



ASSESSING AND STREAMLINING POTENTIALS OF OPEN BALKAN INITIATIVE

PROGRESS WITH NARROWING THE ADMINISTRATIVE GAP OF THE OPEN BALKAN INITIATIVE-OBİ IN THE AREA OF FREE ACCESS TO LABOR MARKET IN THE WESTERN BALKAN: THE VIEW OF BUSINESS COMMUNITY

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Authors: Country experts (alphabetic order):
Albania: Merita Toska
Bosnia-Herzegovina: Adnan Cerimagic
Kosovo: Center for advanced economic studies
Montenegro: Institute for Entrepreneurship and Economic Development
North Macedonia: Center for economic analyses and Stefan Ristovski
Serbia: Center for advanced economic studies

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About the Project

CENTER FOR ECONOMIC ANALYSES-CEA IS CONDUCTING A ONE-YEAR OSF PROJECT TITLED:

ASSESSING AND STREAMLINING POTENTIALS OF THE OPEN BALKAN INITIATIVE (OBI).

BACKGROUND

Recognizing the lack of interest of the EU in enlargement in the Western Balkans, Serbian President Aleksandar Vučić, the Prime Minister of North Macedonia, Zoran Zaev, and Albanian Prime Minister Edi Rama decided to “take destiny in their own hands” and launch a “mini-Schengen” in October 2019. In July 2021, this idea evolved into a regional initiative “**Open Balkan**”¹. The initiative is no substitute for membership in the EU, but a path to accelerated membership and utilization of the existing but insufficiently used potentials in these countries, which might facilitate additional economic growth and development, and thus, welfare for their citizens.

CHALLENGES TO KEEP THE MOMENTUM

Developing and cultivating neighborly relations in the Western Balkans in expectation of economic prosperity will require eliminating border controls and other barriers in order to facilitate the movement of people, goods and services, and capital in the region. Regional disparities analyses (for example, coastal vs. internal, NUTS 2 and NUTS 3 regions, urban vs. rural, capital cities vs. other cities) of the Open Balkan countries might offer insights when determining priorities for more accelerated growth and internal convergence of the Open Balkan region. **At the moment, there is a lack of properly elaborated analyses to assess the existing challenges.**

The Covid-19 pandemic, the food and energy crises, and the war in Ukraine illuminate the importance of internal cooperation and coordination and need for mutual understanding and solidarity among Open Balkan countries. Internal coordination and cooperation, exchange of experiences, and solidarity in the region bring value to future EU integration if the Open Balkan countries can speak in one voice.

The region’s external environment, especially now with the war in Ukraine, emphasizes the importance of cooperation and coordination and the need for mutual understanding and solidarity.

TOOLS AND INSTRUMENTS FOR ASSESSING THE POTENTIALS FOR ACHIEVING COOPERATION AND COORDINATION

While on the highest political level there is still evidence of political will for Open Balkan, on the administrative level, or “on the ground”, people cannot really sense the benefits of this initiative just yet. **At the very least, what is missing is more evidence-based policy research on the bottlenecks in cooperation and potential of the six countries of the Open Balkan.**

ACTIVITIES OF THE PROJECT

An independent pool of experts from the six countries diagnosing and investigating the bottlenecks for cooperation and coordination among the Open Balkan countries will add value to the already demonstrated political will for the Open Balkan Initiative, leading to its more structured, priority-focused, and systematic development.

¹ By Open Balkan Initiative, we will define the territorial space of six countries of the Western Balkan-WB6: Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo, and Serbia.

Background

As per the ToR, this regional research project has four main tasks (all information and documents available here: <https://cea.org.mk/proekt-otsenka-i-nasochuvane-na-potentsijalite-na-initsijativata-otvoren-balkan/>):

- TASK 1: Country analysis - screening focused on the Open Balkan Initiative-OBI
- TASK 2: Disparities analysis
- TASK 3: Administrative gaps and bottlenecks assessment
- TASK 4: Open Balkan macroeconomic forecasts

The point with the TASK 1 was to take into account the fact that almost any political initiative could be implemented but the ultimate goal of any political initiative should be the improved welfare of the citizens. Thus, the political idea and will behind the Open Balkan should be somehow transferred vertically from the political actors on power (executive-government and legislative-parliament) through the administration with the instruments of the meetings, sessions, strategies, action plans, programs etc. and their implementation to the citizens and even more to the improved benefit of the citizens. See more: https://cea.org.mk/wp-content/uploads/2019/09/1.-OBI-Project-Regional-Report_Task-Final_NAJFINAL-CIP29052023.pdf.

The point with the TASK 2 was to recognize that each of the WB6 countries have its own characteristics thus, there are disparities within and among the countries but also similarities. That is why we want to analyze the disparities and similarities at EU's NUTS 3 regions depending on the data available. The idea is that given the OBI MoUs and the OBI Agreements and the EU's freedom of movements some NUTS 3 regions of the WB6 countries might have more similarities among themselves than the others. Thus, those NUTS 3 regions that are clustering e.g., are showing similarities in some demographic attributes and/or some socio-economic attributes might be a platform for more efficient implementation of the EU's freedom of movements and the objectives of the OBI MoUs and OBI Agreements. This does not mean that the regions that are with more disparities cannot achieve the same objectives. It just demonstrates that for more similar regions the policies might be implemented more efficiently as they have similar challenges. Those regions that show larger disparities will probably need more resources to reach convergence and less inequalities. See more: https://cea.org.mk/wp-content/uploads/2019/09/1.1.-VOL-1-Report-Disparity-Ananalysis_withCIP12062023N.pdf. Also: https://cea.org.mk/wp-content/uploads/2019/09/2.1.-VOL-2-Report-Task-2-Economic-view-of-disparities_withCIP12062023N.pdf and also: https://cea.org.mk/wp-content/uploads/2019/09/3.1.-VOL-3-Report-Task-2-Cluster-analysis_withCIP12062023N.pdf.

The point with the TASK 3 was to do fact-check about the main initiatives with the potentials of the administration to administer the initiatives. In this part we identified an OBI Agreement and for the identified one did fact-check and prepared recommendations with a list of potential legislative changes.

Given the resources of the project we identified OBI *Agreement on Conditions for Free Access to the Labor Market (provided this Agreement enters into force its application shall begin on the date of entry into force of the Agreement on interconnection of schemes for electronic implementation of the citizens of WB)*. This Agreement was also pointed out as the most significant for the business community field work and discussions in Skopje and Belgrade.

