DEMOGRAPHICS AND ECONOMY

Ageing, emigrating, shrinking – but is the demographic story in the Western Balkans about to change?

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Pensioners playing chess in the city of Sarajevo, Bosnia and Herzegovina, on a sunny day in January. Photo: Anto Magzan

In the restaurant of a Hilton Hotel, a Kenyan waitress takes your order. In another Hilton, a Filipino woman mops the floor. In a very expensive restaurant, the chatter is in Russian. Utterly unremarkable? However, this is not London or Berlin. The Kenyan is dressed in Serbian ethnic costume and is in Belgrade. The rich Russians are in Belgrade, too, and the Filipino woman is in Tirana. All of them are pioneers. Until very recently, the Western Balkans were of interest only to migrants as countries to pass through on their way to the European Union. These countries were poor, there were no jobs and smart people emigrated. Nevertheless, things are changing.

In terms of demography, the Western Balkans and Croatia have suffered from all the same ailments as other post-communist European countries, only more so. Their populations are ageing fast, and they have endured high levels of emigration of skilled and unskilled labour, plus women of childbearing age. They have relatively low birth rates, in part as a consequence of the emigration of these women. Compared to the richer parts of Europe, they have low health and life expectancy rates and, until now, no significant immigration.

The results are clear. The population of almost every country in the region is shrinking, labour shortages are chronic and now their doors are opening to immigrants [1].

The demographic situation in the Western Balkans is dire and projections indicate that some populations will have halved by the end of the century. However, such projections will only prove correct if the situation in a given country remains the same. That is unlikely to be the case. A few years ago, Poland's population was shrinking – and, on paper, it still is. In fact, most of its three million immigrants are not counted in the official data and its population is growing. Romania, whose population has shrunk by 18% in the last 35 years, has now thrown open its doors to immigrants and, as its economy continues to grow, the era of mass emigration from the country is over. Such changes of fortune were not foreseen a decade ago. So, while the countries of the Western Balkans are still in the grip of demographic decline, their future may well turn out to be different from that of today's projections.

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While the population of most of the wider region is shrinking, two countries, Montenegro and Slovenia, are the exception. Nevertheless, their modest population growth is due entirely to immigration and, in that respect, they are similar to richer, Western countries. In Slovenia, immigrants come mostly from the poorer parts of former Yugoslavia such as Bosnia and Herzegovina and, while the same is true in Montenegro, it has also seen an influx of thousands of Russians and others in recent years. If they stay, which is an open question, they will change the country's demographic future.

Small countries growing smaller

From north to south, all the countries of the region suffer from the same demographic issues, the only differences being that some are years or even decades ahead of others in terms of where they lie on the various trends and curves. Croatia is the most advanced. According to its 2011 census, Croatia had a population of 4.28 million. Then in 2021, the census recorded a resident population of 3.87 million. Therefore, in just ten years, Croatia's population had dropped by 9.64%. For the population at large this was a shock, but not for anyone who had been following the trends. For years, Croatian statistics and governments had officially underestimated the magnitude of emigration since 2013 when Croatia joined the EU; the issue had simply been brushed under the carpet.

In the 1990s, the wartime period saw an outflow of Serbs and an inflow of some 200,000 Croats from Serbia and Bosnia. Ever since, however, Croatia's population has been shrinking, due to emigration and a low birth rate. It is also a rapidly ageing society. In

1991, the year of Croatian independence, 12% of the population were aged 65 or over. In 2021, that figure stood at 22.45%. In 1991, the percentage of children under 14 was 19%, but by 2021 that statistic had shrunk to 14%.

A grandfather bids farewell to his granddaughter, who is leaving for a school trip on a bus to Zagreb, Croatia. Photo: Anto Magzan

Kresimir Ivanda, a demographer at Zagreb University, says that, of the more than 400,000 lost from Croatia's total population during the decade to 2021, some 250,000 could be attributed to emigration, while the rest were due to natural causes, that is to say, there were more deaths than births. Tado Juric, a demographer at the Catholic University of Croatia, estimates that far more Croatians have emigrated since 2013: he believes that 310,000 have gone to Germany, and 20,000 each to Austria and Ireland. If Ivanda is correct, then the number who have left since 2013 represent 6.5% of Croatia's 2021 population; if Juric is right, the percentage is a lot higher. A large proportion of those Croatians are young, of childbearing and working age. Increasingly, whole families have departed.

