

# Remittances and Migration in Kosovo: A Comprehensive Analysis and Policy Recommendations

**Erjon Pllana**

1. KSA must leverage microcensus/census data to build a comprehensive diaspora data system, unlocking the real potential of diaspora.
2. The Kosovo government should allocate a larger portion of its budget firstly to social protection programs; and secondly to science, education, innovation, and ICT sectors. Countries that have implemented such measures typically experience a reduced tendency for emigration. [1]
3. Following the example of Ireland, through a rebranding fully focused on harnessing the diaspora's potential for economic development, Kosovo should explicitly encourage Diaspora Direct Investment (by creating a special office that can use the diaspora's fund for national projects, i.e. infrastructure), while also implementing circular migration policies. [2]
4. Following the example of South Korea, Kosovo should concentrate on having economic benefits, specifically by maximizing remittances. A strategic approach could involve issuing exit permits with the condition that a certain percentage (X%) of emigrants' income is routed through the Kosovo banking system. [3]
5. Kosovo should proactively advance its e-Kosova governmental platform, inspired by successful initiatives like Estonia's e-residency and digital nomad visas. Estonia's experience demonstrates that embracing such innovations not only welcomed a significant number of nationals back home but also attracted thousands of international entrepreneurs. [4]

## **Erisa Hoxhaj**

- 1. Encourage Local Talent:** To keep creative people in Kosovo, where they can further research and boost the local economy, scholarships and research grants should be offered. This program aims to support intelligent and capable individuals in Kosovo by providing funding for research initiatives and educational expenses (scholarships). The intention is to retain these gifted people in Kosovo rather than sending them abroad in search of better possibilities. Scholarships can cover both their living and educational expenses, which increases the incentive for them to remain and contribute to the community. Research grants assist fund innovative projects that maintain intellectual property and expertise in Kosovo. Having qualified professionals not only boosts the local economy but also advances Kosovo in several ways.
- 2. Reduce Remittance Costs:** To ensure that more money reaches the intended beneficiaries, collaborate with banks and leverage technology to reduce remittance transfer fees. "Lower Costs" refers to leveraging technology and collaborating with banks to reduce the cost of remittances—money sent back to Kosovo. This program tries to make the process more cheap because high fees can limit the amount of money that reaches households in Kosovo. The intention is to guarantee that a greater proportion of the money provided by migrants actually reaches their family through technological innovation and cooperation with banks. This benefits the receivers as well as encouraging migrants to send more money home.
- 3. Investment Incentives:** Establish a fund that offers tax incentives to companies that receive remittance-based investments, stimulating economic growth and employment creation. The goal of "Investment Incentives" is to establish a fund that will compensate Kosovoian companies that receive remittance investments. Businesses may receive tax discounts or other benefits from this fund, which would encourage them to make remittance-based investments for growth. The goal is to establish a positive investment cycle by linking remittances to the expansion of local businesses, boosting the economy and generating jobs. The ultimate goal of this strategy is to increase Kosovo's economic prosperity.

## Grese Emini

- 1. Facilitate Circular Migration:** Instituting policies that actively encourage temporary migration while emphasizing opportunities for return is crucial in establishing a continuous flow of skills and knowledge. By creating a supportive framework that facilitates individuals to move temporarily for work or educational purposes, we aim to harness the diverse experiences gained abroad and ensure their integration back into the local community. This circular migration approach not only enhances individual growth but also contributes significantly to the local economy and the overall development of our society. The policy focuses on striking a balance between outbound mobility for skill enrichment and the return journey, fostering a dynamic exchange that benefits both the individuals and the community at large.
- 2. Strategic Talent Retention and Innovation Framework:** Foster a vibrant research and innovation ecosystem to combat brain drain by retaining and attracting skilled professionals. Key components include competitive compensation, career development opportunities, investment in cutting-edge infrastructure, and leveraging diaspora expertise. Implementation strategies involve periodic reviews for competitiveness, public-private partnerships, global talent outreach, and policy advocacy. The aim is to create an environment where professionals are motivated to contribute, ensuring a sustainable and dynamic ecosystem for research and innovation.
- 3. Holistic Remittance Promotion Initiative:** To enhance financial literacy and streamline remittance processes, comprehensive initiatives are implemented. Financial literacy programs target both senders and recipients, utilizing workshops, online resources, and community outreach. Remittance channels are simplified through streamlined processes and technology adoption for user-friendly platforms. Diaspora engagement initiatives foster connections through dedicated platforms, events, and forums. Targeted incentives promote remittances to specific sectors, collaborating with financial institutions for preferential rates. Implementation strategies involve close collaboration with banks, technology upgrades, community outreach, and continuous feedback mechanisms to adapt strategies based on evolving patterns and user feedback.
- 4. Efficient Remittance Cost Reduction Strategy:** To revolutionize the remittance landscape, a multifaceted approach is adopted. Transparent and competitive regulatory frameworks are implemented to ensure fair practices and stimulate competition, driving down costs. The promotion of mobile money and digital payments is actively encouraged, collaborating with telecom operators and fintech companies for efficient and secure digital channels. Establishing direct partnerships with key service providers aims to