We developed a tool to assess if the participating OBI countries have developed/adopted/established any bylaws, protocols or other follow-up instruments prescribed in the OBI MoUs and the OBI Agreements. Finally, for the fact check of the implementation of the identified OBI Agreement experts of the six

countries assessed the administrative gap and came up with recommendations about the list of potential legislative changes. Thus, the TASK 3 comprised:

1. Workshop with business community in North Macedonia and Serbia to get the perception of the businesses about the relative importance of the OBI MoUs and the OBI Agreements (participating and non-participating countries);
2. Implementing a tool to assess if the participating OBI countries have developed/adopted/established any bylaws, protocols or other follow-up instruments prescribed in the OBI MoUs and the OBI Agreements (participating countries only);
3. Fact checks about the implementation of the one identified OBI *Agreement on Conditions for Free Access to the Labor Market* and preparation of recommendations with a list of potential legislative changes (participating and non-participating countries).

See more: https://cea.org.mk/wp-content/uploads/2019/09/1-Report-Task-3-administrative-gap-assessment-labor-market-access_FINAL_publish-1.pdf.

The point with the TASK 4 was to investigate the economic benefits/loss of participating/not-participating the OBI initiative for countries in the WB, individually and as a group (region) with full and partial integration, versus the Berlin Process, through the prism of long-term forecast of key macroeconomic indicators. Details on the assumptions behind the scenarios and the results are presented in this document. Three scenarios were quantified, analyzed and results are presented:

1. Only three countries (Albania, North Macedonia and Serbia) are part of the OBI initiative;
2. All six WB countries become OBI members;
3. OBI initiative is melted into Berlin Process.

See more: https://cea.org.mk/wp-content/uploads/2019/09/1-Report-Task-4-Macromodelling_ENG-1.pdf.

IMPORTANT NOTE: Country experts took a neutral stance and unbiased approach as they conduct the data collection and analysis for this research task. No matter on one's stance towards OBI, be that informed criticism or support of the initiative, their opinion should not affect the data collection process, the process of data analysis so it does not favor, nor disregard, nor encourage one answer or outcome over others.

The OBI countries from the Western Balkan (Albania, North Macedonia and Serbia) are defined for the purpose of understanding in this document as **“participating”** and the countries from the Western Balkan that are not part of the OBI (Bosnia and Hercegovina, Kosovo and Montenegro) are defined for the purpose of understanding in this document as **“not-participating”**.

Introduction

Last year in September, within Task 3, we organized workshops with business community in North Macedonia and Serbia to get the perception of the businesses about the relative importance of the OBI MoUs and the OBI and prepared a proper report.

The purpose of this document of the Open Balkan Initiative-OBI is to fulfil two objectives:

1. **Make a library of recommendations from the view of the business community related to the free access to the labor market.**
2. **Get the sentiment of the business community about the need for a regional business forum related to the free access to the labor market and/or to the need for a regional business forum related to the OBI in general.**

We do this within this Final Task of the overall project concept.

Rationale: In January 2024 two new OBI protocols were signed by the leaders of ALB, MK and SRB to ease the labor market. This document summarizes what the businesses in these three countries have to say about the implementation of these protocols and the OBI overall.

Sub-activities: CEA prepared ToR and methodology and contracted and coordinated the country experts. Next step is for this report to be translated to ALB, SRB, MK languages and will be disseminated on the web pages of the organizations that were engaged in this project.

Further in the text we present the summary of the analysis of the findings as per the country reports of the experts.

Making a library of recommendations from the view of the business community

Participating and non-participating OBI countries experts do took actions on this objective one.

Methodology

For the first objective related to creating a library of structured views and recommendations from the business community the experts:

- Went through the document that was prepared in September: Strategic assessment of present state, how it is planned with OBI and the administrative gap identification for the agreement on conditions for free access to the labor market in the Western Balkan
- Went through the country report the expert have prepared last year
- Provided answers to the following questions by working with the business community:
 - What are the bottlenecks related to the implementation of the (sub)legislation for free access of the labor market (to prepare for interaction with the representatives from the business community, consult Table 2 for your country from the document that was

prepared in September 2023: <https://cea.org.mk/tsea-studija-otvoren-balkan-i-administrativniot-jaz-za-dogovorot-za-sloboden-pristap-do-pazarot-na-trudot/>)

- What are the bottlenecks related to the implementation of the procedures, staff and equipment for free access of the labor market (to prepare for interaction with the representatives from the business community, consult Table 3 for your country from the document that was prepared in September 2023: <https://cea.org.mk/tsea-studija-otvoren-balkan-i-administrativniot-jaz-za-dogovorot-za-sloboden-pristap-do-pazarot-na-trudot/>)

The assessments for achieving this first objective follow.

Views related to legislation and recommendations

We present a summary of the assessment from the experts in the next table².

COUNTRY	VIEWS RELATED TO THE LEGISLATION	RECOMMENDATIONS RELATED TO THE LEGISLATION
Albania	<p>From a content point of view, the business community is not well-informed of the developments related to the Open Balkan Initiative especially regarding the free labor market. Although the Chamber of Commerce and Industry was initially involved in the process of memorandum signatures, it failed to transmit such information to the business community and trigger their interest in it.</p> <p>Business community representatives do not show particular interest in the initiative, regardless of their size, the market position and influence. Instead, they mostly perceive the initiative as a political topic rather than something the business community could benefit from.</p> <p>Moreover, foreigners employed in Albania have to manage all documentation personally to be eligible for employment, while the company in question does not feel any burden in this regard.</p>	<p>Improve the vertical pass through of information from administration and business association to operators.</p> <p>Advocating the OBI as socio-economic rather than a political initiative</p> <p>Support from the operators to the interested workers in collecting the documentation and responding to the administrative needs is required</p> <p>Simplified procedures include accepting a form application for a work permit by guarantee (financial and legal) of the company hiring the respective person (Law on foreigners, regulating the entry, stay and work of aliens in the Republic of Albania).</p>
Bosnia and Herzegovina	<p>There is no difference between citizens of the Western Balkans and other foreigners.</p> <p>All position for foreign workers needs to be first checked if there are unemployed citizens of BiH who could take the job.</p> <p>The quotas for employment of foreigners are set by state-level.</p>	<p>No immediate problems identified at the moment.</p> <p>Note: Even if the quotas itself are not the main hurdle if the preferential treatment for the Western Balkans would be introduced and/or procedures would be simplified, the demand for quota would increase</p>
Kosovo*	NA	NA

² Detailed tables as submitted by experts are available at the separate Country reports.