A major consequence of what is happening are labour shortages which can no longer be filled by importing other ex-Yugoslavs for the tourist season. But Croatia is not just short of waiters and construction workers. It cannot compete when it comes to wages for skilled workers, who must then emigrate, and it does not train enough engineers and specialists, thus hampering the growth and development of high value companies and sectors.

Croatia
3.85 million Population, January 2023 (Eurostat)
1.53 children per woman Fertility Rate, 2022 (Eurostat) EU average: 1.46 in 2022 (Eurostat)
45.4 years Median Age, 2023 (Eurostat) EU average: 44.5 years in 2023 (Eurostat)
77.7 years Life expectancy, 2022 (Eurostat) EU average: 80.6 years (Eurostat)

Neighbouring Serbia is shrinking at roughly the same pace. In the past, whether or not a country was in the EU made a big difference in terms of emigration. Not anymore. Today it is easier than ever for citizens of non-EU countries to obtain work and residence permits in labour-hungry countries like Germany. According to the September 2022 census, Serbia's population was 6.64 million, compared to 7.18 million in 2011, which means a loss of more than half a million or 7.5%. Prior to that, between the 2001 and 2011 censuses, Serbia's population had dropped by some 4%, so the trend of decrease has doubled in the last decade. This is not negligible. The trend is the same, but speeded up. According to a United Nations projection, by 2100 there could be just 3.26 million people left in Serbia.

The rate of net emigration is in the region of 10 to 15,000 a year. In some countries, the main factor in explaining population shrinkage is emigration, but in others, like Serbia, this is not the case. The largest single factor behind Serbia's shrinking population is that far more Serbs die every year than are born, and while the country received some immigration of Serbs from other parts of the former Yugoslavia during the 1990s, it has had little since. In 2023, there were 60,813 births in the country and 97,098 deaths so, if we disregard how many people actually migrated in or out during this period, Serbia's population declined by 36,285.

> Serbia's life expectancy figure is the lowest in Europe, after Moldova

Today the government provides some benefits for families with children as a way of encouraging them to have more, but it is hard to see this measure having much success. Decades of lower than replacement fertility rates mean that the number of women of childbearing age has shrunk as a consequence. In the period 2011-20, the number of women aged 20-44 decreased by 11%, and those aged 20-34 by 17.5%.

But Serbia's demographic problem is not just that it does not have enough babies. Serbia's life expectancy figure is the lowest in Europe, after Moldova. Compared to other European countries, this figure has been stagnating for three decades because its healthcare system has not been adjusted to serve a much greater proportion of older people. Serbia's high death tolls are absolutely avoidable for cardiovascular problems, as they are for lung cancer, also a major cause of death. According to the World Health Organization, 39.8% of adults in 2020 were smokers, the highest figure in Europe. This is something that governments can do something about, but policies tackling the long-term problem of preventable death are either absent or insufficient.

With regard to Bosnia and Herzegovina, the real problem is that we have no official population figures for the country. In 1991, just before the war, the population was about four million. Now estimates vary between 2.8 and 3.3 million. According to the United Nations Population Fund (UNFPA), which took Bosnia's population to be 3.46 million in 2020, the country was losing some 25,000 people a year to emigration in the period 2013-20. As a consequence, the proportion of children in Bosnia decreased from 22.4% to 19.3%, and the number of individuals aged 65 or more increased from 14% to 17.2%, a figure that is expected to grow to 36% by 2050 and 42% by 2070. At the same time, the proportion of Bosnians of working age – 63.5% in 2020 – is expected to drop to 50% by 2050 and 43% by 2070. Such changes will have a major impact on everything, from the economy in general to pensions and social care.

People leave for many reasons but, in Bosnia, constant gloomy predictions that war or conflict could reignite are a major factor. However, when it comes to pull factors, angry voices increasingly express resentment, not only at Bosnia's own officials and policies, but at Germany above all, for expropriating Bosnia's labour force. There is a feeling that the country is "haemorrhaging" students, workers and nurses, to Germany in particular, and that Germany "is not paying back". It might be partnering to help train nurses, but Bosnia has still paid the bill for the rest of their education.

