

The Demographic Challenge in the Western Balkans and Its Impact on Regional Consolidation

Filip Ejodus, Predrag Jureković (Eds.)

Study Group Information



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The Demographic Challenge in the Western Balkans and Its Impact on Regional Consolidation

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“Regional Stability in South East Europe”**

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Foreword

Filip Ejđus, Predrag Jureković

This volume is composed of articles from the 49th workshop of the Study Group “Regional Stability in South East Europe”. The workshop was conducted in Belgrade, Serbia, from 18 to 21 September, 2025. Under the overarching title “The Demographic Challenge in the Western Balkans and Its Impact on Regional Consolidation” experts from the South East European region and other parts of Europe, international organizations and major stake holder nations met under the umbrella of the PfP Consortium of Defence Academies and Security Studies Institutes and the Austrian Ministry of Defence, represented through its National Defence Academy and the Directorate General for Defence Policy.

The Western Balkans, including Albania, Bosnia and Herzegovina (BiH), Kosovo, Montenegro, North Macedonia and Serbia, is one of the regions with a particularly negative demographic development within Europe, but also from a global perspective. This negative trend has continued even after the Yugoslav wars of disintegration (1991–1999). It is characterized by a predominantly declining population in the individual states due to an unfavorable age structure, low fertility rates and emigration figures that exceed those of immigration. Tens of thousands of young, well-educated people in particular are leaving their countries for the EU and other emigration areas. Thus, the UN’s population forecasts predict further population losses of around 20% by 2050, particularly in BiH, Albania and Serbia.

From the perspective of the unfinished regional peace consolidation in the Western Balkans, the question arises as to how the demographic challenges could affect social, economic and political developments in the region as well as ongoing conflict issues. Are the economic opportunities in the richer countries of the West decisive for the emigration of the young citizens of the Western Balkans or is the unwillingness/inability of regional politicians to end systemic corruption and enable functioning institutions and state services at least as important? How should the activities of non-regional actors, especially the EU, in this regard be assessed vis-à-vis the Western Balkans?

EU growth plans launched by the EU Commission for the Western Balkans, for example, go hand in hand with increased recruitment efforts by individual EU member states to obtain young skilled workers from the region.

What are the chances of democratization, reconciliation and the successful completion of EU integration in the Western Balkans if the trend of young hopefuls increasingly opting to emigrate continues? How promising are national and external strategies to mitigate the negative demographic trend in the Western Balkans? What concepts, which also include the diaspora, exist to steer the brain drain in the direction of a brain gain?

These are some of the key questions that the authors of this Study Group Information address in their contributions. In the first part of the publication, the authors describe the general characteristics of demographic trends in the Western Balkans. The second part contains articles dealing with the specific demographic situation in Serbia. Part III analyses developments in Serbia's neighbouring countries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro and North Macedonia. The recommendations of the Study Group members are summarized in part IV. The publication concludes with an Epilogue that links the issue of demographic challenges in the Western Balkans with the prospect of EU accession and geopolitical upheavals.

The editors would like to express their thanks to all authors who contributed papers to this volume of the Study Group Information. They are pleased to present the valued readers the analyses and recommendations and would appreciate if this Study Group Information could contribute to generating positive ideas for supporting the still challenging processes of consolidating peace in South East Europe. Special thanks go to Miriam Zeug and Agathe Formanek, who supported this publication as facilitating editors.

Abstract

The Western Balkans have been experiencing for some time a demographic decline, characterised by low birth rates, the emigration of well-educated young people, and an increasingly structurally problematic age distribution within the population. In this part of South-East Europe, which is generally characterised by fragile peace consolidation and, in some cases, strained bilateral and domestic relations, this critical demographic trend generates serious economic, political, and potentially also security challenges. The departure of highly educated workers produces a persistent brain drain and labour shortages in key sectors of the individual Western Balkan states. In contrast, the Western Balkan countries – even though they have opened their borders to foreign workers – still have limited capacities to integrate newcomers that are highly needed for the modernization of their economic systems to ensure compatibility with the economies of the European Union. From a political perspective, the dramatic brain drain makes it difficult to safeguard democratic processes, which are threatened by authoritarian and nationalist policies. Changes in ethnic composition may also unsettle fragile peace arrangements in multiethnic states, particularly in Bosnia and Herzegovina.

The articles in this volume examine the specific demographic situation in each of the Western Balkan states within a regional context. In addition to analysing the relevant influencing factors, they offer concrete recommendations for introducing measures to promote positive demographic development.

PART I:
General Characteristics: European and
Western Balkans Demographic Trends

Demography in the Western Balkans: Trends and Challenges

Sanja Klempić Bogadi

Introduction

The Western Balkan region is composed of six countries, whose total population in 2025 was 16.2 million: Albania (2.4 million), Bosnia and Herzegovina (3.2 million), Kosovo (1.6 million), Montenegro (0.6 million), North Macedonia (1.8 million) and Serbia (6.6 million). Combined, their populations equate to approximately 3.6% of the total EU27 population (447 million). The aim of this paper is to analyse the demographic trends in Western Balkan countries and to highlight the main similarities and differences between these countries and those of the European Union.

The six Western Balkan countries exhibit similar demographic trends to the EU27, namely low fertility rates and ageing populations. While the EU records positive net migration rates, the WB countries exhibit the opposite trend, characterised by high levels of emigration. The share of emigrants' stocks in the total population varies significantly across countries, ranging from 49% in Bosnia and Herzegovina, 44% in Albania, 34% in North Macedonia, and 30% in Kosovo, to 21% in Montenegro and 15% in Serbia (ETF, 2022). As a result of negative trends in the components of population change, the largest part of Western Balkans faced population decline and ageing in the first two decades of this century (Nikitović et al., 2024).

Population Dynamics in the Western Balkans

Serbia, Bosnia and Herzegovina, and Albania have been undergoing sustained population decline since the early 1990s. The most pronounced population decline has been recorded in Bosnia and Herzegovina and Albania, both of which have lost more than one-quarter of their populations over the past three decades. Bosnia and Herzegovina has conducted only one census in the last 30 years, in 2013, when it recorded 3,531,159 inhabitants. Compared with the pre-war 1991 census figure of 4,377,033, this represents a loss

of approximately one-fifth of the population. According to estimates by the Agency of Statistics of Bosnia and Herzegovina (2025), the population in 2025 is projected at 3,269,526, while UN (2024) estimates place it at 3,153,000. Albania, which had 3,069,275 inhabitants in 2001, saw its population fall to 2,821,977 ten years later (INSTAT, 2025a). During the most recent intercensal period, the population declined by a further 14.9%, reaching 2,402,113 inhabitants in 2023. Although Albania continues to exhibit a natural population increase, the persistently high level of negative net migration remains the dominant determinant of the country's overall population change.

The largest Western Balkan state by population, Serbia recorded 6,647,003 inhabitants in the 2022 census (RZS, 2025a), representing a 7.5% decrease compared with the 2011 census figure of 7,186,862. Between the 2002 and 2011 censuses, Serbia lost 311,139 inhabitants, meaning that over the past two decades the country's population has declined by a total of 11.3%. Serbia is undergoing a process of depopulation primarily driven by a negative natural increase, although the impact of a negative migration balance is also significant (Nikitović, 2025). Depopulation also characterises the population of North Macedonia. According to data from the State Statistical Office (2025), the 2021 census recorded 1,836,713 inhabitants, representing a 9.2% decline compared to the 2002 census total of 2,022,547. Following decades of population growth, the 2024 census in Kosovo recorded 1,602,515 inhabitants, reflecting a 7.9% decrease compared to the 2011 census figure of 1,739,825 (ASK, 2025).

Over the past decade, all Western Balkan countries have experienced depopulation, with the exception of Montenegro. The 2003 census recorded 620,145 inhabitants, and the 2011 census recorded 620,029, reflecting only a slight decline and indicating population stagnation. According to the 2023 census (MONSTAT, 2025a), Montenegro's population was 623,633, representing a modest increase of 0.6% over the last intercensal period mainly driven by immigration from Russia and Turkey.

Natural Population Change

Since 2012, the natural population change in the EU has been negative, and it is largely the result of a prolonged period of low fertility rates. As early as

the 1970s, fertility in most Member States had fallen below the replacement level of 2.1 births per woman, the rate required for each generation to replace itself.

Across the Western Balkans, Serbia was the first country to experience negative natural population change in the early 1990s, and it has remained persistently negative since then. In Bosnia and Herzegovina, this trend emerged later, with deaths surpassing births for the first time in 2007 and again in 2009, after which the negative natural balance has persisted. In North Macedonia, this trend was first observed in 2019, marking the beginning of a continued negative natural balance. Montenegro recorded negative natural population change during the COVID-19 pandemic years (2020–2022), primarily because of a sharp rise in mortality, particularly in 2021.

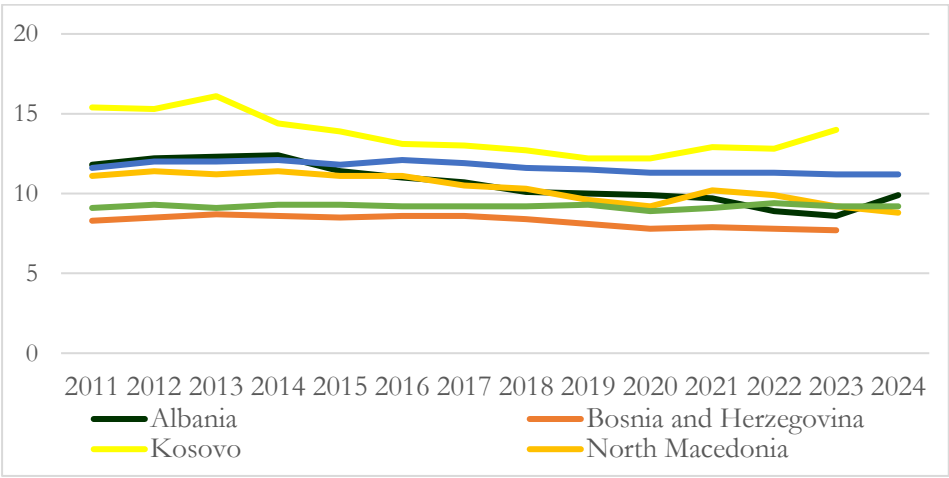


Figure 1: Crude birth rates in the Western Balkans, 2011–2024 (‰)

Sources: ASK (2025), BHAS (2024), INSTAT (2025b), MAKSTAT (2025), MONSTAT (2025b), RZS (2025b).

A similar pattern can be observed in Albania, where the number of births has generally remained higher than the number of deaths, except in 2021, when a significant rise in mortality resulted in deaths outnumbering live births. But the pace of natural population growth has shown a continuous decline over the past decade. From a peak of 15,308 people in 2013, the annual natural increase decreased steadily to a 1,208 in 2024. Kosovo continues to exhibit a substantially higher number of births than deaths as a

results of positive population momentum. However, extensive emigration over the past three decades has largely diminished the positive effects of population momentum in both Kosovo and Albania (Nikitović et al., 2024).

The crude death rates in Western Balkan countries show an overall increasing trend due to population ageing. Between 2011 and 2024, a sharp rise in this rate is particularly noticeable during the COVID-19 pandemic (Figure 2).

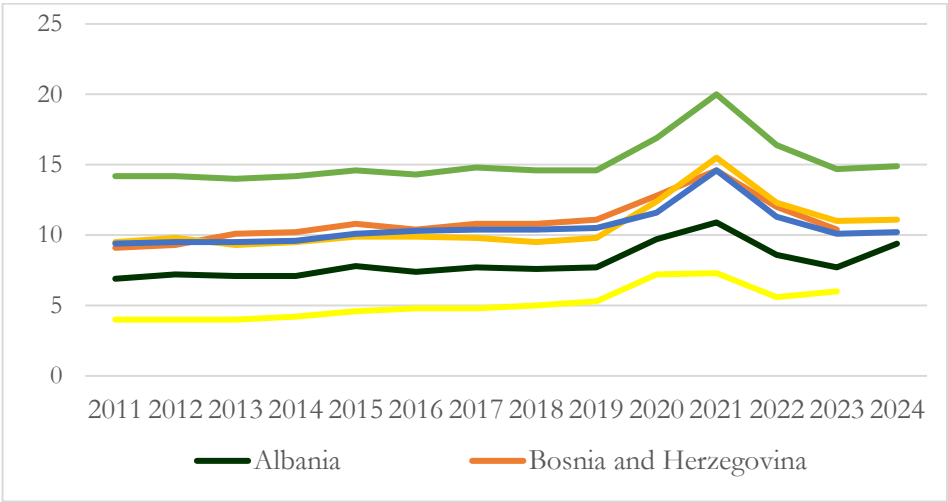


Figure 2: Crude death rates in the Western Balkans, 2011–2024 (‰)

Sources: ASK (2025), BHAS (2024), INSTAT (2025b), MAKSTAT (2025), MONSTAT (2025b), RZS (2025b).

In the European Union, all member states record fertility significantly below the replacement level. In 2023, the total fertility rate in the EU was 1.38 live births per woman (Eurostat, 2025a), which is well below the value of 2.1 required to maintain a stable population. There are numerous reasons that have contributed to the decline in fertility, including the inability to achieve intended family size, postponement of childbearing, the high cost of raising children, economic insecurity, difficulties in balancing professional careers with family life, and gender inequality within the household.

Neither EU member states nor the six Western Balkan countries have reached the replacement-level fertility threshold. In the Western Balkans, the

average total fertility rate (TFR) is around 1.5 children per woman. Montenegro recorded the highest TFR in 2023, with 1.76 live births per woman, followed by Serbia (1.62), North Macedonia (1.58), and Kosovo (1.56) (Eurostat, 2025a; ASK, 2025). In contrast, the lowest fertility rates were observed in Albania (1.21 in 2022) and Bosnia and Herzegovina (1.18 in 2023), ranking among the lowest in the world (BHAS, 2024; INSTAT, 2025). Between 1960 and 2019, WB countries experienced a faster decline in fertility and birth rates compared to the EU average (Szymańska, 2022). During that period, the fertility rate in Albania decreased by 75%, from 6.49 in 1960 to 1.60 in 2019, while in Bosnia and Herzegovina it declined by 67%, from 3.80 in 1960 to 1.25 in 2019 (Szymańska, 2022). 2001 was the last year when TFR in Albania was above the replacement level, at 2.31 (INSTAT, 2025).

Emigration as a Key Determinant of Population Decline

The EU27 and WB6 differ in terms of net migration (the difference between the number of immigrants and the number of emigrants). Net migration in the EU increased considerably from the mid-1980s onwards and has been the main driver of population growth since the 1990s. In contrast, all Western Balkan countries have experienced persistently high levels of negative net migration for many years.

The Western Balkan countries have a long history of emigration, resulting in substantial diasporas in Europe and North America (King & Gëdeshi, 2023; OECD, 2022). Emigration began in the 1960s and has continued in the post-Yugoslav countries to this day. During the 1960s, socialist Yugoslavia signed bilateral agreements with several European immigration countries. The policy of “opening” the borders and encouraging outmigration was adopted by the Yugoslav government in response to mounting economic challenges and rising unemployment, with the aim of alleviating both economic pressures and potential social tensions (Klempić Bogadi, 2023). Yugoslavia was the only socialist state to permit economic migration to Western countries (Ármás, 2023). In Albania, migration started in 1990, following the fall of the communist regime. In 1990s, the main drivers of emigration from WB countries were economic problems due to the transition from a planned to a market economy, as well as conflicts and wars. The breakup of Yugoslavia led to mass migration, displacement and refugee flows (Oruč, 2022).

Over the past three decades, the number of WB6 born people living abroad has roughly doubled. Today, 4.8 million, or about 20% of the region's population, reside outside their home countries (OECD, 2022). Owing to their geographical proximity and the EU visa liberalisation framework, Western European countries attract the largest share of migrants from the WB6, accommodating half of the diaspora (De Silva, 2024). For migrants from the former Yugoslavia, Germany is the primary destination, followed by Austria and Switzerland. For migrants from Albania, the main destinations are Italy and Greece (King & Gëdeshi, 2023).

According to DESTATIS (2025) data, as of 31 December 2024, a total of 1,138,965 citizens of Western Balkan countries were registered in Germany. The largest groups were from Kosovo (313,615), followed by Serbia (272,690), Bosnia and Herzegovina (249,730), North Macedonia (158,995), Albania (125,445), and Montenegro (28,390). As of 1 January 2025, the top ten foreign nationals in Austria include 122,500 from Serbia and 100,764 from Bosnia and Herzegovina, with significant representation also from Kosovo and North Macedonia (Statistics Austria, 2025).

Outside Europe, the United States is a major destination for migrants from Albania, Bosnia and Herzegovina, and Montenegro (OECD, 2022). In the early 2000s, migration patterns began to shift toward the United States, Canada, and the United Kingdom, largely driven by better economic conditions, labour prospects, and educational opportunities (De Silva, 2024).

Despite economic and social progress, high unemployment, low wages, weak education/training systems and outcomes, low social security, an ineffective health service, a poor business climate and corruption continue to drive emigration from the Western Balkan countries (OECD, 2022; King & Gëdeshi, 2023; Marchais, 2023). Emigration trends have caused a net population decline, with the loss of highly educated and skilled professionals (brain drain) diminishing the region's human capital (Omic & Handeland, 2021). A significant factor of migration is the high rate of youth unemployment, which remains a persistent economic challenge across the Western Balkans. The regional youth unemployment rate of 24.3% in 2024 is more than double the overall rate. However, this is 10 percentage points higher than the EU youth unemployment rate, which is 14.2% (World Bank, 2025a).

Students from the WB countries have exhibited a notable and increasing propensity to pursue higher education abroad, with Austria, the United States, Italy, and Turkey emerging as the most popular destination countries (OECD, 2022; King & Gëdeshi, 2023).

From 2012 to 2018, an annual average of approximately 155,000 individuals emigrated from the region to OECD member states (Omic & Handeland, 2021). According to the most recent data for 2022, 188,064 individuals from the WB region (excluding Kosovo) immigrated to OECD countries.¹ The large number of emigrants abroad is reflected in significant remittance inflows, but their impact on the region's prospects is mixed (Omic & Handeland, 2021). Remittances are generally seen as an informal social protection mechanism for vulnerable groups in these countries (Oruč, 2022). While they have enabled many families to escape poverty, they are largely directed toward consumption rather than investment in activities that promote sustainable development (Oruč, 2022; King & Gëdeshi, 2023). Remittances are highest in Kosovo, accounting for 17.5% of GDP, followed by Bosnia and Herzegovina with 11.0%. The lowest share is in North Macedonia, at 2.7% of GDP (World Bank, 2025b). Despite the diaspora's potential to contribute to development through investment, knowledge transfer, tourism, and community infrastructure, these opportunities remain largely neglected by policymakers (Oruč, 2022; Ármás, 2023).

Migration networks, ongoing labour demand, and migration policy schemes specifically targeting Western Balkan labour migrants have lowered the barriers to emigration in many destination countries (OECD, 2022). One such migration scheme is the Western Balkans Regulation. This is a policy introduced by Germany to permit nationals from Western Balkan countries to access Germany's labour market for any type of employment in non-regulated occupations. This is not dependent on having a professional qualification and is therefore possible without formal recognition of a foreign professional qualification. No proof of German language skills required.

To reduce asylum applications, Germany introduced this rule in 2015. Many people from Western Balkan countries attempted to use migration crises to

¹ Data are derived from the OECD International Migration Database, <https://data-explorer.oecd.org/>.

apply for asylum, despite having little chance of approval, which placed pressure on the German system. Between 2010 and 2015, Germany experienced a significant increase in immigration from the Western Balkan countries, primarily driven by a rise in the number of individuals seeking international protection (Hoffmeyer-Zlotnik, 2019). In 2015, the number of first-time asylum applications from nationals of Western Balkan countries reached its peak, with 9,083 from North Macedonia, 3,233 from Montenegro, 16,700 from Serbia, 53,805 from Albania, 4,634 from Bosnia and Herzegovina, and 33,427 from Kosovo, respectively (Hoffmeyer-Zlotnik, 2019).

The legal pathway was designed to redirect those who would otherwise seek asylum in Germany. The regulation was originally set to last five years, until December 2020, but Germany extended it through 2023 in September 2020. An indefinite extension of the program then came into effect in November 2023. However, the quota for work visas, initially limited to 25,000 per year, was doubled to 50,000 per year in June 2024. Employers still need to prove that they cannot find local workers for the positions and that employment conditions are at a certain minimum standard.

Citizenship	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ALB	69362	12982	14905	17321	19111	14478	16965	22019	22097	19388
BIH	21737	22393	23980	22749	24857	16378	17708	20440	20449	16611
MNE	5194	1990	2230	2434	2525	1948	1901	2304	2272	2025
MKD	24776	14342	18235	18478	20378	12692	17198	23022	22514	17002
KOS	44081	15071	18255	18956	21873	15443	21487	22342	24762	28279
SRB	39719	22896	24475	25626	26172	20483	23103	24590	24155	21167
Total	204869	89674	102080	105564	114916	81422	98362	114717	116249	104472

Table 1: Immigration to Germany by citizenship, Western Balkan countries, 2015–2025

Source: DESTATIS, 2025.

Between 2015 and 2024, the peak of immigration from the Western Balkans to Germany occurred in 2015, driven by the large number of new arrivals seeking international protection (Table 1). In the following years, the number of Western Balkan nationals moving to Germany annually ranged between 80,000 and 120,000.

Migration to neighbouring EU countries, Croatia and Slovenia, has increased in recent years, echoing earlier patterns of internal migration within Yugoslavia. The decline in birth rates and population aging, along with increased migration abroad after accession to EU created a labour shortage in Croatian labour market. To address this, Croatia has begun recruiting foreign workers. The majority are immigrants from neighbouring countries that emerged after the breakup of the former Yugoslavia. An analysis of data from 2021, when Croatia abolished annual quotas, shows that among Western Balkan countries, the highest number of work permits was issued to citizens of Bosnia and Herzegovina, followed by Serbia and North Macedonia (Table 2). Over a four-year period, the number of work permits for citizens of Serbia and North Macedonia doubled. Croatia is an attractive destination for them due to cultural and linguistic similarities, geographical proximity, as well as the presence of established migrant networks (Gregurović et al., 2024).

Citizenship	2021	2022	2023	2024
Albania	3,720	4,256	4,244	3,951
Bosnia and Herzegovina	30,721	36,769	38,236	38,100
Kosovo	7,913	8,979	9,922	8,139
N. Macedonia	5,926	10,053	13,412	13,855
Serbia	13,579	19,127	24,028	27,988
Montenegro	899	1,393		
TOTAL	81,995	124,121	172,499	206,529

Table 2. Number of work permits for WB nationals in Croatia, 2021–2024

Source: Ministry of the Interior, 2025: <https://mup.gov.hr/gradjani-281562/moji-dokumenti-281563/stranci-333/statistika-169019/169019>.

Historically, the Western Balkan countries have been characterised as countries of emigration; however, in recent years, they have increasingly evolved into both transit and immigration countries. During the so-called migrant crisis, the Western Balkan Migration Route emerged as a key corridor. Established in the spring of 2015, it enabled third-country nationals to cross the Western Balkans on their way from Greece to Western Europe (Oruč, Raza & Šantić, 2020). The Western Balkan countries struggled to cope with the ‘crisis’, as they lacked adequate resources and the relevant legislation and policies to properly address the substantial inflow of asylum seekers (Oruč, 2022). Between 2015 and 2016, over one million people used this route to

enter the EU. According to Frontex data (2025), between 2021 and 2023, the Central Mediterranean and Western Balkan routes were the two most active pathways for migrants and refugees entering the European Union, based on the reported volume of irregular border crossings. In 2024, migration pressure along the Western Balkan route has declined, with 21,520 irregular crossings detected, representing a 78% decrease compared to the previous year.

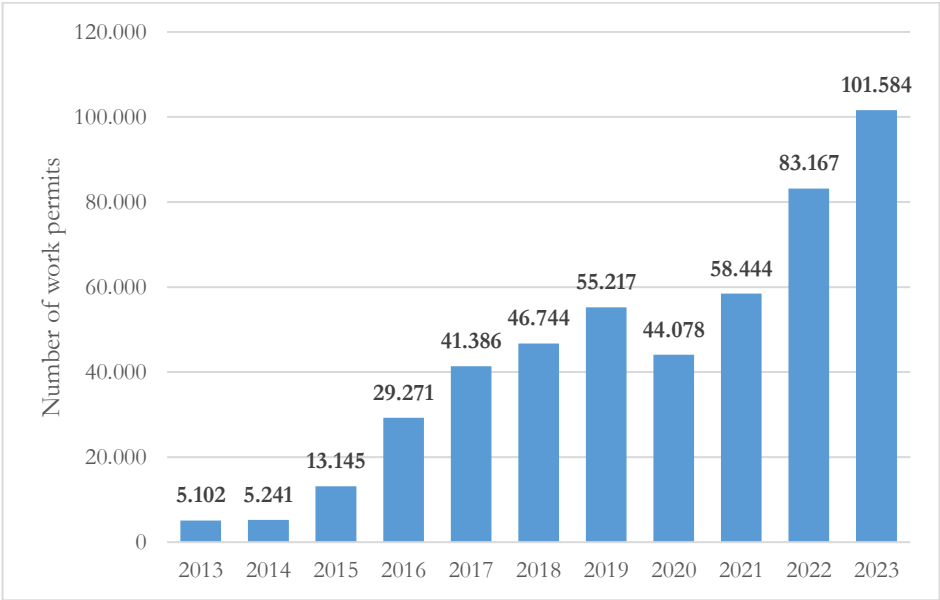


Figure 3: Number of work permits issued in the Western Balkans, 2013–2023

Source: IOM (2024), Labour mobility in the Western Balkans.

The working-age population is shrinking in most Western Balkan countries due to ageing and ongoing emigration. A labour shortage has emerged, prompting the recruitment of foreign workers, as evidenced by the sharp increase in work permits. In 2013, 5,102 work permits were issued to foreign citizens in the WB6, by 2018, this number had risen to 46,744, and in 2023, it reached 101,584 (Figure 3). While migrant workers were previously drawn predominantly from within the region, a clear trend toward diversification of their countries of origin is now evident (IOM, 2024). In 2023, the top three countries of origin of recipients of work permits were as follows: in Albania – Türkiye, Bangladesh, and Nepal; in Bosnia and Herzegovina – Türkiye,

Serbia, and Nepal; in Montenegro – Russia, Serbia, and Türkiye; in North Macedonia – Türkiye, Kosovo, and Serbia; in Serbia – Russia, China, and Türkiye; and in Kosovo – Türkiye, Bangladesh, and Serbia (IOM, 2024). However, WB countries continue to be unattractive destinations for foreign workers as destinations for permanent settlement.

Integration Policies in the Western Balkans

One of the most important migration-related issues is the integration of migrants, which is still not a focus of the WB countries. In MIPEX 2020 research participate 3 of 6 countries of WB: Albania, North Macedonia and Serbia (MIPEX, 2025). The Migrant Integration Policy Index (MIPEX) is a unique tool which measures integration policies in 56 countries across eight policy areas: labour market mobility, family reunion, education, political participation, long-term residence, access to nationality, anti-discrimination and health. Policy indicators have been developed to create a multi-dimensional picture of migrants' opportunities to participate in society. The maximum of 100 is awarded when policies meet the highest standards for equal treatment.

The average MIPEX country score is 49 out of 100. Serbia attains a score of 50, aligning closely with the average. By contrast, Albania (43) and North Macedonia (42) fall below the MIPEX average. WB countries approach to integration is classified as 'Equality on Paper'. In all three countries, immigrants enjoy basic rights and long-term security, however, they lack equal opportunities. Major obstacles are evident in the areas of political participation and health across the Western Balkans.

Serbia is a regional leader, as its policies are more developed than in Albania and North Macedonia. Serbia scores the lowest in political participation, with only ten out of a possible 100 points, and policies in this field are assessed as unfavourable. Foreign legal residents are not allowed to vote or join political parties. In the area of access to nationality, significant obstacles to integration are also noticeable, and policies in this field have been assessed as slightly unfavourable. In the area of health, policies are slightly unfavourable. Legal migrants and asylum seekers access healthcare unconditionally, while undocumented migrants face restrictions. Services provide basic support but remain ill-equipped for migrants' specific needs.

North Macedonia is among the countries with the most unfavourable conditions for political participation of migrants. Foreign citizens are not informed, consulted, supported or allowed to vote or join political parties. Moreover, policies in the areas of education, health, access to nationality, and labour market mobility are assessed as slightly unfavourable.

Albania ranks near the bottom of MIPEX countries in health policies, which are classified as unfavourable for migrants. While immigrants may access the health system under certain conditions, they receive neither adequate information nor practical support. In the area of political participation, policies are also unfavourable: foreign legal residents are not informed about political opportunities, consulted in decision-making, supported, or granted the right to vote in local elections. In the area of education, policies are slightly unfavourable. In Albania, the few immigrant pupils have access to compulsory education but no support for higher education. Schools receive minimal guidance or resources to address their needs or promote diversity.

Population Ageing in the Western Balkans

The combination of low fertility rates and the emigration of young people has led to population ageing across all WB countries. Although all countries are experiencing ageing, the pace and timing of this process differ between them (Zafeiris et al., 2024). The differences in the current age structures across Western Balkan countries reflect variations in the onset and pace of the demographic transition among them (Nikitović, 2016).

In 2024, the median age of the EU-27 population reached 44.7 years, and the share of older persons was 21.6%, making it the region with the oldest population in the world (Table 3). Low fertility rates and increasing life expectancy are reshaping the demographic structure, leading to a declining share of young and working-aged people and a growing proportion of older individuals. Among the WB countries, Serbia is the only country where both the median age (45.2 years) and the share of individuals aged 65 and over (22.4%) exceed the EU average. Correspondingly, the share of young people (aged 0–14) in Serbia is only 14.4%, which is below the EU average, reflecting the country's pronounced population ageing. North Macedonia (median age 41.8) and Montenegro (median age 40.1) also exhibit relatively high levels of population ageing, although these remain below the EU average.

Country ²	Proportion of population aged		Median age	Total age dependency ratio
	0–14 years	65 years and more		
Albania ³	16.0	16.5	38.8	48.2
Kosovo	21.8	11.1	34.8	49.1
Montenegro	18.2	16.7	40.1	53.7
North Macedonia	16.6	18.1	41.8	53.3
Serbia	14.4	22.4	45.2	58.4

Table 3. Indicators of Population Age Structure in the Western Balkans, 2024

Source: Eurostat (2025b), ASK (2025).

In 2023, Albania, with 16.5% of its population aged 65 and over and a median age of 38.8 years, shows somewhat more favourable indicators of population ageing than other WB countries. However, a comparison with earlier data reveals that the ageing process has been exceptionally rapid. Over the past decade, the median age increased by five years, while the share of older persons rose by 4.5 percentage points. Kosovo still has the youngest population in Europe, with a median age of 34.8 years. In 2023, the share of older persons was only 11.1%, roughly half that of all other WB countries, while the share of young people (under 15 years old) was the highest in Europe, at 21.8% (ASK, 2025). Although the trend of population ageing is visible in all WB countries, Montenegro, Albania and North Macedonia still have the share of young people (less than 15 years old) higher than the EU average (14.6%, 2024 data).

However, demographic ageing poses a numerous of challenges for the Western Balkan countries beyond economic concerns, including increased pressures on healthcare systems and the provision of care for older adults. In Western Balkans elderly care traditionally relies on the family, primarily to spouses, followed by children, predominantly daughters. In these countries, assistance with activities of daily living is primarily delivered within the household, while only a minor share of persons experiencing functional difficulties rely exclusively on professional support (Dakić et al., 2023). Economically disadvantaged and predominantly rural regions within the Western

² Data for Bosnia and Herzegovina are not available.

³ 2023 data instead 2024.

Balkan countries are characterised by higher rates of emigration, resulting in a diminished availability of potential informal caregivers. The outmigration of younger family members reduces the capacity of households to provide informal care. Geographical distance between parents and their children presents a tangible barrier, limiting the frequency of in-person contact and the ability to offer practical support to ageing parents (Klempić Bogadi et al., 2023).

At the same time, the number and share of the oldest old (aged 80 and over) is increasing, an age group that often requires some form of assistance with daily activities, thereby driving a growing demand for formal care services. The 2021 SeConS regional study revealed significant cross-country differences in the prevalence of long-term care needs among individuals aged 65 and over in the Western Balkans. While only 25.6% of older persons in North Macedonia experience major limitations in daily activities, this share rises to 51.6% in Bosnia and Herzegovina (Dakić et al., 2023). Western Balkan countries experience significant gaps in local capacity for managing long-term care, a situation further exacerbated by uneven economic development. Similar to other European countries, older people prefer to age in place, which requires the provision of home assistance services. Overall, capacities to meet the growing demand for home-based services remain limited. Across most of the Western Balkans, the provision of home assistance largely depends on project-based initiatives led by national and international non-governmental and humanitarian organisations (Dakić et al., 2023).

Conclusion

One of the challenges in analysing demographic trends in the region is the quality of the data. None of the countries has a population register, and most demographic data are collected through traditional population censuses. Censuses are carried out infrequently and the quality of the census results is often disputed due to political influence on the implementation of this survey (Marchais, 2023, Nikitović et al., 2024). Although vital statistics are systematically recorded, migration data remain inconsistent and incomplete. Given that emigration is a key issue, not only from a demographic but also from an economic perspective, the absence of an efficient data collection system poses a significant challenge.

Demographic decline in Western Balkan region is a result of a low fertility rate and substantial emigration. The downward trend of population size in WB, which began after 1990, will certainly continue (Nikitović et al., 2024). If current trends continue, by 2050 Serbia's population is projected to decrease by 19%, Bosnia and Herzegovina's by 18.2%, Albania's by 16%, and North Macedonia's by 11% (Ármás, 2023).

The role of fertility in the future population change of WB is rather limited particularly in terms of reversing the current depopulation trend (Frejka & Gietel-Basten, 2016; Nikitović et al., 2024). A return to replacement-level fertility in the future is unlikely for any EU member state, and the same applies to the Western Balkan countries. Emigration is projected to remain a persistent trend across the WB region in the coming years. Brain drain diminishes the region's human capital crucial for economic growth, while existing social infrastructure does little to strengthen the skills of those who stay (Omic & Handeland, 2021). The diaspora continues to be an underutilised resource, yet it holds significant potential for future development. The skills and experience gained by emigrants abroad can benefit the economies of Western Balkans (OECD, 2022).

Due to growing labour shortages, the Western Balkan countries will continue to recruit foreign workers. So, it is the necessity for all WB countries to design and implement comprehensive strategies for migrant integration. At the same time a priority is to increase labour force participation, especially among women. Women in the region face significant barriers to full participation in society, with low labour force participation due to full-time household work, insufficient childcare and eldercare services, and cultural norms that encourage traditional division of labour (OECD, 2021).

Although Serbia is at the forefront of population ageing, the rest of the region is also ageing rapidly. Due to the decreasing number of informal caregivers, it will be necessary for the countries in the region to strengthen formal care for the elderly. Various services should be enabled that allow older people to age in place, as well as those that encourage their active participation in social life, which can significantly improve their quality of life. At the same time, it is necessary to strengthen the network of residential care for older people across all WB countries.

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Between Mitigation and Adaptation: How to Deal with Population Aging in the Western Balkans

Kristijan Fidanovski

Demography Is Not Destiny but the Window for Policy Action – Which Must Come Both From the Left and the Right – Is Closing

In 2025, one would be hard pressed to think of a more European topic than demographic change. In a world that is still gaining people, European populations have stopped growing and begun to age sooner and faster than most other developed parts of the world. One might be tempted to view Europe's demographic reality as a victim of – and future obstacle to – its own economic success and societal progress. Europeans have achieved some of the longest life expectancies on the planet, but they are now registering some of the lowest birth rates. This disparity raises a wide range of questions about the future sustainability of pensions, healthcare, and overall living standards in increasingly aging societies.

Nowhere are these concerns more pressing than in Central and Eastern Europe, including the Western Balkans. Nine of the ten countries that are projected to lose the largest share of citizens globally by 2050, and the only five worldwide where such declines will likely amount to more than a fifth of their populations, are located in this region.

So, should Central and East European countries be worried? The perhaps unsatisfyingly ambiguous answer is: yes, but both less and more so than their Western counterparts. The demographic reality is unambiguously bleaker not only compared to the situation on the other side of Prague but also to anywhere else in the world. Yet, the window for policy responses – through mitigation or adaptation, and ideally both – is still open, although it is narrowing faster than policymakers would like.

The Baby Bust in Central and Eastern Europe: No Country with Replacement-Level Fertility

The biggest driver of population decline and aging in Central and Eastern Europe is shrinking fertility.¹ Birth rates have generally been falling at least since the collapse of socialism and in most countries since around the 1970s. Fertility in the region currently hovers around the EU average of 1.6 children per woman. From Budapest to Vladivostok, no clear sub-regional pattern emerges: above-average values can be observed in non-EU member Montenegro and EU member Czechia (both at 1.8), just like the list of countries with below-average values spans from relatively-underdeveloped Bosnia and Herzegovina (1.4) to regional economic leader Lithuania (1.3).