negotiate favorable terms, reduce fees, and streamline the remittance process. Implementation strategies involve regulatory reforms for healthy competition and transparency, financial education campaigns to highlight digital payment benefits, public-private partnerships for joint development of digital solutions, and incentives to encourage direct collaborations. Continuous dialogue and forums facilitate addressing challenges and enhancing collaboration between government agencies and service providers, ensuring a dynamic and progressive remittance environment.

## **Arber Malsiu**

- 1. Career Development and Innovation Initiatives:** To foster continuous advancement and excellence, we propose establishing Research and Innovation Hubs as focal points for cutting-edge initiatives. These hubs will attract top-tier talent, providing a collaborative environment for groundbreaking research. Introducing Targeted Incentive Programs will motivate professionals, recognizing and celebrating contributions to innovation and career development. Additionally, promoting Diaspora Engagement will tap into global expertise, enriching our research landscape and establishing meaningful connections beyond geographical boundaries. Through these initiatives, we aim to create a vibrant ecosystem driving continuous growth, technological advancement, and global competitiveness.
- 2. Financial Incentives for Professionals:** To address the dynamic job market, we advocate for investing in Upskilling and Reskilling Programs, empowering professionals with the latest skills. Expanding Mentorship Programs connects experienced mentors with those seeking guidance, fostering a culture of collaboration and continuous learning. Additionally, promoting Peer-to-Peer Learning Networks encourages open dialogue and knowledge exchange, enhancing professional development within a community-driven framework. This holistic approach creates a robust ecosystem, empowering individuals to thrive in a rapidly evolving landscape and fostering a culture of lifelong learning and excellence.
- 3. Public-Private Partnership for Retention:** To build a comprehensive and sustainable talent retention and development strategy, fostering Collaboration Across Government, Private Sector, and Educational Institutions is crucial. Strategic partnerships among these entities leverage their strengths to address evolving workforce needs. This holistic approach combines government policies, private sector expertise, and educational resources, creating a robust ecosystem for talent retention and growth. Encouraging Private Sector Participation is essential for a dynamic career development and innovation landscape, tapping into industry-specific knowledge and resources. This collaborative

effort ensures well-rounded initiatives, adaptable to market dynamics, and capable of driving long-term success for individuals and the broader community.

4. **Incentivize Productive Remittances Use:** To channel remittances into specific sectors, we propose Tax Breaks or Matching Grants as incentives. These measures encourage individuals to direct remittances toward designated sectors, maximizing their impact on economic development. The creation of Micro-Investment Platforms is vital for empowering communities through accessible avenues for micro-investments in local projects. For sustainable development, we advocate for Remittance-Linked Social Impact Bonds, connecting remittances directly to measurable social outcomes. These initiatives not only promote responsible financial practices but also contribute to targeted economic growth and community development, fostering overall societal well-being

## Dea Baraku

1. **Competency Preservation and Incentive Program:** Kosova faces the challenge of losing valuable talent to emigration, commonly known as brain drain. To counteract this, the Competency Preservation and Incentive Program aims to encourage professionals in critical sectors, including healthcare, technology, and education, to stay in the country. This initiative involves offering a comprehensive package of incentives such as financial rewards, tax benefits, and opportunities for ongoing professional development, innovations made in these sectors. By creating a supportive environment for skilled individuals, this program seeks to retain their expertise within Kosova, ultimately contributing to the country's long-term economic and social development.
2. **Diaspora Business Incubators:** Diaspora Business Incubators are specialized programs or facilities that provide support for diaspora entrepreneurs looking to start ventures in Kosova. These incubators offer services such as mentorship, workspace, access to funding, and networking opportunities. The aim is to encourage diaspora members to invest in and actively contribute to the local business ecosystem, fostering innovation and economic development.
3. **Remittance Fee Subsidies:** This proposal involves negotiating with financial institutions and money transfer services to reduce or eliminate fees associated with remittances. It may also include implementing subsidies or tax incentives for these institutions to encourage the adoption of cost-effective remittance channels. This could also be made thru the promotion of digital platforms to send remittances so that way the costs of transactions are reduced , it enhances the security and improve the overall efficiency in

the remittance process. The goal is to make sending remittances more affordable for migrants, thereby increasing the overall amount of remittances sent to Kosovo.

