



Faculty of Economics, University of Niš, 13 October 2016

International Scientific Conference

**THE PRIORITY DIRECTIONS
OF NATIONAL ECONOMY DEVELOPMENT**

**MECHANISMS AND MEASURES FOR STOPPING THE
NEGATIVE TRENDS IN EXTERNAL AND INTERNAL
MIGRATION IN THE REPUBLIC OF SERBIA**

Biljana Đorđević *

Maja Ivanović-Đukić •

Sandra Milanović ♦

***Abstract:** Republic of Serbia (Serbia) for years has been facing with the problem of the emigration of young and educated people to other countries. If this migration is converted into a permanent change of the place of life and work it can have multiply negative effects for Serbian economy: the country remains without its investments and intellectual capacities that could be used for the purpose of its development. However, apart from the negative tendencies in the field of external migration there are evident negative phenomena in the field of internal migration, too. The fact is that population increasingly migrate from rural areas or small towns to larger urban centers, which causes that whole areas became depopulated. Because of this phenomenon, both in the field of external migration, as well as in the field of internal migration, it can have negative effect on the future economic development of the country as a whole, as well as on the certain regions. Therefore, the aim of this paper is to draw attention on this problem and suggest some of the mechanism and measures to mitigate the above negative phenomena.*

***Keywords:** external migration, internal migration, emigration of young people, mechanisms and measures.*

1. Introduction

One of the key phenomena that marked the end of the 20th and the beginning of the 21st century, is the process of globalization. Regardless of whether this phenomenon is

* University of Niš, Faculty of Economics, Serbia, ✉biljana.djordjevic@eknfak.ni.ac.rs

• University of Niš, Faculty of Economics, Serbia, ✉maja.djukic@eknfak.ni.ac.rs

♦ PhD student, University of Niš, Faculty of Economics, Serbia,

✉sandramilanovic89@yahoo.com

UDC 314.72/.74(497.11)

seen in positive or negative manner, it indubitably initiated various social changes and processes. Within the economic sphere it intensified the movement of goods, capital, investment, information and technology, but also the people. Namely, in searching for employment or acquiring new knowledge migrations between the countries have become commonplace. We are witnesses that the number of migrants in the late of 2015 and early of 2016 has climbed to several millions.

The process of globalization has not bypassed Serbia, which in recent years manifestes in increasing the investments, the presence of large multinational and transnational companies, the movement of migrants through Serbia etc. However, the process of globalization, primarily of the globalization of market of knowledge, has caused that large number of people left Serbia, especially the young and educated. The reasons are various, starting from the absence of employment opportunities and until the need of acquiring the knowledge at prestigious international universities and colleges.

Although this phenomenon can have positive consequences (knowledge transfer from developed countries to Serbia if those who have left the country return later), however, consequences can be very negative, both on the economical trends, as well as on demographical structure of the country.

The problem of Serbia is not, however, only trend in external migrations, but also in the internal, which manifests in abandoning the villages and small towns and moving to the larger urban centers. This caused drastic reduction of the population in some places, and even their dying out. Taken together, the trends in the external and internal migrations in Serbia are not favorable from the point of view of the future economic development of the country (these trends reduces intellectual capacity of the country, certain areas are losing population, etc.). Having in mind all the facts mentioned above, the aim of this paper is one again to draw attention on this problem, as well as to propose specific mechanisms and measures that may reduce the number of those who have the intention to leave the country (especially the young and educated), but also to stop unfavorable trends in the area of internal migration. The paper is structured in such a way that after the introduction contains three segments, whereby the first provides an overview of the external migrations of the population of Serbia, the second part refers to the internal migrations, while in the third part mechanisms and measures for stopping the negative trends in external and internal migrations are proposed. In the paper are used the official statistics data and the results of some studies that have been carried out on the theme of migration of the population of Serbia.

2. The basic dimensions of the external migration of the population of Serbia

Serbia can be considered as a traditional emigration country since it has more than 150 years long tradition of emigration of its population (Avramović, 2012). The all emigration waves started in this country can be divided into six periods (Grečić, 2010):

- *Emigration between the end of the 19th century and the First World War.* The main characteristic of this wave of emigration is that the population predominantly emigrated to America, mostly for economic reasons.
- *Emigration between the First and Second World War.* This wave of emigration also occurred mainly because of the economic reasons.