The second within-country driver of demographic change has been the increase in life expectancy,² but this has been less important. Even though the average citizen in Central and Eastern Europe today lives until their mid-to-late 70s, up from their early 70s or even mid-to-late 60s in some post-Soviet countries in the 1990s, this development has added much fewer old people to the region than the share of young people “removed” by declining fertility.

The final and decisive determinant of the demographic landscape of the region is net emigration. While birth and death rates are declining in Western Europe, too, it is only in Central and Eastern Europe that the number of people leaving is (generally) higher than the number of people arriving. Since 2004, the immediate prospect of a higher standard of living in Western Europe has proven more attractive to many individuals in the Baltic and Visegrád states than the long-term promise of improved life prospects at home, even though the latter has in the meantime largely materialized. This serves as a cautionary tale for Western Balkan governments, suggesting that EU accession may not halt brain drain; rather, the opposite scenario appears more probable. While Western Balkan countries have recently been attracting a non-negligible number of low-skilled workers from other continents, it is clear that net emigration (more emigration than immigration) will persist

¹ <https://www.humanfertility.org/>.

² https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Mortality_and_life_expectancy_statistics.

for the foreseeable future. EU accession, should it finally become a reality, might only exacerbate these trends.

The Self-Perpetuating Stagnation of “Ageing Economies”

One term economists studying Central and Eastern Europe love to use is “convergence”: the region’s aspiration to eventually reach parity with the living standards of Western Europe. While this is unlikely to happen anytime soon, another kind of convergence appears more clearly on the horizon: around population aging. Eastern European populations are becoming old before they become rich, or at least before they can become as rich as their West European counterparts. Fascinatingly, the share of old people today in all but two EU member countries in Central and Eastern Europe is below the EU average,³ but it is projected to rise *above* the EU average in all but three of them by 2100.⁴

All else being equal, population aging is likely to hurt economic growth, as fewer workers result in lower economic output. This is only partly counter-balanced by rising productivity, as even major technological advances, such as the emergence of large language models in late 2022, have been boosting productivity by close to zero.⁵ To make matters worse, “gerontonomies”,⁶ or economies with large shares of old people, seem to have a self-perpetuating mechanism of low growth. The high concentration of “grey power” in such countries, with the elderly being more likely to vote in elections, tends to prompt policymakers to prioritize efforts to keep inflation low over attempts to stimulate growth. Consumption is an additional concern, as the elderly tend to spend less, thus hurting the economy even if labor shortages on the production side are overcome.

³ <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20230222-1#:~:text=Old%20age%20dependency%20ratio%20increased%20to%2033%25%20in%202022&text=The%20old%20Dage%20dependency%20ratio,20%25%20in%20all%20of%20them.>

⁴ [https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20200713-1.](https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20200713-1)

⁵ [https://economics.mit.edu/sites/default/files/2024-04/The Simple Macroeconomics of AI.pdf.](https://economics.mit.edu/sites/default/files/2024-04/The%20Simple%20Macroeconomics%20of%20AI.pdf)

⁶ [https://blogs.lse.ac.uk/eurompblog/2023/11/09/ageing-advanced-capitalist-democracies-risk-heading-for-a-future-of-economic-stagnation/.](https://blogs.lse.ac.uk/eurompblog/2023/11/09/ageing-advanced-capitalist-democracies-risk-heading-for-a-future-of-economic-stagnation/)

The most immediate policy areas of concern, however, are pensions and healthcare. The retirement age in Central and Eastern Europe tends to be lower than in Western Europe, hovering around the early 60s. Pensions are already a massive drag on public spending,⁷ as some of the beneficiaries of early retirement packages for redundant workers in the transitional period in the 1990s (and in some countries all the way to the 2000s) are still alive. As for health, as countries have transitioned to chronic diseases as the main causes of death, people are now experiencing prolonged and economically burdensome deaths with extensive medical care.

Population aging is, of course, not all doom and gloom for public spending. Life expectancies have risen but so have healthy lifespans. Living a decade longer does, on average, mean spending more years of life with some disease, but usually only a few more (rather than the full ten).

Moreover, the twin brother of population aging – population decline – carries some obvious *relaxations* of the public spending burden, not least in high-spending areas such as education, transportation, and overall public infrastructure. Smaller populations might also lead to lower carbon emissions. However, Central and Eastern Europe is not quite there yet. It will take several generations before the demographic transition has gone full circle: most countries in the region are aging much faster than they are shrinking, and some are not even shrinking – for now. Rather than waiting for demographic trends to balance each other out in the long run, policymakers must respond immediately.

Demographic Policy Must Go Beyond Raising Birth Rates

Contrary to some of the alarmism around demographic change⁸ in the public discourse, demography is not destiny: the window for turning population trends into an opportunity does not fully “close” for any country and at any stage of its demographic journey. Policy responses to population aging can seek to mitigate demographic trends, or adapt one’s economy and society to them. Ideally, these responses should occur in parallel and in relatively equal

⁷ <https://findresearcher.sdu.dk/ws/portalfiles/portal/228604644/Vanhuyse.pdf>.

⁸ https://econpapers.repec.org/article/vidyearbk/v_3a21_3ay_3a2023_3ai_3a1_3aoid_3a0x003e3097.htm.

proportion. Yet, policymakers in the region have so far prioritized mitigation over adaptation – and have been mostly unsuccessful at either.

Efforts to raise birth rates, often referred to as pronatalism, have emerged as the demographic policy tool of choice. Starting with Poland since the mid-2010s and Hungary (continuously but most visibly since the mid-2010s), as well as most recently Serbia since the mid-2020s, among several other examples, pronatalism has firmly established itself in national policy toolkits and government speeches across the region. Hungary's prime minister, Viktor Orbán, has said that “we want our own children, not foreign children, to inherit this country”.⁹ Serbia's president, Aleksandar Vučić, has put it even more dramatically: “If we don't increase the number of children, we might as well ‘turn out the lights’ behind us”.¹⁰ Apart from objective demographic trends, the relatively short tradition of statehood in the region, coupled with contested nation-building, and, in the case of the Western Balkans, open territorial disputes, might have further contributed to the sense of alarm.

The design of pronatalist policy¹¹ has also been quite similar across Central and Eastern Europe. In each of the above cases, the main policy instrument has been child benefits: generous financial transfers, either as direct allowances or through tax relief, for parents. Even the distribution of the benefits has been similar: second, third, and fourth children tend to be prioritized, although Poland currently provides the same amount for all children. The benefits tend to apply for all households regardless of income and region of residence.

The latter feature has made the pronatalist incentive most attractive to poorer families in rural areas. In Poland, the 150 euros per child monthly is probably appreciated as a nice gift by white-collar, two-earner families in Warsaw, but it can be expected to matter much more for people's fertility decisions among blue-collar households or in the countryside, which are less well off. And this brings us to the flipside of Polish pronatalism: the size of

⁹ <https://dailynewshungary.com/pm-orban-we-want-our-own-children-not-foreign-children-to-inherit-this-country/>.

¹⁰ https://rtv.rs/sr_lat/politika/vucic-demografski-problemi-cele-evrope_1045761.html.

¹¹ <https://www.eurozine.com/the-right-policy-for-the-wrong-reasons/>.

the benefits, which surpasses the earnings of some mothers, might, in fact, have encouraged tens of thousands of Polish mothers to quit their jobs.¹²

If pronatalist policies aim to counter future labor shortages, any adverse effects on the current workforce clearly undermine their goal. But this conclusion assumes that there really is an economic rationale behind pronatalism in the region. Critics have instead pointed to the suspicious overlap between its biggest beneficiaries – rural and less educated parents – and the voter base of the typically conservative governments enacting pronatalist policy.¹³ While demographers *do* consider generous child benefits as a necessary part of a successful pronatalist toolkit,¹⁴ they also point to its diminishing returns (there are only so many children you can convince people to have by giving them more cash) and the importance of additional policies and favorable overall living conditions.

Countries in the region tend to do a decent job on work-care reconciliation policies, although the balance has been unwisely tilting away from childcare towards (even longer and not always fully-paid) parental leave. At the same time, broader democratic stagnation and persisting corruption are hardly helping pronatalist policymakers convince their people to imagine an idyllic family life in their home countries. In any case, pronatalist policy (in the broadest sense of the term) should be improved rather than dismissed altogether: after all, every other person would, on average, still prefer having a full additional child compared to current fertility rates.¹⁵

The broader sociopolitical shortcomings of governments also pose a key obstacle to their efforts to *adapt* to population aging, which can include immigration, automation, and domestic workforce expansion. Illiberal attitudes towards immigration,¹⁶ shared by a plurality of citizens in most countries in the region, hamper this most immediate response to population aging. Ironically, some of the most pronatalist governments have also been the most

¹² https://ibs.org.pl/app/uploads/2018/03/IBS_Working_Paper_01_2018.pdf.

¹³ <https://www.theguardian.com/world/2020/mar/04/baby-bonuses-fit-the-nationalist-agenda-but-do-they-work>.

¹⁴ <https://onlinelibrary.wiley.com/doi/full/10.1111/padr.12431>.

¹⁵ <https://link.springer.com/article/10.1007/s11113-019-09516-3>.

¹⁶ https://migrant-integration.ec.europa.eu/library-document/public-attitudes-migration-rethinking-how-people-perceive-migration_en.

hawkish on immigration. This is the case even though working-age arrivals help balance the ratio of net contributors and beneficiaries in the economy. By contrast, more births can only exacerbate it in the short run before improving it once previously-dependent children eventually join the workforce. Moreover, some countries in the region, especially in the Western Balkans, remain an unattractive destination to many prospective immigrants, despite some recent instances of low-skill immigration addressed earlier.

Another key area of adaptation where Central Eastern Europe is currently lagging is automation. Economists have identified a strong correlation between population decline and automation in developed countries over the past few decades.¹⁷ As countries lose their working-age population, employers have to deal not only with insufficient workers but also demands for wage increases by the workers still available to them, whose bargaining power will have increased. Both factors should incentivize investment in labor-saving technologies, but it remains to be seen whether, when, and to what extent governments and employers in the region will recognize the imperative of replacing missing workers with robots.

Finally, any adaptation efforts would be incomplete without some reform of the broader political economy – again, especially in the Western Balkans. Continuously low scores in international education rankings point to the countries' inability to make the most of their working-age population, regardless of its size.¹⁸ Efforts to retrain an inadequately skilled workforce and improve the education of future workers must occur in parallel.

Many countries in Central and Eastern Europe are heavily dependent on foreign investment. These dependencies get perpetuated through the inability of low-tax economic regimes (perhaps inevitable during the transitional years but increasingly unfit for purpose) to produce cadres able to perform high-skilled jobs and innovate independently. Finally, statutory retirement ages,¹⁹ which in some countries of the region have remained intact for decades,

¹⁷ <https://www.sciencedirect.com/science/article/pii/S0167268123000409>.

¹⁸ <https://www.oecd.org/pisa/>.

¹⁹ <https://www.euronews.com/next/2023/04/06/pension-reform-in-france-which-countries-have-the-lowest-and-highest-retirement-ages-in-eu>.

must be adjusted to growing life expectancy, ideally by indexing them to future increases, despite the political sensitivity of such reform.

Demography as the Latest Litmus Test for the Region's “Return to Europe”

Over thirty years ago, many countries in Central and Eastern Europe understood their post-socialist transition as a process of “returning to Europe”. When it comes to demography, they have certainly blended into – and will likely soon spearhead – the European reality of aging and shrinking populations. Of course, “returning to Europe” was supposed to be a much broader project than reaching West European living standards: it was meant to constitute a firm commitment to European values of liberal democracy and a market economy.

Unfortunately, as has been obvious in the likes of Hungary and, until recently, Poland, efforts to mitigate population aging through pronatalism have often served as a backdoor for reactionary policy agendas that contradict the freedom-loving spirit of the 1989 generation. Demographic change will continue to pose many questions to governments and societies. Their answers will not only help shape the socioeconomic well-being of the Western Balkans and the broader region but also their fundamental values and, ultimately, their place in the Europe of tomorrow.

PART II:
Impact of the Demographic Challenge on Serbia

Population Ageing and Labour Force in Serbia – Present-Day and Perspectives

Vladimir Nikitović

Introduction

The term ‘demographic crisis’ is commonly used to describe the shrinking and ageing populations in Serbia and neighbouring countries (Nikitović, 2022; Rašević & Galjak, 2022). On a global scale, depopulation has become widespread, paralleling the increase in population ageing. Interestingly, while humanity spent decades trying to slow population growth, many regions now face the opposite challenge – working to reverse population decline. This paradox highlights how complex and difficult it is to manage demographic trends and their interrelated factors.

Serbia’s region was one of the first in the world to encounter depopulation and ageing, a reality now seen in almost half of European Union member states (United Nations, 2024c). A particularly important issue is the shrinking and ageing workforce, which is affected not only by demographic changes but also by economic conditions.

Can these trends be changed? Are we facing a demographic turning point? Could immigration or the return of citizens from abroad help shift the situation? Is the widespread anxiety about how ageing will affect vital social systems supported by evidence? What kinds of strategies could best address these demographic challenges: those targeting demographic factors directly, or efforts to boost workforce participation? Which approach is more likely to have an impact? Such questions have long been discussed in academic literature. In this article, we examine recent knowledge and offer insights into how the demographic crisis – especially ageing – might shape future changes in Serbia’s workforce. Our quantitative framework relies on models projecting future demographic trends, using data from the July 2024 revision of the United Nations Population Division’s probabilistic world population projections (referred to as UN2024) (United Nations, 2024a), recognized for its rigorous methodology and biennial updates.

Serbia's Demographic Outlook

In contemporary societies experiencing depopulation and ageing demographics, the short- and medium-term objectives of population policy are frequently set with considerable optimism – often exceeding what scientific understanding of demographic change would support. Nevertheless, the possibility of unexpected long-term shifts remains, as evidenced by historical changes in global population trends that were not anticipated by prior empirical or theoretical frameworks. To date, there is no scientific consensus regarding the future trajectory of humanity's demographic development. The *homeostatic* phase, characterized by relatively low birth and death rates, was traditionally viewed as the final stage of demographic transition and considered an attainable and self-sustaining outcome for most societies, resulting in a stable population. This perspective has usually shaped demographic projections by national and international agencies, wherein the most desirable scenario assumes replacement fertility levels and zero net migration, consistent with the prevailing expectation among demographers that equilibrium is the only viable long-term state for modern societies. However, newer forecasting models, which utilize increasingly robust demographic data – including more granular indicators from recent decades – have challenged the plausibility of such scenarios. These models provide explicit probabilities for various demographic outcomes, allowing for a clearer quantification of the roles played by births, mortality, and migration in shaping population dynamics.

Regardless of the validity of specific population policy objectives, it is clear that concerns regarding anticipated substantial population decline – particularly at the (sub)regional and local levels – are well founded (Lutz & Gailey, 2022; Nikitović, 2019, 2022). The region encompassing Serbia has already been identified as especially vulnerable on a global scale as of the mid-2020s. According to UN2024 projections, the populations of Serbia and several neighbouring countries, including Bulgaria and Croatia, are expected to decrease by at least 20% over the next three decades, and may be reduced by nearly half by the year 2100 (United Nations, 2024c). Serbia is recognised as an early and prominent case in the regional depopulation process, a trend influenced by unique aspects of its socioeconomic development following World War II. These factors have shaped the broader determinants of mod-

ern demographic shifts, notably resulting in persistently low fertility rates (Nikitović et al., 2019; Nikitović & Magdalenic, 2024; Rašević & Galjak, 2022).

Figure 1 illustrates Serbia’s total population trends, detailing historical data from 1950 to 2024 and projections extending to the end of the century. The graph clearly demonstrates that the decline commenced over thirty years ago (solid black line) and is projected to persist through 2100. This visualisation integrates probabilistic uncertainty regarding Serbia’s future population size – derived from 2,000 simulated trajectories with 80% and 95% prediction intervals¹ – as well as deterministic uncertainty illustrated by two conventional scenarios from the UN2024 projection set: low and high fertility.

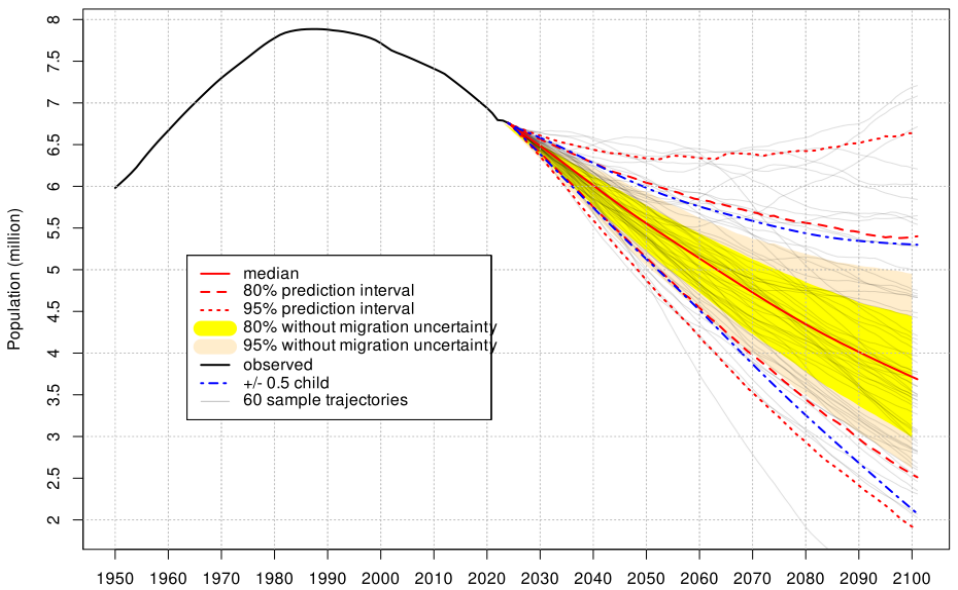


Figure 1: Total population of Serbia – historical and projected, 1950–2100

Source: United Nations, 2024b.

¹ Each trajectory was generated with the bayesPop package in R, using one projected path each for total fertility rate, life expectancy by sex, and net migration, sampled from their respective predictive distributions (Shevchikova et al., 2025).

The median of the prediction interval indicates that Serbia's total population is projected to decrease by approximately one million persons by 2050, and by a further two million by the end of the century. Depopulation appears highly probable, as only the upper bound of the 95% prediction interval (represented by the red dotted line) suggests the possibility of halting this decline by mid-century, followed by a minor increase. In contrast, the upper bound of the 80% prediction interval (the red dashed line) implies there is merely a 10% likelihood that the overall population decline could be stopped, and only towards the century's conclusion. There is also a comparable probability that Serbia's population in 2100 may reach as low as 2.5 million people. It is important to note that these intervals are relatively broad, given that this is the first revision of United Nations projections incorporating migration uncertainty – by far the biggest among the three components of demographic change. The yellow region illustrates the 80% prediction interval, and the orange represents the 95% prediction interval, both excluding migration uncertainty, which continues to be a conventional approach in most national demographic forecasts due to insufficiently reliable migration data and the inherent unpredictability of long-term migration trends.

Figure 1 illustrates that the likelihood of the traditional high and low fertility scenarios, commonly used in UN projections,² is low since they fall near the respective 80% prediction interval bounds (including migration uncertainty). Moreover, such demographic futures are highly unlikely within this century given the 95% prediction interval excluding migration uncertainty. This insight is especially important regarding the high fertility scenario, which in Serbia corresponds to replacement-level fertility – a result largely dependent on the effectiveness of policies promoting childbirth. Notably, this outcome is also considered unrealistic by projections informed by subjective expert assessments, such as those from national statistical offices or Eurostat (Eurostat, 2024; Paunović Radulović et al., 2024). Even under this scenario, reversing the ongoing population decline over an extended period remains unattainable, as clearly depicted in Figure 1.

² High and low fertility scenarios depict futures in which the total fertility rate is most of the time for 'half' of the child above or below the most likely trajectory (median distribution).

The projection indicates that, when accounting for migration uncertainty based solely on the modelling of historical trends, there remains a possibility – albeit modest – that Serbia’s population could increase, contingent upon achieving a highly positive, yet plausible, net migration balance. Even when disregarding models and focusing exclusively on empirical evidence of migration developments in Serbia and neighbouring countries over the past century (the annual migration balance in Serbia since 1950 is illustrated in Figure 2), it is conceivable that comparably high net immigration may occur in the coming decades. This perspective aligns with contemporary theoretical frameworks informed by empirical data, which increasingly view Europe as an immigrant continent and predict a transition for remaining net emigration countries – primarily in Eastern and Southeastern Europe – towards net immigration status (Fassmann & Reeger, 2012; Nikitović, 2017).

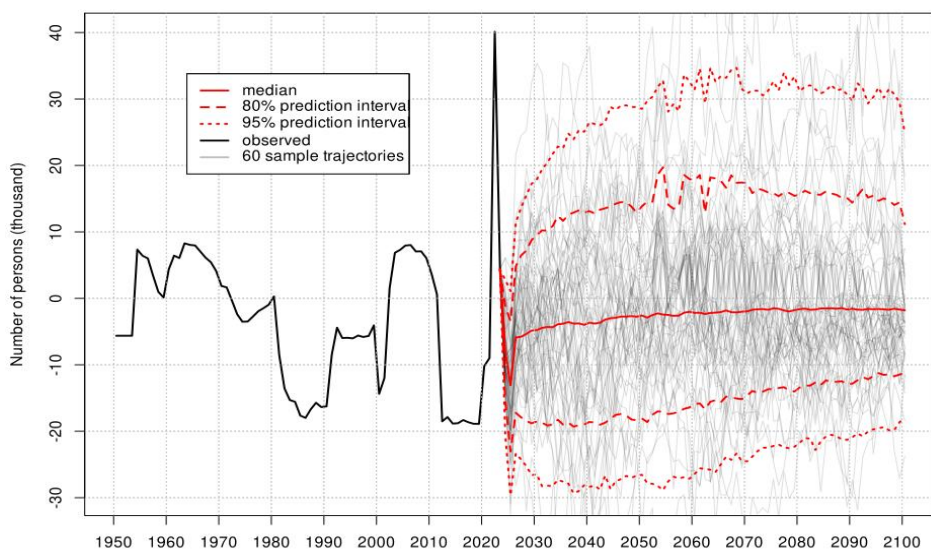


Figure 2: Serbia’s migration balance – historical and projected, 1950–2100

Source: United Nations, 2024b.

The UN2024 projection incorporates such a migration future, which serves as the analytical basis for this paper. A comparison of Figures 1 and 2 indicates that migration remains a principal source of long-term population uncertainty. While the projection suggests Serbia and neighbouring countries will likely sustain a slightly negative migration balance – potentially trending

towards zero by century's end – there is also a significant likelihood of either its further decline or a reversal of current migration patterns. To halt population decrease or foster growth, it would be necessary for Serbia to achieve a sustained positive net migration of approximately 15,000 to 30,000 individuals annually in the long term, as indicated by the upper bounds of the 80% and 95% forecast intervals, respectively (see Figure 2). In practical terms, this would require Serbia to transition from its current migration rate (roughly -2 per thousand) to between +2 and +4.6 per thousand population within 15 to 25 years.

In this context, Eurostat's most recent population projections for EU member states (EUROPOP2023, spanning 2022–2100) extend beyond the UN2024 model, largely assuming an imminent shift whereby Serbia's traditionally emigrant neighbouring countries will transform their migration balance from negative to positive. Even under the lower immigration scenario, net emigration is not forecasted after the initial 5–7 years for erstwhile emigrant countries such as Bulgaria and Croatia. The baseline (most probable) scenario anticipates an almost immediate transformation to net immigration, while the high immigration scenario matches the upper bounds of the prediction intervals of the UN2024 projection (Eurostat, 2024).

Although the likelihood of this future scenario is considered low by the UN2024 model, historical data and theoretical perspectives suggest that substantial changes in migration patterns may be more probable than shifts in fertility rates. More specifically, they indicate a higher possibility of increased immigration levels in this region rather than a substantial rise in birth rates over the coming decades (Nikitović, 2022). Recent increases in immigration to the region that includes Serbia support these assumptions. Economic growth and anticipated improvements in living standards may lead to the region becoming a net immigration area in Europe, a possibility viewed as more feasible now compared to 5–10 years ago.³ Nevertheless, Eurostat projections do not anticipate a reversal in the declining population trend until the last two decades of the century. Unlike the UN2024 projection, Eurostat considers this turnaround possible within its baseline, or most likely, scenario (Eurostat, 2024).

³ In October 2024, Eurostat updated the long-term EUROPOP2023 by including a short-term projection for 2023–2050 to reflect recent trends in increased immigration.

Prospects of Population Ageing in Serbia

If rapid population growth was the predominant global demographic challenge during the 20th century, population ageing has clearly assumed this role in the 21st century. While Europe is the first continent to encounter this phenomenon, concerns regarding its impact on essential social systems have extended well beyond its borders, as evidenced by recent population projections (United Nations, 2024c). Consequently, many countries have implemented policies designed to reduce the emigration of citizens, stimulate foreign immigration, or increase birth rates. However, these projections indicate that the effects of such measures typically manifest over the long term, or at best, the medium term, as determined by the period required for a new generation to reach working or reproductive age. Furthermore, the outcomes of these initiatives remain uncertain, as discussed previously. Accordingly, apprehension about the potential consequences of population ageing appears warranted, as illustrated in Figure 3.

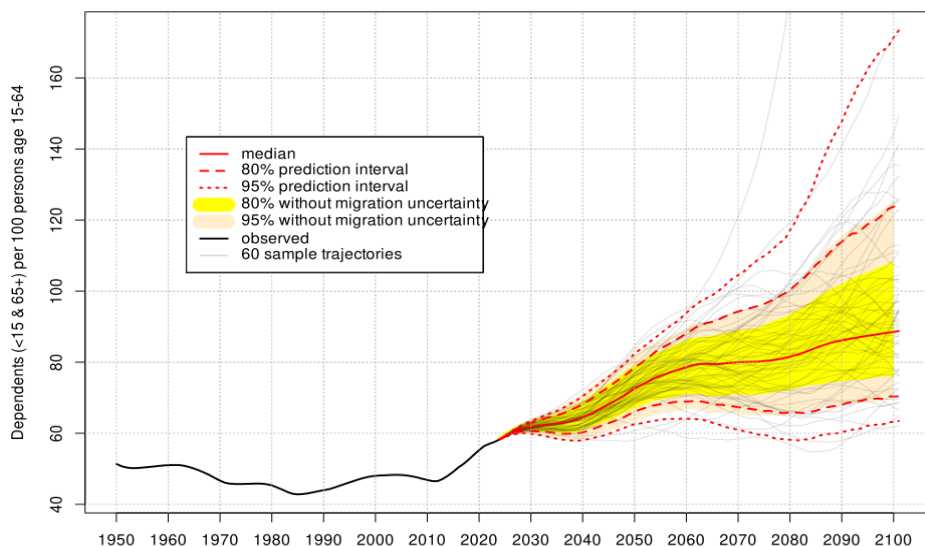


Figure 3: Total dependency ratio (number of persons aged <15 and 65 + per 100 persons aged 15–64) of the population of Serbia – historical and projected, 1950–2100

Source: United Nations, 2024b.

The Total Dependency Ratio (TDR) serves as a widely utilised demographic measure that quantifies population ageing, representing the proportion of young and older individuals relative to those of working age.⁴ It is commonly interpreted as an indication of the economic burden placed on the economically active by dependent segments of the population. According to the UN2024 projection, illustrated in Figure 3, the prediction interval suggests that the TDR – already at an elevated level – is highly unlikely to decline before the end of the century. The principal driver of this trend is the projected increase in the old population, which intensifies the ‘pressure’ on individuals of working age. Following a projected deceleration until 2040, a subsequent surge around 2060 appears probable, mirroring the rise observed post-2010 and the anticipated peak around 2030 attributable to the ageing of the baby boomer cohort. This phenomenon results from Generation X, the offspring of boomers, entering the older population bracket during this timeframe.

It is especially important to highlight the noteworthy probability – under unfavourable birth and mortality trends and excluding migration-related uncertainties – that the number of dependents could almost match the working-age population over the next six decades. This scenario, characterised by a sustained negative migration balance, is reflected at the upper bound of the 80% forecast interval (depicted in yellow in Figure 3). Conversely, while immigration is often regarded as the most expedient means to alleviate pressure on the working-age population, the lower bound of the 80% prediction interval with migration uncertainty for the TDR (represented by the red dashed line) indicates that Serbia’s transition to an immigrant-receiving country – with increasingly positive migration balance – would yield substantial benefits only after four to five decades. The incremental reduction in TDR attributed exclusively to this factor is illustrated in Figure 3 by the area between the red dashed line, denoting the lower bound of the 80% prediction interval

⁴ Age limits for defining working-age populations depend on demographic, cultural, and economic factors. This paper uses the standard range of 15 to 64 years, with 65 typically marking retirement age and 15 indicating the threshold between youth and working age. The focus is on analysing ways to increase activity rates among young people, which are generally low in Serbia’s cultural context.

with migration uncertainty, and the bottom edge of the yellow-shaded region, which marks the lower bound of the 80% prediction interval without migration uncertainty.

Currently, Serbia and neighbouring countries are considered among the regions experiencing notable population decline and ageing; however, their TDR remains lower than that of Western Europe. According to the median scenario of the UN2024 projection, the TDR in Western Europe is expected to increase at a faster rate over the next 15 years, while a similar shift for Serbia and its neighbours is projected to occur around the middle of the century. From that point on, the region is forecasted to have the most unfavourable ratio of young and old to working-age individuals in Europe until the century's end (Nikitović et al., 2024). This indicator, based strictly on age, suggests the region has time to adjust to forthcoming demographic changes. Nevertheless, shifts in the proportions of key age groups in this region present major challenges, particularly in comparison with Western Europe, primarily due to lower activity rates.

Rising Labour Force Participation in Response to Population Ageing

The Total Dependency Ratio (TDR) provides a rough estimate of the relationship between economically dependent and independent segments of the population. Its primary function is comparative, permitting demographically standardised assessments of age profiles across different populations as a straightforward indicator. The simplicity of this measure, however, entails certain limitations: it assumes that all individuals over the age of 65 are economically dependent, and that those aged 15–64 uniformly participate in the labour market (Marois et al., 2020). In practice, these assumptions overlook crucial societal shifts, such as rising life expectancy, longer periods of life spent in good health, and higher levels of education, which have led to increased rates of workforce participation. Notably, Serbia has experienced a marked rise in labour force participation among highly educated individuals under 40, with women on average surpassing men in educational achievement for all cohorts born after 1966 – an indicator of social progress (Galjak, 2025).

Nevertheless, the real economic dependency pressure on the active population remains greater in Serbia and neighbouring countries than in Western

Europe, as activity rates – particularly among younger and older segments of the potential workforce, especially women – are traditionally lower. This trend is illustrated in Figure 4, presenting activity rates by gender and five-year age groups based on annual data from the 2023 Labour Force Survey (Eurostat, 2025). The graph compares Serbia, the EU-27 average, and Sweden – a country whose age-specific labour activity patterns remain challenging for many advanced EU states to match. Within this context, Serbia’s patterns resemble those observed in Mediterranean countries, particularly regarding delayed entry of young individuals into the labour market, attributed to cultural similarities in the transition to adulthood (Ignjatović, 2009; Tomanović, 2022).

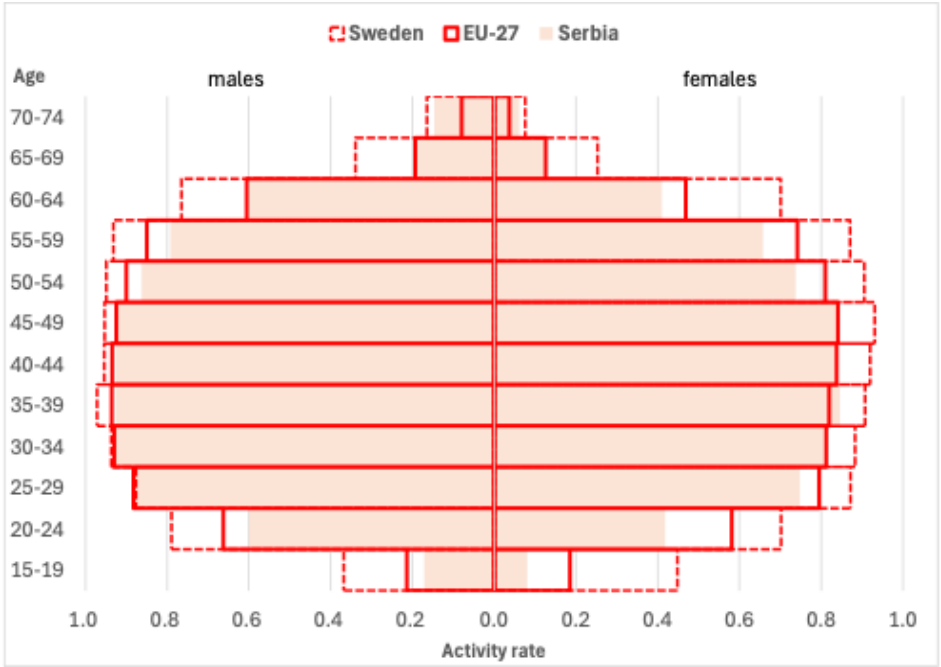


Figure 4: Activity rates by gender and five-year age groups for Serbia, EU-27 average and Sweden according to the 2023 Labour Force Survey

Source: Eurostat, 2025.

Conversely, reduced activity rates in the working-age population over 50 are correlated with factors such as poorer health status (Marinković & Galjak, 2021; Rašević & Galjak, 2022), a persistently high proportion of disabled

pensioners (Pension and Disability Insurance Fund, 2025) attributable to historical liberal disability legislation (Stojilkovic, 2011), limited effectiveness of retraining initiatives, and certain forms of labour market discrimination during Serbia's ongoing socioeconomic transition. In the population aged over 65 years, lower activity levels⁵ relative to those observed in more developed countries are also linked to fewer years spent in good health, positioning Serbia among the least favourable European contexts in this regard (Galjak, 2023; Marinković, 2022). Furthermore, low activity rates among both younger and older working-age women, particularly compared to the Swedish age-specific activity pattern, can largely be attributed to lower levels of gender equality within the private sphere, distinguishing Serbia from more gender-egalitarian societies (Bobić, 2018).

Given the limited and primarily long-term effects that Serbia's transition to an immigration country or an increase in birth rates may have on workforce size – according to the UN2024 projection – and considering these factors depend largely on the effectiveness of immigration and pro-natal policies, which are either absent or inconsistently implemented in Serbia (Nikitović, 2017; Nikitović & Magdalenić, 2024), assessing the future workforce size and its relationship with the dependent population requires examining the impact of potential changes in activity rates.

A notable portion of the working-age population remains outside the labour force, including categories such as students, housewives, and early retirees, while some individuals over 65 remain economically active. Data indicates that activity rates are generally increasing (Eurostat, 2025), a trend attributed to higher levels of education, as those with more education tend to participate in the labour market for longer periods (Marois et al., 2020). If advancements in artificial intelligence and widespread automation do not result in fundamental changes, projections suggest future generations may attain even higher educational levels and maintain economic activity at older ages. Research has identified associations between continued economic activity beyond traditional retirement age and positive psycho-physical health outcomes (Lutz & Gailey, 2022; Skirbekk & Lutz, 2014). In this section, we use the labour force dependency ratio (LFDR) to assess the impact of an ageing

⁵ Rates for individuals aged 70–74 are higher than the EU-27 average, which is attributed to a larger proportion of agricultural workers in these age groups.

population on the labour force. Unlike the TDR, LFDR compares all economically inactive individuals to all economically active individuals, regardless of age, thereby reflecting actual participation in the labour force.

Figure 5 presents the projected trends of two indicators – the total age dependency ratio and the labour force dependency ratio – as measures of the potential economic impact related to population ageing in Serbia over the next four decades. The total age dependency ratio, in addition to the most probable path, incorporates probabilistically quantified uncertainty by accounting for variations in births, deaths, and migration, according to the UN2024 projection. Conversely, the labour force dependency ratio reflects potential shifts in activity rates, applying scenario-based uncertainty, tied to the most probable trajectory of future population change from the same projection.