4. **Remittance Investment Education Campaigns:** The Remittance Investment Education Campaigns involve efforts to inform and educate remittance recipients about the benefits and opportunities associated with investing their funds. The campaign aims to empower individuals with the knowledge and skills necessary to make informed and impactful investment decisions. It aims to reach that goal through: Workshops and Training Programs, Online Learning Platforms, Collaboration with Financial Institutions

### **Erona Arifaj**

1. **Family-Care Careers Framework:** The initiative's goal is to create a thorough support network for working couples that is especially intended to reduce the risks of migration connected to family-related issues. This program acknowledges that, in a dual-career home, decisions to migrate frequently take into account factors pertaining to both partners. The project entails creating systems to help qualified professionals' partners locate acceptable career possibilities in Kosovo.
2. **Excellence in Stay Grant Program:** The initiative offers a grant system that offers financial support, research grants, and career development possibilities in an effort to keep top-performing professionals in Kosovo. This program has been thoughtfully designed to encourage talented people to commit to remaining and helping Kosovo flourish.
3. **Affordable Remittance Pathway Initiative:** Consists of financial transfer services and strategic cooperation between Kosovo and global financial institutions with the goal of negotiating and establishing a remittance corridor with lower transaction costs. This program is intended to directly address the goal of reducing the expenses related to remittances to Kosovo.

**Key components include:** Establishing cooperation with significant international financial institutions and major money transfer providers. Strive to obtain reduced transaction costs for funds transferred to Kosovo by engaging in active negotiations with these financial organizations and money transfer providers. Establish a pricing structure that is transparent and informs senders and recipients alike of the decreased transaction fees.

4. **Remittance Saving Accounts Incentive:** Entails starting a joint venture with banks to provide savings accounts specifically for recipients of remittances. Remittance recipients would be able to open these special savings accounts under this initiative, which have a

special incentive structure. The greater interest rates offered by these accounts in comparison to traditional savings accounts is one of their primary features. Remittance recipients are directly encouraged to deposit and hold onto a portion of their received monies in these accounts due to the high interest rates. This promotes prudent financial practices and cultivates a saving culture among recipients of remittances.

### **Almir Gjikolli**

1. **Investing in Infrastructure and Expertise:** Invest in infrastructure and trained teachers to meet the demand for education services and from remittance inflows, while ensuring the remittance-driven demand does not affect universal access to education.
2. **Elevating Educational Standards:** Enforce and ensure quality in educational institutions when faced with higher demand for private schools due to remittances.
3. **Enhancing Program Insight:** Collect migration and remittance information in conditional cash transfer programme data to monitor remittance income changes overtime and better understand the full impact of the programme.

### **Donarta Fetahu**

1. **Managing Migration Waves:** Implement a "skilled worker return program" that includes financial incentives and career advancement opportunities. Provide grants, tax breaks, and subsidized loans to returning professionals, focusing on areas of critical need such as healthcare, education, and technology. Match them with jobs that match their skills, and provide opportunities for professional development. (Inspired by Canada's Express Entry program and Vietnam's Talent Mobility Project). Invest in vocational and educational programs: Concentrate on industries with high demand and potential for entrepreneurship, such as agribusiness, renewable energy, and tourism. This improves the workforce and provides career opportunities for potential migrants. (Example: Rwanda's Skills Development Fund) Develop an information campaign emphasizing Kosovo's positive future: Counter negative narratives by highlighting economic growth, infrastructure improvements, and social progress, as well as opportunities for returning migrants to contribute to the country's development. (Similar to Ireland's "Embrace Ireland" campaign)

2. **Addressing Brain Drain:** Establish dedicated research grants and fellowships: Fund research projects in collaboration with universities and private companies, attracting and retaining top talent with the opportunity to contribute to cutting-edge research and development. (Similar to Singapore's A\*STAR research agency) Create "innovation hubs" with modern infrastructure and support services: Provide co-working spaces, mentorship programs, and access to venture capital, attracting entrepreneurs and startups. (Following models like Israel's Matim centers). Offer flexible work arrangements and remote work opportunities: Allow skilled professionals to contribute from Kosova even when based abroad, promoting knowledge transfer and diaspora engagement. (Similar to Estonia's digital nomad visa program)
  