Mechanisms and measures for stopping the negative trends in external and internal migration in the Republic of Serbia

- *Emigration which covers a period between the 40s and the 50s of the 20th century.* Emigration in this period was characterized by emigration of population mainly to overseas countries and mostly for political reasons.
- *Emigration between 1960 and 1980.* In this emigration wave population mostly emigrated to the countries of Western Europe for economic reasons. Mostly emigrated low-skilled people.
- *Emigration in the 90s of the 20th century.* Emigration in this period was characterized by the departure of large number highly qualified people due to the political and economic reasons. This process is also known as „brain drain“.
- *The wave of emigration that has started in 2000 and is still going on.* This wave of emigration is largely motivated by the economic factors.

What are the trends in the external migration after 2000 can be largely concluded on the basis of data obtained from the latest census. Data obtained from the Census in 2011 show that the share of the external migrants in total population of Serbia in 2011 was amounted to 4.2% which is the second highest data in a series of censuses from 1971 to 2011 (the largest share of external migrants was recorded in Census in 2002 and was amounted to 5.3%). These data suggest that the problem of external migration in Serbia is still very expressed.

If we look at the regions of Serbia which have the largest number of the external migrants, Census in 2011 showed that leads the region Serbia - south (Šumadija and Western Serbia, Southern and Eastern Serbia, Kosovo and Metohija) since the share of migrants from this region in the total number of migrants is amounted to 69%, while in the region Serbia - north (Belgrade and Vojvodina) share of the external migrants is amounted to 31%.

From the aspect of particular regions from which the largest number of persons are currently abroad leads the Region of the Southern and Eastern Serbia (35.38%) (Table 1). Also, the share of the external migrants in the total population of this region is above the national average (6.65%). One of the reasons because the Region of Southern and Eastern Serbia has the highest proportion of external migrants among other regions is the fact that many people from this area in the earlier waves of emigration have left the country. This caused that today in this region there are places in which approximately third of the population lives or works abroad (Stanković, 2014).

In order to design and implement adequate measures for potentially reduction the number of permanent external migrations from Serbia, except the knowledge which areas are those from which most people are leaving, it is very important to know the profile of those who are leaving. Thus, if we analyze the level of education of those who are at work-residence abroad it can be concluded that in terms of education of external migrants leads Belgrade region, followed by the Region of Vojvodina, Region of Šumadija and Western Serbia. At the end of this list is the Region of Southern and Eastern Serbia. On the other side, the Region of Southern and Eastern Serbia has much higher percentage of rural migrants (75%), while the share of urban migrants in the region is 25%.

Table 1. Basic subsets of people working - living abroad according to Census in 2011

Region	People working / living abroad	Working people		Family members		Students		Others	
		Number	%	Number	%	Number	%	Number	%
REPUBLIC OF SERBIA	313.411	166.390	53,1	114.060	36,4	12.092	3,9	20,869	6,7
Belgrade	47.792	25.279	52,9	14.621	30,6	3.847	8,0	4.045	8,5
Vojvodina	50.328	28.201	56,0	13.659	27,1	3.704	7,4	4.764	9,5
Šumadija and Western Serbia	104.405	53.138	50,9	42.980	41,2	2.693	2,6	5.594	5,4
Southern and Eastern Serbia	110.886	59.772	53,9	42.800	38,6	1.848	1,7	6.466	5,8
Kosovo and Metohija

Source: Stanković, V. (2014) *Census of population, households and dwellings 2011 in the Republic of Serbia: Serbia in the process of external migrations*. Belgrade: Statistical Office of the Republic of Serbia. p. 30.

What may be unfavorable from the point of view of the future economic development of the country is that between the two censuses, in 2002 and in 2011 the number of migrants with college and high school diploma increased for a fifth. For example, from the Belgrade region emigrated 35.8% of people of those who finished high school. This phenomenon is in line with the trend that dates back in the 90s when significant migration of highly educated people occurred (Stanković, 2014). The most attractive destinations for these migrants in previous period was the United States, Germany, Great Britain and Canada. It is believed that these four countries absorbed 58% of those who have PhD, a 45% of those who have masters diploma.