Bosnia and Herzegovina
3.43 million Population projection, 2022. Projection based on the 2013 census (BHAS)
1.18 children per woman Fertility Rate, 2022 (BHAS) EU average: 1.46 in 2022 (Eurostat)
44.4 years Median Age, 2023 (CIA World Fact Book) EU average: 44.5 years in 2023 (Eurostat)
78.2 years Life expectancy, 2023 (CIA World Fact Book) EU average: 80.6 years (Eurostat)

Unlike Bosnia, the good news from North Macedonia is that, in the wake of its 2021 census, we finally know more or less how many people live in the country, which we did not for years. Or at least that is what the country's State Statistical Office and economists say. Today, according to the official data, there are reckoned to be 1.83 million in the country. In 1991, at the time of independence, there were some 1.99 million, meaning that North Macedonia has lost some 8% of its population since then. By comparison, Serbia and Croatia have both lost more than 13% of their populations in the same period, and Bulgaria more than 25%.

According to North Macedonia's statistical office, the country is currently losing some 15,000 people a year, mostly to emigration. Some, including civil society activists, are sceptical of the statistical office's numbers, convinced that the true population figure is closer to 1.5 million. According to projections carried out by the statistical office, with a "medium fertility" variant, North Macedonia's population will be 1.19 million by 2070.

Like everywhere else, Macedonians are getting older. These are statistics that are similar in other Western Balkan countries; declining numbers mean fewer pupils and students in education every year. In the 2022-23 school year, there were 185,099 students in elementary and lower secondary schools, while in 2000-01 there were 249,375. That is a decline of almost 26% in just over two decades.

North Macedonia
1.82 million Population, January 2023 (Eurostat)
1.58 children per woman Fertility Rate, 2022 (Eurostat) EU average: 1.46 in 2022 (Eurostat)
41.5 years Median Age, 2023 (Eurostat) EU average: 44.5 years in 2023 (Eurostat)
76.15 years Life expectancy, 2022 (SSO) EU average: 80.6 years (Eurostat)

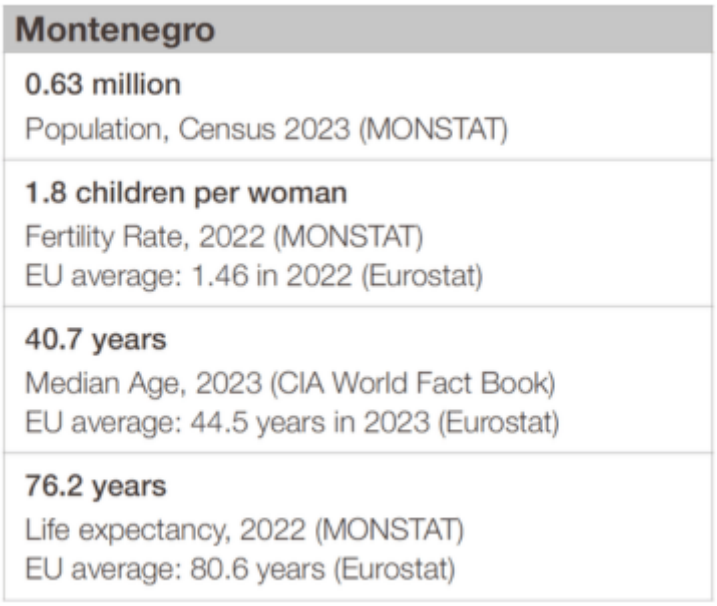
At first glance, Montenegro looks like the odd one out in the region. According to the first results of last year's census, there was a 2% increase in the country's population. According to preliminary data, Montenegro now has 633,158 inhabitants or 7,892 individuals more than a decade ago. But let's not get too excited. Miroslav Pejovic, the head of MONSTAT, the country's statistical office, says checks are now being run to make sure that some people did not get counted twice. Even if the stated number is correct, the fact that lies behind it is that more than 96,000 foreign citizens were registered as living in Montenegro – about 15% of the total population. Without them, we would have seen a big fall in the population.

> The fertility rate in Serbia, Albania or Kosovo has crashed, while Montenegro's rate, at 1.8, remains very high by European standards

If the foreigners stay that would be great for Montenegro but this is far from certain. Russians account for 26,000 of these individuals, Ukrainians are next with 9,752, followed by 9,110 Turks. Neither is it yet clear how many of them are physically in the country, as opposed to just being registered there, and how many were counted in the census data. That remains to be seen. In other respects, the Montenegrins suffer from all the same problems as the rest of the region.