Montenegro	<p>The Law needs to be changed and made less restrictive for foreigners who's come to work in the country.</p> <p>According to employers' opinion, the record of unemployed persons in Montenegro is not adequate. A higher quota for employment of foreigners would be approved if the records of the unemployed were more realistic.</p> <p>As a major limitation, employers cite bureaucracy, i.e. huge paperwork, the non-existence of an electronic system for reporting foreigners, lengthy security checks by the Ministry of the Interior, but also the uneven approach of certain officials for foreigners in different municipalities.</p>	<p>In general, the procedure for hiring foreigners, in obtaining a work permit, should be simplified and standardized.</p> <p>Introducing the category of permanent seasonal worker.</p>
North Macedonia	<p>Sub-legislation should be streamlined and harmonized with EU legislation</p> <p>Possibly instead of updating the existing laws, a new law to be drafted that will entail the exceptions and preferential status of the employees from the WB region – again aligned with the requirements that will be necessary by the EU.</p>	<p>The administrative procedures exclusive/omitted for the OBI originating labor – it should be clearly examined how are these exceptions to be regulated – so they do not pose problems.</p> <p>The bilateral agreements (with ALB and SRB) need to be adapted and updated to reflect the OBI free labor movement agreement and protocols.</p> <p>The bilateral agreements among the countries differ (MK-ALB and MK-SRB) in the scope of social rights of foreigners employed in the country. It should be considered to align/revisit and check the compliance with the EU acquis and OBI.</p>
Serbia	<p>According to the surveyed businesses, the legislative framework is not conducive to free access to labor market in the region (Law on foreigners and Law on employing foreigners.</p>	<p>Reduction of taxes on rental accommodation for foreign workers</p> <p>The laws should introduce longer-term work permits and certain additional benefits during employment so that workers from the countries of the Western Balkans decide to come to work in our country.</p>

Adopted from the Country reports from the experts. More details in the separate country reports.

*No response,

Conclusion

- **Albania:** Interviews and discussions with business community representatives suggest they do not show particular interest in the initiative, regardless of their size, the market position and influence. Instead, they mostly perceive the initiative as a political topic rather than something the business community could benefit from. Moreover, foreigners employed in Albania have to manage all documentation personally to be eligible for employment, while the company, as an employer, does not feel any burden in this regard.

- **Bosnia and Herzegovina:** One-third of the businesses have expressed interest for easier movement of labor force within the Western Balkans. Another quarter has expressed interest in free movement of labor in the Western Balkans but with primarily interested in free movement of labor with third countries (foremost Croatia, Turkey, and China). All others, around two-fifth of those interviewed were either focused only on labor force outside of the Western Balkans or were not interested in foreign labor force. Among those who are interested in easier movement of labor force in the Western Balkans, their common understanding is that for this to be achieved, BiH would need to introduce exemptions and simplify the administrative procedures for entry, movement, stay and work of the Western Balkans' citizens.
- **Kosovo:** The lack of responses from Kosovar businesses about legislative changes for easier foreign labor access might show they're unsure or divided on the issue. It could also mean they're more focused on daily operations than on long-term policy changes. This situation suggests a need for better communication between the businesses and the policymakers to discuss how easing labor restrictions could benefit the businesses.
- **Montenegro:** Bearing in mind the character of the Montenegrin economy, which is largely based on the seasonal employment of foreigners, employers believe that it would be necessary to introduce the category of permanent seasonal worker into the legislation, following the example of the Croatian legislation. When it comes to the labor market from the Western Balkans, employers have not been finding workers in those countries for a long time, but are dominantly oriented to distant markets (India, Bangladesh, Nepal, Kenya, Philippines, Moldova). In the construction sector, workers from the countries of the former USSR: Uzbekistan, Tajikistan are desirable, but it is very difficult to find them. For example, workers from Uzbekistan, they are practically reserved for Great Britain, as they don't even need visas. Likewise, Filipinos are desirable as workers in tourism and hospitality, but their home country very well controls their departure and work in other countries, which for Montenegro means a reduced number of available workers. There is also a problem with the lack of diplomatic and consular missions in those distant countries, so the embassies of other countries are often used for the necessary procedures, which also slows down the process of hiring foreigners. Therefore, when it comes to legislation, employers do not consider it too restrictive, except in the part of defining the status of a permanent seasonal worker. The problems mainly relate to the procedures themselves, which are sometimes considered excessively bureaucratic, uneven and unpredictable. For example, in some municipalities workers from Kenya are welcome, while in others they are not.
- **North Macedonia:** It is recommended that the legislation regarding the foreigners and foreigner employment may need to be reexamined and possibly alternations will be necessary, that will enable 'exclusion' of the OBI participating country workers from some of the necessary procedures that are valid for all other foreigner. This preferential and expedited procedure should be however aligned with the EU requirements as well, so the countries do not reinvent procedures that are not according to the EU acquis nor that are posing security or other type of threats. It was also suggested as a possibility, for a specific legislation to be considered that is valid for OBI countries that will entail the employment of the WB countries, but the businesses prefer that these will covering not only OBI countries but the whole WB especially because of the RCM (regional common market) requirements (plans) of the EU.
- **Serbia:** Legislative framework is generally not conducive to free access to labor market in the region. The legislative landscape governing access to the labor market is described as fragmented

and contradictory, making it difficult for companies to navigate. Companies from the hospitality sector, where Serbia has evident labor deficit, have expressed their views that the country is not so attractive for workers from the Western Balkans compared to some other neighboring countries. For instance, Montenegro and Croatia recruit most of the WB6 workers in this sector since Serbia does not offer benefits that would compensate with better financial conditions for seasonal workers compared to these countries. With regard to the recently signed protocols on the labor market and ID schemes, businesses criticized the lack of transparency surrounding these protocols. In particular, the signed protocols are only accessible via the North Macedonian government's website and, notably, not available in Serbian language. When it comes to the recommendations, the surveyed businesses stated that the government should amend its regulation regarding incentives for employing foreign workers. The laws should introduce longer-term work permits and certain additional benefits during employment so that workers from the countries of the Western Balkans decide to come to work in our country.

Views related to improvements in procedures, staff and equipment

We present a summary of the assessment from the experts in the next table³.

COUNTRY	VIEWS RELATED TO IMPROVEMENTS IN PROCEDURES, STAFF, EQUIPMENT	RECOMMENDATIONS RELATED TO IMPROVEMENTS IN PROCEDURES, STAFF, EQUIPMENT
Albania	<p>No new staff and infrastructure is needed.</p> <p>The existing staff should be capacitated to use the infrastructure and respond to citizens' demands.</p> <p>The procedures oftentimes are cumbersome, and the switch to fully online services was premature.</p> <p>Another problem the business community raises is informality in the labor market, which per se recalls the need for several interventions.</p> <p>In particular, the e-service is not effective for the tax residence certificate: it is listed in e-Albania, but you never get a response since the application does not reach the tax directorate.</p> <p>Effectively, the procedure has to be completed with hard-copy documents to be posted to the Tax office directorate.</p>	<p>Certain advocacy training to the administration staff is in need</p> <p>Procedures can be streamlined and simplified</p> <p>Improvements of the tax e-services is in need</p> <p>Introducing an active help desk in order to clarify and explain to the user what to do when an application is rejected, what is wrong, and what should be improved.</p>
Bosnia and Herzegovina	<p>Procedure too demanding related to documents</p> <p>Complications related to the different requirements from the two entities and the Brcko district</p>	<p>No need for all documents to be in original</p> <p>To consider consolidation for the purpose of enabling labor market access</p>

³ Ibid.