3. The basic dimensions of the internal migrations in Serbia

As it was earlier said, the problem of Serbia is not exclusively tied to the external migration and the emigration of the young people to the other countries of the world. In Serbia, the big problem is the internal migration, too. It mostly manifests itself by leaving the villages and smaller towns and going to the larger urban centers, such as Belgrade, Novi Sad, Niš, Kragujevac, Subotica and etc. This caused that the population in smaller towns is drastically reduced and that some cities almost dying out. This phenomenon, however, is very negative from the standpoint of the future economic development, and from the standpoint of the demographic structure of these regions.

What processes are taking place in the area of the internal migration in Serbia can be concluded on the basis of several recent studies which results we present in the following text. Thus, based on research conducted in 2011 (Table 2) two phenomena can be observed:

Mechanisms and measures for stopping the negative trends in external and internal migration in the Republic of Serbia

- internal migration in the region Serbia - south are mostly conducted within this region. In other words, the people of Serbia - south in most cases decide to stay near their birthplace, by going to more developed places in the same area.
- percentage of the migrants from other areas is higher in the region of Serbia - north than in the region Serbia - south. That means that the region Serbia - north is more attractive for the population that comes out from more distant areas, belonging to the other regions.

Table 2. Population by migratory characteristics, by areas according to Census in 2011 in %

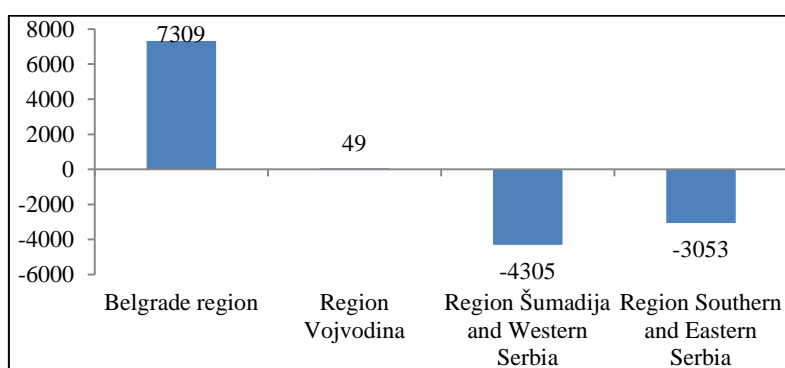
Population	Total	SERBIA - NORTH			SERBIA – SOUTH			
		All	Belgrade	Vojvodina	All	Šumadija and Western Serbia	Southern and Eastern Serbia	Kosovo and Metohija
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	...
Lives in the same settlement since birth	54,96	51,22	48,19	53,83	58,69	58,65	58,74	...
Migrant population from another settlement in the municipality within Serbia	9,70	5,39	2,41	7,95	14,01	14,65	13,18	...
Migrant p. from another municipality within the same area within Serbia	7,46	6,81	6,35	7,20	8,11	7,77	8,55	...
Migrant p. from another area within Serbia	17,14	19,74	26,52	13,92	14,53	13,57	15,78	...
Migrant p. from the former SFRY republics	9,57	15,37	14,96	15,72	3,78	4,48	2,88	...
Migrant p. from other countries	1,15	1,44	1,54	1,36	0,86	0,86	0,85	...
Unknown	0,02	0,02	0,03	0,01	0,02	0,02	0,02	...

Source: Statistical Office of the Republic of Serbia (2013) 2011 Census of Population, Households and Dwellings in the Republic of Serbia: MIGRATIONS, Data by municipalities and cities. pp. 26.

Graph 1 shows more precisely insight into how internal migrations are taking place in Serbia. Based on the Graph it can be concluded that the highest positive migratory balance in 2015 had the Belgrade region. Also, small positive balance had the Region of Vojvodina. On the other hand, the migratory balance for the southern regions was negative,

especially in the Region of Šumadija and Western Serbia which migratory balance was -4305, while in the Region of Southern and Eastern Serbia migratory balance was -3053. This indicators are somehow expected, since the positive balance for the northern regions is partly a result of the negative balance in the southern regions. In other words, although the internal migration in the regions of Serbia - south are mainly conducted within this regions, migration to the region Serbia - north are not negligible too.

