

BETWEEN EMIGRATION AND ATTRACTION:

Governance, Challenges, and EU Convergence

Policy Summary

July 2026

→ Introduction

The PSIMM report *Between Emigration and Attraction: Governance, challenges and EU convergence* takes stock of current labour migration management infrastructure in the Western Balkans. The report provides the background for the *Regional Roadmap to improve labour migration management and prevent secondary movements*.

Recognising that foreign labour migration is becoming a structural component of Western Balkan economies, and that existing legal and policy frameworks remain limited in their capacity to retain foreign workers, the PSIMM Roadmap sets out practical policy measures aimed at ensuring legal labour migration pathways remain accessible to migrant workers, while safeguarding domestic labour force.

Methodology. The assessment is based on qualitative research conducted in all Western Balkan partners between October 2025 and February 2026. A common methodology was applied to understand how labour migration is governed along the entire cycle — from recruitment through to contract termination — including the practical challenges reported by lead institutional stakeholders.

1. Desk research reviewed the legal and policy landscape — laws, regulations, strategies, administrative directives, and procedural guidance — to outline formal mandates, admission routes, and oversight duties, map the lead institutions, and examine available administrative data (permits and visas issued, quota utilisation, inspection activity).

2. 34 key informant interviews were held with stakeholders at both policymaking and practitioner levels, using a semi-structured format adapted to institutional mandates. Furthermore, a series of workshops informed the data collection and validated main results.

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➔ Context: The Dual Role of the Western Balkans

The Western Balkans occupy an exceptional and structurally complex position in Europe's migration landscape. They are simultaneously a major sending region of labour to the European Union and an emerging destination for labour migrants from third countries, a duality that generates common governance challenges no single economy can address on its own.

Nearly 25% of the region's citizens live abroad, with net emigration continuing particularly among the young and educated, creating acute and growing labour shortages in key sectors such as construction, agriculture, tourism, manufacturing, and ICT. Work permits for foreign workers in the region more than doubled between 2018 and 2024, from approximately 46,000 to over 100,000, driven by the departure of the domestic workforce. In 2023, the region recorded record-high employment rates and record-low unemployment, yet 40% of employers across the region reported being unable to find workers with the skills they need (IOM 2025). Furthermore, in Bosnia and Herzegovina, a 2024 analysis by the Labour and Employment Agency¹ found that restrictive policies and administrative barriers leave employers unable to secure the workforce needed to sustain operations.

The dual role of the Western Balkans

SENDING REGION → EU

- ~25% of citizens live abroad
- Unemployment ~10–13% (vs EU ~6%)
- Shrinking, ageing workforce; net outflows
- ~40% of employers cannot find needed skills

DESTINATION ← THIRD COUNTRIES

- Work permits: ~46,000 (2018) → 100,000+ (2024)
- Concentrated in construction, agriculture, tourism
- Origins diversified: India, Bangladesh, Nepal, Philippines
- New pressure on administrations, legal & protection systems

The same structural drivers — demographic decline, wage gaps, and weak retention — simultaneously position the region as a growing destination, concentrated in precisely the sectors most affected by domestic emigration. Western Balkans are now a destination for labour force from countries historically not associated with this migration corridor:

¹ Labour and Employment Agency of Bosnia and Herzegovina (LEA-BiH). (2024). Analysis of the problems employers face in finding the required domestic and foreign workforce with proposals for improvement. [www.arz.gov.ba/Dokumenti/Fajlovi/Analiza final.pdf](http://www.arz.gov.ba/Dokumenti/Fajlovi/Analiza%20final.pdf)