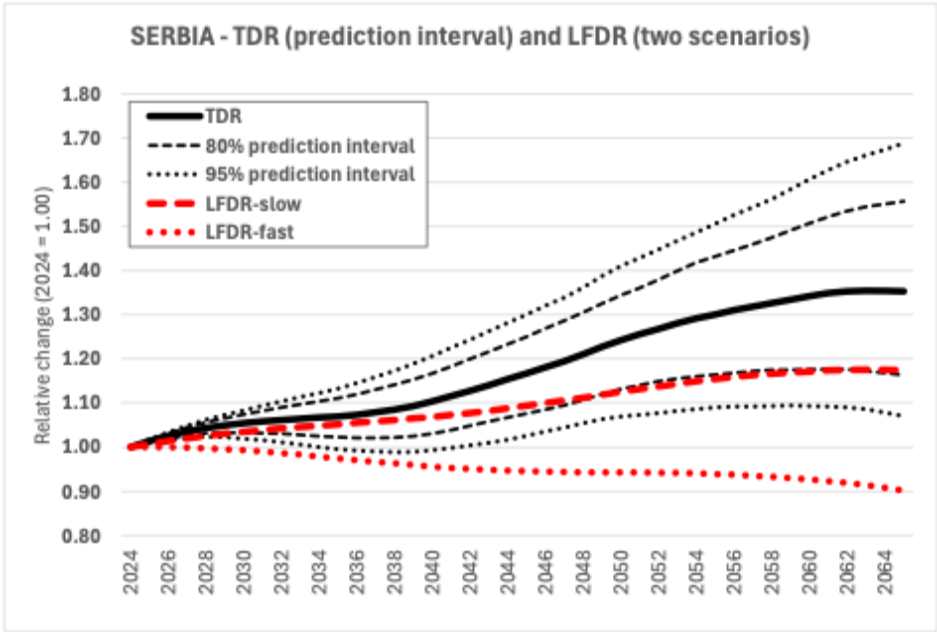


Figure 5: Total Dependency Ratio – TDR and Labour Force Dependency Ratio – LFDR (slow and fast scenario) as predictors of economic ‘pressure’ due to population ageing in Serbia, 2024–2065

Source: Author’s calculations based on: United Nations, 2024a; Eurostat, 2025.

The dashed and dotted black lines represent the 80% and 95% prediction intervals, respectively, surrounding the most probable (median distribution) future trajectory of TDR (depicted by the solid black line). By contrast, the two red lines illustrate alternative scenarios for the future development of LFDR. A forty-year time frame is generally regarded as the maximum feasible period for projecting changes in activity rates. Considering Serbia's current relatively low activity rates in certain age groups (as shown in Figure 4), it is assumed that gradually aligning with the existing EU-27 average for age-specific activity patterns could be realistically achieved by 2065. This projection is especially plausible given that the EU-27 includes countries like Croatia and Bulgaria, which exhibit similar patterns to Serbia. Accordingly, this pathway is referred to as the slow LFDR scenario (indicated by the red line with circles). Conversely, achieving Sweden's present age-specific activity pattern within four decades is considered notably more ambitious due to pronounced cultural, demographic, and socioeconomic differences between Serbia and the Nordic countries that influence activity rates. Consequently, this trajectory is designated as the fast LFDR scenario (the red line with triangles).

All indicators in Figure 5 have been standardized to a baseline value of 1.0 for 2024 to facilitate comparison of trends over time. The good news is that over the next 15 years, the TDR is unlikely to experience significant growth – expected to increase by less than 10%, with at least a 90% probability of this outcome within the coming decade. This means that population ageing is projected to exert minimal pressure on the economically active segment, primarily due to the gradual inclusion of individuals from the 'silent or truncated generation' into the old population. During this period, similar outcomes result from the slow LFDR scenario, which implies only minor increases in activity rates. Conversely, the fast LFDR scenario suggests a potential reduction in workforce pressure over the next 15 years, even though it assumes a demographic trajectory without a migration transition or substantial rises in fertility rates.

The principal distinction between TDR and LFDR emerges over the medium term. Following 2040, TDR is projected to rise considerably, reaching its peak around 2060. At that point, the indicator will likely be approximately 35% higher than the current level, primarily due to the ageing of Generation X (the descendants of baby boomers). This growth is expected to stabilise as

Generation X is succeeded by the next smaller generations – Y and then Z – in the old population. Notably, the upper bound of the prediction interval suggests that after 2058 there is at least a 10% chance that the TDR will exceed today's level by 50%. On the other hand, the increase in LFDR after 2040 is much smaller under the slow scenario, peaking at 18% above today's figure in 2060 – only half the forecasted rise in TDR. This is attributable to anticipated rises in labour force participation among both younger and older individuals, particularly women, driven by the rising educational attainment, increasing life expectancy and years spent in good health, and evolving cultural norms regarding the transition to adulthood. Similar patterns of divergences in forecasted trends between these two indicators are portrayed in projections for neighbouring countries within a comparable timeframe, regardless of methodological differences (Lutz & Gailey, 2022).

In the slow LFDR scenario, the projected trajectory of the inactive to active population ratio aligns with the lower bound of the 80% prediction interval for the TDR during the latter half of the projection period. This is another key point that Figure 5 conveys: achieving a stable annual net immigration rate of two per thousand, along with a 20% increase in total fertility rate, would reduce the expected population ageing pressure by half compared to the most likely demographic future (where neither large changes in fertility nor a transition to net immigration are assumed), though such a scenario holds only a 10% probability; nevertheless, the same reduction in pressure on the labour force could be achieved only through the expected improvements in activity rates even in the most likely demographic future, as implied in the slow LFDR scenario.

The most favourable outcome comes from the fast LFDR scenario, though achieving this appears challenging even for countries more developed than Serbia. Under this scenario, there would be no pressure on Serbia's labour force from the economically dependent population throughout the projection period; in fact, this pressure is expected to gradually fall, reaching a level 10% lower than today by 2065. Put differently, the pressure induced by the increasing total dependency ratio in the most likely demographic future would not only be completely offset but would actually decline. While this scenario expects its target values will only be met after 40 years, its feasibility – especially given it requires a substantial rise in women's workforce participation and increasing the retirement age to match that of Sweden – remains

debatable. Still, what is clear is that, according to comparisons with the prediction interval of total dependency ratio, long-term reduction of pressure on the labour force is unattainable without a sizeable boost in activity rates.

Conclusion

An analysis of Serbia's population projection through the end of the 21st century, based on the United Nations probabilistic model from 2024, indicates high uncertainty regarding future demographic patterns, particularly with respect to migration drivers. Nonetheless, the ongoing trends of population decline and ageing in Serbia appear highly likely to persist. While a reversal of these patterns is theoretically possible toward the century's end, the probability remains low even if Serbia soon becomes a country with more people moving in than leaving.

However, a strategic focus on reducing emigration and progressively moving towards net immigration should be integral to any approach addressing adverse demographic trends. With the probability of the total fertility rate returning to replacement level by the end of the century being negligible – and the forecasted impact marginal, contrary to common perceptions – this direction is vital.

The swift progress of artificial intelligence prompts numerous questions regarding potential civilizational shifts. Among these, some positive projections for humanity suggest that labour market requirements may diverge notably from current assumptions within the timeframe considered in this analysis. Nevertheless, as these factors were not discussed in the paper, enhancing labour force participation rates remains a central recommendation for public policy. In order to halve the expected increase in workforce pressure stemming from population ageing over the next forty years, both significant increases in fertility rates and stable immigration are necessary. However, the model examined here indicates only a 10% likelihood of achieving such outcomes. Alternatively, similar effects might be attainable already under the scenario of gradual alignment with the current age pattern of activity rates for the EU-27 average, even in the most likely demographic future – without the imminent migration transition and fertility increase.

In light of historical trends, the projected faster increase in activity rates towards the current age pattern in Sweden, warrants further discussion. However, probabilistic population projections clearly show that easing pressure on the labour force can only happen if activity rates rise substantially. These findings suggest that raising activity rates is probably the fastest and most effective way not only to slow down the ‘pressure’ inactive people place on the workforce, but also to reverse this ratio, especially as the population and workforce continue to shrink and age. Research on Western European countries supports these findings. Since Serbia and its region have some of the lowest activity rates in Europe, and further improvements in public health, education, and gender equality – factors influencing activity – are likely, the strategy of boosting labour force participation becomes even more pertinent. Consequently, the prospect of population ageing in the coming decades, characterized by an increasing proportion of a more educated and thus more active population, need not be perceived as the threat it appears to be from a contemporary viewpoint.

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Population Dynamics in Serbia Since 1991: Demographic Challenges and Features

Daniela Arsenović

Serbia has undergone intense demographic changes since the 1990s, characterised by long-term population decline, persistent negative natural growth, increased emigration, and rapid population ageing. Using census data from 1961 to 2022 and complementary demographic indicators, this paper analyses the scale of these changes, considering broader European trends.

Introduction

Over recent decades, European countries have entered the phase of demographic transition, characterised by sustained low fertility, declining natural increase, population ageing, and rough migration dynamics (Reher 2007; Coleman and Rowthorn 2011). Europe is today the oldest world region in demographic terms, and population ageing continues to accelerate as mortality decreases and life expectancy continues to rise (Lutz 2008; United Nations 2019). At the same time, most European countries experience fertility rates far below replacement level, resulting in negative natural growth, increasing dependency ratios, and growing pressure on welfare and pension systems (OECD 2021). These processes have elevated demographic sustainability to a central issue for European policy frameworks, including EU labour market, health, and cohesion strategies (Samek-Lodovici et al. 2025).

The long-term decline of fertility is one of the most persistent demographic features in Europe. Most European states have maintained total fertility rates between 1.3 and 1.6 children per woman for decades (Sobotka 2011; Eurostat 2025a). While some Northern and Western European countries have demonstrated modest fertility resilience, Southern and Eastern European states continue to exhibit “lowest-low fertility”, often below 1.3 (Sobotka, Skirbekk and Philipov 2011). This sustained fertility decline has been accompanied by postponement of marriage and childbirth, reduced cohort fertility, and changes in partnership patterns (Billari and Kohler 2004). Combined

with increased life expectancy, these trends have accelerated population ageing, evidenced by rising proportions of older adults and rapidly growing old-age dependency ratios (Bloom and Luca 2016).

Understanding demographic change in Serbia is vital not only for national development planning but also for positioning the country within wider European demographic processes. Demographic pattern of population changes in Serbia reflects the broader challenges facing Southeast and Eastern Europe, such as depopulation, ageing, migration pressures, and regional inequalities. This study contributes to this understanding by assessing recent demographic trends and examining the population changes and features in Serbia.

Population Change

Demographic change has emerged as one of the central structural challenges facing Serbia in the twenty-first century. Since the breakup of Yugoslavia in the 1990s, Serbia has experienced rapid and persistent population decline, as indicated by the three censuses conducted in Serbia in this century: 2002, 2011, and 2022 (Figure 1). Decades of demographic change have resulted in reduction and ageing. Serbia's population has declined from over 7.5 million in 1991 to below 6.7 million in 2022. According to the census in 2022, Serbia has about 6.6 million inhabitants, which was almost the same as in the 1961 census (Figure 1).

Over the past three decades, there have been more deaths than live births, and the difference is continuously increasing, so the natural increase is increasingly negative. In the 21st century, the number of live births ranges from 60 to 73 thousand, while the number of deaths was fairly stable at around 100 thousand (SORS database) until 2020 and the beginning of the Covid-19 pandemic. The peak of the annual number of deaths was recorded in 2021 with over 130,000 (Arsenović 2023).

Both components of population change – natural change and migration – contributed to the declining trend of population in Serbia, of which natural change has become increasingly important as time passes (Arsenović and Nikitović 2022).

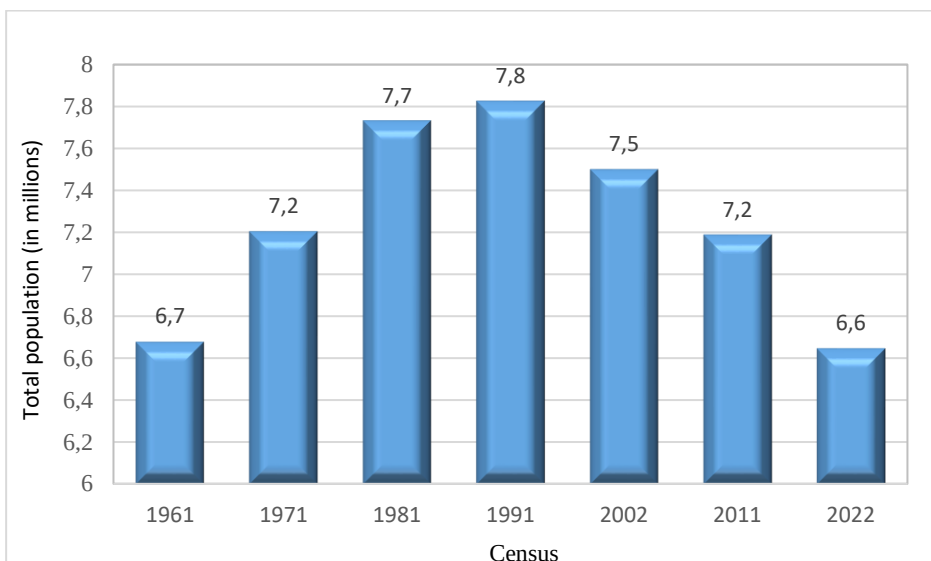


Figure 1: Population change in Serbia according to the censuses between 1961 and 2022

Source: Arsenović and Nikitović 2022 after Penev 2006, Đurđev and Arsenović 2015; SORS 2023.

The rate of natural change turned negative for the first time during the 90s, since when it has started to continuously decline, reaching the annual average of -5.7 per thousand population in the 2024 (Figure 2). Natural increase, as a component of the population change, contributes 80% to the decline in the population in Serbia. Only in the period between the last two censuses (2011–2022), there were almost 470,000 more deaths than births. There were also more emigrants than immigrants by about 117,000, which is a fifth of the total change in the population. Regarding the regional disparities, northern part of Serbia decreased in population by almost 170,000, or 4.7%, while the southern region of the country had an even greater decline. As much as 71% of the total decrease in the population in Serbia occurred in the south region. The Belgrade region is the only region in Serbia that did not experience a decrease in population in the period between the 2011 and 2022 (Marinković 2025).

According to the Penev (2002), unfavourable trends in terms of births and emigration, as key factors in population change, have been present in Serbia since the mid-20th century. Serbia, traditionally an emigration country, did

not experience a decrease in population in the early 1990s due to the increase in immigration caused by the wars in former Yugoslavia. The positive migration balance in the period between the 1991–2002 censuses, due to refugees and internally displaced persons, compensated for the natural decline caused by a higher number of deaths than live births, a trend that began in Serbia in the 1990s. Thus, unlike other Eastern European countries, the beginning of depopulation in Serbia was delayed due to extraordinary circumstances (Marinković 2025).

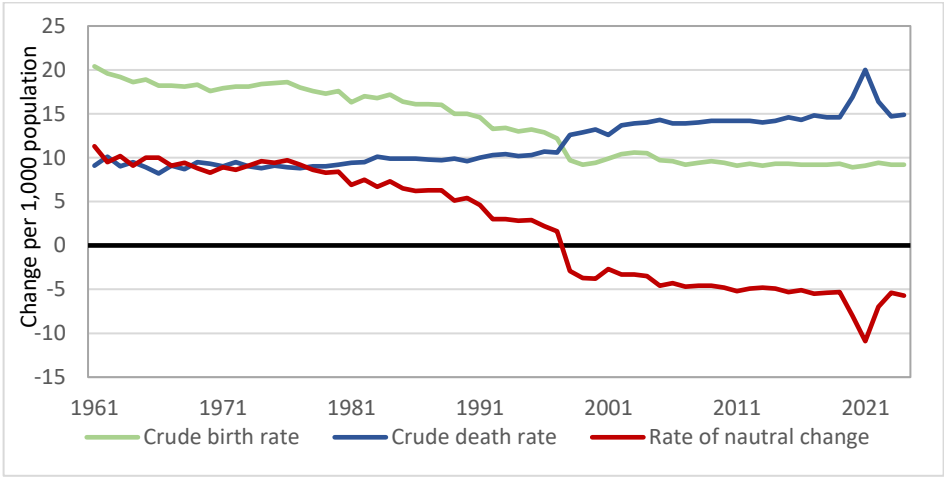


Figure 2: Annual crude rates of natural change in Serbia, 1961–2024

Source: SORS database 2024.

Shrinking population and low or negative population growth rates are among important demographic concerns in all countries of the developed world. The population growth in Europe is the lowest of all major world regions, and Europe’s population is expected to gradually decline by the end of this century, unlike the global population (Van Nimwegen 2013; United Nations 2017). EU population shows an increase in 2024, but this increase was due to positive net migration, as natural growth was negative. Net migration in the EU increased considerably from the middle of the 1980s onwards and has been the main determinant of population growth since the 1990s (EU-ROSTAT 2025a).

Population Ageing – One of the Main Demographic Challenges

Age structure reflects the combined effects of fertility, mortality, and migration dynamics. Population ageing, as one of the most significant contemporary demographic processes, is shaped by multiple determinants and closely linked to broader population changes. While developed countries were the first to undergo pronounced population ageing, this process has increasingly become a key demographic characteristic of developing regions as well. Therefore, population ageing can be considered a global phenomenon.

Similar to most of the European countries, Serbia is experiencing population ageing as a result of below replacement fertility and increasing life expectancy (Arsenović and Nikitović 2022 after Kupiszewski et al. 2012). A recent finding (Nikitović 2019) shows that this process has been supported by an increasing trend of emigration coupled with the return of retired baby boomers from abroad. Since the early 1990s, the share of the population aged 65 and over has risen from 11.9% in 1991, to 22.1% in 2022. And at the beginning of the 21st century, the share of the old population was above 15%. At the same time, the proportion of the young (0–14 years) and working age (15–64) population has decreased. The share of the young population has ranged from 19.4% in 1991 to 14.4% in 2022, while the working age population in the same period decreased from 68.7% to 63.5%. As a result of these changes, the average age in 2022 was 43.8 years, while the ageing index was 1.54 (Table 1).

Based on analysis of indicators of population ageing (indicated in Table 1) it can be concluded that demographic ageing in Serbia has accelerated between 2011 and 2022, with pronounced gender differences.

Indicators of population ageing in EU countries shows similar trends. In 2024, the proportion of people aged over 65 increased in 26 of the 27 EU countries, with record levels in Italy (24.3%), Portugal (24.1%), and Bulgaria (23.8%). At the same time, the proportion of young population (aged 0–14) remains low, with countries like Italy (12.2%) and Portugal (12.8%) recording the lowest rates (EUROSTAT 2025b).

	1991			2002			2011			2022		
	Total	Male	Fe- male	Total	Male	Fe- male	Total	Male	Fe- male	Total	Male	Fe- male
Age group – Share of total population (%)												
0–14	19.4	20.4	18.5	15.8	16.7	15	14.3	15.1	13.5	14.4	15.2	13.6
15–64	68.7	69.4	67.9	67.6	68.8	66.3	68.3	69.9	66.9	63.5	65.2	62
65 and over	11.9	10.2	13.6	16.7	14.5	18.7	17.4	15.1	19.6	22.1	19.6	24.5
80 and over	2.1	1.7	2.5	2	1.5	2.4	3.6	2.7	4.4	4.4	3.4	5.3
Indicators of population ageing												
Average age	37.7	36.6	38.8	40.2	39	41.5	42.2	40.9	43.5	43.8	42.4	45.2
Ageing ¹ index	0.62	0.5	0.74	1.05	0.87	1.25	1.22	1	1.45	1.54	1.29	1.85
Old-age dependency ratio ²	17.4	14.7	20	24.6	21	28.2	25.2	21.6	29.3	34.8	30	39.5

Table 1: Main indicators of population ageing in Serbia in the census years of 1991, 2002, 2011 and 2022

Source: Arsenović and Nikitović 2022 after Penev 2006, Đurđev and Arsenović 2015; Marinković 2025.

Conclusion with Policy Recommendation

Depopulation is a common feature across many Central and Eastern European countries, including Serbia, where population decline has been affected by both determinants, natural changes and migrations. Census data

¹ Ageing index – population 65 and over to population aged 0–14.

² Old age dependency ratio – population 65 and over to population 15–64.

between 2002 and 2022 confirm that natural decrease has become the dominant mechanism of population loss. The share of the population aged 65 and over has increased rapidly, while both young and working-age cohorts have decreased. Average age in Serbia has risen to 43.8 years in 2022, and indicators such as the ageing index and old-age dependency ratio demonstrate the acceleration of ageing, particularly after 2011. Ageing poses challenges to the sustainability of social protection systems, particularly pensions and long-term care, and places additional pressure on the labour market as the working-age population shrinks. Regional differences further intensify these issues: the southern regions have experienced far more intense depopulation and ageing than the northern part of the country, while the Belgrade region remains the only area with population growth, driven mainly by internal migration.

Declining population size and labour force availability may slow economic growth, reduce the potential for innovation, and place constraints on public finances. Furthermore, shrinking and ageing communities in less developed areas can weaken local economies, intensify infrastructural decline, and contribute to further out-migration.

Current demographic changes in Serbia underscore a few policy recommendations: The development of comprehensive strategies aimed at improving fertility trends (including indicators to follow effectiveness of implemented measures), mitigating emigration pressures, adapting to population ageing, enhancing labour market opportunities, and strengthening regional development. Without sustained intervention, demographic decline and ageing will continue to shape the future human capital. Additionally, EU membership will increasingly depend on its capacity to stabilise population trends, enhance human capital, and build demographic resilience.

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PART III:
Impact of the Demographic Challenge on Further
Western Balkan Countries

The Third Wave: Exploring Causes and Implications of Albania's 2012–2024 Massive Out-Migration

Andi Balla

Abstract

Albania is undergoing a profound demographic contraction driven by what scholars describe as the country's "third wave" of mass emigration. Between 1990 and the 2023 Census, Albania's population declined from approximately 3.27 million to 2.4 million, while the median age increased from 22.9 to 38.8 years, reflecting accelerated ageing and the erosion of the youth base. The 2012–2024 period has been marked by unprecedented out-migration, with estimates suggesting that one in seven to one in five Albanians left the country during this timeframe, rendering nearly every household affected. This wave persists despite EU candidacy, visa liberalization, and macroeconomic stability, and is strongest among the young and educated – groups essential to labour markets, institutional capacity, and long-term development. Drawing on INSTAT data, expert analyses, media discourse, and a 2023 national survey conducted by the Albanian Institute for International Studies (AIIS) with 1,200 respondents, this paper examines the structural push and pull factors driving this sustained exodus, including declining trust in governance, rising living costs, corruption, and weakened social services. It argues that the scale, composition, and persistence of this migration wave constitute an emerging national security concern with significant implications for Albania's economic viability, social cohesion, and state resilience.

Introduction

The Third Wave

As the sun sets over Albania's capital on a sizzling mid-July day in 2024, Tirana's airport comes alive with the arrival of a series of low-cost flights from Germany, Italy and the United Kingdom. Outside the air conditioned hall, the evening air is thick with humidity and the sounds of reunions and

joyful greetings. The planes are filled with Albanian migrants – young families with children, blue collar workers and professionals – coming back to visit the families they left behind and to enjoy a brief vacation in their homeland. Children rush into the arms of waiting grandparents, while friends and relatives exchange heartfelt embraces. Among the crowd are professionals like doctors, who have found better working conditions abroad, and construction workers, who seek higher wages to support their families. Their stories and professions vary, but they all share the common experience: they are part of Albania's more than 2.1 million citizens who no longer live in their country since the fall of communism.

Many of the travellers are also part of the 400,000 to 600,000 people, or more than 14% of the population, who have officially left Albania in the past decade alone.¹ This latest group is part of an emigration wave that relates to a series of factors and one that could not have easily been predicted a decade ago. Albania is in the midst of what experts² have dubbed “the third wave” of out-migration to differentiate it from the exodus of 1991 and another wave after the civil unrest of 1997.³ This latest wave does not make the international news with photos of ships laden with people trying to reach Italians shores, as they did in the 1990s, but the numbers are staggering nonetheless. Up to one in five people has left the country in the past decade, by some estimates.⁴ Almost no family in Albania has been left unaffected.

Many experts are puzzled by the sheer size of this wave at a time when out-migration should be ebbing. As Albania became a candidate to join the European Union, with increasing economic stability, visa-free travel to the EU

¹ While some experts have raised questions that the official 2023 Census overcounted the resident population, this paper, unless otherwise indicated, uses the preliminary results of the census in its figures available at: <https://www.instat.gov.al/media/13626/cens-2023-census-botim.pdf>.

² Rakipi, Albert, Contribution to the AIIS Expert Roundtable on Migration held in Tirana on 2 October 2023 with several of Albania's key migration and economy experts.

³ Balla, Andi, *Emigration, depopulation and solutions*. 2023. Albanian Institute for International Studies, 2023, aiis-albania.org.

⁴ “Nga Shqipëria janë larguar 600 mijë persona që nga 2011, sipas të dhënave indirekte të INSTAT.” (600,000 people have left Albania since 2011, according to indirect INSTAT data), *Revista Monitor*, 7 February 2021, <https://www.monitor.al/nga-shqiperia-jane-larguar-600-mije-persona-qe-nga-2011-sipas-te-dhenave-indirekte-te-instat/> (accessed 1 May 2024).

and securing NATO membership in 2009, many believed that the era of mass emigration was over. However, emigration from Albania continued to increase in the 2012 to 2024 period, with one in seven to one in five Albanians leaving the country during that time.⁵

The concern in the society at large is that the wave continues with no end in sight. Opinion surveys show that Albania has one of the highest percentage of the labour force that is willing to emigrate for a better life,⁶ with the most productive segment of society – the young and the educated – being the ones most likely to be making firm plans to leave the country.⁷ It is natural to ask: *Why?* This paper will attempt to provide some answers.

Historical Background

Under communist rule, Albania tripled its population from 1945 to 1991, largely due to a complete ban on emigration, the very high fertility of a poor and traditional society and improvements in basic healthcare across the country.⁸ The communist regime achieved its pro-natalist goals via extreme oppression and violation of human rights. Until 1990, people attempting to leave Albania in irregular ways were shot dead at the border or otherwise imprisoned on charges of “betraying the fatherland”.⁹ The entire land border was covered in barbed wire and surveillance equipment. Albania was effectively an open-air prison controlled by what was Eastern Europe’s most oppressive communist regime. Moreover, there was an almost complete ban on abortion and any form of contraception was illegal. This was complemented by pro-natalist propaganda and policies that fostered Albanians’ traditional

⁵ “Nga Shqipëria janë larguar 600 mijë persona që nga 2011, sipas të dhënave indirekte të INSTAT.” (600,000 people have left Albania since 2011, according to indirect INSTAT data), *Revista Monitor*, 7 February 2021, <https://www.monitor.al/nga-shqiperia-jane-larguar-600-mije-persona-qe-nga-2011-sipas-te-dhenave-indirekte-te-instat/> (accessed 1 May 2024).

⁶ “Albania ranks second globally for willingness to emigrate”, *Tirana Times*, 1 May 2023, <https://www.tiranatimes.com/?p=132809> (accessed 20 July 2024).

⁷ Balla, Andi, *Emigration, depopulation and solutions*. 2023. Albanian Institute for International Studies, 2023, aiis-albania.org.

⁸ Gjonca, Arjan (2001) Communism, health, and lifestyle: the paradox of mortality transition in Albania, 1950–1990. p. 158: Bloomsbury Academic.

⁹ “Shkodër, përkujtohen të vvarët në kufi gjatë diktaturës komuniste.” *Zëri i Amerikës*, 16 June 2024, <https://www.zeriamerikes.com/a/7658112.html> (accessed 29 July 2024).

desire to have many children. Some also argue this was one of the causes the regime fell, having met a Malthusian end at a time when Albania's communist regime had isolated itself from the world and adopted an official policy of self-reliance.¹⁰ But one thing is certain: the resulting combination of a massive population growth and repressive approach to movement of people was traumatic and created a pressure cooker that exploded with the fall of communism.

As a result, since the early 1990s, Albanians have had an exceptionally high per-capita emigration rate. A first wave of emigration started with crowds of asylum seekers getting into Western embassies in Tirana in July 1990, followed in the next two years by Albanians taking over ships in Durrës to reach Italian shores. Tens of thousands more walked across the mountains to Greece only to be met with an often traumatic and brutal treatment by Greek authorities. With a temporary lull in massive emigration in the mid 1990s, the Albanian state descended into anarchy in 1997 as the collapse of massive pyramid schemes led to massive social unrest, thousands of deaths and a quasi-civil war. A second wave of emigration followed the chaotic situation of 1997 as people lost hope in the viability of Albania.¹¹ It took the country a decade to claw itself up from where 1997 had left it, and emigration remained high until the 2008 global financial crisis, when there was a small reversal as top host countries like Greece and Italy went through economic woes, and many Albanians decided to give their country of birth another try. But the trend did not last long, and out-migration picked up again, leading to the third wave examined by this paper.

Demographic Profile

The results of all this emigration are clear in the numbers: of the more than 4.5 million people holding Albanian citizenship through birth today, only 2.4 million are currently residents of Albania.¹² The reason the recent wave is being felt so strongly and is creating a lot of anxiety is that Albania has lost

¹⁰ Erebara, Gjergj. "Elementi Demografik në Krizën Ekonomike të Viteve '80." *Perpjekja* 32–33 (2014): 110–128.

¹¹ Gëdeshi, Ilir, "Emigrimi i Elites Intelektuale nga Shqipëria gjate Periudhes se Tranzicionit" (*Emigration of Albania's Intellectual Elite during the Transition Period.*) 1999, 40. Luarasi.

¹² 2023 Albania Census preliminary results. "Konferenca për rezultatet e Censit të Popullsisë dhe Banesave 2023." *Instat*, instat.gov.al (accessed 20 June 2024).

the demographic dividend it inherited from the communist regime. With migration being the most volatile and least predictable of the three major demographic forces, the other two being fertility and mortality¹³ – Albania’s demographics are now acutely sensitive to further migration. Albania’s demographic profile has also been hit hard by a related subject: declining birth rates. In 1990, Albania had a birth rate of three children per woman.¹⁴ In 2019, it had gone down to 1.4.¹⁵ Migration is a major contributor to the decline in birth rates, since people of reproductive age are more likely to emigrate. Albania is experiencing the impact of this substantial demographic shift, with a rapidly aging society, challenges for businesses in securing a workforce and entire rural regions being depopulated. Consequently, this issue has become a prominent topic in current public and media discussions.

Moreover, Albania’s high emigration trend is currently not slowing down. The trend is instead continuing fuelled by three global and local economic and social hits: a massive earthquake in 2019, the disruption of the 2020–2022 pandemic and the 2022–2023 global inflation and economic crisis. Due to continued significant migration, projections from international institutions suggest that Albania’s population could dwindle back to 1 million by the close of the century, marking a return to the population the country had in the early 20th century and a third of its peak of 3.3 million in 1990.

The 2023 Census Results

The Albanians are clearly anxious about their declining demographics, with it being a top political concern.¹⁶ Polarised politics run so deep that something as benign as the total number of people in the country measured by

¹³ Teitelbaum, Michael S. 2014. Political demography: Powerful forces between disciplinary stools. *International Area Studies Review*, 17(2), 99–119. <https://doi.org/10.1177/2233865914534428>.

¹⁴ Gjonca, Arjan. 2001. Communism, health, and lifestyle: the paradox of mortality transition in Albania, 1950–1990. p. 158: Bloomsbury Academic.

¹⁵ “Birth rate, crude (per 1000 people) – Albania – World Bank Data.” See: <https://data.worldbank.org/indicator/SP.DYN.CBRT.IN?locations=AL>.

¹⁶ Balla, Andi. “Understanding Albania’s Newly-Found Demographic Anxiety.” *Transforming Anxieties of Aging Blog*, 14 May 2024. <https://transforming-anxieties.ios-regensburg.de/understanding-albanias-newly-found-demographic-anxiety/> (accessed 27 June 2024).

the census, held in late 2023, turned into a political battlefield – one of rumours and accusations. INSTAT, the body in charge of the census took months just to publish even preliminary figures, leading to accusations that it was trying to lessen the shock of finding out how many people have left in the past decade.

But even according to the official preliminary data, the loss of the resident population is huge. Albania's population shrank by almost 14% in 12 years, losing about 429,000 residents, according to the country's official 2023 census. According to INSTAT, the number of residents of Albania is now down to 2.4 million from 2.8 in 2011, with the decline largely due to emigration but also due to low fertility resulting in lower growth. According to the preliminary census results, emigration has maintained a trend of an average of 50,000 people leaving each year, totalling 600,000 Albanians over the past twelve years. However, the same data show that by 2023, about 108,000 people have returned, nearly 26,000 of them last year alone. The natural increase in population is muted, with a progressive decline in births. Preliminary data for 2023 indicate 24,000 births and 22,000 deaths. Compared to 2011, births have decreased by almost 30%, and over 50% compared to 2001.

This phenomenon, along with emigration and increased life expectancy, is leading to an aging population. The median age last year was 42.5 years, according to the census, up by seven years compared to 2011. Census data show that one in five residents is over 65 years old, whereas this ratio was one in nine in the 2011 census. The census data also provided an overview of internal migratory movements, which have led to nearly one-third of the population concentrating in the Tirana region, with a 1.2% increase compared to twelve years ago.

Although the official figures themselves are staggering when compared to other European countries at peace, there are also questions about its validity, with experts suspecting the actual number of residents is even smaller. Albania's political opposition and its demographic experts have raised questions on the numbers published by INSTAT, arguing they overestimate the resident population to soften the political blow to the government, under whose watch Albania has lost a larger portion of the population than some countries at war. Representatives of the political opposition have for months argued that the delays in the release of the census results made them even more

suspicious. But beyond political debate, statisticians have also found discrepancies between the official census number and statistics made available through the institutions of the Western countries, which register Albanians who move to live there for various reasons.¹⁷

Push Factors

INSTAT and demographers both point to emigration, combined with a sharp decline in fertility, as the primary factors behind the large decline of the number of residents in Albania. But what's behind the persistently high emigration? Studies show that the factors driving the massive and continued emigration are economic, political and social. Experts have cited a loss of hope in the speed of improvements due to “the failure of the political transition” from communism to democracy as a main push factor, referring to the negative outcomes of political polarisation, the lack of meritocracy and the lack of security in basic public state-provided services: healthcare, education and justice. The lack of fair competition in practically all fields: the economy, politics and academia is also effectively fuelling a departure of the people that the country can least afford to lose, experts argue.¹⁸

Political and Economic Factors

Opinion polls show that while low wages are a top factor in the desire to emigrate, bad governance is also seen as a key factor – with corruption and lack of proper social services in health care and education being key concerns. Many Albanians also say in surveys they are choosing to leave the country because they simply do not have hope that things can improve fast enough. According to data from the 2023 AIIS Migration Survey, the top three concerns highlighted by working-age adults were unemployment (24%), corruption (24%) and poor governance (19%). Other concerns in-

¹⁷ “Edith Harxhi: Censi 2023 u manipulua, janë larguar 940 mijë shqiptarë nga vendi!” (Edith Harxhi: The 2023 census was manipulated, 940,000 Albanians left the country!), *TPZ*, 1 July 2024, <https://tpz.al/aktualitet/edith-harxhi-censi-2023-u-manipulua-jane-larguar-940-mije-shqiptare-n-i255534> (accessed 5 July 2024).

¹⁸ AIIS Expert Roundtable on Migration held in Tirana on 2 October 2023 with several of Albania's key migration and economy experts.

cluded the quality of education and healthcare and the lack of political alternatives. Moreover, 58% of respondents did not believe the country is moving in the right direction, only a minority thought so (22%).

On political factors, young people in particular are bitter about the fact that what should have been a vibrant democracy that gave them a voice has turned into a stabilocracy with authoritarian tendencies that has made electoral democratic rules that favour incumbent political class and make it hard for fresh voices to enter the political scene. Instead of getting better, democratic standards are deteriorating. Even the traditional guardians of democracy in Albania – the free media – are now ranked as the most oppressed¹⁹ in the Western Balkan region – as a coalition of political and economic actors suppress any journalism that threatens their power.

The lack of enough progress to convince Albanians to stay which leads to serious problems in certain areas, comes at a time of unprecedented political stability in Albania, with the ruling Socialist Party and Prime Minister Edi Rama in power since 2013, winning a third term in 2021. He is the first party and prime minister to do so since the fall of communism. The government has come under sustained attack by the opposition, making the Socialists responsible for much of the country's depopulation due to policies that have failed to deliver on election promises, a series of corruption scandals and lack of progress on EU integration. In fact, Albania has very few policies in place at retaining its population or increasing birth rates, offering only very small one-time cash payments when children are born²⁰ and very limited financial support in the form of soft loans for poorer new families to borrow to buy homes.²¹ Both of these are completely inefficient and ineffective to make a dent in powering push factors. Prime Minister Rama has advocated for a *laissez-faire* approach, emphasising the benefits of Albanians' emigration and the fact that *some* of those who leave come back with knowledge and capital. He has also bitterly complained Albanians are not willing to work in available

¹⁹ "Reporters without Borders Publish Report; Albania Last in Region for Press Freedom", A2News.com, 3 May 2024 <https://a2news.com/shqiperia/aktualitet/reporteret-pakufij-publikojne-raportin-shqiperia-e-fundit--i1118678> (accessed 3 June 2024).