Graph 1. The migration balance by regions in Serbia in 2015.



Source: Statistical Office of the Republic of Serbia, <http://webrzs.stat.gov.rs> (7.6.2016.)

The internal migration of the population from rural areas and smaller towns to larger urban centers has led to the fact that in Serbia there are only 19 municipalities/cities with more than 100,000 inhabitants and only 14 municipalities with more than 10,000 inhabitants. Recent data show that the most attractive municipality was Zvezdara, which had the highest positive balance (2411 of people), followed by Novi Sad (2077) and Voždovac (1962). In contrast to these municipalities, the largest negative migratory balance was recorded by the municipality Čukarica (-1686), Kraljevo (-407) and Užice (-327) (National Bureau of Statistics, 2016).

From the point of view of the future economic development of the areas from which the population has emigrated is unfavorable the fact that most of those who left their residence are between the ages of 25 and 34 (National Bureau of Statistics, 2016) because it the segment of the population which is expected to be the initiators of the future economic development of the underdeveloped areas. Also, the migration of this population has a negative impact on future demographic structures of the underdeveloped areas because it is a population that is expected to form and increase the family.

4. Mechanisms and measures for preventing the negative migration processes in Serbia

Based on the foregoing when it comes to migration of the population of Serbia two key problems may be identified: emigration of the young and educated people from the country and departure from rural and underdeveloped areas to the larger urban centers. Both phenomena could be very negative from the economic and demographic point of views. Therefore, in order to stop these negative trends, or at least to reduce their intension,

Mechanisms and measures for stopping the negative trends in external and internal migration in the Republic of Serbia

it is necessary to take two sets of measures. One set of measures should be related to the negative trends in the area of external migrations and the other set of measures should be related to the negative tendencies in the area of the internal migrations.

In terms of stopping the mass departure of the young people from the country (which is the main problem of the external migration), measures must be aimed at eliminating the reasons for the external migration to occurred. The best way to indentify these measures is the on which takes into account the reasons why people leave the country at all. The survey conducted in 2011 showed that the main reasons why young people would leave the country were low standard of living (24.6% of respondents), lack of perspective (15.2% of respondents), unemployment (8.6% of respondents), further education (5.6% of respondents), etc. (Jarić, Živadinović, 2012, p. 218). Similar results have shown other research. Considering the foregoing, the measures that should be taken in order to reduce the external migration of the population are mainly related to reviving the economy, starting a new investment cycle, improving the system of education and so on.

In order to stop the mass departure of the young people government created several strategic documents, starting from the Strategy for managing migrations, the National Strategy for Employment for the period 2011-2020, Action plans for the implementation of this strategy, the National Strategy for Youth from 2015 to 2025, as well as the Action Plan for its implementation for the period 2015-2017. However, these document did not bring much positive results, since the data of the World Economic Forum show, Serbia is at the last, 140th place in the world in terms of capacity to retain talented people in this country (Competitive Rankings, 2015/2016). Although these documents promote good ideas and intentions, the problem is obvious in the practice. We believe, however, that the most effective measures to retain skilled and educated people in the country would be those that would lead to the creation of an environment in which knowledge, expertise and quality would be more appreciated and where the basis for the promotion in any area of human activities would be the results of the work.

Another problem in Serbia that should be mentioned is related to the internal migrations and the abandonment of the mostly underdeveloped areas for searching the employment opportunities in bigger urban centers. One of the solution for this problem is simulating the entrepreneurial activity. Entrepreneurship, i.e. starting own business would have many positive effects both in the field of migration and in the field of the economic development. Namely, the higher level of entrepreneurial activity will have positive effect on the level of employment in certain areas. That would increase the living standards of many families which would prevent their migrations to urban centers. At the same time, the newly formed firms will expand the range of products and services in the local market and make it more attractive for living of the local population, which, also will have positive effect on their retention. Also, newly formed firms would contribute to increasing demand for the products of other local businesses and stimulate their development, which in turn will make whole environment more attractive (Fritsch, 2007). In that sense, development and stimulation of the entrepreneurial initiative in the underdeveloped region becomes a factor that has a strategic importance for the development of the local area, but also for more balanced development of the country as a whole. Areas that are particularly suitable for the development of entrepreneurial initiatives in underdeveloped areas are rural tourism, hospitality, sport and recreation, organic production, etc.