In the past, Montenegro's fertility rate was much closer to that of the high rates of Kosovo and Albania than Serbia, which one might have expected. Today, the fertility rate in all those countries has crashed while, at 1.8, Montenegro's remains very high by European standards, albeit much less than the 2.1 needed for a population to replace itself. By contrast, in Albania in 2022, the figure was 1.21, which is not only the lowest rate in its history but one of the lowest on the planet. This may not mean that Albanian women are

having dramatically fewer children though, but rather that many of them are having them abroad.



At the beginning of 2023, Albania's resident population, according to INSTAT, the Albanian statistical agency, was 2.76 million and dropping fast. Albania's population peaked at 3.26 million in 1990, which means it has dropped 15.4% since then. INSTAT expects that the population will be 2.23 million by 2055. INSTAT has also calculated that, in 2020, the number of Albanian citizens abroad was 1.68 million. This does not mean that all of them emigrated, however, because the number includes the children of emigrants, who were born and live abroad but have Albanian citizenship. Still, for a country which has not seen a war, that is a huge diaspora to have been created in just over 30 years.

In the past, governments in the region preferred people to go abroad rather than be unemployed and politically disaffected at home. They also had their eye on emigrants as an important source of revenue. However, as the years pass, and as those living abroad have their families living abroad with them, the amount they send back diminishes. The figures we have for Albania are a case in point. According to the World Bank, in 1993, when almost nothing was working in the country, the first exodus of tens of thousands of young men sending remittances from abroad accounted for as much as 28% of the GDP. In 2022, that figure had fallen to 9.24%.

The fact that so many Albanians emigrate not only creates general labour shortages but can create huge gaps in public services, from health to education. The issue of healthcare professionals leaving the region for better pay and conditions is relatively well known, though its impact is often not so clear to outsiders. If a small Balkan country like Albania has only ten specialists in a particular field and two of those leave, that is 20% down, with a concomitant increase in potentially lethal waiting time – or it means that there is just no specialist where you live. Less talked about is the effect on education, increasingly an issue in Albania – and probably elsewhere – where, especially in some poorer areas such as the

north, there is now a shortage of maths teachers, for example.

Albania
2.76 million Population, January 2023 (INSTAT)
1.21 children per woman Fertility Rate, 2022 (INSTAT) EU average: 1.46 in 2022 (Eurostat)
38.8 years Median Age, 2023 (INSTAT) EU average: 44.5 years in 2023 (Eurostat)
79.1 years Life expectancy, 2022 (INSTAT) EU average: 80.6 years (Eurostat)

In Kosovo, the discussion is usually about the proportions of Albanians and Serbs rather than just people. Official data has also long been unreliable but is more than enough to demonstrate clear demographic trends. In 1991, there were approximately 1.97 million people in what was then Serbia's southern province. According to the Kosovo Agency for Statistics (ASK), in 2022 the population was officially estimated to be 1.77 million but, lacking accurate emigration data, ASK officials believe that the real number of residents in the country is far less. At the end of 2023, they believed that number to be 1.5 million. Now they predict that the shrinking of Kosovo's population is about to accelerate. Emigration and declining birth and mortality rates mean that, by the end of the decade, Kosovo's population could have plummeted to 1.2 million, they say. If this proves to be accurate, it would mean that Kosovo's population would have shrunk by 39% in 40 years. Kosovo is still the youngest country in the region but, if so many of its young citizens are abroad, what use is that for the future of the country?

A note on the ethnic issue: for years it has been repeated that there are about 100,000 Serbs left in Kosovo, and that number is endorsed by the Serbian Orthodox Church. But, if the population of Kosovo as a whole is shrinking, it would be illogical if Serbs were not leaving too, and the Serbian government at least claims that they are. ASK officials believe that the Serb population has now shrunk to about 65,000 and, in terms of consequences – of course that could have future consequences, given that the Serbs are disproportionally powerful in Kosovo's governance set-up, which is based on the number of Serbs there used to be. In April 2024, Kosovo began taking a census but Serb leaders asked their people to boycott, as they have done in the past, and as the Kosovo Albanians did when the Serbs were in control. Hence Kosovo's data will continue to be unreliable.

Kosovo
1.77 million Population, 2022 (ASK)
1.88 children per woman Fertility Rate, 2022 (CIA World Factbook) EU average: 1.46 in 2022 (Eurostat)
31.7 years Median Age, 2022 (CIA World Factbook) EU average: 44.5 years in 2023 (Eurostat)
72.2 years Life expectancy, 2022 (CIA World Factbook) EU average: 80.6 years (Eurostat)

Now for something completely different

With ever smaller cohorts of young people entering the job market and with labour shortages pushing up wages, immigration is the new chapter in the demographic story of the Western Balkans and Croatia. As Croatia is the richest country in the Western Balkans and the only EU member, it is instructive to look at what is happening there as it is bound to be a pathfinder for the region.