	Sectors	Countries of Origin
Albania	Construction, tourism ² , agriculture	India, the Philippines, Türkiye, Bangladesh
BiH	Construction, manufacturing, hospitality, and services	Türkiye, Nepal, Serbia, India, Bangladesh
Kosovo*	Construction, manufacturing, agriculture, hospitality and services. Information and Communication Technology sector is increasingly employing foreign professionals in software development, network administration, and technical support.	Albania, Türkiye, North Macedonia, Serbia. From outside the region, significant numbers of workers originate from Bangladesh, Nepal, India, and the Philippines. Smaller groups or groups applying in certain periods have also come from Pakistan, Afghanistan, and Syria.
Montenegro	Construction, accommodation and food services. More recently other sectors employ foreign workers: retail trade, and information and communication.	Russian Federation, Serbia, Türkiye, BiH, Albania
North Macedonia	Construction and hospitality	Recruitment is increasingly sourced from further afield, particularly from India, Bangladesh, and Nepal.
Serbia	Construction, trade, transport, service sectors, and to a more limited extent the IT sector.	China, Türkiye, India began to emerge in 2021 as a significant source of workers. Since 2022 Russians became the dominant group in approved temporary residences, especially in IT. Since 2023, an increasing diversification of source countries for lower-skilled labour, with notable growth in workers from Nepal, Uzbekistan, and Sri Lanka.

A defining feature is the region's shared orientation towards EU accession, which commits partners to aligning their labour migration systems with the EU acquis and presents a strategic opportunity to foster modern, rights-based labour migration infrastructures. Such an approach, together with measures addressing current labour market needs, is expected to impact on the level of foreign workers retention.

Expert accounts refer to what is called secondary irregular movement: workers who enter the Western Balkans through legal channels subsequently depart and move on irregularly. In Albania, stakeholders described the country as a 'bridge' from which workers disappear from the system without explanation. In BiH and Kosovo*, employers report frequent 'no-shows' and early contract abandonments within weeks of arrival.

² Official state reports, such as the Annual National Migration Profile for 2023 and Annual National Migration Profile for 2024, employ the term "accommodation and food services", however highlighting that the demand for accommodation and food services is directly linked to the expansion of the tourism industry. During interviews and regional workshops, stakeholders consulted used the term tourism.

³* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

➔ What the Research Found

Five main findings relevant to foreign workers retention trace the labour migration cycle from admission through recruitment, post-arrival monitoring, protection, to the persistent gap between legal frameworks and implementation.

Table 1. Five main findings at a glance

#	Finding	Core insight
1	Admission systems drive demand for informal channels	Quota underutilisation coexists with significant unofficial labour demand in the same or adjacent sectors
2	Recruitment: a weak link in the governance chain	Uneven Private Employment Agencies (PEA) regulation and oversight focused on formal compliance leave the chain opaque
3	The post-arrival environment is least monitored	Institutional visibility drops after a permit is issued; siloed data and blind spots (private households, dispersed worksites) increase exploitation risk as well as onward-movement risk
4	Workers cannot access protection already in place	Safeguards exist on paper but language barriers, fear of deportation, legal costs and recruitment debt block access; the Zero-Cost Principle is inconsistently applied
5	Legal frameworks improved; implementation lags	Laws are updated and EU-aligned, but under-resourced, reactive labour inspection lacks coverage, language skills and database access

► Admission: A governance model that cannot supply workers formally will supply them informally

Across the Western Balkans, quota systems are among the central policy instruments for regulating labour migration and protecting domestic labour markets. Quota-based approaches are present in Albania, BiH, Kosovo*, Montenegro and North Macedonia. Serbia is relying primarily on labour market tests.

Quota systems across the Western Balkans are largely set through administrative processes rather than empirical analysis, since fragmented data and the absence of systematic employer shortage-reporting leave assessments resting on general estimates and institutional perceptions. The result is a mismatch: quota underutilisation coexists with significant unofficial labour demand in the same or adjacent sectors. Even approved allocations often go unused because procedures are slow — in BiH, for instance, hospitality and construction employers frequently miss the seasonal hiring window. On top of individual admission requirements, quotas add complexity and delay, pushing employers and workers toward informal or irregular channels to meet actual demand.

4*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Stakeholders highlighted the potential shift from quota-based systems to more flexible approaches, such as the use of shortage occupation lists. Such approaches could, if properly designed and regularly updated, provide a more responsive mechanism for aligning labour migration with actual labour market needs. For instance, the Federation of Bosnia and Herzegovina recently amended key legislation to introduce a list of shortage occupations in which employers can hire a foreign worker without a labour market test⁵. The list of occupations, drawn yearly by the Federal Employment Agency, for the upcoming year, together with the Economic and Social Council and with the approval of the Federal Ministry of Labour and Social Policy, is expected to be based, inter alia, on market needs.