However, starting a new business is not easy, because the potential entrepreneurs usually face with many problems. Traditionally, a serious problem of entrepreneurs around the world is providing the start-up capital (Moore, Petty, Palich, Longenecker, 2008. pp. 306-308). Therefore, in many countries are being established development funds for financing the start-ups (Stefanovic, Ivanovic-Djukic, 2011, pp. 187-208). Further, entrepreneurs often have difficulties in access the modern technology and markets. In addition, tax policy, legal and administrative procedures and legislation in the field of entrepreneurship, also, may be a limiting factor for the development of entrepreneurship (Krik, Price, Gatt, Rae, 2008). All this taken together can significantly inhibit the attractiveness and effectiveness of the small business.

All of the above mentioned challenges are even bigger in the transitional countries, such as Serbia, because of the inherited structural and other problems of economy from the past. In order to eliminate previously mentioned limiting factors the right support of the local and wider community is needed. First of all it is necessary to provide financial support. It could be achieved either through direct subsidies for the self-employment, either through the favorable credit terms for potential entrepreneurs. Local communities, also, have their place in stimulating the entrepreneurship. They can help with funding from the budget, as well as by linking the micro-credit institutions and entrepreneurs (Stefanović, Ivanović-Đukić, Janković-Milić, 2013).

One set of measures that belongs to the non-financial services but is connected to the financing, is provision of the advices which are relate to the funding. Since serious problems of entrepreneurs are related to the management of financial negotiations with banks and to access to the formal financial market, they often need advices and education in financial planning, technology of working of financial institutions and the like (Stefanović, Ivanović-Đukić, Janković-Milić, 2013).

In the attempt to reduce administrative barriers and stimulating the start-ups, efforts should also be focused on the raising the level of qualification of the potential entrepreneurs. Therefore, it is necessary to take measures for increasing the number of the potential entrepreneurs who have been trained in the fields relevant for establishing and maintaining of entrepreneurial activities.

Finally, let us mention that promotional activities related to entrepreneurship may affect the awakening of the entrepreneurial initiative in people, too. Broadcasting a wide range of programs on TV and radio in which would be talked about the possibilities and advantages of own business. For younger people aggressive promotional activities of entrepreneurship through social networks are also very important.

5. Conclusion

Because external and internal migrations in Serbia may be the limiting factors for future economic development the country, as a whole, and some particular regions, the aim of this paper was to presents some of the measures that might contribute that negative trends in this area mitigate. We believe that the most effective measures are those which are focused on removing the causes that encourage the migration. Bearing in mind that many studies have shown that the population of Serbia, primarily young people, decide to leave the country due to the lack of employment opportunities, low living standards and the lack

Mechanisms and measures for stopping the negative trends in external and internal migration in the Republic of Serbia

of perspective, it is necessary to take measures that will bring reasons to stay in the country. Although the government brought different strategies and action plans in order to create more favorable environment for young people, those activities so far have not much positive results as is confirmed by the data of the World Economic Forum mentioned in the paper. We believe, that the most effective measures would be those that would lead to the creation of an environment in which the knowledge, expertise and quality would be more appreciated and where the basis for advancement in any field of human activity would be achieved results.

In terms of reducing the negative internal migration the paper points out that entrepreneurial initiative and self-employment should be stimulated. This measure would also reduce the external migration because not only highly educated people and professionals go abroad, but also those with lower education. In this context, the in the paper are stressed some of the financial and non-financial measures that should be taken.

Finally we should add that it is also necessary to stimulate the returnees from abroad to invest their capital in establishing their own businesses. In that way they can initiate positive migratory flows to Serbia and make a positive impact on the economic development of the country.