²⁰ Albania Offers Baby Bonus Hikes to Fight Sharp Decline in Birth Rates, Tirana Times, 2018, www.tiranatimes.com/?p=138616 (accessed 31 July 2024).

²¹ "Loans for Housing Increase", *Tirana Times*, 20 June 2018, www.tiranatimes.com/?p=142267 (accessed 31 July 2024).

manual jobs even when salaries go up. He notoriously went on the campaign trail in 2021 telling a business owner in northern Albania that his lack of workforce problem should be solved by hiring workers from south Asia instead of Albanians because they are less likely to complain, don't gossip and don't ask about politics or democracy.²²

Remittances have gone up substantially with the emigration spike. They were almost 930 million euros in 2023, with an 11.3% increase compared to the previous year. Compared to 2013, when remittances entered a declining cycle, the flow has almost doubled. But they mostly serve as welfare support for the elderly and poor in Albania, rather than an investment avenue to increase productivity and economic growth.²³ Economically, Albania is simply not growing fast enough to catch up to EU member states. In fact, the gap in GDP per capita between the region and the EU is growing even as countries adopt painful reforms needed for EU membership. With ongoing migration, Albania also keeps losing its most productive workers to the EU labour market, in turn making those staying behind less productive. Even though the wages have increased post-pandemic, sometimes as much as 20–30%, most of that increase has already been eaten up by inflation, thus having no value in terms of stopping economic reasons for being a push factor for emigration.

Social Factors

It is clear children's education and future prospects are also a push factor. In the AIIS 2023 opinion survey, only a minority of people would like their children to study in Albania (30%), with a majority preferring their children to study abroad (59%), citing perceived better opportunities, quality of education and exposure to international experiences. When asked about their preference for their children to grow up in Albania, opinions varied. A portion expressed a desire for their children to stay in Albania (34%), emphasising the importance of cultural heritage, family bonds and contributing to the

²² "Rama Keshillon Sipermarësin: Merr Punetore Te Huaj Nga Bangladeshi" (Rama Advises Entrepreneur: Get Foreign Workers From Bangladesh.) ABC News Albania. YouTube, 31 Mar. 2021, www.youtube.com/watch?v=27dhZ7uyNZ0 (accessed 31 July 2024).

²³ "Reflecting Renewed Emigration Wave, Remittances to Albania Reached Record High in 2023", *Tirana Times*, 20 March 2024, www.tiranatimes.com/?p=154400 (accessed 31 July 2024).

country's development. However, a majority preferred their children to live elsewhere (53%), citing concerns about limited opportunities and a desire for a better quality of life.

Another push factor is lack of adequate housing. Albania ranks as the country with the most overcrowded housing situations in Europe, with the least amount of living space for residents,²⁴ while nearly 40% of homes sit empty²⁵ because they are property of migrants or have been bought as wealth storage for people with cash to spare, some of it with murky sources. Tied to the same inflow of cash and high inflation, there has been a post-pandemic massive increase in home prices, especially in Tirana and key coastal cities, which is also a new factor in driving emigration. With the massive increase in property prices post pandemic and the increase in loan rates, few Albanians can afford to buy in the country's booming market, leaving economists pondering where the money for a massive construction boom is coming from. Foreign buyers and Albanians abroad investing in second homes for themselves or as properties to rent to tourists is one explanation, but experts, including organised crime prosecutors, say part of the influx that is increasing prices is the laundering of ill-gained funds abroad by organised crime groups.²⁶ Albanians are culturally-tied to the idea that home ownership is a fundamental pillar of family creation. More than 90% of the country's residents live in homes they own.²⁷ But it's hard for a young family getting a 20% increase in income to pay for a family home that has doubled in price in the past five years and comes with higher mortgage rates, a situation that is familiar to many around the world. The rental market has also seen significant increase in prices in the process, becoming another push factor for emigration.

²⁴ “Një në katër familje jeton në banesa të vogla dhe të mbipopullurara”, *Reporter.al*, <https://www.reporter.al/2024/07/25/nje-ne-kater-familje-jeton-ne-banesa-te-vogla-dhe-te-mbipopullurara/> (accessed: 29 July 2024).

²⁵ See preliminary 2023 Census results.

²⁶ “Property prices on Albanian coast soar, partially driven by foreign buyers” *Tirana Times*, 29 May 2024, <https://www.tiranatimes.com/?p=154553> (accessed 29 July 2024).

²⁷ “Albanians among largest homeowners in Europe”, *Albanian Daily News*, 2021, <https://albaniandailynews.com/news/albanians-among-largest-homeowners-in-europe> (accessed 29 July 2024).

Natural Disasters and Global Environment

While Albania's government could have done far more to create a better environment, it is also important not to underestimate three factors that were not under its control. This negative trifecta hit the Albanian economy and society hard and led to a spike in migration in the past four years in particular. Chiefly, the massive disruption from the pandemic upended economic and social structures everywhere, leading to a spike in emigration to wealthier countries in general. Albania was clearly not immune. Also, the war in Ukraine combined with pandemic recovery economic measures globally, and in Europe in particular, led to high inflation in basic things such as food, to which Albanians, as a poor society, are more sensitive. One natural disaster was local, however. The massive earthquake in November 2019 hit Albania's heartland, destroying hundreds of millions of euros in property and businesses, and creating a shock for the society. All these have had their effect in making life harder in Albania, and likely served as a tipping point for many would-be emigrants.

Pull Factors

The decision to emigrate is never easy. Pull factors play an important role in Albania, perhaps as much as the push factors, especially in this third wave, which finds Albania in a far better position than it was in the 1990s. That sense is backed by the AIIS Migration Survey findings on Albanians' perception of their quality of life, with only 12% of respondents describing life in Albania as "bad" while 52% viewed it as "neither good nor bad" and 24% considered it "good".

Workforce Needs of EU Members

A change from the previous emigration waves is that the pull factor is stronger. Wealthier European countries facing demographic issues and labour shortages of their own have turned to creating a larger opening in their labour markets for Albania and the rest of the Western Balkans – an area that is geographically and culturally surrounded by the European Union, but which has been left out of the bloc, making it poorer and less developed. One such change comes in the migration policies of Germany, which has created a special category for citizens of Western Balkan states, including

Albania, partially opening its labour market to most people – both skilled and unskilled – who have a concrete job offer in Germany. It also now allows Albanians to specifically go to Germany to look for a job. While bureaucratic hurdles remain, and there is a cut off number of 50,000 per year, it is now far easier for an Albanian citizen to emigrate to Germany legally than it had been the case in the past.²⁸ And people are increasingly taking advantage of the opportunity, with the number of Albanian citizens who live in Germany more than doubling from 2018 to 2024, to nearly 120,000.²⁹ Similar programs exist in other EU states, and are being used by permanent and seasonal workers from Albania. The Albanian government has expressed its concerns both publicly and privately with key European governments in the EU that are actively recruiting Albanians in important areas, healthcare in particular. But in the end it knows it can do little to stop people from leaving without first addressing and reversing push factors.³⁰

Existing Albanian Communities in Host Countries

Another pull factor is the very size of the Albanian diaspora, meaning every family has members abroad, leading to layers of migration facilitated by migrants who are already there. They offer a contact, a first place to stay and work opportunities to relatives and friends who arrive from Albania. According to AIIS Migration Survey data, a significant majority, 80%, reported having family members who had emigrated. Among those with emigrant family members, 56% reported that at least one family member had emigrated in the past two years.

²⁸ “Gjermani: Ndryshimet në ligjin e migracionit.” (“Germany: Changes in migration law”) *Deutsche Welle*, 18 November 2023, <https://www.dw.com/sq/> (accessed 29 July 2024).

²⁹ Albanian Stats analysis, 29 July 2024, <https://x.com/albanianstats/status/1817578985477607902> of data from <https://de.statista.com/statistik/daten/studie/1221/umfrage/anzahl-der-auslaender-in-deutschland-nach-herkunftsland/> based on Genesis Datenbank Statistik 12521–0002.

³⁰ “Rama: Në prill rrisim me 50 mijë lekë pagat e mjekëve specialistë! Shteti shqiptar nuk financon studimet për sistemin shëndetësor gjerman” (Rama: In April, we will increase the salaries of specialist doctors by 50,000 lek! The Albanian state does not finance studies for the German health system). *Panorama*, 6 March 2023 <http://www.panorama.com.al/rama-ne-prill-rrisim-me-50-mije-leke-pagat-e-mjেকে-specialiste-shteti-shqiptar-nuk-financon-studimet-per-sistemin-shendetesor-gjerman/> (accessed 7 June 2024).

Much of that migration is permanent. People born in Albania are seeking and acquiring citizenships in EU member states at a level that is higher than any other country in the continent, and ranking third globally, data from a series of EU agencies shows. In 2022 alone, about 50,000 Albanian citizens acquired the citizenship of a European Union country, according to a recent report by Eurostat, the EU's main statistical body, and the European Migration Network.³¹ For the past five years, the figure goes to more than 213,000, with Albania's neighbours Greece and Italy, where the highest number of Albanian migrants reside, issuing the highest number of citizenships. The migration and asylum report also indicates that around 76,000 Albanians obtained new residence permits or legal status in EU countries in 2023 alone.

Implications

Demographic Decline

All this out-migration comes at a huge cost to the country, first among which is the demographic decline it has caused. Birth numbers and emigration figures are featured daily and prominently in Albanian media as if they were currency exchange data or sport scores. The theme is the same: birth rates are hitting record lows and emigration rates are getting higher. The country is depopulating and aging rapidly. Its demographic future looks grim. In addition to the emigration factor, the Albanians left behind are not having children, in drastic contrast to earlier generations. Albania was once in the record books in the 1960s for having Europe's and, indeed, one of the world's highest birth rates at seven children per woman. Post-pandemic data indicate that the number in Albania could now be low as 1.21,³² competing with Italy and Spain for Europe's lowest fertility rate. Albanians' high anxiety about their country's demographics is a relatively recent phenomenon, even though the country has been in demographic decline since 1991. But Albania had a huge demographic dividend coming out of communism and a traditional society

³¹ "More than 213,000 Albanians gained EU citizenship in past five years, EU data shows", *Tirana Times*, 28 June 2024, <https://www.tiranatimes.com/?p=154601> (accessed 27 July 2024).

³² "Women are not giving birth, Fertility Index falls to 1.21 children per woman in 2022, third lowest in Europe", *Politiko.al*, 6 October 2023, <https://politiko.al/english/e-tjera/grate-nuk-po-lindin-indeksi-i-fertilitetit-bie-ne-121-femije-per-grua-me-i492868> (accessed 7 June 2024).

that continued to have some of Europe's highest birth rates well into the 1990s. That dividend has now run out.³³

Unfortunately, there are no easy solutions for these problems. Stopping demographic decline requires courageous political decision-making – and time. Moreover, many of the trends this paper deals with are regional or even global in nature. Much of the world is experiencing a fertility decline, for example.³⁴ Some demographers have for decades predicted a “second demographic transition”, a global change in attitudes that make individualism primary and puts less focus on marriage and children.³⁵ Albania is now part of that trend.

Political Effects

The media coverage highlights a general feeling in today's Albanian society: Albanians are very anxious about the country's demographic decline. The anxiety is so acute, it is a top political concern, with the opposition accusing the government of depopulating the country to stay in power more easily. The unhappy and critical leave, their argument goes, thus mostly opposition voters leave. That reasoning is backed by the fact that Albanians were effectively stripped of the right to vote as soon as they left the country. Only those who reside or can travel to Albania on voting day can cast a ballot. A Constitutional Court order to make it possible to vote outside the country went for a long time implemented as parties quarrelled over the details, but an agreement was reached in July 2024 to have Albanians abroad vote through the mail in the 2025 elections, for the first time ever.³⁶

Longer term, working in earnest on EU integration and related reforms will lower the number of Albanians who want to leave, while increasing return

³³ Balla, Andi, 14 May 2024, *ibid*.

³⁴ Ip, Greg, and Janet Adamy. “Suddenly There Aren't Enough Babies. The Whole World Is Alarmed.” *Wall Street Journal*, 12 May 2024, <https://www.wsj.com/world/birthrates-global-decline-cause-ddaf8be2> (accessed 13 May 2024).

³⁵ Lesthaeghe Ron and van de Kaa, Dirk J. (1986) Twee demografische transitie's? [Two demographic transitions?]. In van de Kaa, Dirk J.; Lesthaeghe, Ron (eds) *Bevolking: groei en krimp* [Population: growth and decline]. Van Loghum Slaterus, Deventer, pp 9–24.

³⁶ “Albania's two largest parties reach deal on electoral reform, face criticism”, *Tirana Times*, 24 July 2024). <https://www.tiranatimes.com/?p=154623> (accessed 29 July 2024).

migration of Albanians abroad as it has done in central Europe. Doing these reforms means fighting corruption and increasing competition in the economy, which will result in more economic development and increased FDI, which would ultimately provide more funding for continued improvements in public healthcare and education.

Economic Implications

Demographic decline and the departure of so many working-age people has strong negative economic implications for Albania. From doctors to plumbers – construction workers to engineers – many key areas of the economy and society are finding that people with needed skills are in short supply. Agriculture, for years the bedrock of the Albanian economy, now looks to South Asia, not the nearby empty village for workers. Migration remains a persistent force, depleting the nation of its crucial human capital. From energetic, unskilled youth to seasoned professionals, individuals ranging from recent high school graduates to middle-aged labourers are joining the exodus alongside highly skilled medical professionals, engineers and IT experts. The worrisome trend is the sharp decline in the working-age population (15–64 years old). Preliminary data from the 2023 census results indicate that the working-age population was 1.55 million people, down from 1.9 million, a decrease of 18.3% compared to the 2011 census data. In addition, the working-age population on the verge of retirement (60–64 years) increased by 48.8%, and the age group 45–59 years saw an increase of 9.6%. All this is leaving some to ask: “Who is going to work in the future?”³⁷

The business community is particularly unhappy with the situation. Emigration is producing acute labour shortages and is sapping the country of valuable consumers. A walk around Tirana shows that almost every other business has signs on the door looking for workers. Faced with an unprecedented international tourism boom in the past couple of years, some businesses have decided to go the market way and throw money at the problem – hotel cleaners and other hospitality workers are making higher wages than government workers and engineers during the tourist season – but it has done little to

³⁷ “Kush do te punoje?” (“Who will work”), Monitor, 3 July 2024, <https://www.monitor.al/kush-do-te-punoje-popullsia-ne-moshe-pune-eshte-reduktuar-me-349-mije-persona/> (accessed 5 July 2024).

prevent the same workers from being recruited for even higher wages in neighboring Greece, Italy and Croatia – if not even further afield in Western Europe. The government has also recently increased wages in the public sector hoping it will push wages up in the private sector too, but such increases have not put a dent on the labour shortage problem.

But there are a few things the government can and should attempt to do. In the short term, experts say, authorities should act to lower the cost of living and increase the safety net for local residents even at the cost of postponing flashy infrastructure projects. One in three residents of Albania live in very difficult economic conditions, according to the country's ombudsman.³⁸ Lowering or eliminating taxes on basic food items, on which Albanians spend the highest share of their income, could be a first step. Increasing social welfare payments could be another. Direct financial support for young families in terms of soft loans for housing and monthly cash payments for each child that is resident of Albania would also go a long way.

Immigration efforts – to bring in workers from poorer Asian and African countries to fill shortages – have seen little success so far as businesses say many see Albania as a jumping board to move to Western Europe, where wages are higher and opportunities better. But immigration, on which Albanians are lukewarm, not hostile, can be only a small part of the solution.

Albania's Demographic Crisis as a Strategic Vulnerability

Albania's accelerating outflow of young people has moved beyond the boundaries of a socio-economic concern and now reflects the characteristics of a national security threat. Demographic data from INSTAT and Eurostat indicate that the 0–29 age group has contracted by 44% since 2011, while more than 600,000 young Albanians have left or are preparing to leave through both regular and bilateral labour channels.³⁹ This sustained exodus averaging -34,500 net migrants annually between 2020 and 2025 has become

³⁸ “Varfëria në Shqipëri, 1/3 e popullsisë jeton në kushte të vështira.” *Gazeta Shqiptare*, 7 May 2024, <https://gazetashqiptare.al/2024/05/07/varferia-ne-shqiperi-13-e-popullsisë-jeton-ne-kushte-te-veshtira/> (accessed 1 July 2024).

³⁹ *Tirana Times*, “Albania's Youth Exodus: Emigration as a Security Threat,” July 8, 2025.

a structural force reshaping the country's population base and long-term economic capacity.⁴⁰

From a security perspective, demographic resilience, human capital, and social cohesion constitute core elements of state stability. Albania's trajectory undermines each of these pillars. The disproportionate departure of the 18–34 demographic over 80% of all recent emigrants weakens the country's productive core precisely as ageing, falling fertility, and shrinking tax contributions strain the pension and welfare systems.⁴¹ Economically, the labour vacuum in agriculture and manufacturing has accelerated import dependency and heightened inflation, with Albania's food prices surpassing the EU average for the first time in 2024.⁴² These shifts point to a strategic vulnerability: a state increasingly unable to sustain essential socio-economic functions through domestic capacity.

However, the deeper risks lie within governance and institutional legitimacy. Analysts argue that persistent corruption, state capture, and declining meritocracy have transformed emigration into a political act an exit from a system perceived as lacking accountability and upward mobility. As entire regions depopulate, schools close, and the workforce ages, the state's ability to maintain territorial functionality and institutional continuity weakens an established indicator of long-term security fragility.

If left unaddressed, Albania risks entering a self-reinforcing cycle in which demographic decline fuels economic stagnation, institutional deterioration, and public disengagement. In such a scenario, national security is not threatened by external aggression but by internal depletion. Reversing this trajectory requires more than economic incentives or EU-driven programmes; it demands credible governance reforms, renewed public trust, and the reconstruction of opportunity structures that anchor citizens to their own country. Without such measures, Albania's demographic crisis may evolve into a fundamental challenge to sovereignty, state capacity, and societal continuity.

⁴⁰ INSTAT and Eurostat migration data (2020–2025).

⁴¹ Ibid.; Eurostat, "Residence Permits Issued to Albanians, 2023".

⁴² Ibid.; Eurostat Price Index Data, 2024.

Conclusions

Albania's demographic and emigration challenges are profound and multifaceted, significantly impacting the country's socio-economic and political landscape. The latest surge in emigration, marked as the "third wave" of out-migration, underscores a persistent pattern of Albanians seeking better opportunities abroad due to a complex interplay of push and pull factors. This phenomenon, coupled with a sharp decline in birth rates, has led to a rapidly aging society and a significant reduction in the working-age population. The push factors driving this emigration wave are deeply rooted in Albania's socio-political and economic environment. High living costs, low wages, corruption, inadequate social services and a general disillusionment with governance contribute to a widespread sense of hopelessness among the population. These issues are exacerbated by local and global economic shocks, such as the 2019 earthquake, the COVID-19 pandemic and recent inflationary pressures, which have further strained the economic conditions in the country. Moreover, the pull factors from wealthier European nations, which offer better living conditions, higher wages and more stable socio-political environments, continue to attract Albanian migrants.

The demographic decline is not just a statistical concern but a tangible reality affecting every aspect of Albanian life. The loss of population, particularly the young and skilled, has resulted in labour shortages, especially in crucial sectors like healthcare. This outflow of human capital weakens the economic potential of the country and creates challenges in sustaining essential public services. The declining birth rate, dropping from three children per woman in 1990 to 1.4 in 2019, exacerbates the problem, leading to a rapidly aging population that places additional burdens on social services and healthcare systems.

Addressing these challenges requires a multi-pronged approach that includes immediate and long-term strategies. In the short term, alleviating economic pressures through measures such as lowering taxes on essential goods and increasing social welfare payments could provide some relief. Additionally, direct financial support for young families, including housing assistance and child benefits, could help stem the tide of emigration. In the long term, structural reforms aimed at improving governance, reducing corruption and enhancing the quality of education and healthcare are crucial. Strengthening the

rule of law, fostering a competitive economic environment, and ensuring fair opportunities for all citizens can help restore faith in the country's future. Moreover, efforts to integrate more closely with the European Union could provide a framework for sustainable development and create incentives for Albanians to stay and contribute to their homeland. A more sustainable solution lies in creating an environment where Albanians feel hopeful about their future in their own country. This involves not only economic development but also nurturing a political culture that values transparency, accountability and inclusiveness.

Looking forward, Albania faces limited options in addressing pull factors that attract its population to wealthier neighboring countries offering higher salaries, better quality of life and stronger social safety nets. As an open market democracy and aspiring EU member, Albania's policymakers can do little to mitigate these pull factors. Instead, the focus should be on internal push factors that compel citizens to leave. Key issues include the high cost of living, low incomes, and inflation. Addressing these challenges requires measures like reducing VAT on essential items to lower living costs. Additionally, enhancing economic opportunities by fostering competition, investing in infrastructure, supporting SMEs and reversing tax increases can help increase local wages. Tackling corruption and improving governance are also crucial for attracting foreign investment and instilling local confidence. A comprehensive overhaul of the social safety system, including better healthcare and education, is essential to retain citizens. Supporting young families through social housing, soft loans, and child benefits can alleviate financial pressures. Accelerating EU integration and implementing necessary reforms can create a conducive environment for citizens to remain. Political reforms to allow greater participation and support for pensioners are also vital. While immigration from other countries is unlikely to solve demographic issues, a discussion on integrating non-European migrants should be considered. At the end of the day, Albania needs an inclusive, serious and unemotional discussion on how to deal with the new demographic reality and the fact that improving the situation won't be easy or fast. A better demographic situation will be the product of serious work for decades, with efforts starting with courageous decision-making today, knowing that tangible results will take time.

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Demographic Collapse of Bosnia and Herzegovina – Implications for Development

Vjekoslav Domljan

Introduction

How to catch up with high-income countries when Bosnia and Herzegovina (BiH) is not in the middle-income trap, but it is at the same time facing demographic collapse? How to increase the trend gross domestic product (GDP) growth rate of 2.5% per annum to 6–7%? How to catch up, when BiH is not only in the middle-income trap, but it is also facing long-term population decline? BiH should design a development policy enabling it to catch up with high-income countries, which is a big challenge, bearing in mind that the trend growth rate is just 2.5% (Domljan and Domljan, 2019).

Clearly, BiH will not be able in the foreseeable future to catch up to the high-income countries that make up the majority of European countries. There are just nine European countries, predominantly Balkan ones, BiH included, that are not high-income countries. Obviously, BiH is an atypical European country.

The middle-income trap cannot be overcome without increasing savings and investment levels, attracting advanced technologies and introducing an innovation policy. However, research and development expenditures are currently at the level of 0.2% of GDP. Africa's gross expenditure on R&D (GERD) as a proportion of GDP stands at about 0.5% compared to the world average of 2.2% in this sense, BiH is again quite an atypical European economy.

At the same time, BiH is to pass through “twin transition”, i.e. to cut greenhouse gas (GHG) emissions and to digitalise its society and economy. The difficulties of this transition are heavily heightened by demographic trends, more precisely by demographic collapse.

Demographic Collapse

In spite of the fact that the United Nations recommends a census enumeration at least once every ten years, and once every five years for even better data, rather than simply relying on estimates and projections alone the last population census was organised in 2013. It is not uncommon for a scheduled census to be deferred or delayed (UN-DESA, 2024), but in BiH, there are not even ideas when the next census could be organised.

Based on administrative data and labour force surveys, we estimated that BiH's population was 2.82 million in 2024 (see Figure 1).

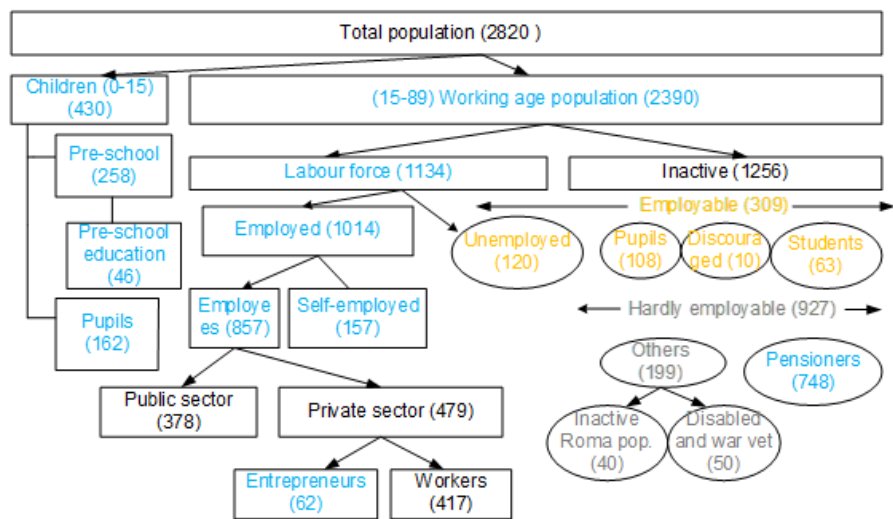


Figure 1: Population Size; BiH, 2024

Source: own elaboration.

Among the top European emigrant countries are all the Balkan countries (see Table 1). If Monaco, as a micro and quite atypical country is put aside, BiH is the leading European emigrant country.

BiH is not only among the leading European emigration countries but among the globally leading ones. If some micro and small countries excluded

(Niue, Cook Islands, Wallis and Futuna, Islands, Monaco, Montserrat, Guyana, Samoa and Tonga), BiH is among the top emigration countries (together with Palestine and Puerto Rico). If the correction of its population size is taken into consideration, BiH is without any doubt among the global emigration countries.

#	Country	Population (in 000)	Immigration stock	Immigration (in %)
1	Monaco	39	36682	94.1
2	Bosnia and Herzegovina¹	3164 (2820) ²	1608324 (1747916)	50.8 (62.0%)
3	Albania	2792	1216628	43.6
4	North Macedonia	1823	534616	29.3
5	Moldova	3035	864257	28.5
6	Ukraine	37860	9769216	25.8
7	Romania	19015	4583819	24.1
8	Faroe Islands	55	12282	22.3
9	Croatia	3875	826166	21.3
10	Bulgaria	6758	1252234	18.5
11	Portugal	10425	1799179	17.3
12	Lithuania	2859	459268	16.1
11	Serbia	6736	963307	14.3
13	Montenegro	638	90678	14.2
14	Ireland	5255	714405	13.6
15	Poland	38539	4572613	11.9
16	Luxembourg	673	61859	9.2
17	Estonia	1361	124216	9.1
18	Belarus	9057	790232	8.7
19	Latvia	1872	161014	8.6
20	Malta	540	43940	8.1

Table 1: European countries with the largest migrant stocks, 2024 (% of population)

Source: based on UN DESA (2025).

¹ The Balkan countries are bolded.

² The corrected figures are in brackets.

In 2017, around 44% of the Bosnian diaspora was in two neighbouring countries, Croatia and Serbia. However, this number decreased to 36.7% in 2024. At the same time, emigration to Germany increased by 59.8%, i.e., approximately 120,000 (see Table 2).

	2017 (UN-DESA)		2024 (UN-DESA)			2024 (our correction)		
Destina- tion	size	in %	Destina- tion	size	in %	Destina- tion	size	in %
Croatia	394,146	23.75	Croatia	363,041	22.6	Croatia	363,041	20.8
Serbia	333,687	20.10	Germany	320,423	19.9	Germany	320,423	18.3
Germany	200,510	12.08	Serbia	277,641	17.3	Serbia	277,641	15.9
Austria	170,864	10.29	Austria	180,515	11.2	Austria	180,515	10.3
USA	125,442	7.56	Slovenia	138,576	8.6	Slovenia	138,576	7.9
Slovenia	103,663	6.25	Sweden	60,819	3.8	USA	125,442	7.2
Switzer- land	59,685	3.60	Switzerland	58,221	3.6	Sweden	60,819	3.5
Sweden	58,372	3.52	Canada	36,008	2.2	Switzer- land	58,221	3.3
Australia	43,456	2.62	Montene- gro	31,869	2.0	Canada	36,008	2.1
Canada	41,722	2.51	Italy	29,671	1.8	Monte- negro	31,869	1.8
Monte- negro	29,462	1.77	Australia	29,317	1.8	Italy	29,671	1.7
Denmark	21,492	1.29	Nether- lands	28,178	1.8	Australia	29,317	1.7
Norway	14,370	0.87	Denmark	16,175	1.0	Nether- lands	28,178	1.6

France	14,150	0.85	Norway	15,507	1.0	Denmark	16,175	0.9
Italy	29,671	0.68	North Macedonia	8,781	0.5	Norway	15,507	0.9
Other countries	37,530	2.26	Other countries	13,582	0.8	Other countries	36,513	2.1
<i>TOTAL</i>	<i>1,659,852</i>	<i>100</i>		1,608,324	100		1,747,916	100

Table 2: Emigration Stock; BiH and comparators, 2017 and 2024

Source: our calculation based on UN-DESA (2017, 2024).

As the experience of the most recently admitted EU member states (Bulgaria, Romania, and Croatia) shows, emigration increased significantly after joining the EU, while immigration remained at the same level. In Croatia's case, emigration was primarily directed toward three countries: Germany, Austria, and Ireland (Draženović et al, 2018), which is of particular relevance for Bosnia and Herzegovina's EU accession path.

Even more young people will be leaving the country if nothing is done about it, since strong push and pull factors are synergistically functioning. Many reasons cause young people to leave in large numbers. On the other hand, without talents, it is not possible to make progress and prosperity. Without talents, hardly will BiH be able to catch up with the comparator countries let alone with the high-income countries that make up the majority of the European continent (Domljan and Domljan, 2019).

The lack of population due to very negative natural increase and huge emigration will have far-reaching consequences affecting virtually every aspect of society's life. The most affected by these changes will undoubtedly be the essential areas of public interest – public finance, social security and assistance, public health system, education, and labour market.

When the population is decreasing, a developing country is facing special challenges known as the problem of “getting old before getting rich”. It means that there is a high dependency burden in reverse: a large portion of the population has retired (including primarily huge number of war veterans), but the incomes of the working-age population are not enough to support

them, or to leave enough savings for the country to invest sufficiently in its production activities (Todaro and Smith, 2020).

#	Title	Effects	Consequences
1	Labour Market Imbalance	• Businesses struggle to find qualified staff, slowing down economic growth. • Many sectors already suffer from labour shortages, including construction, tourism, accommodation and food service activities.	• Employers are forced to hire foreign workers or reduce operations
2	Rapid Ageing of the Population	• The median age is increasing, while fertility rates remain low (well below replacement level). • Healthcare and pension systems are strained, especially as fewer workers are left to support retirees.	• Fiscal reforms aimed at fiscal devaluation
3	Slower Economic Growth	• Sluggish consumer demand leads to limited domestic economic growth. • Reduced consumer spending due to a smaller, ageing population. • Less tax revenue, affecting infrastructure and social programs.	• Increase in productivity and competitiveness to boost exports
4	Depopulation of Rural and War-Affected Areas	• Entire villages and towns are being abandoned, especially in Republika Srpska and remote areas of the Federation BiH (FBiH). • Post-war reconstruction investments go to waste as communities shrink or vanish. • School closures and lack of healthcare access become common in depopulated areas. • Shortage of caregivers for the elderly, especially in rural areas.	• Set up rural accelerators • Support returnees and rural economic activities

5	Brain Drain and Youth Emigration	• Brain drain weakens national development prospects. • Massive emigration of young, educated people to Western Europe (Germany, Austria,...) weakens BiH's human capital. • Loss of skilled workers in healthcare and engineering sectors.	• Improve job markets, decrease corruption and political instability to attract returnees
6	Reduced National Influence	• Fewer people means less geopolitical and economic power. • Smaller domestic market makes the country less attractive for investment and trade. • Foreign investors see BiH as a less attractive market.	• Develop new initiatives, e.g. Euro-Mediterranean initiative (EMI) to position the country better in the regional environment and in the negotiations with the EU
7	Increased Ethnic and Political Tensions	• Uneven population decline can alter ethnic balances, potentially inflaming nationalist politics. • Census data becomes politically sensitive, affecting power-sharing and representation. • Politicians may exploit demographic fear to entrench division.	• Organise the population census in a professional and fair way • Promote multiculturalism as a policy
8	Public Sector Overload	• The country already has a bloated public sector, which becomes unsustainable with fewer taxpayers. • High emigration combined with population ageing puts enormous pressure on the pension system.	• Decrease the public sector, primarily its employment • Restructure or sell losing-making public companies

Table 3: The Most Important Disadvantages of Population Shrinking; BiH, 2025

Source: own elaboration.

The problem of “getting old before getting rich” is shown in Table 4. It is obvious that the number of pensioners of the pre-war BiH is smaller than the current number of pensioners of the Federation of BiH (FBiH), while

the population has significantly decreased. Actually, the number of pensioners is doubled while the population is decreased by one third, making the pension funds hardly sustainable, providing miserable pensions.

Variables	BiH, 1990	BiH, 2025
No. of pensioners (pensioners to total population ratio in %)	379 (8.7%)	748 (26.5%)
No. of employees (employees to total population ratio in %)	1054 (24.2%)	857 (30.4%)
Population	4347 (100%)	2820 (100%)
Employees/Pensioners	2.8/1	1.1/1

Table 4: Old Dependency Burden; BiH and FBiH, 1990 and 2022 (in 000)

Source: own calculation based on BHAS (2025).

Establishment of “Translation Infrastructure”

Since BiH is a fragmented and uncoordinated country – with politicians interested only in preserving the current conditions, enabling them to be above constitution, law and rules, not having any obligations except to their own political party and using institutions for instilling rents – the top-down reform attempts have been unsuccessful for the 30 years, actually in the entire post-war period. It remains only to try and introduce bottom-up reforms. It practically means to lean upon regions (cantons) as fresh motors of economic, then social and finally political progress.

Building up institutions organically, i.e. bottom up could be started with the introduction of “translation infrastructure”, firstly with the establishment of centres of excellence (CoEs). Later on, when functioning properly, they could be turned into global competency centres. These processes could and should be supported from abroad, primarily by the EU and diaspora organisations, and later on by transnational companies (TNCs) seeking for regional advantages (Domljan, 2022).

The global process of converting ideas into commercial goods, which was previously moving very slowly by today’s standards, has quickened thanks to

a thriving “translation infrastructure”, with countries and companies vying to be the first to accomplish the task, recover research and development (R&D) expenses, and make extra profits.

A number of countries have developed an extremely efficient “translation infrastructure”. Germany has Fraunhofer Gesellschaft, the largest in Europe, Taiwan has ITRI, South Korea ETRI, the Netherlands TNO, and the Great Britain Catapult Centres etc.

The Dutch TNO (the Netherlands Organisation for Applied Scientific Research) was founded in 1932, much earlier than the German Fraunhofer Gesellschaft, to enable business and government to apply knowledge in a commercial manner. It is also a good example of how an organisation of this type can be independent, not part of any government, university or company, and yet successful (Domljan and Domljan, 2020).

Regional Centres of Excellence (RCoEs)

In the case of BiH, and other Western Balkan countries, things are not improving regarding the building up of translation infrastructure. The OECD (2024) found that university-business linkages in BiH, similar to other Western Balkan countries, are not well developed. Even strategic documents relating to translation infrastructure at the country, entity or canton level have yet to be introduced (Aridi and Lopez, 2019).

In the FBiH, according to the constitutional system and the legislative practice, scientific research and higher education, which are inextricably linked to each other, are within the exclusive competence of cantons. However, in most cantons, there is no law on research activity, not to mention specific provisions on translation infrastructure.

Building up a new innovation sector from scratch – as the reconstruction of the BiH pre-war innovation sector is not possible anymore – is an organic way of developing a skilled, educated research workforce, which is the single most critical element of innovation success – and the hardest to acquire (Andrew et al, 2009).

Globally, interest in excellence has skyrocketed worldwide, and both public and private organisations are shifting their attention from attaining excellence rather than just hitting targets. CoEs are standing at the forefront of research and innovations, responding to the world's most complex challenges. The concept has been attracting researchers' attention to strengthen partnerships and foster access to resources necessary for cutting-edge research.

The crucial part of the CoE is a passionate team with specialised expertise that is mandated to provide leadership, implement best practices, establish a strong community, and drive technical deployment, support and training in a respective organisation at high levels of efficient and effective performance.

Develop Entrepreneurial Infrastructure Incentives is a policy activity envisaged in the Financing Framework for Sustainable Development Goals (SDG) in Bosnia and Herzegovina and planned to be implemented in 2024–2026; it states: “support the development of the regional Centre of Excellence (for the purpose of increasing productivity, competitiveness, and exports based on the development of global value chains)” (Financing Framework, 2023). In addition, among the financial instruments aimed at funding the SDGs are, as stated in SDG Financing Framework in Bosnia and Herzegovina, social impact bonds. Their worth is BAM 5 million in the FBiH, BAM 2 million in the RS, and BAM 2 million in the Brčko District (BD), and they will be piloted in the first phase of achieving the SDGs (2024–2026), mainly for the establishment of CoEs.

