Migration in 2019. In accordance with the public atmosphere, the focus was on preventing population outflow. Finally, in 2020, a somewhat more balanced document was adopted.⁸ The new document partially recognises the need to look at migration in a broader and more comprehensive way. Nevertheless, the adopted measures still indicate concerns about the phenomenon of brain drain and are primarily aimed at encouraging the return of highly educated individuals to Serbia.

4 Arandarenko M., (2020), Poglavlje 4: Migracije, kvalifikacije i tržište rada [Chapter 4: Migration, Qualifications, and Labour Market] in Nacionalni izveštaj o ljudskom razvoju – Srbija 2020 [National Report on Human Development – Serbia 2020], UNDP.

5 Leitner S., (2021), Net Migration and its Skills: Composition in the Western Balkan Countries between 2010 and 2019: Results from a Cohort Approach Analysis, The Vienna Institute for International Studies.

6 This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

7 *Ibid.*

8 Strategija o ekonomskim migracijama Republike Srbije za period 2021-2027 godine [Strategy on Economic Migrations of Republic of Serbia for the period 2021-2027], Službeni glasnik RS, broj 30/18.

Circular and return migration approach in Estonia, Ireland, and Bulgaria

Estonia, Bulgaria, and Ireland have entirely different historic backgrounds, economic conditions, and demographic characteristics. The problem of large population outflow that these countries faced in the past is their common denominator and the similarity they share with Serbia, as well. Bulgaria and Estonia experienced the last major emigration wave after joining the EU as opportunities to find work in the old member states increased. Ireland is traditionally a country of emigrants, where the outflow of the population began more than a century ago. Additionally, all three countries experienced increased migration after the 2008 economic crisis, but all eventually managed to reverse this trend to some extent. In addition, although the data on the socio-economic profile of returnees is scarce, some research suggests that in Estonia⁹ and Ireland¹⁰, the share of highly educated people in the total number of returnees is high compared to the total emigrant population.

These three countries have adopted completely different approaches to managing migration in their countries. All three have an adequate legislative framework that supports the return of emigrants, but Estonian is the most developed one. In Estonia, the state plays a strong role in creating a support network for returnees. Thus, civil society is not active. This is possible, among other reasons, because Estonia is a small country population-wise, but also because it has gone very far with building the digital public infrastructure. In Ireland, the role of providing support to returnees is divided between governmental and non-governmental sectors. The state helps relevant civil sector organisations (CSOs) and transfers a large segment of the work, which is anyway more suitable for the CSOs to execute. Finally, in Bulgaria, civil society almost completely took over the care of return and circular migrants, because the state, although it adopted migration-related strategies, did not make any significant steps in their implementation. Additionally, in the latest Bulgarian migration-related strategy, the focus got almost entirely shifted from trying to attract the local population to return to the country, to curbing illegal migration.

At the moment, the approach to return and circular migration adopted by Ireland seems to best suit Serbia's needs. Estonia is achieving satisfactory results, but the size of the country allows it to solve this issue without the help of civil society. Bulgaria has not found its way yet; the attempts are inconsistent and come almost exclusively from civil society, which does not have sufficient capacities to deal with this issue independently. The approach adopted by Ireland, with intensive cooperation between the state and the civil sector, could be suitable for Serbia as cooperation between the state and CSOs has already been set up in this field. This approach corresponds to the current circumstances, the needs of circular migrants, but also the population size.

What do circular migrants need? Experiences of selected countries

Incentives for circular and return migration come from a number of sides. Economic conditions in the country are a particularly important factor that can encourage both, emigration and immigration. A strong connection between the rate of economic growth and net migration shows this importance. Namely, the mass return of Estonians to the country began with the greater economic recovery of the country.¹¹ After the 2008 financial crisis, Estonia managed to rebuild the economy and achieve very high economic growth rates, considerably higher than the EU average. This was a push for many migrants, primarily from neighbouring Finland, to return to the country. After several years, Estonia had positive net migration for the first time since gaining independence.¹² A similar course of events took place in Ireland during the "Celtic Tiger" period. In this period, which began in the 1990s and lasted until the crisis of 2008, Ireland achieved enviable economic results with double-digit economic growth rates.¹³ Practice, therefore, indicates the necessity of having stable economic parameters if the goal is to encourage circular and return migration.