References

1. Avramović, Z. (2012) "Odliv mozgova" iz Srbije – jedno lice globalizacije obrazovanja. *Sociološki pregled*, 46 (2): 189–202.
2. Competitive Rankings, 2015/2016, <http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings/#indicatorId=GCI.B.07> (03.07.2016.)
3. Fritsch, M. (2007) How does new business formation affect regional development? *Small Business Economics*, 30 (1): 1–14.
4. Jarić, I., Živadinović, I. (2012) Otići ili ostati: identiteti mladih i orijentacija ka iseljenju. *Proceedings in the collection of the paper Mladi – naša sadašnjost - Istraživanje socijalnih biografija mladih u Srbiji*. Beograd: Čigoja štampa.
5. Kirk, F., Price, L., Gatt, M. and Rae, R. (2008) The Problem with Regulation: Systemic Constraints to Effective Implementation of New Legislation, www.isbe.org.uk/content/assets/BPO8-AndrewAtherton.pdf (05.05.2016.)
6. Moore, C., Petty, W., Palich, L., Longenecker, J., (2008) *Managing Small Business, An Entrepreneurial Emphasis*. Mason: South-Western Cengage Learning.
7. Stanković, V. (2014) *Popis stanovništva, domaćinstava i stanova 2011. u Republici Srbiji: Srbija u procesu spoljnih migracija*. Beograd: Republički zavod za statistiku.
8. Statistical Office of the Republic of Serbia (2013) *2011 Census of Population, Households and Dwellings in the Republic of Serbia: MIGRATIONS, Data by municipalities and cities*. Belgrade: The Statistical Office of the Republic of Serbia.
9. Statistical Office of the Republic of Serbia, <http://webrzs.stat.gov.rs> (7.6.2016.)
10. Stefanovic, S., Ivanovic-Djukic M. (2011) Support to the Development of Entrepreneurship in the Nišava Region in order to Increase Competitiveness and

- Overcome Economic Crisis. Thematic collection of papers: *Experiences in Overcoming the Global Economic Crisis – The Cases of Italy and Serbia*. Faculty of Economics Nis. University Ca'Foscari-Venice, 187-208.
11. Stefanovic, S., Ivanovic-Djukic, M., Jankovic-Milic, V. (2013) The Analysis of Key Challenges and Constraints to the Stability and Growth of an Entrepreneurial Sector in Serbia. *Journal of Balkan & Near Eastern Studies*, 15 (3): 346-363.
 12. Westhead, P., Storey, DJ. (1997) Financial constraints on the growth of high technology small firms in the United Kingdom. *Applied Financial Economics*, 7(2): 197-201.
 13. World Economic Forum (2015). *The Global Competitiveness Report 2015-2016*, http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf (1.7.2016.)

MEHANIZMI I MERE U FUNKCIJI ZAUSTAVLJANJA NEGATIVNIH TRENDOVA U SPOLJNIM I UNUTRAŠNJIM MIGRACIJAMA U REPUBLICI SRBIJI

Abstract: Srbija se godinama unazad suočava sa problemom odlaska mladih i obrazovanih ljudi u druge zemlje. Ukoliko se ova migracija pretvori u trajnu promenu mesta života i rada, može biti višestruko negativna za privredu Srbije: zemlja ostaje bez svoje investicije, ali i intelektualnog kapaciteta koji je mogao biti iskorišćen u svrhu njenog razvoja. Međutim, osim negativnih tendencija na polju spoljne migracije, evidentne su negativne pojave i na polju unutrašnje migracije. Reč je o tome da se stanovništvo sve više iseljava iz seoskih područja ili manjih gradova u veće urbane centre, što dovodi do toga da čitava područja postaju depopulizovana. Budući da navedene pojave, kako u domenu spoljne migracije, tako i u domenu unutrašnje, imaju negativno dejstvo na budući ekonomski razvoj zemlje u celini, kao i pojedinih regiona, cilj rada da skrene pažnju na ovaj problem i predloži neke od mehanizama i mera za ublažavanje navedenih negativnih pojava.

Ključne reči: spoljna migracija, unutrašnja migracija, odlazak mladih, mehanizmi, mere.