3. **Increasing and Channeling Remittances:** Promote financial literacy and entrepreneurship training: Educate migrants on safe and efficient remittance channels, financial planning, and investment opportunities back home. (Based on Mexico's "Three for Me" program) Partner with remittance service providers to offer investment products: Work with banks and fintech companies to develop remittance-linked investment accounts or diaspora bonds, channeling funds directly into infrastructure projects or startups. (Example: Ethiopia's diaspora bonds program) Provide tax breaks and other incentives for remittance-based investments: Reduce taxes on income channeled into business ventures or property development, encouraging productive utilization of remittances. (Following India's "NRI investment schemes")

### **Yllke Berisha**

1. **Investing in Asylum Places in Kosova:** In addition to creating asylum places, it's crucial to establish comprehensive support systems for migrants. This includes facilitating their integration into the local community. Collaborate with NGOs and local businesses to create programs that offer language courses, cultural assimilation support, and job placement services. The government can also collaborate with private enterprises to develop vocational training programs, ensuring migrants have the necessary skills for employment. Establishing a welcoming environment can contribute significantly to successful integration.
  
2. **Incentives to Retain Professionals in Kosova:** To encourage professionals to stay in Kosova, the government can implement a multifaceted approach. Firstly, during their education, students can be provided with practical, hands-on experience through internships or cooperative education programs, creating a seamless transition into the workforce. Secondly, introduce tax incentives for businesses employing highly educated professionals, making it economically favorable for companies to hire and retain skilled



individuals.

3. **Lowering Remittance-Sending Costs:** Reduce remittance-sending costs by promoting the use of digital channels for transactions. Partner with financial institutions to develop user-friendly and secure mobile applications or online platforms for remittance transfers. Launch awareness campaigns to educate migrants about the advantages of digital channels, emphasizing cost-effectiveness, speed, and reliability. The government can also negotiate with financial institutions to offer discounted or fee-free digital remittance services for a certain period, encouraging the adoption of these platforms.
4. **Channeling Remittances into Investments:** To incentivize migrants to invest their remittances in local projects, the government can provide a higher return on investment for those who choose to invest in specific sectors deemed critical for economic development. Alternatively, offer subsidies or low-interest loans for approved investment projects. Establish a transparent and efficient process for evaluating and approving investment proposals, ensuring that remittances contribute to sustainable development. Implement monitoring mechanisms to track the impact of these investments and provide regular updates to the public to enhance transparency and accountability.

## **Drin Grajçevci**

1. **Return Programme (Sector-specific/Skilled)** - By offering a comprehensive package of incentives, such as tax benefits, access to research grants, and support for establishing businesses, this program creates an inviting atmosphere for skilled Kosovar professionals to return home. This initiative aims not only to address brain drain but also to strategically position returned professionals in sectors crucial to Kosovo's growth. In the context of Kosovo, collaboration with key sectors becomes paramount. By establishing partnerships with technology, healthcare, and infrastructure sectors, the Return Programme ensures that returning professionals fill specific skill shortages/gaps that align with the immediate needs of the country. Moreover, customized incentives further cater to the unique challenges and opportunities within Kosova, tailoring tax benefits and business support to the local economic landscape.
2. **Digital Remittances Initiative** - The Digital Remittances Initiative acknowledges the inefficiencies of traditional remittance methods and focuses on promoting digital platforms. So, by offering financial incentives exclusively for digital transactions, this initiative encourages cost-effective remittances and emphasizes the efficiency and security

of digital channels. The Digital Remittances Initiative positions technology to enhance the overall remittance experience for both senders and receivers while maximizing the impact of remittances on Kosova's economic development. In addition, by partnering with local and international financial institutions, the Digital Remittances Initiative ensures the smooth integration of digital remittance platforms, making them accessible, user-friendly, and compliant with local regulations. Local integration of remittance services involves collaboration with businesses, enabling remittance recipients to use digital funds in their daily transactions, promoting a wider adoption of digital platforms.

3. **Kosova-Diaspora Investment Fund** - The Kosova-Diaspora Investment Fund recognizes the connection and seeks to transform remittances into engines of long-term economic development. By establishing a matching fund, this initiative leverages remittance contributions to drive impactful investments in Kosova. It establishes a transparent process for project selection, ensuring initiatives align with Kosova's economic development goals. Moreover, the government support would further strengthen the Kosova-Diaspora Investment Fund-backed projects, streamlining bureaucratic processes, providing regulatory support, and investing in infrastructure development. This holistic approach creates a conducive environment for successful implementation, maximizing the positive impact of remittances on Kosovo's economic growth.

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