Nevertheless, empirical evidence show that economic conditions are very often not the only motive for return migration. Most migrants decide to leave the country for economic reasons. On the other hand, the reasons for returning are often non-economic. Research conducted in 2017 and 2018 in Bulgaria shows a wide range of reasons for returning to the country.¹⁴ Most often, individuals return to Bulgaria because of nostalgia, disappointment due to separation from home, and the desire to be close to family members and friends. Health reasons are also common, due to problems with the regulation of health insurance and cheaper health services in Bulgaria. Empirical research conducted in Ireland points to similar conclusions, as being with family and friends seems to be the dominant reason for returning to the country, as well as people's desire for their children to grow up and attend school in Ireland.¹⁵ Consequently, these "non-economic factors" gain importance considering that circular migrants spend part of their time abroad and the other part in the country of origin, and therefore are not as dependent on the economic conditions in the country as people who intend to return to the country permanently.

The ease and flexibility of moving from the country of origin abroad and vice versa is probably one of the most important factors for circular migrants. Among the obstacles that circular migrants face are those of administrative nature. Seemingly simple administrative problems often become almost insurmountable when a person is abroad. For this reason, all three mentioned countries, and above all Estonia, attempted to simplify the provision of administrative services to their citizens. Estonia has solved most of the administrative problems with a high degree of digitalisation. Yet, additional changes and further facilitation of administrative services are necessary. Serbia has also made significant steps towards greater digitalisation and today may be considered the regional leader in public administration digitalisation, which significantly facilitates the circulation of migrants. However, there is still much room for improvement.

¹¹ [Statistics Estonia](#)

¹² *Ibid.*

¹³ [Central Statistics Office, Ireland](#)

¹⁴ Bakalova M., Misheva M., (2018). Explanations of economic rationality challenged: Contemporary return migration to Bulgaria, *Economic studies*, Volume 27 (2) , 2018.

¹⁵ Indecon eEconomic Report on Addressing Challenges Faced by Returning Irish Emigrants, 2018, Indecon International Economic Consultants, Indecon.

⁹ Massp J., Eamets R., Motsmees P., (2014), Temporary migrants and occupational mobility: evidence from the case of Estonia, *International Journal of Manpower*, Vol. 35, No. 6, 753-775.

¹⁰ O'Leary E., Negra D., (2016), Emigration, return migration and surprise homecomings in post-Celtic Tiger Ireland, *Irish Studies Review*, 24:2, 127-141.

Resolving legal status is perhaps the most critical issue for circular migrants. Therefore, the possibility of having dual citizenship is of immense importance, as well as the chances of obtaining a residence permit, because access to different rights and benefits depends on their status. The analysed countries, each in their own way, try to make it easier for people of their origin to obtain either a residence permit or citizenship. For example, in Ireland, children receive citizenship automatically even when they are born outside of Ireland if at least one parent has Irish citizenship. Consequently, a foreign birth certificate is sufficient to obtain an Irish passport, and there is no need to obtain a birth certificate in Ireland.¹⁶ Serbia has also taken certain steps to help people of Serbian origin to start their life anew in Serbia. Namely, the [Returning Point](#), in cooperation with the Government, within the framework of the [Carta Serbica](#) program, significantly simplified and accelerated the process of obtaining a residence permit for individuals of Serbian origin. Such and similar initiatives can be crucial for making the decision to return, but even more to engage in circular migration.