“Starting from the necessity to form CoE as an important element of the infrastructure that translates ideas into commercial products and building innovation capacity, the establishment of CoE will be piloted along the lines of research and development as a priority sector for the SDGs” (Financing Framework, 2023), the SDG Financing Framework in Bosnia and Herzegovina explains when discussing the piloting of social impact bonds, and in turn lists activities for the action's implementation:

- “ – Create feasibility studies for the establishment of Centres of Excellence,
 - Define efficiency criteria for Centres of Excellence (production and export of high-tech products, number of scientific articles and patents, training of workers).”
- (Financing Framework, 2023)

Other development documents mention CoEs explicitly as well. For instance, the Development Strategy of the Federation of Bosnia and Herzegovina 2021–2027 states that the SME clusters in the “clean energy” sectors must be developed as future competency centres in collaboration with electrical companies and future research CoEs.

The CoE is supposed to be attached to an industry of strategic importance for future development of the respective canton/entity/BD, and become focused on very specific research issues and very specific workforce training of companies. It has the potential to become an international leader in a global niche in which a respective region already possesses strong or potentially strong international competencies.

The CoE can contribute to attracting investments to the region, in particular foreign direct investment (FDIs), by identifying promising investment opportunities and providing services to meet the needs of firms and investors (upgrading skills, enhancing capacities of the supply chain, etc.).

The entity authorities are supposed to provide a framework and support activities, while the regional authorities are supposed to design an overall and coordinated approach to introducing the scientific and technological system, the initial part of which is to be established and developed by the CoE. The model can only be realised in phases, commencing with activities of the planning period 2021–2027.

From Regional to Global Centre of Excellence

If Regional Centres of Excellence (RCoEs) are properly developing, they could evolve into Global Capability Centres (GCCs) and then into Global Centre of Excellence (GCoEs).

A Global Capability Centre (GCC) is an offshore or nearshore subsidiary of a transnational company (TNC) that centralises expertise, resources, and processes to deliver critical business services – often across multiple regions. GCCs have undergone a radical transformation, from cost-efficient back-office units to strategic powerhouses driving innovation, digital transformation, and enterprise agility. The purpose of establishing a GCC is to drive innovation, digitalisation, and enterprise-wide transformation. They serve to

handle advanced and strategic tasks such as research and development (R&D), data analytics, product design, financial services, cybersecurity, customer experience management, digital transformation, etc. Their organisational role was limited to standardised, efficiency-driven functions (Domljan and Domljan, 2021).

In this way, TNCs secure access to skilled talent at competitive costs, faster innovation cycles, standardise global operations and increase their efficiency and make strategic positioning in emerging or fast-growing markets.

In the 1990s and 2000s, GCCs were primarily focused on labour arbitrage and operational efficiency, serving as extensions of TNCs to reduce overheads. Later on, they had been transformed into innovation hubs, taking responsibility for advanced functions such as research and development. By the 2010s, they evolved into Centres of excellence, taking on complex functions such as R&D, analytics, and customer experience management.

#	Main traits
3000+	GCCs globally (2023)
50%	of the world's GCCs are based in India, making it the GCC capital of the world
1500+	GCCs are based in Poland, making it Europe's GCC capital
55%	of enterprise tech products developed in GCCs
70%	of GCCs integrate tech & business functions, driving cohesive global strategies

Table 5: Global Capabilities Centres and their main traits

Source: own estimations.

They are currently central actors in the diffusion of frontier technologies such as artificial intelligence, machine learning, and digitalisation, thereby integrating host economies into global innovation systems. This trajectory aligns with the scholarly debate on the strategic coupling of local capabilities with global production and innovation networks.

#	Industry	Main traits
1	IT & Software Development	- Poland is a major IT outsourcing hub, attracting tech giants like IBM, Google, and Microsoft. - Over 400,000 IT professionals, making it one of Europe's largest tech workforces.
2	Financial Services & Fintech GCCs	- Poland is a leading financial services hub with banks and fintech companies setting up global operations centres. - JPMorgan Chase, Citi, UBS, and Goldman Sachs have major GCCs in Poland. - Focus on fraud detection, risk management, and digital banking solutions.
3	BPO & Shared Services	- Poland is Europe's largest BPO destination, handling customer support, HR outsourcing, and supply chain management. - Capgemini, Accenture, and Deloitte run large shared service centres in Poland. - Over 250,000 professionals employed in Poland's BPO & shared services sector.
4	R&D & Engineering GCCs	- Poland is home to several R&D centres specialising in engineering, automotive technology, and deep-tech research. - Siemens, Bosch, and General Electric have engineering GCCs in Poland. - Focus on IoT, robotics, and smart manufacturing innovations.
5	E-Commerce & Retail GCCs	- Companies are setting up GCCs for supply chain automation, AI-driven retail analytics, and digital marketing solutions. - Amazon, Zalando, and eBay operate major GCCs in Poland.

Table 6: GCS in Poland

Poland provides a paradigmatic European case whose GCS' reflect both the cost-reduction strategies of TNCs and their demand for high-quality human capital. GCCs in Poland span global IT services, research and development, financial services, and business process management. Leading examples include:

- Google: Artificial intelligence research and cloud computing (Kraków),
- JP Morgan Chase: Financial technologies and risk management (Warsaw),
- Amazon: E-commerce and supply chain automation (Gdańsk),
- Siemens: Smart industry and the Internet of Things (Wrocław),
- Accenture & Deloitte: Business process management and digital transformation Centres (across Poland).

For BiH, the potential benefits of establishing GCCs in partnership with TNCs could be understood in terms of institutional capacity building and regional development (the Balkan and Mediterranean regions).

Key advantages of establishing the GCCs in BiH include:

- Accelerated institutionalisation of GCCs, resulting in reduced establishment timelines and transaction costs,
- Transfer of managerial expertise and technological know-how from TNCs, contributing to organizational learning and capacity development,
- Implementation of standardized and empirically validated operational procedures, ensuring effective governance and operational efficiency,
- Opportunities to engage in Build-Operate-Transfer (BOT) arrangements, wherein TNCs provide initial capital investment, oversee operationalization, and eventually transfer ownership and control to domestic partners.

Locational Advantages	Specific Assets
1. Large Reserve of natural resources	1. Talents
2. Closeness to the European and Mediterranean markets	2. Specific industry knowledge
3. Available and cheap labour and land	3. Low taxation level
4. Available, cheap land and unpolluted soils	4. Diaspora

Table 7: Advantages of BiH for TNCs

From a theoretical standpoint, such integration could foster upgrading within BiH's regional/cantonal economies – functional upgrading (moving into higher-value tasks), process upgrading (increasing efficiency), and inter-sectoral upgrading (knowledge spillovers across industries). Ultimately, GCCs may serve as catalysts for embedding local economies into global production and innovation networks, thereby contributing to sustainable economic transformation.

Diaspora and its TNCs

In the case of many countries, the diaspora acts as an expert advisory council (a brain trust), which connects key components of the public and private sectors with the expertise lacking in the country of origin, thereby compensating for the outflow of educated labour.

The BiH diaspora participates in the transfer of knowledge and skills to BiH in the following ways. It is especially important for having it supporting the building up of translation infrastructure in BiH. In that sense, the example of Chile is relevant for BiH and other Balkan countries.

Chile established ChileGlobal – the Talent Network for Innovation, which promotes and enhances the development of key economic clusters in Chile by strengthening their ties with Chileans (and others) abroad who are engaged in introducing innovative technologies into Chile. Chileans in the diaspora dedicate their time, experience, contacts, knowledge, and skills to help globalise Chilean companies.

The experience of Peru in developing entrepreneurial skills and business infrastructure could be also relevant for BiH and the other Balkan countries. The Peruvian-American Center for Entrepreneurial Development provides logistics, infrastructure, and training for business owners, whereby the Peruvian diaspora in New Jersey offers advice to companies operating in Peru. A consortium of companies, educational institutions, and diaspora organisations in the US and Peru cooperate in implementing this project, which they believe helps entrepreneurs in both countries (Newland and Plaza, 2013).

Particularly interesting for BiH and other Balkan countries is the example of the Indian diaspora in the field of information technology. Indian engineers

and entrepreneurs in Silicon Valley helped India become a global technological hub, which could be useful for the establishment of the GCCs in BiH. Skilled and highly educated members of the diaspora – such as technicians and engineers – can contribute to innovation and growth in the country of origin if they transfer their knowledge and skills acquired abroad.

The countries of emigration and immigration e.g., BiH and Germany, can develop bilateral partnerships in skills development. Potential employers from Germany could, for example, finance the training of BiH staff at a CoE, only some of whom would emigrate to Germany. German employers could also organise short-term academic and scientific exchanges and cooperation programs in, for instance, the ICT sector, enabling bilateral cooperation in innovation and temporary rather than permanent migration of ICT researchers and technicians. The two countries could develop joint accreditation of training programs and skills assessments, thus achieving a higher degree of skill transferability (Clemens, 2017; Gelb and Krishnan, 2018).

The practice followed by Germany and Kosovo is an example of applying the global skills partnership model. Germany finances the training of construction workers in Kosovo. Some of those trained will emigrate to Germany (through the “foreign line” of training), while some will remain in Kosovo (through the “domestic line” of training).

Those who emigrate can generally enter the German labour market through three models:

- Trained migration (acquired skills are recognised and additional training is provided in Germany),
- Destination training (training is provided in Germany), and
- Training in the emigrant’s country (migrants are trained in their country before emigrating, with their qualifications recognized in Germany).

The project implemented in Kosovo falls into this third category, which offers the greatest benefits for both emigration and immigration countries (Dempster, 2019).

Another example of such practice is a project implemented by Belgium and Morocco. The programme is carried out within the Mobility Partnership Facility (MPF) programme funded by the EU, involving EU countries and partner countries that signed this program (Armenia, Azerbaijan, Belarus, Cape Verde, Georgia, Jordan, Morocco, Moldova, and Tunisia) or the Joint Agenda for Migration and Mobility (Ethiopia, India, and Nigeria). The programme amounted to €5.5 million and lasted 35 months, starting on January 1, 2016. The project was implemented by Enabel, the Belgian development agency, and the trainees were young unemployed Moroccans who had graduated in key ICT skills. Some of the trained individuals emigrated to Belgium, while others remained working in Morocco (Dempster, 2019).

Training Centres in BiH could be established as regional (cantonal) Centres. The founders (shareholders) would be:

- Public sector (federal and cantonal government),
- Private sector (internationally competitive companies with potential comparative advantages and/or potential economies of scale, around which companies would cluster into value chains or development poles), and
- International entities (public and/or private sector from another country or countries).

The ratio of shareholding roles could be as follows: 50% national and 50% international entities, further divided into 50% public and 50% private sector. Regarding the domestic public sector, this would be split 50–50 between federal and cantonal governments. Of course, this is only a rough illustration, which can be modified and adapted to the specific circumstances and opportunities of a given region (canton).

The centre would have two training lines: domestic and foreign. In the case of the domestic line, staff would be trained to meet the needs of domestic companies in the cluster/value chain/development pole in which the region (canton) has international comparative advantages and/or potential economies of scale.

In the case of the foreign line, staff would be trained to meet the needs of foreign private and/or public entities. In that case, in addition to regular

training, there would also be supplementary training focused on recognition of qualifications abroad, as well as foreign language learning and other specific requirements related to the respective country. Training for a foreign entity does not necessarily mean training for emigration, since a foreign entity may decide to open a business unit in the country where training is conducted.

As the example of the Heimerer Institute in Pristina shows, the cost of training abroad would amount to about 6,500 BAM, of which about half relates to language training paid by the foreign partner, while the cost of domestic training would be about 3,200 BAM. The cost of training abroad corresponds to the price of illegal migrant smuggling from Kosovo to Germany (Clemens, Dempster, and Gough, 2019).

Conclusions

The population of BiH is rapidly declining and getting older, and more and more people would be leaving the country if nothing is done about it. A particular challenge is the emigration of young people as without talents it is not possible to make progress and prosperity.

The economy in BiH suffers from oversized consumption and imports compared to production and exports. It creates a resource gap of KM 5 to 6 billion per year. If there were no remittances from abroad, the country would already be either overburdened or far poorer than today by being forced to reduce consumption and/or investment.

BiH cannot overcome the current middle-income gap and become a high-income country without switching from the public sector-driven to a productivity-driven one. The goal can be reached most quickly and sustainably by focusing on the sector of highly sophisticated and exportable goods and services supported heavily by productivity, FDI inflows and value chain policy. That process could be initiated by establishing “translation infrastructure” such as Centres of Excellence. Their establishment could be supported by diaspora and TNCs.

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Demographic Trends and Their Socio-Economic and Political Implications in Kosovo

Ilir Dedu

Introduction

Demographic change is among the most consequential long-term forces shaping the political, economic, and social development of states. In the case of Kosovo, demographic dynamics are particularly salient due to the country's recent statehood, post-conflict context, sustained emigration, and ongoing European integration process. Population size, age structure, spatial distribution, and migration patterns interact closely with labour markets, public finances, political participation, and regional relations. Understanding these dynamics is therefore essential for assessing Kosovo's development trajectory and institutional capacity.

Kosovo has traditionally been characterised by a young population and relatively high fertility rates compared to European averages. For much of the post-war period, this demographic profile was perceived as an advantage, offering the potential for a demographic dividend in the form of a growing labour force and consumer base. However, over the past decade, this picture has become more complex. Declining population numbers, accelerated emigration, rapid urbanisation, and visible ageing trends have introduced new challenges that complicate earlier assumptions about Kosovo's demographic resilience.

The 2024 population census represents a significant milestone in Kosovo's demographic assessment. Conducted in the spring of 2024, it provides the most comprehensive and updated snapshot of population trends since the previous census in 2011. For the first time, it also included systematic data on the diaspora and an assessment of war-related damages, expanding the analytical scope beyond traditional demographic indicators. The results confirm that Kosovo is undergoing a demographic transition marked by population decline, changing household structures, and an ageing population,

while still retaining characteristics of a relatively young society in European terms.

This chapter examines Kosovo's demographic challenges structured around six thematic areas: the specifics of demographic trends, social and economic implications, political processes, neighbourly relations, the EU integration process, and the role of the national diaspora. The first section focuses on the empirical foundations of demographic change, drawing primarily on the 2024 census data to outline the scale, direction, and internal composition of Kosovo's population dynamics.

Specifics of the Demographic Trend in Kosovo

The 2024 population census confirms a clear shift in Kosovo's demographic trajectory. According to official data, the resident population stands at 1,602,515, compared to 1,739,825 recorded in the 2011 census.¹ This represents a population decline of more than 137,000 residents over a period of thirteen years. While Kosovo continues to record positive natural population growth, driven by birth rates exceeding death rates, this has been outweighed by sustained emigration, particularly among working-age cohorts.

One of the most significant findings of the census relates to population ageing. The average age of Kosovo's population increased from 29.97 years in 2011 to 34.84 years in 2024.² This change reflects both declining fertility rates and the outflow of younger citizens seeking education and employment opportunities abroad. Although Kosovo remains younger than most European countries, the pace of ageing is notable and signals a gradual convergence toward broader continental demographic patterns.

The age structure data further illustrate this shift. The share of the population under the age of 14 declined from 17.14% in 2011 to 13.53% in 2024.³ At the same time, the proportion of residents aged 65 and above increased from 6.70% to 10.97%. This dual movement – fewer children and more elderly

¹ Statistical Agency of Kosovo, <https://ask.rks-gov.net/Releases/Details/8226>.

² Statistical Agency of Kosovo, final results of national census, <https://ask.rks-gov.net/ReKos/Results/rekos-final-results>.

³ Ibid.

citizens – marks a structural change with long-term implications for education systems, healthcare provision, and pension sustainability. While Kosovo still benefits from a relatively large working-age population, the demographic window associated with this advantage is gradually narrowing.

Ethnic composition remains largely stable when compared to earlier census data. The 2024 census records that 91.76% of residents identify as Albanian, followed by 2.31% Serbs, 1.69% Bosniaks, 1.22% Turks, 1.02% Ashkali, 0.67% Egyptians, 0.55% Roma, 0.58% Gorani, and a small proportion classified as ‘other’ or unspecified.⁴ However, as in 2011, the census faced challenges related to participation by the Serbian community. A significant boycott occurred in the four northern municipalities – Leposavić, Zvečan, Zubin Potok, and North Mitrovica – while partial boycotts were recorded in six other municipalities with Serb community majorities.

To address these gaps, the Kosovo Agency of Statistics conducted population estimates for the four northern municipalities in close cooperation with international experts. These methodological adjustments were necessary to ensure territorial coverage and data usability, but they also underscore the political sensitivity of demographic data in Kosovo. Census participation, particularly among non-majority communities, remains closely linked to broader political dynamics and trust in state institutions.

Another defining demographic trend is accelerated urbanisation. In 2024, 50.18% of Kosovo’s residents lived in urban areas, compared to only 38% in 2011.⁵ This shift reflects internal migration from rural areas toward major urban centres, particularly Pristina and other regional hubs. Urbanisation has been driven by economic opportunity, access to services, and educational prospects, but it has also generated new pressures on housing, transport infrastructure, and municipal governance. At the same time, rural areas face depopulation, ageing populations, and declining economic activity, exacerbating regional disparities.

⁴ Statistical Agency of Kosovo, final results of national census, <https://ask.rks-gov.net/ReKos/Results/rekos-final-results>.

⁵ Ibid.

Changes in household structure further illustrate evolving social patterns. The average household size declined from 5.9 members in 2011 to 4.3 members in 2024.⁶ This reduction aligns with broader trends toward smaller family units, delayed marriage, and changing living arrangements, often influenced by migration and economic constraints. Smaller households may reduce overcrowding, but they also alter demand for housing, social services, and urban planning.

Housing data from the census reveal a notable paradox that despite the overall population decline, the number of housing units increased substantially – from approximately 412,000 in 2011 to 583,000 in 2024. At the same time, the number of vacant housing units rose sharply, reaching 182,849 in 2024 compared to 99,808 in 2011.⁷ This trend is closely linked to emigration and diaspora investment in residential property, particularly in urban areas and places of origin. Vacant housing reflects both financial remittances transformed into real estate assets and the absence of residents who have settled abroad, creating spatial mismatches between housing supply and actual population needs.

For the first time, the 2024 census also included an evaluation of damages caused by the 1998–1999 conflict. Families reported financial damages typically ranging between €20,000 and €40,000, with total estimated war-related damages reaching approximately €5 billion.⁸ While not a demographic indicator in the narrow sense, the inclusion of war damage data highlights the lasting socio-economic impact of conflict on population distribution, housing conditions, and migration decisions. War-related displacement and property destruction continue to shape settlement patterns decades after the end of hostilities.

A particularly important innovation of the 2024 census was the inclusion of Kosovars living abroad. According to census data, approximately 550,000

⁶ Statistical Agency of Kosovo, final results of national census, <https://ask.rks-gov.net/ReKos/Results/rekos-final-results>.

⁷ Ibid.

⁸ Ibid.

Kosovars reside in the diaspora.⁹ The registration process for diaspora members remains open until the end of 2024, suggesting that this figure may increase. The formal recognition and enumeration of the diaspora marks a shift in how Kosovo conceptualises its population, extending demographic analysis beyond territorial borders. Given the scale of emigration over several decades, the diaspora represents a demographic extension of Kosovo's society, with significant economic, social, and political relevance.

These indicators point to a demographic transition characterised by population decline, ageing, urban concentration, and transnational dispersion. Kosovo's demographic profile no longer fits the simple narrative of a young and rapidly growing society. Instead, it reflects a hybrid model in which youthful cohorts coexist with emerging ageing pressures, and internal population changes are inseparable from external migration dynamics. These trends form the empirical foundation for understanding the broader social, economic, and political implications explored in the subsequent sections of this chapter.

Social and Economic Implications for Kosovo

The demographic trends identified in the 2024 census translate directly into a complex set of social and economic implications for Kosovo. Population decline, urbanisation, emigration, and gradual ageing interact with structural weaknesses in the labour market, education system, and social protection framework. While Kosovo's demographic profile continues to differ from that of most European countries, particularly in terms of youthfulness, the direction of change increasingly resembles broader continental patterns. This convergence places new demands on public policy, institutional capacity, and fiscal sustainability.

Despite the overall decline in population, Kosovo continues to experience positive natural population growth. According to census-based estimates, the population growth rate stands at approximately 0.68%, supported by a birth

⁹ Statistical Agency of Kosovo, final results of national census, <https://ask.rks-gov.net/ReKos/Results/rekos-final-results>.

rate of 14.4 per 1,000 inhabitants and a death rate of 7.2 per 1,000.¹⁰ In absolute terms, this results in roughly 12,000 additional citizens annually. For a small economy with limited productive capacity, this steady increase generates sustained pressure on public services, particularly education, healthcare, and municipal infrastructure. The challenge is not merely quantitative but structural, as service provision must adapt to changing spatial and demographic realities.

Kosovo's age structure remains a defining social feature. With an average age of 34.8 years and a median age of approximately 32, Kosovo is still the youngest country in Europe by median age. Around half of the population is under the age of 30, creating both opportunities and risks. From a social perspective, this demographic composition offers the potential for a demographic dividend, provided that the education system, labour market, and economy are capable of absorbing and productively employing young cohorts. Conversely, failure to meet these expectations increases the risk of prolonged unemployment, social frustration, and outward migration.

Labour market results illustrate the difficulty of translating demographic potential into economic performance. Kosovo has one of the highest unemployment rates in the Western Balkans, with youth unemployment significantly exceeding the national average. Although formal employment increased by 4.9% and unemployment declined to 10.7% in the second quarter of 2023, inactivity rates remain exceptionally high. Approximately 78% of women are economically inactive, maintaining persistent gender disparities in labour force participation.¹¹ Male employment stands at 49.4%, compared to only 18.4% for women, reflecting structural barriers related to care responsibilities, limited childcare infrastructure, and labour market segmentation.

Youth unemployment remains high with approximately 21.4%, young people facing challenges transitioning from education to employment. The economy is dominated by sectors such as hospitality, agriculture, trade, and con-

¹⁰ Statistical Agency of Kosovo, final results of national census, <https://ask.rks-gov.net/ReKos/Results/rekos-final-results>.

¹¹ Statistical Agency of Kosovo, IMF and World Bank data.

struction, which often rely on low- to medium-skilled labour and offer limited opportunities for career progression. Employers face difficulties in recruiting qualified workers: around half indicate that general education does not equip students with adequate skills, while three-quarters struggle to hire qualified managers, professionals, and technicians. This mismatch between labour supply and demand reinforces unemployment and underemployment, including businesses reports of shortage of skilled labour.

Kosovo's education and labour landscape shows high interest in specialized sectors among youth, with 28.8% involved in Information and Communication Technology (ICT), 25% in healthcare, and 22.3% in Science, Technology, Engineering, and Mathematics (STEM) fields.¹² Despite this, youth unemployment remains high at 29%, with a significant portion of young people (15–24) not in education, employment, or training. Furthermore, the education system is not aligned with the labour market, demand and youth preferences for education.

While primary education enrolment is high, qualitative challenges persist across all levels of the system. Rural areas face shortages of qualified teachers and outdated facilities, contributing to uneven educational outcomes. Participation in tertiary education has increased, but the relevance of curricula to labour market needs remains limited. Vocational education and training (VET) programs, which could serve as a bridge between education and employment, are underdeveloped. Although partnerships between VET schools and employers have been introduced and dual education has been piloted in twelve profiles, these initiatives remain fragmented and limited in scale.¹³

Digitalisation is seen both an opportunity and a challenge for Kosovo's education system. The integration of digital tools is constrained by inadequate

¹² UNICEF Kosovo programme: Towards Inclusion, equity and digital readiness, <https://www.unicef.org/kosovoprogramme/press-releases/education-kosovo-towards-inclusion-equity-and-digital-readiness#:~:text=However%2C%20as%20it%20stands%2C%20Kosovo's%20education%20system%20faces%20a%20range%20of>.

¹³ Ibid.

infrastructure, uneven access, limited digital literacy among teachers and students, and insufficient funding.¹⁴ These limitations exacerbate inequalities between urban and rural schools and hinder the development of skills required for a modern, knowledge-based economy. Early childhood education faces similar constraints, including insufficient infrastructure, lack of qualified staff, and limited funding. These shortcomings have direct implications for female labour market participation, as inadequate childcare options restrict women's ability to engage in continuous and full-time employment.

Urbanisation also shapes social and economic dynamics. The increasing concentration of population in urban areas places pressure on housing, transport, and public services, while rural areas experience depopulation and ageing. Urban centres offer greater access to employment and education, but they also face overcrowding, rising housing costs, and infrastructure strain. Meanwhile, depopulated rural regions struggle to sustain local economies, schools, and healthcare facilities, reinforcing regional inequalities and limiting balanced territorial development.

Fiscal and social protection systems are increasingly affected by demographic change. At present, Kosovo's pension system benefits from a relatively favourable demographic ratio, with a large working-age population supporting a smaller cohort of retirees.¹⁵ However, this advantage is temporary. The gradual increase in the proportion of elderly citizens signals rising future costs for pensions and healthcare. Without early reforms, demographic ageing risks placing significant strain on public finances.

Kosovo's pension system faces particularly acute structural challenges. Alongside the mandatory Contributory Pension System, a wide range of legacy and "merit" pensions – such as war-related, disability, and special category benefits – create substantial fiscal pressure.¹⁶ The legacy system, combined with an expansive merit-based pension framework, places a growing burden on the state budget and crowds out other forms of social spending.

¹⁴ Progress report Kosovo 2025, https://enlargement.ec.europa.eu/kosovo-report-2025_en.

¹⁵ IMF Kosovo report 2025, <https://www.imf.org/en/publications/cr/issues/2025/05/21/republic-of-kosovo-fourth-reviews-under-the-stand-by-arrangement-and-the-arrangement-under-567057>.

¹⁶ Ibid.

In contrast, the Contributory Pension System, managed by the Kosovo Pension Savings Trust, remains in an accumulation phase and depends on future contributions to achieve sustainability.

Current contribution rates of 10% may be insufficient to ensure adequate retirement benefits in the long term. International financial institutions, including the International Monetary Fund, have recommended increasing contribution rates, improving compliance, and adopting a more restrictive approach to special pension benefits.¹⁷ Adjusting the retirement age in line with increased life expectancy and integrating disparate pension schemes into a coherent framework are also identified as necessary steps to enhance fiscal sustainability. These reforms are directly linked to demographic trends, as ageing and emigration reduce the contributor base while increasing future benefit obligations.

Beyond pensions, demographic pressures affect public finance management more broadly. Kosovo has established a relatively robust public financial management framework, aligned with international standards, supported by electronic systems such as the Kosovo Financial Information Management System and the Public Investment Programme platform. While budget transparency and fiscal discipline have improved, challenges remain in monitoring fiscal risks, particularly those associated with public-owned enterprises and long-term demographic change. Effective risk identification and management are essential to ensure that demographic pressures do not undermine fiscal stability.

Private sector development is another critical dimension of the demographic challenge. Kosovo's economy remains constrained by regulatory unpredictability, weak contract enforcement, infrastructure gaps, and limited access to finance, particularly for small and medium-sized enterprises. These structural barriers limit job creation and reduce the economy's capacity to absorb a young labour force. Skills shortages further constrain productivity and competitiveness, reinforcing a cycle in which unemployment and emigration persist despite positive growth rates.

¹⁷ IMF Kosovo report 2025, <https://www.imf.org/en/publications/cr/issues/2025/05/21/republic-of-kosovo-fourth-reviews-under-the-stand-by-arrangement-and-the-arrangement-under-567057>.

Taken together, these social and economic implications illustrate that demographic trends in Kosovo are not merely statistical phenomena but deeply embedded drivers of development outcomes. Youthfulness alone does not guarantee growth, nor does ageing automatically imply decline. Rather, the interaction between demographic change and institutional capacity determines whether Kosovo can convert its population dynamics into sustainable social and economic progress. These dynamics also shape political behaviour, governance expectations, and state-society relations, which are examined in the following section.

Impact on Relevant Political Processes in Kosovo

Demographic change in Kosovo has increasingly shaped the country's political processes, influencing voter behaviour, governance expectations, and institutional legitimacy. A young population, combined with rapid urbanisation and sustained emigration, has altered the composition of the electorate and the issues that dominate political debate. At the same time, demographic diversity and uneven census participation among non-majority communities continue to affect political representation and inter-ethnic relations.

One of the most visible political implications of Kosovo's demographic profile is the role of younger voters. With approximately half of the population under the age of 30, electoral outcomes are strongly influenced by youth participation. Recent voting patterns indicate a clear generational dimension in political preferences. Data from the 2025 elections suggest that younger age cohorts overwhelmingly supported the ruling parties, with particularly strong backing for Vetëvendosje among voters aged 18–25 and 26–35. While support patterns vary across age groups, the overall trend points to a youth-driven demand for accountability, anti-corruption measures, and institutional reform.

This generational shift has contributed to changes in political discourse. Issues such as employment opportunities, public service delivery, housing affordability, and social justice have gained prominence relative to traditional identity-based or patronage-oriented narratives. Younger, urban voters tend to evaluate political actors through the lens of performance and reform cred-

ibility rather than historical affiliation. This evolution reflects broader demographic trends, including urban concentration and increased access to information through digital platforms.

However, demographic pressure also exposes institutional limitations. High youth unemployment and persistent emigration risk undermining political engagement over time. When expectations regarding employment and living standards are unmet, voter frustration can translate into apathy, protest voting, or disengagement from formal political processes. Sustaining democratic consolidation therefore depends not only on electoral participation but also on the state's capacity to respond effectively to demographic-driven demands.

Ethnic diversity remains a central feature of Kosovo's political system. Non-majority communities – including Serbs, Bosniaks, Turks, Roma, Ashkali, Egyptians, and Gorani – are geographically concentrated in specific municipalities, which shapes local governance, public service provision, and political representation. Census data play a critical role in determining municipal budgets, language policies, education systems, and representation in local assemblies. Consequently, demographic data are not merely descriptive but politically consequential.

The partial boycott of the 2024 census by the Serbian community, particularly in the four northern municipalities, illustrates the intersection between demography and politics. While population estimates were produced through methodological adjustments and international cooperation, the absence of full participation highlights distrust between the Serb community and central institutions. These gaps result in further complications of policy planning and weaken the legitimacy of demographic data in such a politically sensitive context.

Inclusive governance remains both a constitutional obligation and a demographic necessity. Ensuring equal access to public services, political representation, and economic opportunities for non-majority communities is essential for social cohesion and political stability. Demographic trends – such as ageing in minority-dominated rural areas and youth emigration – further increase the urgency of targeted policies that address local needs while reinforcing national integration.

Institutional capacity and coordination plays a decisive role in managing demographic pressures. Public administration reforms, digitalisation of services, and merit-based recruitment are particularly important. Improvements in coordination between central and local authorities, as well as predictable policy implementation, help strengthen public trust. Conversely, administrative inefficiencies and fragmented governance risk amplifying demographic frustrations and political polarisation.

Kosovo's demographic structure influences political processes by shaping electoral behaviour, policy priorities, and institutional expectations. Youthful demographics create opportunities for political renewal, but only if accompanied by tangible improvements in employment, governance, and service delivery. At the same time, demographic diversity and uneven participation underscore the continued relevance of inclusive political frameworks.

Impact on Neighbourly Relations

Demographic dynamics also affect Kosovo's relations with neighbouring countries, both directly and indirectly. Population distribution, migration patterns, and minority demographics influence bilateral relations, regional cooperation, and political dialogue, particularly in sensitive border regions.

In northern Kosovo, where ethnic Serbs constitute a local majority, demographic figures play a central role in discussions concerning governance arrangements, integration into Kosovo's institutional framework, and participation in municipal elections. Accurate population data inform decisions on budget allocations, decentralisation mechanisms, and non-majority rights protections. As such, census credibility is closely linked to broader political negotiations involving local governance and regional stability.

Migration represents another key demographic factor shaping neighbourly relations. Kosovo has long been part of regional labour mobility patterns, with citizens working seasonally or permanently in neighbouring countries as well as further afield in the European Union. These movements create economic interdependence through remittances and labour supply, while also generating political sensitivities related to migration management, border controls, and social protection coordination.

Cross-border mobility has both stabilising and destabilising potential. On the one hand, labour migration can ease domestic unemployment pressures and contribute to household incomes. On the other hand, high emigration rates risk depleting the domestic workforce and intensifying demographic decline.

Bilateral and regional Berlin process-led agreements on labour mobility, recognition of professional and higher education qualifications, and future ones on social security portability therefore gain an increasing importance. Effective cooperation in these areas can transform demographic movement into a mutually beneficial process, supporting economic integration and regional stability. Conversely, the absence of coordinated frameworks risks informal employment, social vulnerability, and political tension.

Diaspora communities located in neighbouring and nearby EU countries also influence political narratives and public perceptions. Transnational family ties, cross-border investments, and regular mobility contribute to dense networks that blur traditional distinctions between domestic and external populations. While these connections often strengthen regional linkages, they can also become politicised, particularly in contexts where migration intersects with non-majority identity and overall rights issues.

Overall, demographic trends reinforce the interdependence between Kosovo and its neighbours. Population distribution, migration, and minority demographics are not isolated domestic concerns but factors embedded in regional political and economic relations. Managing these dynamics requires reliable data, institutional cooperation, and sustained dialogue at both bilateral and regional levels.

Impact on the EU Integration Process

Demographic trends are increasingly relevant to Kosovo's European integration process, as the European Union closely monitors population dynamics, labour market performance, and institutional capacity as part of its enlargement assessments.¹⁸ Kosovo's demographic profile – characterised by relative youthfulness alongside declining population numbers and high

¹⁸ Progress report Kosovo 2025, https://enlargement.ec.europa.eu/kosovo-report-2025_en.

emigration – presents both opportunities and constraints for its accession trajectory.

From the EU's perspective, a young population can represent a long-term asset. Kosovo's demographic structure suggests the potential availability of a future workforce and an expanding consumer base, factors that could contribute to economic convergence with the EU over time. However, this potential is contingent upon Kosovo's ability to translate demographic characteristics into human capital through effective education, employment, and social inclusion policies.¹⁹ Unemployment, skills mismatches, and emigration undermine this potential and are therefore viewed as structural weaknesses rather than demographic advantages.²⁰

The EU has placed particular focus for almost a decade now on aligning Kosovo's education and training systems with labour market needs. EU-funded programmes in recent years have focused on modernising curricula, expanding vocational education and training, and reducing disparities between urban and rural education quality.²¹ Investments in early childhood education, apprenticeships, and skills development are intended to improve labour market outcomes and reduce emigration pressures. These initiatives reflect an understanding that demographic sustainability is closely linked to the quality of human capital rather than population size alone.

Kosovo's capacity to manage demographic change is also assessed through its institutional performance. The EU integration process places strong emphasis on governance, public administration reform, and public finance management, all of which are influenced by demographic pressures. Kosovo's reform agenda is closely aligned with EU priorities articulated through instruments such as the Stabilisation and Association Agreement, the National Development Strategy 2030, the National Programme for European Integration, and the Economic Reform Programme.²² The adoption of these

¹⁹ Progress report Kosovo 2025, https://enlargement.ec.europa.eu/kosovo-report-2025_en.

²⁰ Ibid.

²¹ EU Office in Kosovo, https://www.eeas.europa.eu/delegations/kosovo_en.

²² Ibid.

documents shows a willingness to a structured approach to managing socio-economic transformation, including demographic challenges.

Economic convergence remains a central concern. Kosovo's GDP per capita in purchasing power standards stands at approximately 27% of the EU average, indicating a substantial development gap. While economic growth has been relatively robust in recent years, demographic factors such as labour force participation, migration, and ageing will influence the sustainability of this growth. The Reform and Growth Facility for the Western Balkans, alongside the Growth Plan for the region, aims to accelerate convergence by promoting economic integration, regional cooperation, and fundamental reforms.²³ Kosovo's demographic trends interact directly with these objectives, particularly in relation to labour mobility, education, and social cohesion. However, Kosovo has not benefited up to date from the Growth Plan due to political polarisation in 2025 and still has not ratified the relevant agreements with the EU related to the Growth Plan.

The Role of National Diasporas

The national diaspora constitutes one of the most significant and distinctive elements of Kosovo's demographic landscape. Estimates suggest that nearly one-third of ethnic Albanians from Kosovo live abroad, primarily in countries such as Germany, Switzerland, Austria, and the Nordic states. The inclusion of diaspora data in the 2024 census marks an important shift in how Kosovo conceptualises its population, recognising the diaspora as an integral component of its demographic and socio-economic reality.

Economically, the diaspora plays a critical stabilising role through remittances. Remittance inflows remain a substantial source of foreign currency and household income, supporting domestic consumption and overall economic stability. In 2024, remittance inflows reached approximately €1.3 billion by year-end, reflecting continuity with previous years. During the first half of 2025, remittances increased further, reaching over €651 million between January and June – an increase of more than €21 million compared to

²³ Growth Plan for the Western Balkans, https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en.

the same period in 2024. Monthly data indicate sustained growth, with particularly strong inflows during spring and summer months.