	<p>The process, which should last 30-45 days, depending on where in BiH, can last much longer</p> <p>The network of BiH consulates is not wide.</p> <p>BiH does not recognize Kosovo as an independent state</p>	<p>Some institutions foresee higher number of civil servants working on these issues but these are often not filled out.</p> <p>In 2023, in the Western Balkans, BiH does not have consulates in Tirana and Pristina</p> <p>BiH does not recognize Kosovo documents, including passports.</p>
Kosovo	Training of the existing staff related to the implementation of the Law on foreigners	Making the administration more effective and efficient
Montenegro	<p>Implementing digitalization already prescribed in Law</p> <p>It is necessary to realistically present the number of unemployed persons in Montenegro</p> <p>The establishment of electronic registration records of foreigners would greatly facilitate the procedure for employers. Now the problem is a lot of paperwork.</p> <p>Standardization of the actions of officials for foreigners, in different municipalities, in order to ensure predictability for employers.</p>	IT system for registration need to make procedures faster and easier. But, well-trained staff to work in the system is also needed, as well as equipment that would ensure a fast and efficient procedure of application and records of foreigners.
North Macedonia	<p>The procedures for receiving the working permits and approval need to be fully digitalized not only front-end but also back-end in order to make the process faster and smoother. This this does not concern only for OBI workers but for all WB countries and overall from other countries.</p> <p>The administrative systems need digitalization and alignment for coordination of the: employment agency, ministry of internal affairs, public revenue office, social security and health systems.</p> <p>Currently the processes for getting a working permit for foreign employees is slow and often beyond the prescribed times. It is especially time-consuming when receiving the feedback for security checks especially from other third countries (outside WB and EU), when there is a need for seasonal work (low qualified labor) from these countries can be missed due to delays (e.g. agriculture, construction sectors)</p>	<p>Digitalization of the procedures with all countries in line with EU acquis.</p> <p>Reduce time for administrative checks, and at least abide the prescribed times – delays noted.</p> <p>Renewal of working permits is sometimes rejected without explanation</p> <p>Possibly there is lack of staff, digitalization equipment and inter-institutional coordination causing the delays.</p>
Serbia	Complicated procedures regulating employing labor force from the region. The D visa approval procedure takes a	Amend the existing regulation to streamline the employment of labor force from the region. In addition,

	<p>long time and the whole process is uncertain from start to finish.</p> <p>The largest challenge is that foreign workers sometimes just “disappear” since there is no mechanism that obliges workers to fulfill their contractual obligations.</p> <p>Payments to foreign workers can be complicated.</p> <p>Generally speaking, domestic employers feel that they are not adequately informed about the procedures and incentives for employing foreign workers.</p>	<p>agencies recruiting foreign workers should be legally responsible for them.</p> <p>Improve the information process about the current procedures and incentives related to the employment of foreign workers.</p> <p>Improve the information process regarding both the OBI service application and the general conditions of employing people from OBI.</p>
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Adopted from the Country reports from the experts. More details in the separate country reports.

Conclusion

- **Albania:** Businesses in Albania generally perceive the public administration as highly incompetent, inefficient and intensely politicized. There is a lack of confidence in the technical abilities of the public administration (which somehow is driven by recent developments in the country) and a lack of willingness of the public administration to carry out this kind of task despite the progressively growing number of employees in public administration (+180,000 in 2024). In this direction, it is necessary to train appropriately the existing staff once the procedures have been changed (and perhaps once the number of applications increases to provide for dedicated staff).
- **Bosnia and Herzegovina:** Businesses lack knowledge about details of the OBI. Therefore, it is difficult for them to consider how procedures would change if BiH would become part of the OBI. But their view of the current procedures, staff, and equipment in BiH was rather critical. They see the number of required documents for application for working permits of foreign workers as too long and too demanding. Furthermore, fees, procedures and required documents are somewhat different in different parts of BiH. This makes it more complicated for businesses. Introducing online platform could cut the duration of the process. Furthermore, their recommendation was that fees, procedures and required documents should be harmonized in different parts of BiH. They have also suggested for BiH to find ways to accept documents from Kosovo.
- **Kosovo:** The staff responsible for the foreign employment process lacks sufficient the necessary skills and knowledge to effectively navigate and administer the complexities of hiring from abroad. This deficiency can lead to inefficiencies, errors in paperwork and legal compliance, and potential miscommunication between the company and foreign candidates. It is necessary to train existing staff in charge of the process of hiring foreign workers and to make the process of employing foreigners (including workers from the WB6) more efficient.
- **Montenegro:** As already emphasized, employers would like the labor market to be liberalized, specifically the Law on Foreigners, so that they can more easily find the workers they need. However, they do not see much benefit from the liberalization of the legal solution, as much as they see a benefit in simplifying the procedures for hiring foreigners. They do not differentiate between potential workers from the countries of the Western Balkans and other countries of the world. They expect digitization to significantly speed up and simplify the procedure for hiring foreigners. All searches for labor take place in distant markets, through employment agencies that

work predominantly for Croatia and Serbia. Therefore, they consider the problem of the absence of the Montenegrin embassy in India as a limitation, because the Serbian embassy, whose support Montenegro uses, will first complete the procedures for its own needs and only then for Montenegrin employers, which is expected, but is certainly a barrier for Montenegrin employers. A special emphasis was placed on the request for uniform treatment in the work of officials for foreigners in all municipalities of Montenegro, which should be done through some binding instructions for the interpretation and implementation of regulations and training for those officials.