In 2018, the Croatian government placed a cap of 39,000 on the number of non-EU work permits it was issuing. Now the cap has been abolished and, in 2023, the authorities gave out 172,499 work and residence permits. Of those permits, two thirds went to the construction and tourism sectors. The 52% went to Bosnians, Serbs and citizens of other Western Balkan countries; the remainder included 23,493 Nepalis, 15,627 Indians, 10,999 Filipinos and 8,749 Bangladeshis. In the first three months of 2024 alone, 52,196 permits were issued, and the largest single group were Nepalis. Not picked up by the data are those from Bosnia and Serbia, who are also coming to work but have Croatian citizenship. The Croatian Employers' Association (HUP) estimates that, by the end of the decade, up to 400,000 foreigners will work in Croatia.

Until 2022, only small numbers of foreigners settled in Serbia for longer or shorter periods. According to Serbia's Ministry of Interior in 2021, the three largest national groups were 9,104 Chinese, 6,285 Russians and 3,282 Romanians. However, their data for the number of work permits given to foreigners gives a different picture. The Chinese were still top of the list, followed by 4,587 Turks and 1,267 Indians.

In the wake of Russia's full-scale invasion of Ukraine beginning in February 2022, the picture has changed utterly. Serbia is one of the few European countries not to require visas for Russians; tens of thousands flooded into the country, though how many remain is

unknown. While some in the press quote a number as high as 200,000, that is absurd, says Maksim Samorukov of the Carnegie Endowment think-tank, who was one of them, before moving on to Berlin: “My guess is that the number of Russians in Serbia is significant, but way lower than in Georgia or Armenia. Maybe 60,000-70,000 or even less. But again… that is an educated guess at best.”

> In the Western Balkans, labour migration has begun, but it remains to be seen how much of that will turn into permanent immigration

In mid-2023 there were press reports that some 30,000 Russians had residence permits, but even without one it was possible to simply cross the border to a neighbouring country and immediately return to “reset” an expiring tourist visa. The arrival of the mostly educated Russians was greeted with excitement in Serbia. where it was recalled that, in the wake of the Russian Revolution, thousands of White Russian exiles had made their home in Serbia and Yugoslavia and made major contributions in many sectors, including education, architecture and the military.

In all the other countries of the region, labour migration has begun, but it remains to be seen how much of that will turn into permanent immigration. It is clear, however, that a new chapter is beginning. The more than three decades since the demise of Yugoslavia have been thirty-plus years of relentless demographic decline for most of the former country. While some of this can be attributed to the wars of the 1990s, it would be wrong to blame them for everything. The demographic decline of Albania, Bulgaria and Romania has been even worse. Now economic growth in Romania, Poland, Czechia and other former communist countries has to a great extent ended the period of mass emigration and even encouraged former migrants to return. These countries have opened their doors wide for immigration and we can expect that the countries of the Western Balkans will most likely follow in their footsteps, some sooner than others.

For now, no country in the region has a properly proactive immigration policy, as opposed to just reacting to demands for labour. In Croatia, according to Ivanda: “How we want to manage future migrations is something of a taboo.” Avoiding the issue is not a tenable policy though, “because Croatia is going to need ever more immigrants every year”. And what is true for Croatia today will be true for the rest of the region in the years to come. Today Croatia is at the very cusp of a change that is also happening in Slovenia, Romania and Poland. This means that the future may be similar to that of Italy, a country of emigration until the 1970s and now a country of immigration, although skilled Italians continue to emigrate, thanks to uncompetitive salaries and poor career prospects: “I believe that this is what is happening,” says Ivanda.

Politicians in the Western Balkans still expend much of their energy arguing about the same issues they argued about during the 1990s. The problem is that the world has moved on and their countries are changing in ways they did not – or refused to –foresee. With ever

smaller cohorts of women of childbearing age, even without emigration their countries would become ever older and smaller with every passing year. Now immigration offers them both the opportunities and the challenges already being faced by their peers in richer countries. How they rise to these will shape the future of the region, just as it has already shaped the present of large parts of the rest of Europe.

REFERENCES AND FOOTNOTES

1 — The sources for all the data in this article are Eurostat and the National Statistical Agencies of the individual countries.

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