These financial transfers play a vital role in supporting household expenditures, education, healthcare, and housing. Construction activity, often financed by diaspora savings, stimulates local economies, particularly in urban areas and places of origin. However, the predominance of consumption-oriented spending also highlights a limitation of remittance-driven development. While remittances reduce poverty and provide short-term stability, they do not automatically generate productive investment or long-term employment.

The growing number of vacant housing units identified in the 2024 census reflects this dynamic. Diaspora-funded construction contributes to increased housing supply, yet many units remain unoccupied due to permanent settlement abroad. This pattern illustrates the dual impact of diaspora engagement: financial inflows strengthen household resilience, while prolonged absence contributes to population decline and spatial imbalances.

Beyond economic contributions, the diaspora exerts social and cultural influence. Professionals living abroad maintain ties with domestic institutions, transferring knowledge, skills, and professional practices in fields such as medicine, technology, academia, and entrepreneurship. Diaspora networks facilitate exposure to European norms and standards, indirectly supporting Kosovo's integration into European social and professional spaces.

Politically, the diaspora also shapes domestic discourse. Voting rights, political engagement, and public debate increasingly reflect the transnational nature of Kosovo's population. While formal political participation from abroad remains limited, diaspora perspectives influence policy discussions, particularly on governance, regional relations and EU integration. Managing this dimension requires institutional mechanisms that recognise diaspora contributions while addressing the challenges associated with long-term emigration.

Kosovo's government has initiated efforts to channel diaspora resources toward productive investment, including support for small businesses and infrastructure projects. These initiatives aim to move beyond remittance-

driven consumption and leverage diaspora capital for sustainable development. Their effectiveness will depend on improvements in the business environment, legal certainty, and institutional trust – factors that also influence migration decisions.

Overall, the diaspora represents both an extension of Kosovo's demographic base and a response to domestic constraints. Its role underscores the transnational character of Kosovo's demographic challenges and highlights the need for policies that integrate diaspora engagement into broader development strategies.

Conclusion

Kosovo's demographic trends reveal a society undergoing gradual but profound transformation. The 2024 census confirms a shift from population growth toward population decline, accompanied by ageing, urbanisation, and extensive emigration. While Kosovo remains younger than most European countries, the direction of demographic change increasingly mirrors broader continental patterns, narrowing the window for demographic advantage.

These trends have wide-ranging social and economic implications. Labour market pressures, skills mismatches, gender disparities, and fiscal challenges – particularly in the pension system – are closely linked to demographic dynamics. At the political level, a youthful electorate drives demands for reform and accountability, while demographic diversity and uneven census participation highlight ongoing governance challenges. Regionally, migration and non-majority communities demographics shape relations with neighbouring countries, reinforcing the importance of reliable data and institutional cooperation.

In the context of European integration, demographic change serves as both an opportunity and a constraint. The EU's assessment framework emphasises Kosovo's capacity to manage demographic pressures through effective institutions, inclusive policies, and sustainable economic growth. Progress in these areas will influence Kosovo's credibility and pace of integration.

Finally, the national diaspora stands as a defining feature of Kosovo's demographic reality. Remittances, transnational networks, and cultural ties provide

economic stability and social connectivity, while also reflecting the structural challenges that drive emigration. Integrating diaspora engagement into development and reform strategies remains a central task for policymakers.

Taken together, Kosovo's demographic challenges are not isolated phenomena but interconnected drivers of its socio-economic and political trajectory. Addressing them requires sustained institutional capacity, data-driven policymaking, and long-term alignment with European standards. As Kosovo continues its development and integration path, demographic trends will remain a critical lens through which progress and resilience are assessed.

Addressing the 2025/2026 Kosovo Deadlock and Census Disparities for the Kosovo Serb Community

Miodrag Milićević

Executive Summary

Kosovo is facing a deepening political crisis stemming from the failure to form a new government and fully constitute the parliament. The stalemate arises from Vetëvendosje's (VV) lack of a parliamentary majority, its limited coalition potential with opposition parties, and the refusal of opposition leaders to support Srpska Lista's deputy speaker candidates, despite the party's legal mandate with nine of ten Serb seats. This refusal has further entrenched the deadlock, raising the risk of prolonged instability unless Albanian political parties reach a broad consensus to include Srpska Lista in government formation and secure its role in the deputy speaker position.

This fragile situation carries serious consequences. Internationally, it has stalled dialogue with Belgrade, as the government's technical mandate undermines its legitimacy to engage. Domestically, the caretaker government continues to make unilateral decisions, often with negative effects on the Kosovo Serb community, particularly in the north. A key example is the recently concluded census, which, if not addressed within the next three months, could further erode the political and social position of Kosovo Serbs.

In parallel, the silent but rapid migration of Kosovo Serbs from the north, which began unfolding in 2022, has continued steadily to this day. This trend is driven primarily by sustained political pressure and the persistent failure to resolve the recurring cycle of crises in the north within the framework of the Brussels Dialogue.

In the absence of tangible and transparent data, it is difficult to provide precise figures on the scale of this migration. Nevertheless, the impact is visible: the shrinking presence of the Kosovo Serb community in the north has far-

reaching implications for the region's political stability, interethnic relations, and long-term prospects for coexistence.

This ongoing outflow not only undermines trust in existing dialogue mechanisms but also erodes the demographic fabric of Kosovo's multi-ethnic society. Left unaddressed, it risks accelerating a process of de facto segregation, weakening the already fragile foundations for durable peace and reconciliation.

Failure to resolve the crisis could bring severe repercussions: reduced foreign aid, loss of political support, setbacks on Kosovo's EU integration path, violations of binding agreements, and heightened risks to peace and security across the country.

Moreover, the 2025 Kosovo census, conducted from April 5 to May 24, highlighted stark disparities in participation, especially among Kosovo Serbs. Preliminary results recorded a population of 1,586,659, of which only about 36,800 were Serbs (2.3%). This outcome reflects both a semi-boycott and institutional shortcomings, including insufficient efforts to extend census operations in northern Kosovo. Crucially, the data does not capture the full number of Serbs living in and outside Kosovo, particularly more than 200,000 displaced persons residing in central Serbia who were not included in the process.

Central to addressing this challenge is the revitalization of the Brussels Dialogue, which remains the only credible political platform for resolving disputes between Serbia and Kosovo. At the same time, extending census timelines is essential to ensure the meaningful inclusion of Kosovo Serbs in Kosovo's political and social life.

Context: Census Results and Participation Challenges

The Kosovo Agency for Statistics released preliminary results on September 26, 2025, showing **1,586,659 enumerated residents overall**. In the **four northern municipalities** (Zvečan, Mitrovica North, Zubin Potok, and Leposavić/q), where Serbs form the overwhelming majority, only slightly more than **6,750 individuals were enumerated**: North Mitrovica (2,349), Leposavić (3,207), Zubin Potok (758), and Zvečan (455). Agency Director Avni

Kastrati explicitly described the northern census as “largely boycotted”, noting that final figures are unlikely to change substantially.

Nevertheless, this low turnout stems from a semi-boycott by some Serbian political parties, including Srpska Lista, which announced non-participation on behalf of Serb community at the outset. Compounding this, Kosovo institutions failed to extend the census deadline in the north despite evident technical shortcomings, such as insufficient enumerators, lack of an adequate awareness campaign and poor logistical preparations. KoSSev local portal reported in late May revealed that most northern residents never encountered census enumerators, with some unaware of the process or potential fines (up to €2,000 for non-participation or false information). Furthermore, the census largely excluded internally displaced persons (IDPs/DPs) from Kosovo now residing in Serbia, who fled during or after the 1998–1999 conflict, as the online diaspora enumeration (ongoing until August 2025) did not sufficiently accommodate their circumstances.

These factors echo the near-total Serb boycott of the 2011 census, underscoring persistent institutional mistrust and barriers to inclusive data collection in Serb-majority areas.

Impacts on the Kosovo Serb Community

The under-enumeration of the Kosovo Serb community, resulting in a significantly diminished recorded population, poses a critical challenge to the credibility of internationally brokered political solutions and cannot be ignored. This issue has severe, multifaceted consequences, distorting demographic realities and undermining community rights, including equitable representation in governance, access to municipal budgets, and the protection of minority interests, thereby threatening social cohesion and stability in Kosovo.

- **Reduced Representation in Local Governance:** With inflated non-Serb populations in Serb-majority municipalities, the size of municipal assemblies will shrink proportionally, diluting Serb political influence and violating principles of equitable representation under Kosovo’s legal framework and international standards (e.g., the Framework Convention for the Protection of National Minorities).

- **Shrunk Municipal Budgets:** Census data directly informs budget allocations based on population size. The artificially low Serb figures will result in diminished funding for essential services in northern and southern Serb enclaves (e.g., education, healthcare, infrastructure), exacerbating marginalization and economic vulnerabilities.
- **Broader Community Harm:** This exclusion perpetuates a cycle of alienation, hindering access to EU integration funds, development aid minority protections or even access to monthly social subsidies to mainly elderly population. It also affects IDPs/DPs in Serbia, whose uncounted status complicates returnee programs and cross-border rights, further straining Serbia-Kosovo relations.

In essence, the semi-boycotted process has not only underrepresented Kosovo Serbs but also entrenched inequalities, threatening social cohesion and stability in Kosovo and particularly in its northern part.

Recommendations

Revitalizing the Brussels Dialogue for Equitable Resolution

To address these disparities and restore trust in Kosovo's institutions, we propose the following actionable steps, framed within the Brussels Dialog, the sole relevant political platform for resolving Serbia-Kosovo disputes, as endorsed by the EU and international community:

1. **Ensure the formation of a legitimate and fully functional government in Kosovo:** that prioritizes both international and domestic political stability, constructive dialogue with Serbia, and actively engages with the Kosovo Serb community to address critical issues, ensuring the effective implementation of their legally guaranteed rights.
2. **Immediate Revitalization of the Brussels Dialogue:** Urge the EU to reconvene high-level talks between Belgrade and Pristina, prioritizing political consensus on extending census rectification as a confidence-building measure. This platform, dormant amid recent tensions, remains the only mechanism capable of bridging divides through mediated agreements, ensuring compliance with the Ohrid

Agreement commitments on minority rights and institutional inclusivity.

3. **Extension of Census Timeline for Kosovo Serbs:** Advocate for a targeted six-month extension (until March 2026) exclusively for unenumerated Kosovo Serbs and IDPs/DPs in Serbia. This should include:
 - Deployment census teams to northern municipalities and Serb enclaves south of the Ibar to outreach and ensure participation of all communities living in the north of Kosovo.
 - Enhanced outreach campaigns in Serbian, with incentives like waived fines and mobile enumeration units to counter boycott legacies.
 - Ensure existing Serbia-Kosovo dialogue platform to re-activate facilitation mechanisms, allowing remote participation without return requirements if needed – facilitated by the International Community.
4. **International Oversight and Safeguards:** Involve OSCE and the Council of Europe in supervising the extended process to guarantee transparency and non-discrimination. Final adjusted results should trigger proportional recalibrations in municipal assemblies and budgets, with interim EU funding to mitigate immediate harms.
5. **Security and Safety:** Provide renewed and tangible support to community security/safety mechanisms, especially those where Kosovo Serbs reside, to pinpoint and resolve specific concerns before they fuel local tensions.
6. **Monitoring and Reporting:** Establish a joint Serbia-Kosovo-EU field working group to track implementation, reporting progress to the EEAS and other international stakeholders.

The Demographic Challenges of Montenegro

Mileva Brajušković Popović

Introduction

Demographic trends have become one of the most significant global challenges in the 21st century. For the Western Balkans, a region already marked by political transitions, economic restructuring, and migration flows, demographic decline presents an additional structural risk. Montenegro, as the smallest country in the Western Balkans by population size, is especially vulnerable. This paper examines Montenegro's demographic profile, identifies key challenges, and explores their implications for national development and regional consolidation.

Overview of Demographic Indicators in Montenegro

According to the last census, Montenegro has 623,633 (six hundred twenty-three thousand) inhabitants. So, although we are seeing growth, it is very slow. In the last 20 years we have practically been facing stagnation in population growth. The number of inhabitants of Montenegro according to the census data from 2023 is higher by only 3488 persons compared to the census data from 2003, which means that the population of Montenegro increased annually by 174 persons in this inter-census period. In recent years, the country has faced declining fertility rates, stagnating birth numbers, population ageing, and a continuous trend of emigration, but also increased immigration of foreigners into our country.

The division of the country into three geographical regions: Northern, Central (central) and Southern (coastal) was carried out by the Spatial Plan of Montenegro until 2020, the Regional Development Strategy 2010–2014 and the Law on Regional Development. Demographic regionalisation is in accordance with this division, and there are also demographic regions: Northern, Central and Southern regions.

Year	Total number	Population change	Average annual change
1921	311,341	-	-
1931	360,044	48,703	4870
1948	377,305	17,261	1015
1961	471,994	94,689	7284
1981	584,310	112,316	5616
2003	620,145	35,835	1629
2011	620,029	116	14.5
2023	623,633	3604	300

Table 1: Annual population change of Montenegro in the period 1921–2023

Source: www.monstat.me.

Regional disparities are very significant: while the coastal and central regions experience modest growth and inflows of migrants, the northern region suffers from depopulation and rural exodus.

Natural Movement

In the past 50 years, the population of Montenegro has undergone all phases of natural population change, which is characteristic of accelerated demographic transition. In the early 1960s, birth rates were high, but after the 1970s, they shifted to moderate levels. At the beginning of this century, birth rates in Montenegro were at the upper limit of low levels. In contrast, mortality rates increased due to the aging of the population, transitioning from low to moderate levels. The moderate increase in mortality rates is also a normal consequence of population aging. The beginning of the 21st century was marked by inherited declining fertility rates from the end of the 20th century, with a tendency to decrease birth rates throughout Montenegro, but with pronounced regional differences.

Essentially, behind the regional differences lie predominantly unequal regional development, influenced by factors such as tradition and religion. This has led to migration flows towards the capital and the Southern region. As young people leave these areas, they are deprived of the demographic foundation needed for population sustainability. Meanwhile, municipalities experiencing immigration see their population prospects on the rise. As a result

of these movements, almost all municipalities in the Northern region have experienced low and negative natural increase rates in the last 20 years, as have municipalities in the Central region, except for Podgorica. The situation in municipalities in the Southern region is somewhat different.

Municipality/ region	2000–2004			2012–2016			2018–2023		
	birth rate	mor- tality rate	natural in- crease	birth rate	mor- tality rate	natural in- crease	birth rate	mor- tality rate	natural in- crease
Andrijevica	11,9	12,8	-0,9	10,8	12,3	-1,5	8,3	16,5	-8,2
Berane	17	9,4	7,6	12,5	10,8	1,7	10,4	14,1	-3,7
Bijelo Polje	14,9	9	5,9	11,3	10,5	0,8	10,2	12,7	-2,5
Gusinje	-	-	-	8,5	10,4	-1,9	8,8	13,1	-4,3
Žabljak	8,2	10,9	-2,7	8,3	17,7	-9,4	8,3	19	-10,7
Kolašin	8,7	10,3	-1,6	9	14,7	-5,7	8,6	16,9	-8,3
Mojkovac	12,7	8,7	4	8,9	12,6	-3,7	7,3	16,1	-8,8
Plav	15,2	9,5	5,7	11,6	11,7	-0,1	12,9	13,9	-1
Petnjica	-	-	-	3,7	7,4	-3,7	8,2	12,1	-3,9
Plužine	9	11,3	-2,3	6,5	18,2	-11,7	7	20	-13
Pljevlja	10,2	9,5	0,7	7	14,9	-7,9	6,8	17,9	-11,1
Rožaje	19,7	5,3	14,4	14,4	6	8,4	12,7	7,6	5,1
Šavnik	6,7	12	-5,3	7,9	19,8	-11,9	6,4	22,2	-15,8
NORTHERN REGION	12,2	9,9	2,3	9,8	12,1	-2,3	8,9	15,5	-6,6
Danilovgrad	10,1	10,7	-0,6	9,4	10,8	-1,4	9,8	11,1	-1,3
Nikšić	12,8	8,6	4,2	10,9	10,8	0,1	10,1	12,6	-2,5
Podgorica	16,5	8,1	8,4	13,8	7,8	6	13,4	9,7	3,7
Tuzi							13,8	10,6	3,2
Cetinje	9,5	11,3	-1,8	11	12,9	-1,9	10,1	16,1	-6
CENTRAL REGION	12,2	9,7	2,6	11,3	10,6	0,7	11,4	12,0	-0,6
Bar	13,2	9,4	3,8	12,6	10	2,6	10,7	11,2	-0,5
Budva	13,1	7,3	5,8	14,8	7,6	7,2	16,2	8,6	7,6
Kotor	11,8	12	-0,2	12,8	10,3	2,5	11,5	12,7	-1,2
Tivat	10,8	9,4	1,4	12,8	9,1	3,7	13,9	10,9	3

Ulcinj	12,5	9,2	3,3	11,4	10,2	1,2	11	11,6	-0,6
Herceg Novi	10,5	9,2	1,3	10,9	10,4	0,5	10	12,6	-2,6
COASTAL REGION	12	9,4	2,6	12,6	9,6	3	12,2	11,3	1,0
MONTE-NEGRO	13,9	9	4,9	12	9,9	2,1	11,5	11,8	-0,3

Table 2: Trends in natural increase rates in municipalities, regions, and Montenegro, 2004–2023

Source: Baseline study “Demografski razvoj” p. 12; Statistical yearbook for: 2023 (Monstat-Uprava za statistiku), calculations.

The demographic development of Montenegro after the mid-20th century has been marked by a continuous decline in fertility and the number of live births. The highest number of children born in one year was recorded in 1954, when 14,428 births were registered. In 1951, the total fertility rate was 4.6 children per woman, but since the 1960s a steady decline in birth rates has been observed. From 1994 onwards, the total fertility rate has remained below 2.1, which indicates that Montenegro has not been ensuring even simple population replacement. Since 1991, the number of live births has consistently remained below 10,000 per year. In the period 2020–2022, the country recorded a negative natural increase, while in 2024 only 6,964 children were born – the lowest number ever registered since the beginning of vital statistics monitoring. According to data for 2023, the total fertility rate was 1.8 children per woman.

Analysing the natural population change in Montenegro, we observed significant regional differences in birth rates, mortality rates, and natural increase. Differences are also evident among individual municipalities within regions. The causes of these trends must certainly be sought in the economic development of specific areas within the country. Traditionally less developed areas, such as the Northern region and certain municipalities within the Central region, are characterised by emigration (Mijanović D., Manojlović B. 2023). The majority of migrants move towards the Coastal region and the capital city of Podgorica, which have traditionally been immigration areas, with the municipality of Danilovgrad joining them more recently.

Demographic Aging

Compared to the developed countries of Europe, Montenegro entered the process of demographic aging later. During the middle of the last century, the rates of natural increase were high, thanks to high birth rates, which in the census year 1961 was 27.4%, while in the same year the total fertility rate was 3.4, which is why the age structure of the population had a significantly higher participation of young people in the total population. This is confirmed by the census data from 1961, when the participation of persons aged 0 to 14 was 36.4%, while according to the census data from 2023, this participation was 18.03%. In the same period, there was an increase in the share of people over 65 years of age from 7.1% in 1961 to 16.8% in 2023. The average age of the population in 1961 was 27.5 years, while the data of the last census showed that the average age of the citizens of Montenegro was 39.7 years. Never before have birth, fertility and mortality rates been lower. Demography explains what this means with the theory of demographic transition, which clearly states that the characteristics of the post-transition stage are “birth and mortality almost equalised at a low level, in conditions of almost zero natural increase, the aging process continues at an accelerated pace” (Baletić, 1999: 353). The indicators unequivocally indicate the process of intensification of demographic aging between the two last censuses, as well as its social, economic and cultural consequences.

Census	2011	2023
Population	620029	623633
Average age	37,2	39,7
Median age	36,6	40,2
Age coefficient	18,2	23,3
Age index	69,02	98,42
Share of persons aged 0–19 in %	26,3	24
Share of person aged 20–59 in %	55,5	53
Share of person aged 60+years in %	18.1	23

Table 3: Demographic aging indicators, comparative data of the 2011 and 2023 censuses

Source: www.monstat.me, calculations.

A comparative analysis of the data of the last two censuses clearly shows its intensification on the basis of demographic aging indicators. In the intercensus period, the average age of the population increased from 37.2 to 39.7 years, while the value of the median age increased from 36.6 to 40.2 years, which means that half of the population is younger and the other half is older than this age.

Data related to the aging index show that in the 2011 census, there were 69 old people per 100 young people, while according to the data of the last census, the ratio was almost equal and showed that there were 98.4 old people per 100 young people. Data analysis showed that there was a decrease in the share of people aged 0–19 from 26.3% to 24%.

Region	2011	2023
	Average age	Average age
Northern	38.4	41.1
Central	36.6	39.3
Southern	37.3	40.1

Table 4: Average age by region according to the 2011/2023 censuses

Source: Demographic trends in Montenegro, from the middle of the 20th century and perspectives until 2050, Podgorica 2008, www.monstat.me, calculations.

The analysis shows that in the intercensal period, the average age of the population increased in all regions. The highest average age is in the area of the Northern region and is 41.1 years, while the lowest is in the area of the Central region, thanks to immigration movements to the capital city.

By reviewing the age pyramid from 2023, it can be seen that the population of Montenegro is in the phase of demographic age. A comparative analysis of the age pyramids from 2011 and 2023 shows a noticeable change in the shape of the population pyramid: While in 2011 it had a more clearly defined base, in 2023 the base of the pyramid is clearly narrowing, with a noticeable drop in the youngest age cohorts as a result of the decrease in the birth rate. On the other hand, the top of the pyramid is widening. The age pyramid clearly shows the problem of demographic aging in Montenegro.

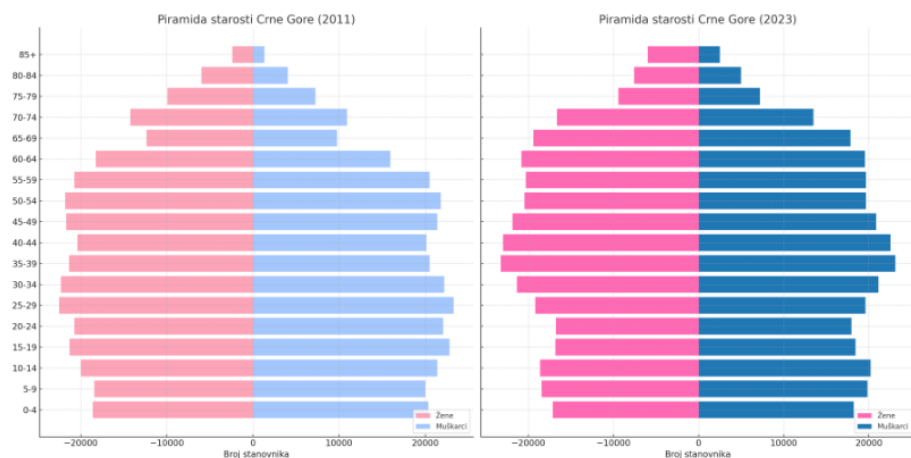


Chart 1: Age pyramids of Montenegro according to census data in 2011 and 2023

Source: www.monstat.me, calculations.

A more detailed analysis of the age pyramid (2023) shows that 24% of the population is at the base of the pyramid – among the young population, while the age cohort of 0–4 years is smaller than the others, which clearly indicates a decline in the birth rate in recent years. The middle of the pyramid makes up more than half of the population (~53.6%). The most numerous are groups between the ages of 30–44, which indicates that the majority of the workforce is middle-aged. A gradual narrowing is seen in the 45–59 groups, which is the beginning of the transition to the older groups. The upper part of the pyramid, which consists of the elderly population (60+ years) represents 23% of the total population, where there is also a greater number of women in the 70+ age groups, which is typical due to the longer life expectancy of women.

A comparative analysis of the participation of age groups by region shows a decrease in the share of young people in the Northern and Central regions, while in the Southern region there was an increase in the share of young people, while in the category of people over 60 years old there was an increase in all regions. According to the data of the last census, the age coefficient is 26.1%, in the central region it is 21.9%, while in the Southern region the age coefficient is 23.2%.

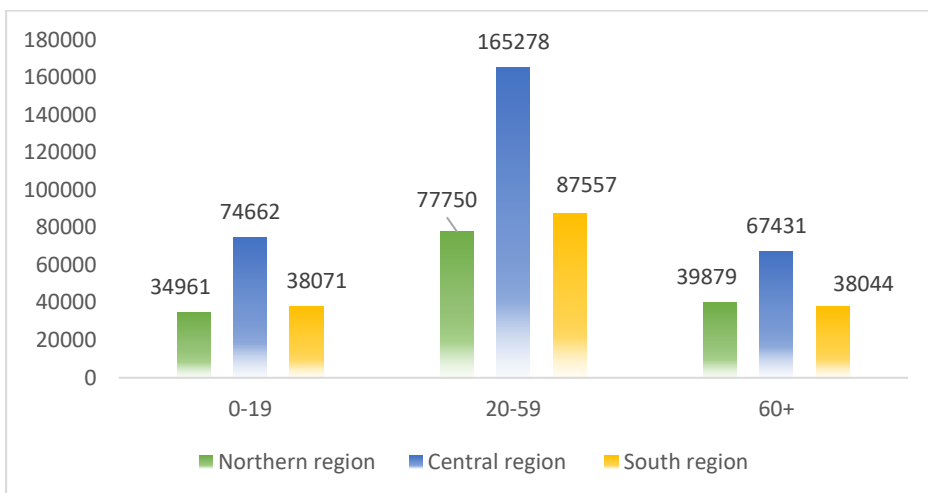


Chart 2: Comparative view of age contingents by region according to the 2023 census

Source: www.monstat.me, calculations.

The northern region has the highest value of the age coefficient, which confirms the intensity of aging. The central region still has the lowest value of the age coefficient, which is a consequence of population migration to this area.

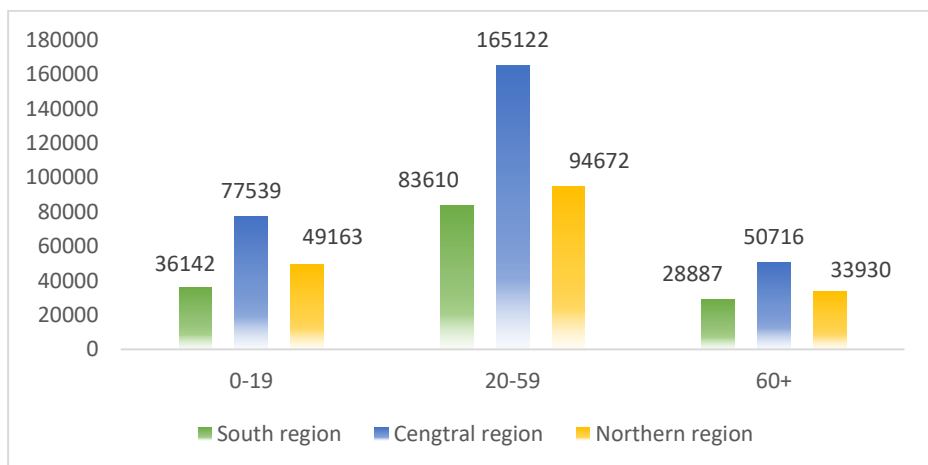


Chart 3: Comparative view of age contingents by region according to the 2011 census

Source: M. Brajušković, master's thesis *Regional Differences in the Aging of the Population of Montenegro*, University of Belgrade, 2017.

Analysis of the data from Table 3, which refer to the share of age groups and the average age by municipality, indicate large demographic differences within the regions themselves. Thus, within the Northern region, we have

Municipality	0–19	20–59	60+	Average age
Andrijevica	818	1916	1176	43.08
Bar	10819	24296	10697	39.79
Berane	6002	12535	6108	40.27
Bijelo Polje	9238	19554	9870	40.52
Budva	7090	15738	4617	36.63
Cetinje	2796	7481	4217	43.28
Danilovgrad	4034	9757	4826	41.03
Gusinje	715	2177	1041	43.03
Herceg Novi	6565	15962	8297	42.28
Kolašin	1283	3505	1912	43.16
Kotor	4984	12013	5749	40.86
Mojkovac	1289	3538	1901	43.17
Nikšić	14778	34066	16861	41.14
Petnjica	1196	2556	1205	40.73
Plav	2245	4713	2092	39.26
Pljevlja	4120	11768	8246	46.00
Plužine	347	1039	791	47.32
Podgorica	45608	98689	35208	37.65
Rožaje	6907	12192	4085	35.83
Šavnik	263	780	526	46.03
Tivat	4026	8794	3518	38.78
Tuzi	3618	6882	2479	36.65
Ulcinj	4587	10754	5166	40.70
Žabljak	538	1477	926	44.43
Zeta	3828	8403	3840	39.61

Table 5: Participation of age groups and average age by municipality according to 2023 census data.

Source: www.monstat.me, calculations.

the youngest municipality – the municipality of Rožaje with an average age of 35.8 years, as well as the oldest municipality – the municipality of Plužine with an average age of 47.3 years. In the central region, the youngest is the municipality of Tuzi (36.6) and the municipality of Podgorica (37.6), while the oldest population is the municipality of Cetinje with an average age of 43.3 years. The youngest municipality in the Southern region is the municipality of Budva with an average age of 36.6 years. The analysis of the ratio of the old (60+) and young (0–19) population in the municipalities of Rožaje, Budva and Podgorica shows that there are significantly more young people than old people, which means that these municipalities are demographically vital, while in the municipalities of Šavnik, Plužine and Pljevlja, the number of old people is twice as high as the number of young people, which means that these municipalities are demographically endangered.

Migration and natural increase are the main factors shaping this structure: immigration municipalities (eg Budva, Podgorica) have a younger population. Emigration municipalities in the north have an older population and a lower possibility of demographic renewal.

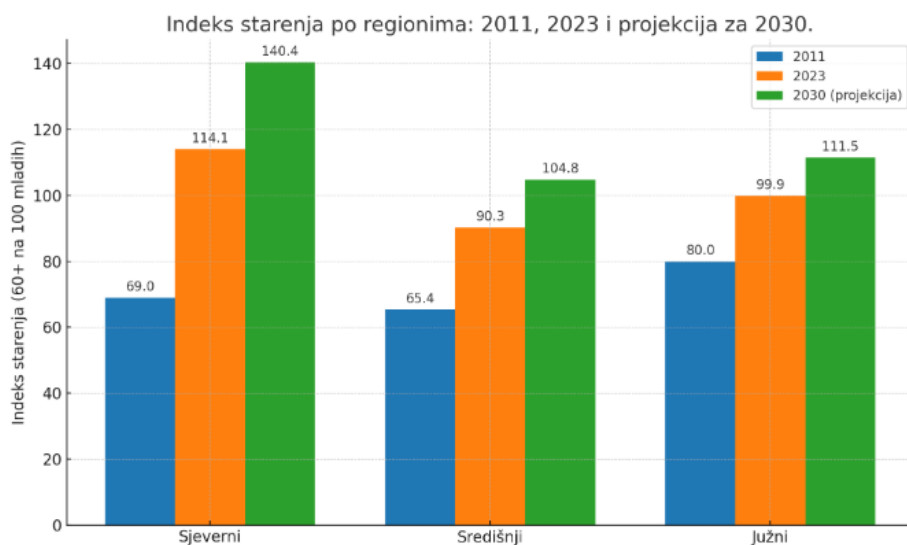


Chart 4: Aging index by region: 2011, 2023 and projection for 2030

Source: www.monstat.me, calculations.

In the period between 2011 and 2023, the Northern region experienced the most pronounced aging (a jump in the aging index from 69 to 114.1), the Central region recorded an increase from 65.4 to 90.3, while in the Southern region the aging index also increased from 80.0 to 99.9. These changes indicate accelerated aging in all parts of the country, especially in the northern part.

Using the method of linear extrapolation, we projected the movement of the aging index by 2030 by region, these data show that the process of demographic aging will continue to intensify, and that according to current indicators, the most unfavourable situation will be in the area of the Northern region, which is losing population both naturally and mechanically, where there will be as many as 140 old people for every 100 young people. The intensification of the process of demographic aging is also expected in the Southern and Central regions, which, due to population immigration and the positive values of natural increase, have a more favourable ratio in the proportion of old and young people. The projection predicts that there will be 111.5 old people for every 100 young people in the Southern region, while the most favourable situation will be in the Central region, where there will be 104 people for every 100 young people.

Migrations

Based on the migration characteristics of the populations of municipalities and regions, we identify one of the main causes of regional differences in natural population change in Montenegro. The Northern region, traditionally characterised by emigration, lost a total of 106,321 inhabitants through out-migration in the second half of the last century, and an additional 33,165 since the beginning of this century, amounting to a total of 139,486. The municipalities with the largest population outflows were Pljevlja, Berane, Bijelo Polje, Kolašin, and Plužine. For example, today Šavnik has less than 20% of its former population, Plužine only a quarter, and Kolašin, Pljevlja, Андриjevica, Gusinje, and Petnjica about half (Mijanović D., Brajušković M. 2016). Depopulation in this region is pronounced, with rural settlements particularly endangered – not only is there no reproductive base, but demographic extinction threatens these areas, as they are mostly left with households made up of an elderly population (Mijanović D. 2015).

Unlike the Northern region, the other two regions of Montenegro have immigration as their dominant characteristic. Since the 1960s, the Coastal region has gained 57,145 inhabitants through immigration, with 12,300 arriving since the start of this century. All municipalities in this region are immigration destinations, with Budva, Bar, and Tivat experiencing the largest influx (Table 3). During the observed period, the Central region gained 53,346 inhabitants through immigration, including 6,190 since the beginning of the 21st century. This region is characterised by the fact that Podgorica has received the largest share of newcomers, followed by Danilovgrad with a significantly smaller influx since the start of this century, and Tuzi with a modest increase, while Cetinje and Nikšić are experiencing depopulation.

Migration has caused not only regional differences in natural population change but also a decline in the population of municipalities in the Northern Region and a significant part of the Central Region. Until the 1970s, the natural increase rates in the Northern Region municipalities generally compensated for emigration; however, from the 1980s onward, due to their continuous decline, the population began to decrease in municipalities of the Northern Region and parts of the Central Region (Cetinje and Danilovgrad municipalities). At the beginning of the 21st century, all municipalities in the Northern Region, except Rožaje, started to depopulate. In the Central Region, the municipalities of Cetinje and Nikšić are currently depopulating, while Danilovgrad, although still experiencing a negative natural increase rate, is no longer depopulating thanks to population inflow since the start of the 21st century.

Migration movements influencing changes in natural and overall population dynamics have been confirmed by the preliminary results of the 2023 census, which show a decrease in the population of the Northern Region compared to the previous census, while the Central and Coastal regions recorded an increase in their populations.

The latest data show that although the Northern region covers 52.8% of Montenegro's territory, it is home to the smallest share of the population – only 24.5% of the country's total. In the absence of population policies and strategies, further depopulation of this region is likely, and its underdevelopment can only hinder the overall progress of the country.

Census year	Northern region	Central region	Southern region	Montenegro
2011	177 848	293 509	148 683	620 029
2023	152 590	307 371	163 672	623 633

Table 6: Montenegro's population by regions according to the 2011 and 2023 censuses

Source: Monstat-Statistical Office of Montenegro, NOTICE 133/2024 Final results of the 2023 Census of population, households, and dwellings, calculations.

The issue of external migration represents one of the key demographic challenges currently facing Montenegro. Due to the absence of comprehensive statistical data, the exact number of emigrants, as well as their demographic, educational, and socio-economic characteristics, remain unknown. Nevertheless, available analyses suggest that the emigration process primarily involves younger population groups, which implies not only a direct loss of human capital but also an indirect reduction in the country's future reproductive potential. In other words, those who should be participating in the labor market and contributing to population renewal are leaving the country.

Region	Share in the area of Montenegro, in %	Share in the total population of Montenegro, in % (2023 Census)
Northern region	52.8%	24.5%
Central region	35.2%	49.3%
Southern region	11.9%	26.2%

Table 7: Share of regions in the total area and population of Montenegro, according to the 2023 Census data

Source: Monstat-Statistical Office of Montenegro, NOTICE 133/2024 Final results of the 2023 Census of population, households, and dwellings, calculations.

According to the estimates of the Association of Statisticians and Demographers of Montenegro, approximately **94,000 persons emigrated from Montenegro during the intercensal period 2011–2023**. This figure confirms the persistence of strong emigration tendencies and their potential long-term demographic implications.