Another prerequisite for encouraging circular migration is the availability of information important for staying in the country and the possibility of accessing them. All three analysed countries, in different ways, provide such services to their citizens or compatriots. In Estonia, the [Integration Foundation](#), within the Ministry of Culture, has gathered all the information return and circular migrants need in one place. The portal for circular and return migrants provides information about the benefits that are available, conditions that must be met to acquire certain rights, obligations upon return, opportunities for finding a job, enrolling children in school, and so forth. [The Emigrant Support Programme](#), which operates as a non-governmental organisation but receives financial and non-financial support from the Irish government, provides such information for Irish return migrants, whereas in Bulgaria, the [Tuk-Tam](#) CSO does the same. In Serbia, this segment of work with circular and return migrants is covered by the CSO [Returning Point](#), which gives most, but not all, of the necessary information on its website.

Returning to the country after a long time is often accompanied by a cultural shock. After a course of years of building new, different habits, an individual returns to his/her country and feels like a stranger. Additionally, there is still a stigma in society about return migration as it is often perceived as a failure. Return migrations are coupled with countless challenges. Circular migrations and the life of modern nomads, maybe even more. Ireland and Estonia have recognised the fact that circular and return migrants face specific types of stress and difficulties. In Ireland, circular and return migrants have access to psychological counselling free of charge, while in Estonia, support groups are available as well, where it is possible to exchange experiences and talk to those who have gone through similar experiences. In Serbia, on the other hand, neither authorities nor CSOs have yet recognised the need for such support.

When deciding about the place of residence, circular migrants need to think about all family members. One of the main obstacles to the return of the Irish is that kindergartens in Ireland are very expensive, and it is difficult to secure a place. Such simple everyday problems may discourage those who would otherwise want to return. Nevertheless, the importance of this issue is not sufficiently recognised in Ireland. On the other hand, Estonia is a bit more careful when it comes to taking care of all family mem-

bers, that is, all demographic groups. The state provides help and assistance in the process of adjustment of spouses who are of other nationalities and helps with enrolling children in kindergarten and school. There is also an option to follow the primary and secondary education programs remotely, making it possible for children to continue their education even during their stay abroad. Although there is a possibility of completing education part-time in exceptional cases, the education system in Serbia has not yet taken the necessary steps to adapt to the needs of circular migrants.

In terms of the highly qualified population, most countries do recognise the need for mobility. Namely, the career development of the highly educated largely depends on the possibility of continuing to graduate and postgraduate programs abroad. As EU members, the three countries are included in European mobility programs. Some of them also have special funding sources to further encourage mobility. For example, in Estonia, the mobility of post-doctoral students is additionally financed, with the condition of returning to Estonia for a certain period. In Bulgaria, CSOs are financing this type of mobility. Due to their limited resources, this help is quite scarce. Support for funding students in Serbia by the Fund for Young Talents works similarly as it provides scholarships for students to continue their studies abroad, with the condition that they stay in Serbia for a certain period after completing their studies. Recognition of higher education documents obtained abroad is another obstacle to the mobility of highly educated. In the case of movement within the EU, this problem has been eliminated, but in Serbia, it still represents a significant obstacle to greater mobility.

Another significant segment of circular migrants are entrepreneurs and businessmen who, after achieving some business success abroad, often decide to continue or expand their business in the country of origin. All analysed countries support the business development of their compatriots in different ways. Bulgaria has several initiatives as a result of activities of the private and civil society sectors and are mainly oriented to enhancing connections with Bulgarians abroad and providing information related to finding a job or starting a business. Nevertheless, Ireland has recognised the need for providing support to the business world to the greatest extent, so it financially and organisationally supports business associations of companies whose founders are Irish. The [Chamber of Commerce of Serbia](#) cooperates with certain associations of Serbian businessmen abroad, yet unsystematically and there is still room for much improvement.