► **Recruitment: An environment that begins with debt discourages workers to remain**

The rapid shift towards recruiting from outside the region has created a complex ecosystem of intermediaries, many operating outside formal regulatory frameworks. Unlicensed brokers charge illegal recruitment fees in direct violation of the Zero-Cost Principle, which can also lead to debt bondage that persists throughout employment. Stakeholders reported that workers from Bangladesh, Nepal, India, and the Philippines frequently arrive having paid substantial sums which can make them financially trapped and unable to leave exploitative conditions. Licensed private employment agencies are monitored for administrative compliance but not for ethical recruitment standards or actual treatment of workers. In Serbia for example, a legislative loophole allows non-compliant agency founders to re-establish under different names. In BiH and Serbia, agencies registered abroad fall entirely outside domestic legal accountability. In Kosovo*, reporting relies almost entirely on data reported by the agencies themselves, and the Employment Agency has a limited mandate to act if these reports are incomplete.

In 2022, the Albanian Labour Inspectorate conducted a comprehensive monitoring of 89 private employment agencies. The inspections revealed that 14 percent of the checked agencies were illegally applying fees to workers, leading to the issuance of fines and the referral of five agencies for license revocation (GRETA 2025).

► **Employment oversight: The post-arrival environment is least monitored and most exposed to exploitation**

Institutional visibility diminishes sharply once a permit is issued: there is limited capacity to verify whether permits are activated, whether employment continues, and whether contracts end early. Risks of exploitation, undeclared work, and onward irregular migration are most pronounced during this least-monitored post-admission phase, compounded by siloed, non-interoperable data and blind spots such as the private household sector — described in Kosovo* as a “black hole” for oversight.

5 Sarajevo Times (2026), Blog. Business. The Federation of BiH introduces easier Employment of Foreigners. <https://sarajevotimes.com/the-federation-of-bih-introduces-easier-employment-of-foreigners/> (22 April 2026)

6*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Labour inspectorates are under-resourced and predominantly reactive, triggered by complaints rather than proactive risk analysis. In Montenegro, a recurring systemic constraint in monitoring concerns the limited interoperability of IT systems used by inspection services. Inspectors currently have access to basic information on registered employees within a specific company; however, this level of access is insufficient for comprehensive risk analysis. Rights violations such as passport retention in Albania and North Macedonia, fictitious shell companies in Serbia and Montenegro, non-registration for social insurance in Serbia, wage deductions of up to 30% in North Macedonia to cover travel and administrative expenses occur after legal entry.

► **Foreign workers rights: inaccessible formal protection undermine workers' trust**

Third-country workers, particularly from South Asia, are concentrated in low-wage, high-risk jobs, with reported violations including wage non-payment, excessive hours, poor accommodation, document confiscation, and denied access to services. All Western Balkan legal frameworks formally guarantee migrant workers the same rights as domestic workers. In practice, access is structurally constrained. Workers fear permit revocation if they file a complaint; a rational fear, since permits are tied to a specific employer, creating coercive dependency that makes reporting structurally unsafe. Complaint mechanisms are available only in local languages in most contexts. Though Albania has published rights guides in seven languages, stakeholders acknowledge this has not resolved the institutional navigation barrier. In North Macedonia, a documented gap between reported exploitation and formal complaint records indicates systematic underreporting. Workers have no way to navigate the multiple institutions that share responsibility for their protection.

► **Legal frameworks: The gap between legislation and what institutions can deliver fails workers and employers alike.**

Legislation governing the admission, employment, and residence of foreign workers, has been enacted or updated in all six contexts. For instance, Albania introduced a Single Permit system. Serbia's 2024 reforms introduced a one-stop-shop procedure. Montenegro proposed amendments removing income thresholds for key shortage sectors. These are genuine advances in the formal environment, but legal reform has run ahead of implementation capacity. In North Macedonia, two laws governing foreign employment contain overlapping mandates stakeholders describe as incoherent. In BiH and Kosovo*, frameworks do not yet reflect current labour market realities.