- **North Macedonia:** The business community has not reported any obstacles in procedures so far. The business representatives consider that it will take longer period to see if there are possible issues arising once there will be practices for actual employment in the period to come. At this point the procedure is deemed as beneficial as it will shorten waiting time and abolish some documents and procedures such as (especially) work permits. As for the protocol and the electronic ID currently is deemed functional as the process is very fast i.e. immediate. It is also recommended to examine if there is proper system alignment with the other institutions and institutional systems for the foreigners from OBI. Namely, practically whether the newly provided OBI ID will be applicable for the employers' to be able to 'communicate' with PRO system for salaries and taxes, then for salary related social benefits and their practical possibility for the workers to use the public services (alignment of the systems for registration) and benefits (social, health and pension). This refers to possibly the need for alterations and updating of the bilateral social insurance agreements. Considering that the digitalization of the state systems is not on a required level (system integration of PRO, Health, Social, Employment agency, Internal affairs etc.) within the country, the regional integration is expected to experience challenges.
- **Serbia:** Free access to the regional labor market is complicated by complex procedures governing them. They state that bottlenecks are mainly related to the (dis)functioning government institutions. For instance, the D visa approval procedure takes a long time and the whole process is uncertain from start to finish. In addition, payments from domestic employers to foreign workers often prove to be difficult. Banks sometime simply refuse to open accounts for seasonal workers, due to the short period of stay. When it comes to the OBI agreement and the signed protocols, businesses state that administrative process is very complicated. Generally speaking, the agreements that are signed do not provide much information for the users themselves. For instance, there is no documentation on the SRB portal regarding operating instructions for Employers. Currently, a digital platform is in use, for which there is not much service information, so any kind of activity is difficult. More specifically, after registration, the user does not receive any information about what to do next.
- When it comes to recommendations, businesses expressed the need to amend the existing regulation to streamline the employment of labor force from the region. They emphasized that the procedures should be harmonized to make it easier for employers to collect the necessary documentation and conduct procedures before the competent authorities. With regard to the OBI agreement and the signed protocols, businesses have stated that the information process regarding both the OBI service application and the general conditions of employing people from OBI should be improved. For instance, they propose creating an info call center where everyone could get the necessary information.

Library of recommendations from the businesses

Related to legislation

Advocacy and transparency of the OBI process related to the free access to labor market could be improved by the governments and by the business's associations. The vertical pass through of information from administration and business association to operators will be appreciated. Legislation can be easily implemented if the business operators are involved in the process of legislation adoption (in this sense RIA can be a powerful instrument). Second, businesses associations can organize thematic discussions with its members to inform about the important potentials the OBI can bring. In that way also, the political noise from the detractors of OBI can be mitigated.

Businesses associations can be proactive actor in supporting the enabling environment for free access to labor market. They can support the operators in facilitating the interested workers in collecting the documentation and responding to the administrative needs as required.

Governments can improve the environment for free access to labor market. The laws should introduce longer-term work permits and certain additional benefits during employment so that workers from the countries of the Western Balkans decide to come to work in another WB country (reduction of taxes on rental accommodation for foreign workers for example).

Governments can work on simplifying and streamlining the procedures for free access to labor market. Simplified procedures include for example accepting a form application for a work permit by guarantee (financial and legal) of the company hiring the respective person (Law on foreigners, regulating the entry, stay and work of aliens in the Republic of Albania for example). Another example is introducing the category of permanent seasonal worker (Montenegro).

Governments of the participating OBI countries can speed up the process for free access to labor market. The bilateral agreements (with ALB and SRB) need to be adapted and updated to reflect the OBI free labor movement agreement and protocols. The bilateral agreements among the countries differ (MK-ALB and MK-SRB) in the scope of social rights of foreigners employed in the country should be worked on.

Related to procedures

Procedures for free access to labor market can be streamlined and simplified and capacity of the administration can be improved. Certain information and advocacy trainings to the administration staff is in need. Some institutions foresee higher number of civil servants working on these issues but these are often not filled out.

Access to e-services for free access to labor market can be improved. Improvements of the tax e-services is in need (Albania). Introducing an active help desk in order to clarify and explain to the user what to do when an application is rejected, what is wrong, and what should be improved. In general, a digitization of procedures can be introduced an improved.

Digitization should be precisely understood and defined and carefully implemented for free access to labor market. The business community in Albania for example, is doubtful about the appropriateness of service “digitalization” because of the problems encountered with the current inefficient digital services

offered by the governmental portal e-Albania. Nevertheless, the businesses remain optimistic that if service digitalization is performed as it should, it will probably ease the documentation burden and speed up employment processes.

Procedures for free access to labor market can be simplified. No need for all documents to be in original. Consular activities in embassies can be more efficient and effective (BiH, Serbia on behalf of Montenegro, Kosovo).

Transparency, reliability and credibility of the system for free access to labor market can be improved. Transparency in comply or explain style e.g., renewal of working permits is sometimes rejected without explanation. Improve the information process about the current procedures and incentives related to the employment of foreign workers. Improve the information process regarding both the OBI service application and the general conditions of employing people from OBI.

Possible need for a regional business forum related to the free access to the labor market and/or to the need for a regional business forum related to the OBI in general

Participating and non-participating OBI countries experts do took actions on this objective one.

Methodology

Country experts engaged with the business community were using different techniques: working breakfast or lunch, interviews, discussions, focus groups, questionnaires. Also, a questionnaire was prepared to engage with the business community and to help facilitating the communication with the business community to get relevant feedback. We give summary analysis of the findings from the experts in their country report. Country reports provide more details.

Analysis

We provide summary analysis of the findings from the experts when they engaged with the business community. The summary is structured as per the guiding questions and as per country. Country reports provide more details.

- 1. Is there a need for a Country Working Groups and Regional Working Group established from the business communities of the six Western Balkan countries to be established for continuously collect information about the bottleneck related to free access of labor market and preparing recommendations for improvement in legislation, procedures, administrative staff, equipment at institutions and administrative bodies in order to enable for efficient and effective free access to the labor market in the Western Balkans**

COUNTRY	SUPPORTIVE	NOT SUPPORTIVE
Albania	To enable a regional free labor market and tap into a larger potential market. To propose practical solutions to everyday business problems, enable collaborative problem-solving, advocacy and influence, and regular engagement for the business sector in	Feel as not represented nationally in such an initiative at first, and therefore, it is important to have internal cohesion on the matter (and then move to a regional scale). For businesses operating internationally, the free regional labor market does not