Finally, maintaining ties with the homeland can be key to motivating emigrants to return to the country, either temporarily or permanently. The organisation of cultural events and events that allow reconnecting with the customs and culture of the homeland are often a reminder for emigrants of something that is a part of them. Because of this, it is especially important to preserve this thread. All three analysed countries organise gatherings for their citizens outside their borders and help in connecting with those who are in the country. In Estonia, the [Global Estonian Youth Network](#) works to connect young people from Estonia and those of Estonian origin, through the organisation of events and fairs in areas where there is a significant Estonian diaspora. In addition, there is a mobile application aiming to connect Estonians who live abroad. Bulgaria also supports the organisation of fairs and cultural events, while Ireland organised a large gathering of its diaspora a few years ago – [The Gathering](#). Free language courses for people living abroad are very significant, and this need has been recognised in Estonia and Bulgaria as well. In Serbia, there is a certain intolerance towards the dias-

¹⁶ Hickaman J., (2020). *Diaspora Policies, Consular Services and Social Protection for Irish Citizens Abroad* u Lafleur J. M., Vintila D., (2020), *Migration and Social Protection in Europe and Beyond (Volume 2), Comparing Consular Services and Diaspora Policies*, Springer.

pora. In addition, the process of returning to the country is accompanied with stigma and prejudice, and such an atmosphere in society is a very unfavourable ground for circular migration.

How to proceed?

Migration is not a static phenomenon, but a phenomenon that evolves and changes drastically over time. Therefore, the approach to migration should be flexible, open, and ready for constant changes. Proper management of circular migrations brings benefits to both, the home and the host country, as well as to the circular migrants themselves. Knowledge and social capital acquired during a stay abroad are of enormous importance to the domestic economy. That is why the state should strive to fight against the outflow of the population, not directly by discouraging people from leaving the country, but indirectly, by encouraging them and, at the same time, maintaining strong ties with those who left, while creating conditions for their return and hoping that they will recognise opportunities of circular migration.

The experiences of the three analysed countries can be useful for public policymakers and decision-makers in Serbia. In particular, the following should be considered:

- Maintaining the connection with the diaspora and emigrants is crucial for their permanent or temporary return. Therefore, intensive work should be done on maintaining and deepening these connections. Within the current Serbian Strategy on Economic Migration, it is recognised, to a certain extent, that migration should not be hindered. Instead, it is necessary to create conditions for the return and circulation of migrants to enable the transfer of the social capital acquired abroad. In addition to all practical details, it is necessary to create an appropriate atmosphere in society, which favours circular migration.
- Considering the life habits of circular migrants, which require flexibility and speed, complicated administrative procedures can represent a great burden and disincentivise the return to the homeland. Therefore, simpler administrative procedures, digitalisation, and easier acquisition of citizenship and residence permits should be the focus of measures aimed at encouraging circular migration.
- Returning to the home country after many years can be stressful and complicated. Return migrants need assistance at the very beginning, and this help can be provided through the possibility of connecting with individuals who have gone through a similar experience, free psychological counselling and the like.
- Key relocation information should be quickly and easily accessible, in one place. In Serbia, most of the information is available on the website Returning Point, but it needs to be supplemented (information regarding the enrolment of children in kindergarten, information on the conditions for receiving child allowance, etc.).
- Given the limited importance of economic factors, financial assistance for return migrants is of limited scope. Creating fair and equal conditions in the labour market instead can produce

much better effects, especially with the general improvement of economic conditions in the country. Thus, encouraging circular migrations is fully aligned with other goals focused on improving economic activity.

- The flexibility of the education system should be increased. Apart from simplified procedures for the recognition of foreign higher education documents, Serbia also lacks a more developed framework for remote education, primarily at lower levels of education, which is especially important for potential circular and return migrants who have young children.
- Certain issues, very important for circular migrants, have not yet been resolved, even at the EU level. The main issues are related to the level of regulatory compliance in the areas of social and health care and taxes, and therefore, a lot is to be done to find more flexible arrangements in these areas and to deepen cooperation between countries in this regard.

This Policy Brief was created within the project "Circular Migration before Depopulation! Innovative solutions to spark circular migration as a pillar of the enhanced competitiveness and economic development", implemented by the Foundation for the Development of Economic Sciences - FREN and the European Policy Centre - CEP, with the support of the European Union. The contents of this brief are solely the responsibility of CEP and FREN and that content does not express the official opinion of the European Union.