Across the region, digitalisation is uneven, administrative data is fragmented, inconsistent and not comparable, while the gap between what the law says and what institutions can do in practice persists.

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➔ A Roadmap to Reform

Addressing the above-mentioned challenges requires careful consideration of the dual role of the Western Balkans, as well as safeguarding the domestic labour force. If the environment workers find determines whether they stay, improving that environment is both the labour market imperative and the governance response to potential secondary irregular movement. The PSIMM Roadmap identifies six interconnected domains: A policy that focus on reducing irregular entry without improving conditions for workers will increase secondary movement; a policy that protects workers but does not address labour market demands will drive employers to informal channels; a policy that opens legal pathways without transparency and oversight will create opportunities for exploitation and fraud.

The PSIMM Roadmap, built on the findings of the PSIMM report and, refined through two regional workshops in November 2025 and February 2026 with relevant stakeholders, identifies six interconnected domains of action. They address the same causal chain from different points of entry, and their effectiveness depends on being implemented together.

1 Evidence-based labour migration policy design

Quota systems set through administrative processes rather than real labour market assessment create the conditions for informal recruitment.

The Roadmap proposes: extending existing approaches by replacing administratively-set quotas with planning grounded in integrated labour market data, introducing shortage occupation lists as an alternative or complement to rigid quota systems; establishing formal processes for sectoral labour market analysis, with clearly defined roles and regular review cycles; incorporating outbound mobility trends into planning. The region cannot plan effectively for inward labour without understanding the structural drivers of its own emigration.

2 Oversight of recruitment — intermediaries and employers

The recruitment chain is where the environment first fails workers. Oversight must move beyond administrative compliance towards substantive assessment of standards and actual treatment of workers.

The Roadmap proposes: minimum due diligence requirements for employers and intermediaries before they can participate in recruitment; strengthening pre-licensing and periodic inspections and ongoing monitoring of private employment agencies, moving beyond administrative compliance towards substantive assessment of recruitment practices; establishing registers of sanctioned or non-compliant actors to enable risk-based targeting; introducing trusted-actor frameworks for accredited employers and agencies with strong compliance records to streamline procedures for those who meet ethical standards; clarifying of the legal status of agencies registered abroad that currently fall entirely outside domestic oversight.

3 Post-entry visibility & follow-up (activation, changes, termination)

The post-arrival phase is where the governance environment most visibly fails.

The Roadmap proposes: introducing a unique foreign worker identifier linking permit records, employment status, social insurance registration, and inspection findings across institutions; establishing structured mandatory reporting of employment commencement and termination; creating regulated pathways for workers to change employers without losing legal status; using risk-based inspections to identify permit non-activation and early contract termination patterns systematically rather than reactively.

4 Institutional communication & information exchange

Labour migration governance across the region is characterised by fragmentation. In several partners it is split across multiple ministries and institutions that hold overlapping mandates for different stages of the migration cycle.

The Roadmap proposes: mapping and formalising handover points between institutions at each stage of the migration pathway, including tax authorities, social insurance bodies, and business registries within operational coordination frameworks; introducing routine coordination mechanisms linking frontline implementation with policy decision-making; establishing data governance frameworks defining accesses to information, purpose, and accountability mechanisms.

5 Improving access to safeguards for workers & employers

The formal protection architecture exists on paper. The goal is to make it practically accessible.

The Roadmap proposes: providing workers upon arrival with rights and obligations information in accessible language and format upon arrival; connecting complaint mechanisms to social protection and anti-trafficking referral pathways; introducing clear, confidential complaint channels with guaranteed non-retaliation; providing employers with sector-specific guidance on legal obligations, connecting non-compliance to graduated, proportionate follow-up rather than enforcement-only responses.

6 Cooperation with countries of origin

The recruitment chain begins in countries of origin and governance must begin there too.

The Roadmap proposes: strengthening bilateral labour cooperation, mechanisms and agency oversight; aligning pre-departure information with guidance from Western Balkan destinations; expanding consular coordination; incorporating joint frameworks for identifying and supporting victims of exploitation and trafficking.

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