	addressing labor market challenges in the WB region.	add value since they have representative offices in most of the countries they operate in. In addition, foreigners deal by themselves with all documentation related to staying and working in Albania, so we as businesses do not feel we have a problem with that.
Bosnia and Herzegovina	More structured exchange within the Western Balkans business community on positive policy measures and experience regarding free access of labor market is needed	General skepticism that anything at policy level can be changed in BiH (due to general political situation).
Kosovo*	NA	NA
Montenegro	NA	NA
North Macedonia	<p>The voice of the businesses needs to be heard and channeled adequately when practical issues arise</p> <p>Integrating the six countries rather than the three OBI countries is deemed to be more beneficial as then it will be in line with the regional common market (RCM).</p> <p>It is generally deemed as positive as it reduces the barriers in administrative waiting, however the whole processes should be digitalized and expedited with all countries in the WB region and beyond the WB. But, the preferential treatment of AL and SRB are questionable.</p>	<p>Some of the OBI initiative agreements are considered to be undermining the progress of the country in the alignment with the EU acquis.</p> <p>For example, in the areas where for example MK is more advanced (in the alignment process with the EU acquis) with already established procedures and at the same time the other country(ies) are lagging behind, the 'newly' envisaged protocols/procedures by OBI are obsolete and even drag the process backwards (an example was given in the case of the OBI Agreement on cooperation in the field of veterinary, food and feed safety and phytosanitary in the Western Balkans. In the example given it was stressed that to implement the agreement alternative and degraded procedures had to be developed which pulled the EU process backwards (For example the phytho/animal checks laboratories in Albania and the customs processes with ALB and SR).</p> <p>Another opposing view is that the 'advancement' of RN Macedonia's alignment with the EU requirements presents an obstacle for the businesses in some cases because the laws and procedures are more stringent (as they are more aligned with the EU), while at the same time for the countries which are 'less' aligned - the procedures are more lenient, have less administrative barriers and less costs.</p>
Serbia	Companies suggest that the Serbian government take a proactive role in identifying specific job positions experiencing labor shortages and assess whether these gaps can be filled by workers from within the Open Balkans countries.	NA

*No responses

2. Do you believe a White Book with recommendations from the businesses prepared from a potential bi-annual or annual conference where business community will share experience from the six Western Balkan countries about the free access to labor market will be an efficient and effective tool to enable environment for free access to labor market. The White Book will be submitted to the governments of the six Western Balkan countries.

COUNTRY	RESPONDS
Albania	Sounds promising, its potential effectiveness hinges on various factors, including the alignment of recommendations with governmental policies, the level of engagement from businesses across the region, and the willingness of governments to implement suggested measures. Without further details on the specific content of the recommendations, the level of commitment from stakeholders, and the track record of similar initiatives, it's challenging to assess such a tool's potential efficiency and effectiveness.
Bosnia and Herzegovina	In principle, yes. However, many have expressed doubt about how far any initiative can have impact at policy level (due to general political situation in BiH)
Kosovo	Do not think it is necessary to organize large meetings or conferences that end in writing a big report (a White Paper) about business recommendations.
Montenegro	NA
North Macedonia	The White book is an official document published by the government and they should encompass an experience from all six WB countries, however the benefits of it may not be measured at this point. The chambers in the region consider that they already have collaboration and articulate their obstacles in all 4 freedoms.
Serbia	Companies believe that it would be useful to organize conferences of business communities from all countries of the Western Balkans, which would produce a White Book with experiences and recommendations from companies in order to create a better environment for free access to the labor market. However, in their view, it is crucial that these conferences go beyond mere formalities.

3. Do you have experience with using free access of labor market by employing labor from the six Western Balkan countries

COUNTRY	RESPONDS
Albania	Lack of experience Only one of the responding businesses has had experience employing labor from Kosovo and North Macedonia (two cases).
Bosnia and Herzegovina	Almost one third of interviewed had experience with employment of labor force from at least one Western Balkans state. Another one-quarter expressed interest in exploring the possibility with employment of labor force from the region.
Kosovo	There are cases where individuals from Albania and Serbia occasionally work in Kosovo, they typically do not undergo the formalization process, even for extended periods of work. Moreover, although there are instances of labor recruitment from other regions such as Bangladesh or Pakistan, it is not yet common to recruit from the Western Balkans, as Kosovo has yet to become an attractive work destination for them
Montenegro	All searches for labor take place in distant markets, through employment agencies that work predominantly for Croatia and Serbia. WB could potentially be a useful labor force for agricultural activity from Albania for the municipality of Ulcinj, and only from the border part of the countries.
North Macedonia	In construction sector: for seasonal workers only and from third countries only. The labor from these countries is limited by quotas, and now with the opening up of the OBI region those that we already have identified may likely (possibly) transfer to the other two OBI countries (if not elsewhere) because of the better conditions (more competitive salary) but also because of the larger demand due to more public infrastructure investments (Serbia). The expectations are labor movement to be

	<p>disproportionate i.e. expectations for less labor inflow in RN Macedonia and more outflow to SRB and ALB.</p> <p>Agriculture sector: Predominantly for seasonal labor. The procedures have been as for any foreigner and are these were quite burdening and time consuming. Digitalization and fast forwarding some of the procedures will enable administrative savings. Nevertheless, the demand for labor is going to be higher for labor from other - third countries for which it is difficult to obtain permits due to the more stringent security checks and time delays. As for the qualified labor with specific skills except for the speeding up of the process we are not expecting some major movements from the other OBI countries because the specialized professional labor is usually beyond what the WB region can offer.</p> <p>Hospitality sector: Predominantly for specialized professional services especially cooks. The procedures were equal as for all other countries and quite burdening. The waiting time is long and there was need for renewal of the work permits (each 6 months?). For labor from other - third countries - there are significant obstacles due to lengthy procedures which may end up in rejection – without clear explanation why. This is predominantly for seasonal workers.</p>
Serbia	<p>The majority of foreign labor in Serbia is found in specific sectors: construction, predominantly staffed by workers from Turkey, and public transportation, where many employees come from Sri Lanka. When it comes to the surveyed companies, which comprise of both large enterprises and SMEs, most of them did not have experience in employing workers from the WB6. The one company that have that experience did not face the rejection of its request to hire foreign (WB6) labor in Serbia.</p>

4. If YES to Q3, What were the main challenges in your experience

COUNTRY	RESPONDS
Albania	<p>Language could be a barrier (especially when dealing with SMEs).</p> <p>In large-sized businesses, English might be a common denominator. However, communication is not very effective with lower levels of governance within the company.</p>
Bosnia and Herzegovina	<p>Waiting time since several institutions on different levels of governance are involved, long paperwork, and long waiting time until it is finalized.</p> <p>Also expressed doubts that small-size businesses could ever make use of foreign labor.</p>
Kosovo	<p>Administrative staff responsible for the foreign employment process lacks sufficient and necessary skills and knowledge to effectively navigate and administer the complexities of hiring from abroad</p>
Montenegro	<p>The absence of the Montenegrin embassy in India is a limitation, because the Serbian embassy, whose support Montenegro uses, will first complete the procedures for its own needs and only then for Montenegrin employers, which is expected, but is certainly a barrier for Montenegrin employers.</p>
North Macedonia	<ul style="list-style-type: none"> - Lack of competitiveness of the economy, no specific competitive advantage compared to the other two countries. - Non-tariff barriers still existing, and more pronounced among the neighbours - Low institutional and administrative capacities - Emigration to more developed economies - Limited access to labor from other countries – quotas and rejections which are not clear why. - Lack of capital investments in the country making the attractiveness for labor low, and predominantly the large infrastructure projects are using foreign labor (third countries)