Empirical studies conducted from 2018 to the present indicate that **between 30% and 50% of young people in Montenegro express a desire to emigrate**. The most frequently cited motives are economic and institutional-political in nature. Economic factors include difficulties in finding stable employment, low income levels, and limited opportunities for career development. Institutional and political factors are primarily associated with the high perception of corruption, a lack of trust in state institutions, and the persistence of national, religious, and political tensions that negatively affect the overall quality of life and social cohesion. These findings point to the necessity of systemic economic and institutional reforms, along with the development of targeted policies aimed at motivating young people to remain in the country, pursue professional advancement, and form families within Montenegro.

Parallel to the phenomenon of emigration, recent data show a significant increase in the number of foreign nationals residing in Montenegro. According to the most recent census, 46,878 residents were identified as foreign citizens. The largest groups originate from Turkey (13,550 persons), Bosnia and Herzegovina (13,031), Kosovo (5,050), Ukraine (3,053), and EU member states (2,602).

Additionally, official data obtained from the Ministry of the Interior (2025) indicate that there are currently 100,724 foreigners residing in Montenegro, of whom 71,110 hold temporary residence and 29,614 permanent residence status. Among those with temporary residence, 42,764 are men and 28,346 are women, while 8,659 are minors and 62,451 adults. This increasing presence of foreign nationals partially offsets population losses due to emigration, yet it also transforms the demographic structure and raises new integration and policy challenges.

Problems?

Montenegro is a small country in terms of population, with a steadily declining number of newborns and continuous emigration of its domestic population. In such circumstances, any larger influence of foreigners has a much greater impact than in larger countries – it can mitigate depopulation and the shortage of labour, but it can also accelerate changes in the age, cultural, and social structure. That is why it is crucial for the state to pursue a clear and

long-term migration policy that will direct this process in favour of Montenegro's demographic development.

Regional distribution – foreign nationals mostly settle in Podgorica and the coastal region, so their influx further deepens the gap between the south and the north of Montenegro.

We have no integration programmes for foreigners. In practice, there are numerous individual examples of successful integration – through employment, education, or participation in local initiatives, foreign nationals often actively contribute to community life. However, at a systemic level, the integration of foreigners in Montenegro is still not at a satisfactory stage. This is particularly evident in the education system, where children of foreign nationals often attend classes without adequate knowledge of the Montenegrin language, creating serious barriers both in education and in socialization. This situation clearly points to the lack of special language and educational support programs, without which it is difficult to speak of full and sustainable integration. Therefore, while positive examples do exist, it is necessary to introduce systemic measures so that integration becomes the rule rather than the exception.

With the arrival of a large number of foreigners who generally have greater purchasing power, real estate prices have risen, making it increasingly difficult for our citizens to buy an apartment. This delays the process of becoming independent and forming a family. Eurostat data show that Montenegrins are the latest in Europe to leave the parental home.

Comparison of apartment prices in Montenegro (new construction):

- 2020: the average price per square meter was around €951.
- 2025: the average price per square meter is around €2,158.

This means that prices have increased by about 126% over a period of five years – practically more than doubled.

Do Foreigners Contribute to Rejuvenating the Labor Force?

Foreign nationals partially contribute to rejuvenating the labor force, since most of them belong to the working-age population. They are especially present in the tourism, hospitality, and construction sectors, where they fill jobs that the domestic workforce is increasingly unable to cover. In this way, they temporarily alleviate the shortage of workers during the season and enable the functioning of key economic sectors. However, their contribution cannot fully compensate for the fact that the number of our young people is decreasing due to low birth rates and emigration. Therefore, the task of the state is to create conditions for the domestic workforce to stay here, while migration should be used as a supplementary, not the main source of rejuvenating the population.

Key Demographic Challenges

The main demographic challenges in Montenegro can be summarised as follows:

- Declining fertility rates and natural depopulation, with the number of births below replacement level.
- Continuous emigration of young people, often highly educated, contributing to brain drain.
- Population ageing, placing pressure on pensions, health care, and social services.
- Depopulation of rural and northern municipalities, leading to the extinction of villages and loss of cultural heritage.
- Growing presence of foreigners, which introduces new dynamics in the demographic structure

Implications for Montenegro

The demographic situation directly impacts Montenegro's socio-economic development. A shrinking workforce affects the labour market and economic growth. Population ageing threatens the sustainability of pension and health care systems. Regional depopulation increases economic disparities and reduces opportunities for balanced development. Social cohesion and

intergenerational solidarity are under strain as fewer young people support a growing elderly population.

Implications for Regional Stability in the Western Balkans

Montenegro's demographic trajectory reflects broader regional trends. Emigration flows from Montenegro often follow the same patterns as in neighbouring countries, with young people seeking opportunities in Western Europe. This creates both challenges and opportunities for regional mobility. Demographic decline reduces the capacity of states to maintain social stability, while also limiting economic cooperation. At the same time, the diaspora plays a dual role: while contributing to brain drain, it also represents an important bridge for investments, knowledge transfer, and regional linkages.

Policy Responses and Recommendations

To address these challenges, Montenegro needs a comprehensive demographic strategy.

Key policy directions should include:

- Strengthening family policies to increase birth rates (child allowances, parental leave, affordable childcare).
- Creating conditions for young people to stay in Montenegro through employment opportunities, housing support, and
- Entrepreneurship programs.
- Designing programs for return and reintegration of Montenegrin citizens from the diaspora, including recognition of qualifications and housing incentives.
- Developing a balanced migration policy that attracts needed skills while protecting national demographic interests.
- Promoting regional cooperation in demographic matters, as shared challenges require coordinated solutions.

Conclusion

Montenegro's demographic challenges are profound and structural. With declining fertility, ageing, emigration, and regional depopulation, the country

faces serious risks to its long-term development. These challenges do not only affect Montenegro internally but also influence the broader dynamics of regional stability in the Western Balkans. Addressing them requires urgent, comprehensive, and coordinated demographic policies, integrated with economic and social development strategies. Only through such an approach can Montenegro safeguard its demographic resources and contribute to regional consolidation.

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Impact of the Demographic Challenge on North Macedonia

Julijana Karai

Specifics of the Demographic Trend in North Macedonia

North Macedonia is undergoing a profound demographic transformation marked by sustained population decline, sub-replacement fertility rates, persistent outward migration, and a rapidly aging population. Between the 2002 and 2021 censuses, the population declined by more than 9%, while fertility has remained far below the replacement level, and emigration especially among young and skilled workers has drained the domestic labour force. These shifts are reshaping the country's age structure, shrinking its workforce, and placing growing pressure on social protection systems such as pensions and healthcare. The demographic winds not only threaten long-term economic growth and fiscal stability but also undermine the social cohesion, exacerbate regional inequalities, and weaken the country's strategic weight within the European Union accession process. In this context, understanding the drivers ranging from economic stagnation and limited employment opportunities, to governance concerns and regional disparities is essential for formulating effective policy responses. This paper examines the key demographic trends, their underlying causes, and their far-reaching implications for North Macedonia's development trajectory and EU integration perspectives.

Between the 2002 and 2021 censuses, North Macedonia's population decreased by 9.2%, from 2.02 million to 1.84 million residents.¹ Projections indicate that, under current trends, the population could further decline by up to 35% by 2070, potentially falling to approximately 1.2 million inhabitants.²

¹ <https://balkaninsight.com/2022/03/30/north-macedonia-census-reveals-big-drop-in-population>.

² https://www.stat.gov.mk/publikacii/2023/Proekcii_2070_en.pdf.

The main factors driving demographic decline are low fertility rates, ongoing emigration, and an aging population. Namely, the country's fertility rate stands at 1.47 children per woman significantly below the replacement level of 2.1.³ This sustained low fertility contributes to a shrinking younger population and an increasing median age. It not only reduces the absolute number of children being born each year but also accelerates the aging of the population, as fewer young people enter the demographic pyramid while older cohorts live longer due to improved life expectancy. Over time, this dynamic increases the median age, alters the dependency ratio, and places greater pressure on working-age citizens to support a growing retired population.⁴ The median age in North Macedonia has risen to 41 years, reflecting a growing proportion of elderly citizens. This demographic shift places increased pressure on pension systems, healthcare services, and social protection mechanisms. Furthermore, a substantial number of young individuals express a desire to emigrate.⁵

The shrinking base of younger residents affects school enrollment numbers, future labour force participation, and the country's capacity for innovation and economic dynamism. Left unaddressed, these trends could strain public finances, challenge pension and healthcare systems, and weaken North Macedonia's ability to maintain a competitive and resilient economy.⁶

Emigration remains a critical issue, with a significant portion of the population residing abroad. The 2021 census revealed that over 12.4% of North Macedonians live abroad.⁷ This trend depletes the labour force and human capital, hindering economic growth and innovation. Without targeted policies to retain talent or involve the diaspora, North Macedonia risks a cycle of depopulation and economic stagnation that could exacerbate regional disparities and reduce its strategic leverage in international and EU negotiations.⁸

³ <https://www.macrotrends.net/global-metrics/countries/mkd/north-macedonia/fertility-rate>.

⁴ Ibid.

⁵ <https://www.worldometers.info/demographics/north-macedonia-demographics>.

⁶ Ibid.

⁷ <https://www.stat.gov.mk>.

⁸ <https://www.imf.org/en/Publications/WP/Issues/2023/12/22/Emigration-Business-Dynamics-and-Firm-Heterogeneity-in-North-Macedonia-542839>.

Several key factors are driving the emigration of North Macedonia's youth, contributing to a significant "brain drain". These include the pursuit of a higher standard of living, stated by 30% of respondents, and the expectation of better salary prospects, noted by 14%. Other motivating factors include widespread perceptions of corruption and clientelism (13%), limited domestic employment opportunities (10%), and a desire for greater social and political stability (8%). Combined, these factors encourage educated and skilled young people to seek opportunities abroad, resulting in the loss of human capital, potential innovators, and future entrepreneurs, which in turn constrains the country's economic growth, innovation capacity, and long-term development prospects.⁹

The combined effects of a declining birth rate, an increasingly aged population, and sustained emigration are leading to a gradual contraction of the available workforce. This demographic shift reduces the number of people of working age, limits the pool of skilled and experienced labour, and places additional pressure on those who remain in the labour market. Over time, it can slow economic growth, constrain productivity, and hinder the country's capacity to meet both domestic and international development goals, while also increasing the dependency burden on public services and social protection systems. This demographic shift threatens to undermine economic productivity, innovation, and competitiveness, potentially leading to economic stagnation.¹⁰ An aging population increases demand for healthcare and pension services, straining public resources. Simultaneously, youth emigration can lead to social fragmentation and a loss of community cohesion.¹¹

The demographic crisis could impede North Macedonia's EU integration process, as elaborated further below. A shrinking and aging population reduces the size of the active workforce, limits human capital, and strains public finances, all of which make it more difficult to implement the wide-rang-

⁹ <https://library.fes.de/pdf-files/bueros/skopje/21550.pdf>.

¹⁰ <https://www.imf.org/en/Publications/selected-issues-papers/Issues/2025/05/22/Population-Dynamics-Labor-Market-Integration-and-Migration-Republic-of-North-Macedonia-567062>.

¹¹ <https://ojs.ikm.mk/index.php/kij/article/view/7628>.

ing political, economic, and institutional reforms required for EU accession.¹² At the same time, persistent emigration and brain drain can weaken domestic support for integration, as younger generations who are often most invested in the EU's prospects leave the country.

The EU itself emphasizes the importance of sustainable development, economic resilience, and social stability, areas increasingly threatened by current demographic trends. It confronts a multifaceted demographic challenge, characterized by an aging population, declining birth rates, and youth emigration.¹³ These trends exert considerable pressure on public finances, healthcare systems, and social cohesion. Specifically, the aging population escalates pension and healthcare expenditures, while the diminishing working-age demographic hampers economic productivity and innovation. Moreover, the emigration of young, skilled individuals exacerbates labour shortages and erodes human capital. Collectively, these factors threaten the EU's economic competitiveness and social fabric.¹⁴

Addressing these challenges requires comprehensive policy interventions. The EU's 2025 Strategic Foresight Report advocates for a "Resilience 2.0" approach, emphasizing proactive strategies to bolster economic and social resilience in the face of demographic changes.¹⁵ This includes fostering inclusive growth, enhancing labour market adaptability, and investing in human capital development. Additionally, the EU's commitment to the European Green Deal highlights the importance of sustainable economic practices, aiming for climate neutrality by 2050. Integrating these objectives can mitigate the adverse effects of demographic decline and promote a more resilient and equitable European society.¹⁶

¹² <https://ecfr.eu/article/depopulation-blues-how-immigration-can-counter-emigration-in-the-balkans>.

¹³ https://commission.europa.eu/system/files/2023-01/Demography_report_2022_0.pdf.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ https://commission.europa.eu/strategy-and-policy/strategic-foresight/2025-strategic-foresight-report_en.

Social Implications of Demographic Trends in North Macedonia

Rural areas, where roughly 57.5% of North Macedonia's population resides, are facing pronounced depopulation.¹⁷ This trend is exacerbated by the outflow of younger family members seeking employment opportunities elsewhere, leaving many elderly individuals without adequate support networks. Consequently, these seniors face increased risks of poverty and social exclusion. A study on rural poverty in North Macedonia highlights that these regions suffer from limited access to essential services, technologies, markets, and economic opportunities, contributing to high levels of poverty among the elderly.¹⁸ In response to these challenges, the World Bank has supported the introduction of a new model for delivering social services, focusing on in-home care and support services. As a result, over 1,600 elderly individuals are now living more independent lives, benefiting from these enhanced services.¹⁹

Youth unemployment in North Macedonia remains a pressing issue, with the youth unemployment rate standing at 25.7% in the first quarter of 2023, decreasing to 24.0% by the third quarter.²⁰ Additionally, the share of youth *neither in employment, education, nor training* (NEET) was 19.6% in 2023.²¹ These figures indicate a significant portion of the youth population facing limited career prospects. Moreover, this situation not only hampers economic growth but also increases the risk of social exclusion and long-term dependency on public/social support.

Key factors fueling this sense of discouragement among young people include perceived gaps in the quality of education, limited professional and career opportunities, and a lack of pathways for upward mobility.²² These conditions diminish prospects for personal and economic advancement,

¹⁷ <https://northmacedonia.un.org/en/172852-rural-north-macedonia-fao-helps-improve-sustainable-and-resilient-development>.

¹⁸ Ibid.

¹⁹ <https://www.worldbank.org/en/news/feature/2025/04/10/north-macedonia-s-new-care-economy-changing-lives-creating-jobs>.

²⁰ <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/republic-of-north-macedonia/3-employment-entrepreneurship>.

²¹ <https://data.worldbank.org/indicator/SL.UEM.NEET.FE.ZS?>

²² <https://library.fes.de/pdf-files/bueros/skopje/21550.pdf>.

prompting many to look beyond the country's borders for employment, higher education, or professional growth. As a result, emigration becomes an increasingly attractive option, contributing to the ongoing brain drain and the depletion of human capital needed for national development. The lack of prospects within the country fosters a sense of uncertainty about the future, prompting a desire to seek better opportunities abroad.²³

Economic Implications of Demographic Trends in North Macedonia

North Macedonia's labour market is undergoing a noticeable reduction, with the working-age population shrinking by roughly 100,000 people over just three years which is an alarming trend driven primarily by sustained emigration.²⁴ This outflow disproportionately involves educated, multilingual, and technologically skilled individuals, resulting in a critical loss of human capital that is difficult to replace.²⁵ Many of these emigrants are young professionals and recent graduates who seek better wages, career prospects, and quality of life abroad, leaving domestic industries with fewer qualified candidates.²⁶

The International Monetary Fund (IMF) warns that this demographic drain could reduce North Macedonia's potential output growth by approximately 0.5 percentage points annually, a figure that compounds over time and could significantly weaken long-term economic performance. A shrinking and aging workforce not only reduces labour supply but also erodes the country's innovative capacity and competitiveness. Sectors such as information technology, manufacturing, and advanced services are particularly vulnerable, as they rely heavily on highly skilled workers.²⁷

Moreover, the loss of entrepreneurial and creative talent hampers efforts to diversify the economy beyond traditional industries. Small and medium-sized

²³ <https://library.fes.de/pdf-files/bueros/skopje/21550.pdf>.

²⁴ <https://balkaninsight.com/2023/05/02/shrinking-labour-force-squeezes-north-macedonias-economy/>.

²⁵ Ibid.

²⁶ <https://balkaninsight.com/2023/05/02/shrinking-labour-force-squeezes-north-macedonias-economy>.

²⁷ <https://www.imf.org/en/Publications/selected-issues-papers/Issues/2025/05/22/Population-Dynamics-Labor-Market-Integration-and-Migration-Republic-of-North-Macedonia-567062>.

enterprises face growing difficulties in finding specialists, while foreign investors may hesitate to commit resources in a market with tightening labour availability.²⁸ Over time, this can create a vicious cycle: slower growth and limited opportunities encourage even more skilled workers to emigrate, further straining the social security system and public finances. Without comprehensive reforms such as improved education-to-employment pathways, competitive wage structures, and policies to retain and attract talent, North Macedonia risks facing a structural labour shortage that again undermines both its economic resilience and aspirations for EU integration.²⁹

The aging population in North Macedonia is placing increasing pressure on public pension and healthcare systems. Namely, without immediate reforms, pension expenditure from the central budget could rise by 14% by 2060, exacerbating fiscal challenges.³⁰ Additionally, the Health System Review highlights shortages of healthcare workers, attributed to emigration and internal migration, which further strains the healthcare system.³¹

Emigration has led to a significant influx of remittances, which, while providing short-term household income support, also indicate a loss of human capital. These remittances, accounting for approximately 16% of GDP, are vital for many households.³² However, this reliance on external financial support underscores the economic vulnerabilities and the challenges of sustaining domestic productivity and growth.³³

Structural issues, such as skill mismatches and limited labour mobility, are hindering productivity improvements in North Macedonia. The World Bank notes that these inefficiencies prevent workers from transitioning into

²⁸ <https://www.imf.org/en/Publications/WP/Issues/2023/12/22/Emigration-Business-Dynamics-and-Firm-Heterogeneity-in-North-Macedonia-542839>.

²⁹ Ibid.

³⁰ https://www.researchgate.net/publication/383290687_The_effects_of_emigration_on_the_sustainability_of_the_Pension_system_in_North_Macedonia.

³¹ <https://eurohealthobservatory.who.int/publications/i/north-macedonia-health-system-review-2024>.

³² <https://repository.ukim.mk/bitstream/20.500.12188/16646/1/Jovanovski.%20K.%20%20Jusufo.%20L.%20C.pdf>.

³³ Ibid.

higher-paying jobs, keeping many in low-productivity, low-wage positions.³⁴ Furthermore, the IMF emphasizes that increasing productivity is crucial to offset the negative impacts of emigration and to enhance economic resilience.³⁵

Impact on Relevant Political Processes in North Macedonia

North Macedonia's aging population is influencing political dynamics, with older voters prioritizing pension security, healthcare, and stability. This demographic shift often leads to resistance against structural reforms in labour markets and social policies. The 2024 elections witnessed a conservative resurgence, with the VMRO-DPMNE party winning both the presidential and parliamentary elections, reflecting the electorate's preference for stability and traditional values.³⁶

Depopulation in rural areas and urban concentration are creating electoral imbalances in North Macedonia. Studies indicate that population decline is more prevalent in rural areas than in urban ones.³⁷ This demographic shift requires adjustments in electoral units (as well as changes in the Electoral Code) to ensure fair representation, as the current system may over-represent urban constituencies and underrepresent rural ones.³⁸

The 2021 census revealed that Albanians constitute approximately 24.3% of North Macedonia's population.³⁹ This demographic change is influencing political processes, particularly concerning language rights and political representation, as well as stagnant EU integration process which dissatisfies the Albanian population.⁴⁰

³⁴ <https://blogs.worldbank.org/en/psd/productivity-in-north-macedonia--why-growing-firms-don-t-always->.

³⁵ <https://www.elibrary.imf.org/view/journals/002/2025/102/article-A000-en.xml>.

³⁶ <https://www.freiheit.org/de/bulgarien-und-nordmazedonien/conservative-resurgence-north-macedonia-electoral-triumph-amid-need>.

³⁷ <https://igecografija.mk/reviews/wp-content/uploads/2024/GR.56-57.02.pdf>.

³⁸ Ibid.

³⁹ https://www.stat.gov.mk/PrikaziSooptenie_en.aspx?rbtxt=146.

⁴⁰ <https://www.wfd.org/sites/default/files/2022-02/Socio-Politicko%20Ucestvo%20na%20mladite%202021%20MK%20%5Bsmilweb%5D%20%281%29.pdf>.

Youth emigration and political apathy are increasingly contributing to widespread civic disengagement in North Macedonia, posing serious challenges to the country's democratic stability and future political development. Surveys consistently reveal that a significant percentage of young people believe that authorities do not care about their concerns or future challenges.⁴¹ This perception of neglect and exclusion feeds growing disillusionment with formal politics, discouraging participation in elections, political parties, and community initiatives. Many young people feel that their voices carry little weight in decision-making processes, creating a sense of alienation from institutions that are supposed to represent their interests.⁴²

At the same time, emigration remains a powerful outlet for unfulfilled aspirations. Large numbers of educated and striving young people from North Macedonia choose to leave the country in search of better economic opportunities, more transparent governance, and societies where merit and civic engagement are more effectively rewarded.⁴³ This outflow of talent not only deprives the country of its most dynamic and innovative generations but also deepens the perception among those who remain that positive change is unlikely to occur at home. The departure of politically active or reform-minded youth further diminishes pressure on political elites to pursue meaningful reforms.⁴⁴

Studies indicate that North Macedonian youth are often positioned at the margins of a political system they are expected to inherit. Opportunities for meaningful engagement, such as participatory budgeting, youth councils, or inclusive policymaking processes, are limited or poorly implemented.⁴⁵ Civic education in schools is frequently criticized as outdated or superficial, failing to equip students with the skills, confidence, and motivation needed for active citizenship. As a result, many young people engage only sporadically or do not engage at all in civic activities, such as protests or volunteer initiatives,

⁴¹ <https://www.wfd.org/what-we-do/resources/youth-north-macedonia-optimism-apathy-or-disappointment>.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ <https://library.fes.de/pdf-files/bueros/skopje/21550.pdf>.

⁴⁵ library.fes.de/pdf-files/bueros/skopje/21550.pdf.

and even then, often view such actions as temporary expressions of frustration rather than pathways to lasting change.⁴⁶

This disengagement has long-term consequences for democratic renewal. Without the energy, creativity, and reformist impulses of younger generations, political systems can stagnate, becoming dominated by entrenched elites and outdated practices. Reform momentum slows, and the prospects for aligning governance with European Union standard as an important goal for North Macedonia become more uncertain. The absence of youth participation also weakens accountability, as politicians face fewer demands from younger voters to address issues like corruption, environmental sustainability, or modern education and labour policies.⁴⁷

Addressing this trend will require a multi-pronged strategy. Expanding opportunities for youth participation in decision-making, modernizing civic education, and investing in policies that create meaningful career prospects at home could help reverse emigration pressures.⁴⁸ Strengthening transparency, tackling corruption, and demonstrating genuine responsiveness to young people's concerns would also signal that political institutions value their contributions. Without such measures, North Macedonia risks not only losing a significant share of its future workforce and innovators but also weakening the very foundations of its democratic system.⁴⁹

Impact and Potential Impact on Neighborly Relations

North Macedonia's substantial diaspora, particularly in countries like the United States, Canada, and Australia, plays a pivotal role in shaping both domestic and foreign policies. These communities maintain strong cultural and family ties with their homeland, often advocating for the country's interests abroad.⁵⁰ However, this transnational connection can also lead to tensions, especially when neighbouring countries assert ethnic or cultural claims over Macedonian emigrants. For instance, Bulgaria has historically contested

⁴⁶ library.fes.de/pdf-files/bueros/skopje/21550.pdf.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ <https://perspektiva.plus/political-literacy-of-youth-in-north-macedonia-between-apathy-and-potential>.

⁵⁰ <https://www.rferl.org/a/macedonia-eu-bulgaria-veto/31910319.html>.

the distinctiveness of the Macedonian language and identity, influencing its stance on North Macedonia's EU accession.⁵¹

North Macedonia's journey toward European Union membership has been significantly hindered by bilateral disputes, notably with Bulgaria. Bulgaria demands that North Macedonia recognize a Bulgarian minority in its constitution, a condition that has stalled accession talks.⁵² This requirement touches upon sensitive issues of national identity, language, and historical interpretation, leading to domestic resistance and political polarization. The EU's insistence on resolving these disputes before advancing accession negotiations has further complicated and to the certain extent stagnated the process.⁵³

The country's demographic challenges, characterized by a declining and aging population as abovementioned, exacerbate its position in international negotiations. A shrinking electorate and labour force reduce the political capital available to the government, making it more susceptible to external pressures.⁵⁴ This demographic trend not only affects internal policy-making but also diminishes North Macedonia's negotiating power in regional and international forums, particularly concerning issues of identity and language.⁵⁵

Youth emigration and political apathy contribute to a disengaged population, weakening democratic institutions and processes. The lack of active participation from the younger population hampers efforts for political renewal and reform, essential components for EU integration. This disengagement also affects the country's ability to address internal challenges effectively, including the integration of ethnic minorities and the resolution of interethnic tensions.⁵⁶

⁵¹ <https://www.rferl.org/a/macedonia-eu-bulgaria-veto/31910319.html>.

⁵² <https://apnews.com/article/north-macedonia-costa-eu-membership-bulgaria-7eec884f6e3aac56d6dbe83df3fa19ec>.

⁵³ Ibid.

⁵⁴ <https://new.mia.mk/en/story/ebrd-adopts-new-fiveyear-strategy-for-north-macedonia>.

⁵⁵ Ibid.

⁵⁶ <https://newlinesinstitute.org/political-systems/identity-insecurity-north-macedonias-challenging-relationship-with-itself-and-others/>.

North Macedonia is experiencing acute labour shortages due to sustained emigration and a declining working-age population. Since 2019, the labour force has shrunk by over 100,000 workers, severely impacting sectors such as agriculture, hospitality, and construction.⁵⁷ To fill these gaps, the government is increasingly relying on foreign workers, particularly from poorer countries, recently from Nepal.⁵⁸ Analysts estimate that at least 10,000 foreign workers per year are needed twice the number currently allowed by permits.⁵⁹

While inward labour migration helps fill immediate workforce gaps, it can also generate social frictions in North Macedonia's multi-ethnic municipalities, where competition for jobs and public resources intersects with entrenched ethnic and political divisions. Such tensions can amplify existing mistrust between communities and complicate local governance.⁶⁰

Managing these flows adds pressure on the country's return migration agreements and border cooperation frameworks. North Macedonia participates in Assisted Voluntary Return and Reintegration (AVRR) programmes through the International Organization for Migration (IOM), which facilitate the dignified return and reintegration of migrants.⁶¹ To reinforce border controls and align with EU standards, Skopje and Brussels signed a Frontex Status Agreement in February 2023, allowing Frontex personnel to deploy jointly with Macedonian authorities for border surveillance and management.⁶²

However, demographic pressures, notably the sustained emigration of young workers and the decline of the domestic labour force combined with institutional capacity constraints, threaten the sustainability of these mechanisms.

⁵⁷ <https://balkaninsight.com/2023/05/02/shrinking-labour-force-squeezes-north-macedonias-economy/>.

⁵⁸ <https://www.slobodnaevropa.mk/a/rabotnici-nepal-indija-ohrid/32957627.html>.

⁵⁹ <https://ecfr.eu/article/depopulation-blues-how-immigration-can-counter-emigration-in-the-balkans/>.

⁶⁰ <https://balkaninsight.com/2024/12/27/north-macedonia-in-2024-political-change-fuels-fears-of-return-to-ethnic-strife>.

⁶¹ <https://north-macedonia.iom.int/resources/assisted-voluntary-return-and-reintegration>.

⁶² <https://www.consilium.europa.eu/en/press/press-releases/2023/02/24/border-management-eu-concludes-agreement-with-north-macedonia-on-frontex-cooperation/>.

Without strengthened administrative resources, integration policies, and regional cooperation, North Macedonia risks overburdening its migration governance systems, which could undermine social cohesion and EU accession objectives.⁶³

North Macedonia's demographic shifts carry symbolic and political weight in a society historically shaped by ethnic diversity. The 2021 census recorded Albanians at 24.3% of the population a figure closely monitored in the context of minority rights and power-sharing arrangements under the Ohrid Framework Agreement.⁶⁴ Population declines in rural, ethnically mixed areas, combined with inward migration, can amplify tensions over reciprocity and representation.

Impact of Demographic Trends on North Macedonia's EU Integration Process

North Macedonia's shrinking labour force undermines its economic weight in regional initiatives like the Berlin Process and the Open Balkans Initiative.⁶⁵ The loss of skilled workers reduces the country's capacity to participate effectively in regional economic cooperation and to benefit from EU-aligned value chains.⁶⁶

Analysts warn that unless North Macedonia confronts its demographic and migration challenges head-on, the country risks increasing marginalization within broader Western Balkan frameworks, politically, economically, and socially. Namely, persistent population decline, driven by low birth rates, an aging population, and sustained emigration, threatens to weaken the country's influence in regional cooperation initiatives. As other Western Balkan states pursue reforms to strengthen their economies and improve governance, North Macedonia's shrinking workforce and loss of human capital

⁶³ <https://www.consilium.europa.eu/en/press/press-releases/2023/02/24/border-management-eu-concludes-agreement-with-north-macedonia-on-frontex-cooperation>.

⁶⁴ https://www.stat.gov.mk/PrikaziSooptenie_en.aspx?rbtxt=146.

⁶⁵ <https://cdinstitute.eu/2025/05/05/north-macedonia-obi>.

⁶⁶ Ibid.

could undermine its ability to compete for investment, talent, and political relevance.⁶⁷

From a political standpoint, a steadily decreasing population may reduce North Macedonia's weight in regional decision-making forums and multilateral organisations. Within frameworks such as the Berlin Process or the Common Regional Market initiative, countries with growing or stable populations may be better positioned to shape priorities and negotiate favourable terms. Marginalization in these settings could slow the country's EU accession path, as demographic resilience and migration management are increasingly viewed as indicators of institutional capacity and long-term stability by European partners.⁶⁸

Economically, demographic decline weakens labour supply, consumer demand, and fiscal stability, making it harder for North Macedonia to align with regional economic integration goals. If the country cannot sustain the skilled workforce needed to participate fully in cross-border infrastructure projects, energy networks, or technology partnerships, it risks being side-lined in collaborative ventures. This could discourage foreign direct investment, particularly when neighbouring states present more favourable demographic and labour market conditions.⁶⁹

Socially, large-scale emigration especially among educated youth erodes the networks and civic engagement needed to sustain active participation in regional initiatives. A country with diminishing human capital may struggle to contribute meaningfully to cross-border cultural, educational, or innovation programs, further isolating it within the Western Balkans.⁷⁰

⁶⁷ https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/06/western-balkans-competitiveness-outlook-2024-north-macedonia_4dc5c34c/8207326d-en.pdf.

⁶⁸ https://enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_693%20North%20Macedonia%20report.pdf.

⁶⁹ <https://www.imf.org/en/Publications/selected-issues-papers/Issues/2025/05/22/Population-Dynamics-Labor-Market-Integration-and-Migration-Republic-of-North-Macedonia-567062>.

⁷⁰ Ibid.

Analysts emphasize that reversing or mitigating these trends will require coordinated action: investing in family-friendly policies to stabilize fertility rates, creating economic incentives and career opportunities to retain young professionals, and developing reintegration programs to encourage return migration. Without comprehensive measures, North Macedonia risks not only falling behind its neighbours but also weakening its long-term prospects for integration into the European Union and for playing an influential role in shaping the future of the Western Balkans.⁷¹

Furthermore, a smaller workforce weakens negotiating leverage in bilateral and multilateral settings. As other Western Balkan states with larger or more dynamic labour markets gain influence, North Macedonia may struggle to secure favourable terms in economic integration or labour mobility agreements. This dynamic could limit the country's ability to shape the future trajectory of regional cooperation and slow progress toward EU accession, where economic performance and stability are key benchmarks.⁷²

North Macedonia faces mounting difficulties in sustaining a sufficiently skilled civil service to implement and monitor the judicial, justice, freedom, and security reforms required under EU accession Chapters 23 and 24 and the accession process in general. Emigration of educated professionals, particularly those aged 20–30, significantly impacts institutional capacity. The IMF reports that emigration causes substantial losses in labour, knowledge, and entrepreneurial spirit, leading to reduced company formation and capital in affected sectors.⁷³

A targeted retention policy for civil servants working on EU integration and IPA (Instrument for Pre-Accession Assistance) projects is critical to ensure continuity, institutional memory, and effective project implementation.⁷⁴

⁷¹ <https://www.imf.org/en/Publications/selected-issues-papers/Issues/2025/05/22/Population-Dynamics-Labor-Market-Integration-and-Migration-Republic-of-North-Macedonia-567062>.

⁷² https://enlargement.ec.europa.eu/system/files/2023-11/2023-north-macedonia-report_en.pdf.

⁷³ <https://www.imf.org/en/Publications/WP/Issues/2023/12/22/Emigration-Business-Dynamics-and-Firm-Heterogeneity-in-North-Macedonia-542839>.

⁷⁴ <https://dijalogkoneu.mk/wp-content/uploads/2022/06/Izvestaj-vo-senka-IPA-2021.pdf>.

These civil servants possess specialized knowledge of EU regulations, negotiation processes, and project management requirements, making them indispensable for North Macedonia's EU accession efforts. To retain this skilled workforce, the government could implement a combination of financial and non-financial incentives, including competitive salaries, performance-based bonuses linked to EU project outcomes, and clear career progression pathways. Additionally, offering professional development opportunities such as EU-funded training programs, secondments to European institutions, and access to international conferences can reinforce commitment and increase job satisfaction.⁷⁵

Beyond individual incentives, the retention strategy should focus on creating a stable, motivating work environment that recognizes the high stakes of EU integration. Measures could include formal recognition programs, flexible work arrangements to prevent burnout, and institutional support for long-term career planning within the civil service. Strengthening mentorship and knowledge transfer between experienced and junior staff can also safeguard institutional expertise against attrition. By combining competitive remuneration, professional growth opportunities, and supportive work conditions, North Macedonia can ensure that its civil servants remain engaged and motivated, preserving the human capital necessary to navigate complex EU integration and IPA-related processes effectively.⁷⁶

This structural reduction of talent exacerbates governance fatigue and heightens reliance on EU technical assistance such as TAIEX, to fill capacity gaps. As local expertise dwindles, the pace of reform slows, undermining North Macedonia's ability to meet EU implementation standards effectively.⁷⁷

Mass emigration and political apathy are significantly weakening internal advocacy mechanisms that are essential for strengthening rule of law, judicial

⁷⁵ <https://dijalogkoneu.mk/wp-content/uploads/2022/06/Izvestaj-vo-senka-IPA-2021.pdf>.

⁷⁶ Ibid.

⁷⁷ https://www.eeas.europa.eu/delegations/north-macedonia/19th-meeting-stabilisation-and-association-agreement-subcommittee-north-macedonia-justice-freedom_en?

independence, media freedom, and the effective utilization of IPA funds.⁷⁸ As large numbers of young, educated, and skilled citizens leave the country, the pool of engaged and informed participants in civic and governance processes shrinks. This exodus diminishes the capacity of civil society to hold institutions accountable, reducing pressure on policymakers to pursue critical reforms. Political disengagement among those who remain further compounds this problem, creating an environment in which decision-makers face limited scrutiny and public oversight, undermining institutional resilience and transparency.⁷⁹

Although explicit quantitative data on civic participation in North Macedonia is limited, policy assessments consistently highlight a decline in civil society influence amid ongoing brain drain and youth emigration. The erosion of internal advocacy networks directly impacts reform momentum in areas under EU scrutiny, particularly anti-corruption initiatives and democratic governance. Without a robust and active citizenry to demand accountability, implement reforms, and monitor progress, efforts to align with EU standards risk stalling, leaving the country vulnerable to governance deficiencies that could slow or jeopardize its integration process.⁸⁰

North Macedonia's labour market is strained by persistent skills mismatches and emigration of its most qualified workers. The European Commission notes that despite moderate readiness in areas like intellectual property or capital movement, major skills shortage coupled with sluggish educational alignment impede productivity and competitiveness.

Moreover, the outflow of educated labour undermines entrepreneurial activity. IMF research indicates that a 1% increase in emigration results in a nearly 3% short-run drop in the number of firms particularly in industrial sectors and a long-term decline in capital formation. This trend hampers absorption of EU investment and limits engagement in the Common Regional Market and EU growth initiatives.⁸¹ To offset these losses, structural reforms and

⁷⁸ [https://www.epi.org.mk/docs/koristenje_na_ipa_fondovite_vo_republika_makedonija\(1\).pdf](https://www.epi.org.mk/docs/koristenje_na_ipa_fondovite_vo_republika_makedonija(1).pdf).

⁷⁹ <https://ekonomijaibiznis.mk/News.aspx?IdNews=22424>.

⁸⁰ <https://www.coe.int/mk/web/compass/citizenship-and-participation>.