Serbia	A key challenge identified by these companies is the lack of accessible, consolidated information regarding the legal and regulatory framework governing the employment of foreign workers. This information gap leaves many businesses unaware of potential restrictions, opportunities, and even incentives available for employing foreign labor, which could otherwise guide more informed hiring processes.
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5. If YES on Q3, What are your recommendations in order to improve the free access to labor market ((sub)legislation, procedures, staff, equipment, other)

COUNTRY	RESPONDS
Albania	Easy procedure for residing and working in Albania
Bosnia and Herzegovina	Long waiting time and too demanding in terms of documents. Harmonize different procedures in different parts of BiH. BiH to find ways to accept documents from Kosovo.
Kosovo	Training for administrative staff
Montenegro	With the introduction of electronic records of foreigners, which is already prescribed by the Law, employer believe that the procedures for hiring foreigners would be much easier for them. By amendment of the Labor Law and the introduction of the permanent seasonal worker category, they believe that they would significantly ensure the availability of labor force from both domestic and foreign markets.
North Macedonia	More efficient institutional capacities, increased quotas for labor from third countries, build a more competitive system (infrastructure, education, skills, salaries, etc.)
Serbia	In terms of recommendations for addressing these challenges, the companies suggest that the Serbian government take a proactive role in identifying specific job positions experiencing labor shortages and assess whether these gaps can be filled by workers from within the Open Balkans countries. A proposed mechanism for this assessment is a poll or survey within the Open Balkans Initiative (OBI) business community, which could offer insights into labor needs and mobility within the region.

6. Do you have any recommendations where a procedure related to free access to labor market can be made more efficient by introducing digitization

COUNTRY	RESPONDS
Albania	The business community in Albania is doubtful about the appropriateness of service digitalization because of the problems encountered with the current digital services offered by the governmental portal e-Albania. Nevertheless, the businesses remain optimistic that if service digitalization is performed as it should, it will probably ease the documentation burden and speed up employment processes.
Bosnia and Herzegovina	The issue of digitalization is of particular interest of those businesses that have seat in municipalities outside of the centers where competent authorities sit. Understanding of what digitalization means varies. Some understand it as ability to have all information and forms available on the website (without need to pick them up in different institutions in person).
Kosovo	Collaboration with short-term experts and remote work happens all the time, with no notable issues in engagement and cooperation.
Montenegro	Employers expect that digitalization of process for employment foreign workers could make it easier and faster
North Macedonia	Overall system interconnection and communication – fully digitalized governance

Serbia	While there is general support among these companies for the digitalization of services related to employment and labor mobility, there is a consensus that the quality and accessibility of service-related information need significant improvement.
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7. Do you have experience where due to administrative reasons your application for foreign labor force from the Western Balkan was rejected by the administration/government

COUNTRY	RESPONDS
Albania	No experience
Bosnia and Herzegovina	One business had several experiences with rejections.
Kosovo	No experience
Montenegro	Employers cited as a significant relief in the procedure of obtaining a work permit the fact that now a potential foreigner does not have to be present in the country until obtaining the permit. This is especially important, because if he is present before obtaining work permit, the employer bears responsibility for him, and potentially the application for a work permit for him/ her may be rejected.
North Macedonia	<p>Labor from third countries – manual labor particularly from Asia due to quota, and security checks not authorized (approved) by the Ministry of internal affairs. The companies don't receive back an explanation for the reason for rejections directly but the process is conducted through the Employment Agency (AVRM). The period for approval is often longer than prescribed, thus it can be assumed there is a lack of capacities within the institutions to conduct faster checks especially with third countries (such as India, Paksitan...). These are obstacles that affect the seasonal work labor demand which is directly linked with seasonal needs and the delay results in fully 'missed' opportunities for the businesses (not able to get the workers when needed).</p> <p>The companies (especially small companies) are unaware and are not knowledgeable of the procedure for procuring labor force from outside of the country. Some stated that the companies are outsourcing the services to specialized agencies.</p> <p>The security checks for labor from outside the WB region can be quite long</p> <p>The WB labor is not easy to be attracted, it might be most beneficial for SRB as a 'recipient' country due to its more competitive advantages: higher wages, larger economy, significantly larger investments to attract labor and enable better business conditions and higher technological and technical development as another attracting point for labor.</p>
Serbia	NA

8. If YES on Q7, Explain what were the reasons for the rejection and what is your recommendation to the government

COUNTRY	RESPONDS
Albania	NA
Bosnia and Herzegovina	It was due to the claim by the administration that there were unemployed citizens of BiH who could take the jobs. Later on, however, in one case it was revealed that this unemployed person did not want to work in a different municipality than that of his residence.
Kosovo	NA
Montenegro	The procedure of obtaining a work permit is facilitated by the fact that now a potential foreigner does not have to be present in the country until obtaining the permit.
North Macedonia	NA
Serbia	NA

9. Any other issues you want to stress

COUNTRY	RESPONDS
Albania	NA
Bosnia and Herzegovina	Many businesses have stressed several other challenges with foreign labor such as the issue of integration in living environment (workers and where applicable of the family).
Kosovo	NA
Montenegro	NA
North Macedonia	The practical implementing of the agreements and the protocols is yet to be seen in reality since the e-government system has started its functioning as of 4/3/2024 and the businesses have not recorded any obstacles. (no technical administrative issues).
Serbia	NA

Conclusions

General

Regional Working group on progress with free access to labor market can be beneficial. This group can help in proposing practical solutions to challenges of businesses community especially for the SMEs. The lack of regional cohesion could be challenging for this idea. This group can also syndicalize the business voice of the region.

Organizing conferences on free access to labor market is seen a good idea but within a context. Companies believe that it would be useful to organize conferences of business communities from all countries of the Western Balkans, which would produce the White Book with experiences and recommendations from companies in order to create a better environment for free access to the labor market. However, in their view, it is crucial that these conferences go beyond mere formalities that end in writing a big report (a White Paper) about business recommendations. Thus, a follow up, monitoring and evaluation of the achievements are also important.

Preparing a White book could be beneficial. The document can include alignment of recommendations with governmental policies, the level of engagement from businesses across the region, and can test the willingness of governments to implement suggested measures at regional level.

Labor force from the region is active not only in domicile country but also in other countries. However, it looks as the phenomena is rather hectic and not streamlined. OBI can help in to streamline this process and enable more “liquidity” in matching demand and supply in the labor market in the region. Sectors that are most exposed to regional labor market efficiency are: construction, hospitality, agriculture.

Per country

Albania:

- Business community has a clear division regarding establishing Country and Regional Working Groups to address labor market challenges in the Western Balkans. While some view these groups as an opportunity for regional cooperation and problem-solving, others prioritize internal cohesion before engaging at a regional level.

- Businesses express uncertainty about the effectiveness of a White Book containing recommendations for free labor market access, citing the need for alignment with governmental policies and stakeholder commitment.
- Businesses acknowledge potential language barriers and express openness to digitalization to streamline labor market procedures. However, concerns persist regarding the efficacy of current digital services offered by governmental portals (such as e-Albania).
- Businesses emphasize the importance of addressing labor market challenges through collaborative efforts while highlighting the need for practical solutions and effective governmental engagement.

Bosnia and Herzegovina:

- More than half (three-fifths) of businesses is interested in easier movement of labor force in the Western Balkans but, knowledge about OBI is rather superficial and does not go beyond what was present in media: controversies around its political considerations.
- Identified two challenges with labor force. First is “easy administrative path for” **departure of domestic labor force**. Primarily to EU member states (Germany and Austria but also Slovenia and Croatia). Only few complained about labor force departure to Serbia and Montenegro. Second challenge is “difficult administrative path for” **gaining foreign labor force**. In BiH citizenship makes no difference for foreign labor force (if worker comes from the Western Balkans or elsewhere). Those interviewed spoke about need for policy measures that would make it easier to employ foreign labor force. Some also expressed fear that regional liberalization of labor force movement might bring them in even worse situation regarding departure of domestic labor force.

Kosovo:

- While there are cases where individuals from Albania and Serbia occasionally work in Kosovo, they typically do not undergo the formalization process, even for extended periods of work. Moreover, although there are instances of labor recruitment from other regions such as Bangladesh or Pakistan, it is not yet common to recruit from the Western Balkans, as Kosovo has yet to become an attractive work destination for them. On the other hand, collaboration with short-term experts and remote work happens all the time, with no notable issues in engagement and cooperation. With regard to national or regional working groups, surveyed Kosovar businesses believe there might already be groups of business leaders working together across the region, but they're not completely sure about it.

Montenegro:

- Employers emphasize that it is impossible to meet the labor needs of workers from the countries of the Western Balkans, although they are also very welcome. Due to the special consideration for the security risk of entry and employment of foreigners, they are very aware that such checks are important and significant for themselves. They believe that additional investment should be made in the IT system that would ensure the electronic registration of foreigners and the procedure for obtaining a work permit. As already emphasized, employers would like the labor market to be liberalized, specifically the Law on Foreigners, so that they can more easily find the workers they need. However, they do not see much benefit from the liberalization of the legal solution, as much as they see a benefit in simplifying the procedures for hiring foreigners. They do not differentiate between potential workers from the countries of the Western Balkans and other countries of the world. Employers expect digitization to significantly speed up and simplify the procedure for hiring foreigners. Surprisingly, they have a very high awareness of the need for security checks conducted

by the police administration, which often significantly slow down the process. They give an explanation for this through examples of negative experiences. Employers are completely focused on looking for labor from distant markets, in which they are wholeheartedly helped by employment agencies that procure labor mainly for Croatia and Serbia. They believe that the category of permanent seasonal worker, which should be introduced in the Labor Law, would be of great help, whether it is domestic or foreign workers. While the actual implementation in the employment of foreigners within this category permanent seasonal worker could be commented upon only after the adoption of legislation.

North Macedonia:

- The businesses generally consider the process as beneficial especially for the simplification of the administrative procedures as there will be no need for obtaining work permits, plus the elimination of administrative costs as the Open Balkans ID number eliminates the need for obtaining residency permits. Businesses have expressed an opinion that the OBI has lost its momentum due to the EU's regional market boosting (for the Western Balkan). It is perceived as an on- and off- process with announcements without continuity (ad hoc). It is viewed also as political and top-down process that when it comes down to the administrative structures a lot of obstacles arise which have not been thought out if they are practically implementable. Thus, they view EU supported common regional market (through the Berlin Process) and the New Growth Plan (of the EU) as a more viable and long-term process. Therefore, the businesses are more focused on the overall common regional market advancement rather than on the OBI participating countries.
- Some of the businesses believe that OBI is solely an initiative and it is not an international agreement that has a strong legal basis. The businesses stress that although there might be some benefits from the OBI's free labor access and that the administrative barriers are deemed as reduced and beneficial; the sentiment is that there will be no huge impact since the whole region is faced with the same labor market challenges. Another general observation is that likely Serbia may have most of the benefits because of its competitive advantage for (slightly) higher salaries (wages) and higher technological development, as two factors that attract workers. This is especially seen as advantageous for MK labor as it is deemed that there are no cultural and language barriers thus attracting the workers for either higher salaries or attracted by the higher technological development (resulting in better working conditions). There is a lack of trust among the countries and unresolved political issues in the WB that backlog the processes of actual and practical administrative procedure streamlining.

Serbia:

- Businesses in Serbia do not employ a significant number of workers from the Western Balkans region. The majority of foreign labor in Serbia is found in specific sectors: construction, predominantly staffed by workers from Turkey, and public transportation, where many employees come from Sri Lanka. When it comes to the surveyed companies, which comprise of both large enterprises and SMEs, most of them did not have experience in employing workers from the WB6.
- A key challenge identified by these companies is the lack of accessible, consolidated information. Payments from domestic employers to foreign workers often prove to be difficult. Banks sometime simply refuse to open accounts for seasonal workers, due to the short period of stay. Generally speaking, domestic employers feel that they are not adequately informed about the procedures and incentives for employing foreign workers. There is no mechanism for the employer to force foreign workers to return to their countries after successfully completing their contractual obligations,

while the Ministry of Internal Affairs (Police) expects such guarantees from the employer regarding the legal and regulatory framework governing the employment of foreign workers. This information gap leaves many businesses unaware of potential restrictions, opportunities, and even incentives available for employing foreign labor, which could otherwise guide more informed hiring processes. In terms of recommendations for addressing these challenges, the companies suggest that the Serbian government take a proactive role in identifying specific job positions experiencing labor shortages and assess whether these gaps can be filled by workers from within the Open Balkans countries. A proposed mechanism for this assessment is a poll or survey within the Open Balkans Initiative (OBI) business community, which could offer insights into labor needs and mobility within the region. Furthermore, while there is general support among these companies for the digitalization of services related to employment and labor mobility, there is a consensus that the quality and accessibility of service-related information need significant improvement.