⁸¹ <https://www.imf.org/en/Publications/WP/Issues/2023/12/22/Emigration-Business-Dynamics-and-Firm-Heterogeneity-in-North-Macedonia-542839>.

active labour market policies are vital. The IMF emphasizes that enhancing productivity, matching skills to demand, and supporting business development can mitigate the negative effects of emigration.⁸²

North Macedonia is confronting a rapidly aging society and the outflow of working-age citizens demographic trends that deeply strain its social protection systems. The World Bank projects a dramatic shrinkage in the working-age population, which could fall so low that contributors to the pension system may soon outnumber pensioners. Already, pension spending reached 11.3% of GDP in 2024, and the first-pillar pension fund faces a deficit of approximately 4% of GDP.⁸³ These figures signal serious sustainability concerns as North Macedonia strives to meet EU standards under Chapter 19, which mandates robust and inclusive social protection systems.⁸⁴

Between 2002 and 2021, the number of school-aged children declined by 31%, driven by both internal migration and emigration. This sharp decrease poses challenges in allocating educational resources effectively and maintaining quality, particularly amid widespread brain drain. The Education Sector Analysis executed by IIEP-UNESCO stresses the need to reshape the education system to ensure accessibility, quality, and alignment with labour market needs, especially as part of EU accession priorities.⁸⁵

Demographic and economic shrinkage have materially eroded North Macedonia's political credibility and bargaining power within the EU accession context: a nearly 10% fall in population since 2002 has reduced market size, thinned the domestic labour pool, and amplified pension and healthcare burdens, constraining fiscal room for reforms and investments.⁸⁶ At the same time, EU monitoring reports stress that the country remains vulnerable to external shocks and still needs to deepen structural reforms to align with

⁸² Ibid.

⁸³ <https://www.worldbank.org/en/country/northmacedonia/publication/north-macedonia-public-finance-review>.

⁸⁴ https://enlargement.ec.europa.eu/document/download/5f0c9185-ce46-46fc-bf44-82318ab47e88_en?filename=North%20Macedonia%20Report%202024.pdf.

⁸⁵ <https://www.iiep.unesco.org/en/articles/path-eu-accession-education-analysis-north-macedonia>.

⁸⁶ <https://balkaninsight.com/2022/03/30/north-macedonia-census-reveals-big-drop-in-population/>.

accession criteria, weaknesses that make promises of reform less convincing to busy member-state capitals weighing whether to expend political capital on enlargement.⁸⁷

The Role of National Diasporas in Shaping North Macedonia's Future

Emigration from North Macedonia has become a chronic structural challenge: empirical studies indicate that approximately 38% of the population have emigrated globally, with 18% relocating to OECD countries, and among those most prone to leave are the young and educated. Over 55% of students and 38% of university faculty report intentions to emigrate.⁸⁸ This steady outflow creates a brain drain, particularly in sectors such as healthcare, IT, academia, and education, dampening innovation and undermining service capacity. The problem is compounded by the fact that engagement with the diaspora so far has been largely symbolic, limited to preserving cultural affinity or facilitating absentee voting, rather than systematically harnessing diaspora talent in sustainable development or economic strategies.⁸⁹

Nonetheless, North Macedonia's diaspora represents a reservoir of untapped potential. They embody extensive financial resources, advanced skills, professional expertise, and broad international networks, not to mention deep emotional and ideological ties to the homeland. If state institutions were to adopt well-structured, long-term policies, these assets could be redirected toward national development goals. For instance, return migration could be encouraged via incentives for diaspora professionals to come back especially in high-value sectors coupled with investment facilitation programs, diaspora bonds, or targeted entrepreneurship grants. Skills transfer could be enabled by encouraging diaspora academics and researchers to collaborate with domestic institutions, participate in part-time teaching or joint research, or mentor younger professionals. These flows could help address critical labour and skills shortages, raise competitiveness in strategic industries, and

⁸⁷ https://enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_693%20North%20Macedonia%20report.pdf.

⁸⁸ <https://balkanfoundation.com/north-macedonias-labour-emigration-can-the-country-afford-to-keep-losing-its-workforce/>.

⁸⁹ Ibid.

strengthen governance capacity via improved institutional knowledge. Programs like IOM's "Supporting Brain Gain Diaspora Engagement Initiatives in North Macedonia" which includes mapping skilled diaspora, temporary academic return schemes, and municipal-level outreach offer a template for building integrated, development-oriented diaspora engagement.⁹⁰

Evaluating National Strategies and Policies Addressing Demographic Challenges

To address the ongoing demographic, economic, and governance challenges, North Macedonia should pursue a comprehensive set of continuous reforms. First, adopt a National Demographic Strategy. Namely, the Government has already initiated the work on a "Strategy for Demographic Resilience", launched by the Ministry of Social Policy, Demography and Youth, with support from UNFPA⁹¹ and UN experts, which aims to align with the National Development Strategy 2024–2044.⁹² Such a plan should set concrete targets (e.g. fertility, migration, regionally differentiated population retention), assign responsibilities across ministries, establish a timeline, and secure dedicated budget lines.⁹³ The preparation of this key document follows a participatory and inclusive approach. Beyond the core working group of national institution representatives, the process actively engages input from the academic sector, civil society, the private sector, and other relevant stakeholders. This collaborative approach seeks to ensure that the final strategy incorporates a wide array of perspectives and effectively tackles the varied demographic challenges confronting North Macedonia.⁹⁴ The importance of this strategy lies in its role as a comprehensive framework to address North Macedonia's demographic challenges. By tackling population decline, aging, and youth emigration, it aims to sustain economic growth, strengthen social cohesion, enhance governance, and ensure long-term stability. The strategy

⁹⁰ <https://www.iom.int/project/supporting-brain-gain-diaspora-engagement-initiatives-north-macedonia>.

⁹¹ United Nations Population Fund.

⁹² <https://mia.mk/en/story/parliament-adopts-national-development-strategy%C2%A020242044>.

⁹³ <https://koha.mk/en/filloi-procesi-per-hartimin-e-strategjiise-kombetare-per-rezistence-demografike/>.

⁹⁴ <https://northmacedonia.un.org/en/279634-consultations-strategy-demographic-policies-continue>.

also guides investments in human capital, regional development, and green transformation, creating conditions that encourage citizens to stay, contribute, and participate in the country's future.⁹⁵

Secondly, invest in youth retention. Namely, existing measures like the Youth Guarantee measure have shown promise in bringing down the numbers of NEETs. For example, participation in Youth Guarantee rose from a pilot to national rollout, with thousands of young people re-entering education or work.⁹⁶ Nonetheless, gaps remain: many young people report dissatisfaction with their jobs or prospects, and women are disproportionately likely to be excluded.⁹⁷ More sweeping reforms linking curricula to labour market demands, expanding affordable housing, and supporting youth entrepreneurship will be necessary to both prevent emigration and ensure youth see a future at home.⁹⁸

Thirdly, leverage the diaspora. North Macedonia's "Brain Gain/Diaspora Engagement" project is a step in the right direction, seeking to map skilled diaspora, promote temporary return of high-skilled experts, and strengthen cooperation between academic and professional institutions at home and abroad.⁹⁹ In order to realize full potential, such initiatives need to be embedded in long-term policy, for example, through return grants, tax incentives for diasporic investment, streamlined recognition of foreign credentials, and institutional partnerships that allow diaspora experts to mentor or teach domestically.

Fourthly, strengthen governance and public trust: several recent measures and reports underscore both the urgency and the levers available here. Transparency International reports persistent public distrust in institutions: e.g. in the judiciary, where perception of independence remains low, and in the

⁹⁵ <https://northmacedonia.un.org/en/279634-consultations-strategy-demographic-policies-continue>.

⁹⁶ <https://www.etf.europa.eu/en/news-and-events/news/north-macedonias-youth-guarantee-knocking-back-numbers-neets>.

⁹⁷ <https://www.undp.org/north-macedonia/news/youth-challenges-transferred-solutions-what-undp-north-macedonia-does-subject>.

⁹⁸ Ibid.

⁹⁹ <https://www.iom.int/project/supporting-brain-gain-diaspora-engagement-initiatives-north-macedonia>.

Public Prosecutor's Office, which scores poorly in terms of capacity and impartiality.¹⁰⁰ There is also ongoing work through GRECO and other EU rule-of-law instruments that call for better oversight, accountability, and judicial independence.¹⁰¹ Reforms should be designed to strengthen trust in public institutions and improve governance by ensuring transparency, accountability, and efficiency. This includes providing open access to data on public spending and procurement processes, allowing citizens, civil society, and the media to monitor government actions effectively.¹⁰² Citizen participation should be actively encouraged in decision-making processes, policy design, and oversight mechanisms, ensuring that public voices influence priorities and outcomes. Merit-based appointments must be implemented across all levels of government and public administration to reduce nepotism, favouritism, and political interference, ensuring that qualified and competent individuals manage key functions.¹⁰³ Additionally, oversight bodies such as audit offices, anti-corruption commissions, and regulatory agencies should receive adequate funding, staffing, and technical resources to operate independently and enforce compliance. Collectively, these measures create a governance environment that is accountable, responsive, and capable of supporting sustainable development and public trust.¹⁰⁴

Finally, balancing regional development is essential to address the uneven depopulation, which is particularly pronounced in rural and peripheral areas. This disparity not only deepens economic and social inequality but also increases migration pressures toward urban centres and abroad. To mitigate these challenges, strategic investments in infrastructure, such as roads, digital connectivity, healthcare, and education, are crucial to ensure accessibility and improve living standards across all regions.¹⁰⁵ Providing targeted incentives for businesses to operate in less developed areas, supporting agricultural and

¹⁰⁰ <https://balkanview.com/eu-flags-political-pressure-legal-uncertainty-in-north-macedonias-judiciary-and-anti-corruption-reforms>.

¹⁰¹ <https://www.coe.int/en/web/greco/-/north-macedonia-greco-ends-compliance-procedure-welcomes-progress-in-anti-corruption-reforms-in-central-government-and-the-police-1>.

¹⁰² <https://epi.org.mk/post/24580?lang=en>.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ <https://www.eib.org/en/press/all/2023-147-eu-provides-eur70-million-investment-grant-for-largest-environmental-protection-project-in-north-macedonia>.

agro-processing initiatives and offering regional development grants can stimulate local economies, create jobs, and encourage population retention.¹⁰⁶ By fostering economic opportunities, enhancing public services, and strengthening community resilience outside the capital and major cities, North Macedonia can promote more balanced growth, reduce migration pressures, and build sustainable, inclusive regional development.

Recommendations

In order to address the population decline the Government of North Macedonia should:

- Increase fertility support by implementing family-friendly policies, childcare support, and parental leave to encourage higher birth rates.
- Reduce emigration by creating incentives for young professionals to stay, including better job opportunities, career development, and affordable housing.

To address the challenges of population ageing and youth emigration the Government of North Macedonia should:

- Introduce youth retention programs and link education and vocational training to labour market needs; promote entrepreneurship and innovation hubs.
- Support older population by strengthening pension schemes, healthcare, and social services to protect elderly citizens.

In order to tackle social challenges the Government of North Macedonia should:

- Combat elderly isolation by developing community support networks in depopulated rural areas.
- Improve education and career opportunities by introducing measures to reduce youth disillusionment by improving education quality, career guidance, and access to meaningful employment.
- Enhance public trust and safety by strengthening governance, anti-corruption measures, and enforce safety regulations.

¹⁰⁶ <https://vlada.mk/node/18258>.

- Reduce regional disparities by investing in rural infrastructure, services, and business incentives.

For addressing the economic consequences the Government of North Macedonia should:

- Mitigate skills drain by encouraging return migration and upskilling programs.
- Manage fiscal strain through reforms in the pension and healthcare systems to ensure long-term sustainability.
- Boost productivity by aligning labour skills with technological upgrades and EU market requirements.

The Government of North Macedonia should strengthen the political and civic systems by:

- Promoting civic engagement by fighting youth political apathy and enhance participation in governance.
- Adjust electoral systems through ensuring fair representation in line with demographic shifts.
- Manage ethnic composition sensitively by promotion of interethnic cooperation and inclusivity in policy-making.

The Government of North Macedonia should strengthen the engagement with the diaspora and enhance regional cooperation by:

- Developing structured programs for investment, skills transfer, and return migration.
- Managing migration and border relations.
- Ensuring labour and economic capacity supports initiatives like the Berlin Process or Open Balkans.

The Government of North Macedonia should advance EU integration by:

- Building administrative capacity to implement EU-aligned reforms.
- Addressing labour shortages and social policy gaps to meet EU standards.
- Strengthening domestic governance and strategic positioning within the EU.

The Government should promote balanced regional development by:

- Investing in Rural Infrastructure.
- Providing Business Incentives.
- Using regional grants strategically.

PART IV:

Policy Recommendations

Policy Recommendations

Regional Stability in South East Europe Study Group

Executive Summary of Recommendations

- ***EU/Western Balkan (WB) governments:*** Recognize demographic decline as a strategic priority. Treat population decline, aging, and emigration as core challenges for economic development, EU integration, and long-term regional stability.
- ***WB governments:*** Strengthen democratic and economic reforms to reduce emigration pressure. Improving governance, rule of law, and economic opportunities, especially for youth, is essential to retaining skilled workers and restoring public trust.
- ***EU Commission:*** Coordinate EU and Member State labour recruitment policies. Recruitment of workers from the Western Balkans should be managed in ways that do not accelerate brain drain or intensify local labour shortages.
- ***EU Commission/WB governments:*** Establish an EU-Western Balkans task force on demographic resilience. This body should harmonize data collection, analyze trends, and assess the socio-economic implications of demographic change for enlargement.
- ***Regional Cooperation Council (RCC)/WB governments:*** Develop a Joint Regional Strategy on Demographic Policy. Regional cooperation, facilitated by the RCC and supported by the EU, OSCE and Council of Europe, should address shared issues such as emigration, ageing, skills development, and rural depopulation.
- ***EU/WB governments:*** Improve statistical capacity and data independence. Eurostat and national statistical offices should work together to ensure high-quality, impartial demographic and labour-market data for evidence-based policymaking.
- ***WB governments:*** Expand labour force participation and invest in human capital. Activate underutilized labour (especially women and older workers), modernize vocational training, and provide retraining, upskilling and lifelong learning.

- **WB governments:** Adopt comprehensive, inclusive migration and integration policies. Develop frameworks to attract, retain, and integrate foreign and returning workers in sectors experiencing shortages.
- **WB governments:** Build broad political support for family policy. Sustainable, cross-party consensus on childcare, parental leave, child benefits, and fertility support is necessary to stabilize birth rates and slow down and maybe even revert the demographic decline.
- **WB governments:** Shift toward high-value, innovation-driven economies. Promote productivity growth, targeted Foreign Direct Investment (FDI), technological upgrading, and incentives for academic diaspora return, enabling the region to avoid “getting old before getting rich”.

Situation Analysis

The WB is undergoing a structural and long-term demographic decline. Over the past decade, all of the countries in the region, apart from Kosovo, have experienced population loss, ranging from around 8% in Serbia to nearly 15% in Albania. This trend is not only expected to continue, but to accelerate in the coming decades in the entire region.

Several factors are driving this demographic decline. First, all WB countries have persistently low fertility rates, far below the replacement level of 2.1 children per woman, ranging from around 1.56 in Kosovo to 1.35 in Bosnia and Herzegovina. Second, emigration, particularly among the young and skilled, has played a major role. While outmigration intensified with the dissolution of Yugoslavia it continues until this day. As a result, the WB has one of the highest diaspora-to-population ratios in the world, with approximately one fifth of its citizens living abroad. Moreover, a significant share of the population is considering emigrating in the future, ranging from 14% in Serbia to 28% in North Macedonia. Internal migration toward major urban centres further contributes to the depopulation of rural areas.

Capital cities attract most people and investment, while peripheral regions experience rapid aging, depopulation and economic stagnation or decline.

This demographic decline generates serious economic, political, and potentially also security challenges. Economically, rising median ages and old-age dependency ratios strain public finances, particularly pension and healthcare systems. In most countries of the region, the share of people aged 65 and over now exceeds 20%, while the proportion of children and youth continues to fall. The departure of highly educated workers produces a persistent “brain drain”, eroding the very human capital required for modernization and potential convergence with European economies needed for successful integration into the EU. Many WB countries already face labour shortages in key sectors such as construction, healthcare, and agriculture. While these countries already started opening their labour markets for migrants from abroad, they still have limited capacity to integrate new-comers, especially those from different cultural backgrounds. Depopulation of rural areas create social inequalities between the centre and the periphery and fuels political discontent that can be politically weaponized by populists and extremists from different ends of the political spectrum.

Politically, the dramatic brain drain caused by continuing high migration, above all to northern European countries, weakens post-conflict reconstructing, important reforms, necessary innovations, and, last but not least, the transformation of the six societies towards the EU Acquis. Furthermore, aging populations and reliance on immigration as a response to labour shortages may reinforce uninspired policies, nationalist anxieties, and anti-migrant sentiment, rather than enabling innovative and reform-oriented policymaking in the region. Finally, demographic decline may contribute to state fragility, weaken the rule of law, and threaten regional stability. Changes in ethnic composition may also unsettle fragile peace arrangements in multi-ethnic states, particularly in Bosnia and Herzegovina and North Macedonia.

In sum, the WB region risks entering a vicious cycle in which demographic decline undermines fiscal stability and economic development, and underdevelopment further accelerates outmigration and demographic decline. While demographic challenges are present in many other parts of Europe, the countries of the WB are additionally vulnerable as they may “get old before getting rich”. If left unaddressed, this negative feedback loop undermines the chances of the region to economically and politically converge with the EU and in the long run threatens the overall stability of the region. In this con-

text, demographic resilience must be understood as a central element of regional security. Reversing these processes demands coordinated, evidence-based, and long-term policy action.

Policy Recommendations

Primarily for the EU and other European and regional organisations

- The demographic shifts in the WB6 should be treated as a strategic priority for the EU and its Member States, given their implications for enlargement, economic development, and regional stability.
- The EU should maintain a conditions-based accession approach, ensuring that democratic and economic reforms are substantive and sustainable. Strengthened rule of law, transparent governance, and resilient institutions may reduce emigration pressures, particularly among young people.
- EU Member States should design recruitment policies carefully, ensuring that labour recruitment from the WB6 does not exacerbate skill shortages or demographic decline in the region.
- The EU Commission should establish a dedicated task force to analyse demographic trends in the WB6, collect harmonized data, and assess their political, economic, and social implications for future enlargement.
- The EU should consider domestic demographic resilience and migration governance as part of the accession dialogue.
- The EU and its Member States should encourage and support WB6 cooperation in addressing demographic challenges, including the development of a Joint Regional Strategy on Demographic Policy facilitated by the Regional Cooperation Council (RCC).
- Eurostat should strengthen cooperation with national statistical agencies in the WB6 to improve data quality, comparability, and professional independence. Reliable demographic planning requires statistics that are impartial, professionally autonomous, and free from political interference.
- The demographic implications for the region should be integrated into the Berlin Process agenda.

- The EU should invite the OSCE and the Council of Europe to contribute with programmes aimed at mitigating adverse demographic impacts, especially those linked to integration.
- The Regional Cooperation Council (RCC) should take a more proactive role in addressing demographic decline, including facilitating regional data-sharing, policy coordination, and joint programming. The RCC should also strengthen links with the EU, including through the Berlin Process.
- The RCC, OSCE, and Council of Europe should coordinate initiatives supporting social inclusion, youth retention, education modernization, and labour mobility management in the region.

For WB States

- Rising immigration highlights the need for comprehensive migrant integration strategies that balance security with humanitarian, demographic, and economic considerations.
- Addressing labour shortages and skills gaps requires:
 - Activation of underutilized groups in the labour market (women, older workers, long-term unemployed).
 - Improved human capital development, including vocational training, retraining, up-skilling and lifelong learning.
 - Active labour market and social protection policies that reduce job insecurity and support family planning.
 - Encouraging return migration and thoughtfully expanding immigration pathways.
- Governments should foster cross-party consensus on family policies, including childcare, parental leave, child benefits, and fertility, recognizing their role in fertility stabilization, poverty reduction, and gender equality.
- Increased efforts are needed to attract and integrate foreign workers across skill levels, particularly in sectors with acute labour shortages.
- Pension system sustainability requires gradual retirement age adjustments, aligned with increasing life expectancy, ensuring equitable post-retirement life years relative to EU standards.

- Governments should invest in technological upgrading, including AI and automation, while acknowledging capacity limits and prioritizing strategic sectors.
- The region should transition away from low-cost, competitiveness models and toward high-value production, innovation, and productivity growth.
- Education systems should be aligned with labour-market needs through systematic university-business cooperation, and supporting internships and practical training as part of higher education curricula.
- Governments in the region should promote brain gain by introducing legal and financial incentives for members of the academic diaspora to return and contribute to the development of the higher education system in the WB6 and its integration into the European Higher Education Area.
- Foreign Direct Investment strategies should prioritize investments that increase productivity, innovation, and wages, not only capital inflows.
- Demographic challenges require a multidisciplinary approach, linking policies in demography, labour markets, education, social protection, and regional development.

Epilogue: Will Demographic Decline Change the EU Access Chances of the Western Balkans – or Lead to Their Geopolitical Vanishing?

A German View

Michael Schmunk

“The vanishing Balkans. The region’s demographic crisis.”

Paulina Wankiewicz¹

“Demographic rearmament: Macron plans to reform parental leave and fight infertility.”

Solène Cordier²

“Less babies, more old people – How will Southeast Europe solve its demographic problem?”

Ulf Brunnbauer³

“Bye-Bye, Balkans: A region in critical demographic decline.”

Tim Judah⁴

“The depopulation panic. What demographic decline really means for the world.”

Jennifer D. Sciubba⁵

¹ In: OSW Commentary 05.03.2025, The vanishing Balkans. The region’s demographic crisis, <https://www.osw.waw.pl/en/publikacje/osw-commentary/2025-03-05/vanishing-balkans-regions-demographic-crisis>.

² Solène Cordier. In: Le Monde 17.01.2024, https://www.lemonde.fr/en/france/article/2024/01/17/demographic-rearmament-macron-plans-to-reform-parental-leave-and-fight-infertility_6440096_7.html; see also, among others, Bettina Zourli: Réarmement démographique: ‘La rhétorique militaire est très inquiétante quand on parle des utérus et des corps de personnes’. In: franceinfo, 20 January, 2024; Michaela Wiegel: Mehr Kinder braucht das Land. Kinderlose bekommen bald einen Brief. Wie Frankreich gegen die Alterung der Gesellschaft vorgeht. In: Frankfurter Allgemeine Zeitung, 07.02.2026, p. 4.

³ Deutsche Welle (DW), <https://www.dw.com/de/s%C3%BCdosteuropa-demografie-bev%C3%B6lkerung-wandel-geburtenrate-serbien-kroatien-bulgarien-rum%C3%A4nien/a-74695574>.

⁴ In: IWM, 14.10.2019; Bye-Bye, Balkans: A Region in Critical Demographic Decline, <https://www.iwm.at/blog/bye-bye-balkans-a-region-in-critical-demographic-decline>.

⁵ Jennifer D. Sciubba. In: Foreign Affairs; January/February 2026, The Depopulation Panic, <https://www.foreignaffairs.com/reviews/depopulation-panic-jennifer-sciubba>.

Global Change: First too Many, then too Few?

For many decades of the 20th and 21st centuries, Western Balkan countries were the areas in Europe with the strongest demographic growth, with a fertility rate higher than anywhere else on the continent (“ticking time bomb”), not significantly hindered by a historic, traditional, job-hunting exodus (“Gastarbeiter”⁶) primarily to German speaking countries, but also to the Scandinavian world, and North America. Kosovo, for example, “Europe’s youngest state”, now at age 18, has the “second youngest population” after South Sudan.⁷ But, as this workshop’s findings have shown, even this demographically exemplary society of the Western Balkans has not managed to escape from a European, but also worldwide dramatic development of shrinking populations, mainly caused by declining fertility rates, increased life expectancy (“greying”) and migration – mostly because of economic (including educational and qualification) reasons. In this respect, the Western Balkan countries and populations have been catching up with the overall European and global demographic trends,⁸ as we could see during this workshop in detail. UN population studies suggest that worldwide over 60 countries may have already hit their peak population size, among them numerous European and Western states.⁹ Germany, for instance, will shrink in the period of 2025–2065 from 83.5 million inhabitants to 70.4 million, according to STATISTA.¹⁰

⁶ *Guest workers*; legendary was the immigration to Germany from Italy, and in particular from Turkey, for example into the coal mining and car industry. In retrospect, this particular wave of labor immigration into German economic production contributed considerably to what has been called “Deutsches Wirtschaftswunder” (*Economic Miracle*).

⁷ Xhabir Derella: Republic of Kosovo at 18: The coming of age of Europe’s youngest state. In: CIVIL Today, 18.02.2026; Republic of Kosovo at 18: The Coming of Age of Europe’s Youngest State, <https://civil.today/republic-of-kosovo-at-18-the-coming-of-age-of-europes-youngest-state/>.

⁸ See the recent findings of the McKinsey Global Institute: Dependency and depopulation? Confronting the consequences of a demographic reality. Report, 15 January 2025, New York, NY, who predict only a 0.85% (1,2 children per woman) population growth per year, globally. In Europe, demographic shifts though will slow the GDP per capita growth from 2023–2050 by -0.4% /exhibit 13).

⁹ Jennifer D. Sciubba. In: Foreign Affairs; January/February 2026, The Depopulation Panic, <https://www.foreignaffairs.com/reviews/depopulation-panic-jennifer-sciubba>.

¹⁰ STATISTA Germany, Hamburg, Prognose der Bevölkerung in Deutschland von 2025–2070, [statista.com/statistik/daten/studie/1539/bevoelkerung-in-deutschland](https://www.statista.com/statistik/daten/studie/1539/bevoelkerung-in-deutschland).

Will Germany Lack Workers, and the Western Balkans Run out of People?¹¹

Still, some decades ago, the world's demographic perspective was characterized by a large fear of becoming dangerously overpopulated.¹² Would the globe be resilient enough to cope with this projected development (water, food, climate, health care, human living conditions, etc.)?¹³ Reality has shown, however, that this trend has been reversed over many years in the Western Balkans, in particular after the Yugoslav disintegration wars. However, neither the war dead, nor the victims of the Covid pandemic brought the population crisis in the WB to a significant standstill or even decline. Rather, as it seems to have become obvious in the last years, two developments have played a much more significant role: Firstly, the low confidence of women (and couples) of childbearing age in the future their children would have, regarding factors such as the economic state, education, the absence of violent ethnic frictions if not war, etc. And secondly, the massive migration (in particular of young, educated men) to the near abroad, for better, additional, professional education, for better-paid jobs, and, in many cases, for a more "Western" lifestyle (despite their deep traditional roots in their families in South Eastern Europe).

In addition, the improved visa situation for those emigrants, and the wide "open arms policy", on the part of the EU (Switzerland and Norway included) has made migration from the WB 6 countries much easier, if not already comfortable, with the aim of finding an appropriate, well-paid job abroad, given the fact that Europe needs foreign workers and labor badly.

¹¹ See the good overview of the present situation at Krsto Lazarević/Franziska Tschinderle/Danijel Majić: *Der große Exodus: Was die Abwanderung für den Westbalkan und Deutschland bedeutet*. In: *Der Westbalkan. Im Wartezimmer der EU*. Chapter 10, pp. 345–361. Bonn, 2025 (Edited by Bundeszentrale für politische Bildung, Schriftenreihe, Volume 11250).

¹² China, for example, reacted with the introduction of a state-enforced birth-control ("one-child policy") from 1979–2015.

¹³ See, e.g., Paul R. Ehrlich's 1968 bestseller study: *The Population Bomb*, New York, NY.

By contrast to its shrinking population, the German labor market, e.g., according to a recent Bertelsmann Study,¹⁴ will need from now to 2040 at least the immigration of about 288,000 foreign workers to cover just the minimum needed per year. For the period of 2041 to 2060, the necessary immigration volume will be, according to the study, just short of 275,000 per year. Without an influx of skilled labor, large sectors of German industry and the service sector threaten to collapse. The number of job vacancies cannot be satisfied by German workers alone anymore – and this for quite some time. Controlled legal labor immigration has been since then, both economically and politically, a hotly debated issue. How serious the situation has become was outlined by no-one less than French President Emmanuel Macron outlined in an urgent appeal at the beginning of the 2020s, calling for a “demographic rearmament” of French society. At the beginning of 2026, French Health Minister Stéphanie Rist announced that all childless French at the age of 29 will receive a government letter informing them about all the aspects of infertility, and the support available by the French state in case of the desire to have children.¹⁵ Similar population developments compared to the ever decreasing number of workers in nearly all sectors can also be observed in China and Russia.¹⁶

In search of skilled workers, both German society and the economic sector discovered, in particular after the Balkan wars, the huge, promising reservoir of work forces in the Western Balkans. Offering these skilled workers salaries unachievable in the WB made the deal mutually beneficial. Medical personnel and caregivers, in particular, from South Eastern Europe have been seen as ideal to fix the huge deficiencies in an aging Germany. Coming from societies based on the conception of a traditional family image, respect for

¹⁴ Alexander Kubis/Lutz Schneider: *Zuwanderung und Arbeitsmarkt. Eine Analyse für Deutschland und die Bundesländer*. Gütersloh, 2024, pp. 65–67; <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/zuwanderung-und-arbeitsmarkt>.

¹⁵ See, among others, Solène Cordier: ‘Demographic rearmament’: Macron plans to reform parental leave and fight infertility. In: *Le Monde* 17.01.24; Michaela Wiegel: Mehr Kinder braucht das Land. Wie Frankreich gegen die Alterung der Gesellschaft vorgeht. In: *Frankfurter Allgemeine Zeitung*, 07.02.2026, pp. 1 and 4.

¹⁶ See, among others, Michael S. Polard et al.: *Fertility Decline in China and Its National Military, Structural, and Regime Security: China Population Research*. RAND Study, Santa Monica, CA, 22.09.2025; Salavat Abylkaliyev: *Russia’s Current Demographic Crisis Is Its Most Dangerous Yet*. Carnegie Endowment for International Peace, RAND Commentary, 26.09.2025.

aging people and their humanity, workers from the WB are valued (even more than those from Turkey, Afghanistan or parts of the Middle East) as ideal, as a blessing.¹⁷ Most sought after in Germany are workers from Kosovo, Albania and North Macedonia – who, vice versa, prefer Germany to other European countries.

In other words: A win-win-situation both for EU member states and for the Western Balkans? Unfortunately, not. The gain of the member states means the loss of the WB 6 today. The Europe-wide increasing infertility rate has been aggravated by a steady labor emigration of young people, youngsters badly needed at home, where both the post-war reconstruction, and the preparation and transformation for an EU accession can only be achieved by a skilled national labor force. This workshop succeeded in demonstrating all statistical details, country by country. The demographic decline in Western Balkans has become serious – bordering on a question of survival.

Does Neo-Colonialism send its Regards?

However, neither in Brussels, Strasbourg, nor in the membership capitals, have these serious developments gained the political attention necessary.¹⁸ Therefore, this workshop has rightly made in its *Policy Recommendations*¹⁹ an urgent appeal to all EU stakeholders “to establish a dedicated *task force* to analyze demographic trends in the WB 6, collect comparative data, and assess their political, economic, and social implications for future engagement”. In this context, the EU institutions and the member states should answer self-critically the question, if their unbridled, egoistic attracting of WB labor unilaterally boosts only *their* economies. It has been striking, that in the course of the last decades, the EU became seriously interested in its accession

¹⁷ See, among others, Rüdiger Soldt: Doppelte demographische Krise. Ohne Zuwanderung gibt es keine gute Krankenpflege. In: Frankfurter Allgemeine Zeitung, 17.02.2026, p. 8; Silvia Liebrich: Gesucht und gefunden. In deutschen Krankenhäusern herrscht ein Mangel an Pflegepersonal. Für ein Projekt in Brandenburg werden junge Menschen aus Südosteuropa angeworben. In: Süddeutsche Zeitung, 08.11.2025, p. 30.

¹⁸ Data-wise, however, the EU Commission has been following regularly the demographic statistics in the WB 6, see the last publication: Eurostat. Demographic developments in the Western Balkans and Turkey. Factsheets, 2021 edition; c28bc490-eba4-8f8f-c368-40ad7b68c968.

¹⁹ See all „Policy Recommendations“ included in this publication.

candidates only when they seemed to offer goods and services of (geo-) strategic importance to those “already in”: workers for industrial production (e.g. car making); construction; caregivers; rare commodities (e.g. lithium); provision of deportation centers outside of the present EU (e.g. of Italy in Albania) etc. One could seriously speculate, against the background of the Ukraine and Iran wars, when the call for soldiers, mercenaries, will reach South East Europe. Otherwise, the EU has remained rather inactive regarding a win-win-situation – instead it has often practiced a toleration of stabilocracies to keep their potential future partners at a distance. This leaves behind, for some, a bitter taste, a smack of neo-colonialism, at least from the perspective of the Western Balkans.

The agenda of the EU-WB “Task Force” proposed by this Workshop, however, should not be limited to this potentially “neo-colonial” aspect alone. What about the inner political changes a continuous exodus would implicate, supposing that mostly only old, conservative, not highly skilled, nationalistic citizens, voters, stay behind? Countries that security-wise do make a big positive security difference for the EU (e.g. have no direct borders with Russia or Belarus). What about societies that have to cope with a, security wise, extremely sensitive immigration from Russia (a Moscow planned infiltration?), with China that operates by a dangerous credit dependency, with immigrants from South and Southeast Asia with very different societal norms from those in the WB?

Balkan Societies that will demographically and numerically come to a point of political and economic insignificance may in the foreseeable future no longer be of any interest to the EU – confronted with borders bringing more burdens than benefits to a Union having otherwise high costs to finance the accession process. Provocatively formulated: Would such a form of a “vanishing of the Balkans” be a convenient, “final” solution to the enlargement question to some?

List of Abbreviations

AIIS	Albanian Institute for International Studies
ASK	Kosovo Agency of Statistics
AVRR	Assisted Voluntary Return and Reintegration
BAM	Convertible Mark (Currency Code)
BHAS	Agency for Statistics of Bosnia and Herzegovina
BOT	Build-Operate-Transfer
BPO	Business Process Outsourcing
CoE	Centres of Excellence
DESTATIS	Federal Statistical Office of Germany
EEAS	European External Action Service
EMI	Euro-Mediterranean Initiative
ETF	European Training Foundation
ETRI	Electronics and Telecommunications Research Institute, South Korea
EU	European Union
EUROPOP	Eurostat Population Projection
EUROSTAT	Statistical Office of the European Union
FBiH	Federation Bosnia and Herzegovina
FDI	Foreign Direct Investment
GCC	Global Capability Centres
GCoE	Global Centre of Excellence
GDP	Gross Domestic Product
GERD	Gross Expenditure on R&D (Research and Development)
GHG	Greenhouse Gas
GRECO	Group of States against Corruption (Council of Europe)
ICT	Information and Communication Technology
IDP	Internally Displaced Persons
IIEP-	International Institute for Educational Planning –
UNESCO	United Nations Educational, Scientific and Cultural Organization
IMF	International Monetary Fund
INSTAT	Albanian Institute of Statistics
IOM	International Organization for Migration
IPA	Instrument for Pre-Accession Assistance
ITRI	Industrial Technology Research Institute, Taiwan

KM	Convertible Mark
LFDR	Labour Force Dependency Ratio
MAKSTAT	State Agency for Statistics, Republic of North Macedonia
MIPEX	Migrant Integration Policy Index
MONSTAT	Statistical Office of Montenegro
MPF	Mobility Partnership Facility
NATO	North Atlantic Treaty Organization
NEET	Neither in Employment, Education, nor Training
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
RCC	Regional Cooperation Council
RCoE	Regional Centres of Excellence
R&D	Research and Development
RS	Republika Srpska
RZS	Statistical Office of the Republic of Serbia
SDG	Sustainable Development Goals
SME	Small and Medium-Sized Enterprises
TAIEX	Technical Assistance and Information Exchange Instrument
TDR	Total Dependency Rate
TFR	Total Fertility Rate
TNC	Transnational Companies
TNO	Organisation for Applied Scientific Research, Netherlands
UN	United Nations
UN-DESA	United Nations Department of Economic and Social Affairs
UNFPA	United Nations Population Fund
VAT	Value Added Tax
VET	Vocational Education and Training
VMRO-	Internal Macedonian Revolutionary Organization –
DPMNE	Democratic Party for Macedonian National Unity
VV	Vetëvendosje
WB	Western Balkans

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The severe demographic decline is a common challenge facing the entire Western Balkans region, whose internal relations are otherwise still partly strained by the negative legacy of past wars. The articles in this volume provide an excellent overview of the social, economic and political implications of demographic trends for the individual Western Balkan states, all of which officially aspire to join the EU, and whose regional relations oscillate between cooperation and antagonistic measures.

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