

Regional Sector Analysis – Policy Paper

1. Executive Summary

The purpose of this analysis is to provide a comprehensive overview of the regional sectoral landscape in selected Western Balkan countries, specifically Albania, Montenegro, and North Macedonia. This analysis aims to identify sectors with high labour demand, assess labour market entry points for vulnerable groups, and evaluate the impact of bilateral labour agreements and regional frameworks. The document is part of the assignment that aims to contribute to the implementation of the regional mobility component of the project “Empowering Vulnerable Women through Social Mentoring”, implemented by the Women’s Business Association SHE-ERA.

The objective of this assignment is to assess and analyse the areas of labour market, cross-border employment guidance, and community-level awareness. The assignment aims to promote safe and informed regional migration by developing sector-specific analyses, country-focused employment guides, and practical tools that enable jobseekers, particularly women and vulnerable groups to access cross-border labour opportunities more effectively.

Countries of the Western Balkan region due to historical and various political and economic factors are countries of origin where most of their citizens emigrated mostly to European countries. There is a lot of evidence of emigration of citizens from these countries, including their composition of diaspora and recent emigration. Immigration into the Western Balkans countries, in particular labour immigration is showing increasing trends, in particular assessing trends from 2021 and onwards. This shows the need for different economic sectors for labour migrants, in particular sectors such as construction, tourism, hospitality, etc.

This assessment found that there are discrepancies in terms of participation of the labour force, inadequate public policies aiming employment among women and youth leading to high level of unemployment among those two groups, in particular among youth.

In many of the WB6, the share of informal employment remains high.¹ Circa 2015, it was estimated that the majority of informal workers originated from the region, working in seasonal jobs in the tourism sector or in the mining and construction sectors.² This may have changed as the share of labour migrants from outside the region has increased since then. Informal work may be conducted by irregular or regular migrants who entered the country legally but overstayed their visa and remained to work.

The assessment found that labour mobility in selected Western Balkans, in particular from Kosovo to North Macedonia, Albania and Montenegro is in demand, and among all of the selected Western Balkan countries. Foreign workers outside Western Balkan countries have the larger proportion of the labour migrants, in particular in Kosovo and North Macedonia with Turkish labour migrants and in Montenegro with Serbian and Russian foreign workers. Nevertheless, as

¹ IOM (2022) Assessment of Labour Mobility Frameworks and Their Impact on the Mobility of Albanian Labour Migrants and EC (2023) Enlargement Package Communication, December 2023.

² IOM and RCC (2015), Labour Mobility as a Factor of Development in South-East Europe.

shown below, this proportion of labour mobility presents opportunities for increasing labour mobility in the region and contribute to economic development of the region entirely.

The EU initiative with the Growth Plan presents an excellent opportunity for labour mobility in the Western Balkans with investments to be made that will contribute to transitioning the green economy and economic development in general, but also an opportunity to acquire and explore in terms of human capital development and upskilling with adequate skills acquisition to enter the labour market in the region.

Integration policies and social cohesion is an important advantage to promote labour mobility in the region due to cultural and in some cases language knowledge that is significant advantage for labour mobility in the region. Formalisation through bilateral labour mobility agreements would contribute to a more sustainable and workers retention approach that would benefit of countries entering agreements and most importantly, the migrants themselves.

2. Methodology and Data Sources

The methodology for this analysis involves a detailed desk research of various data sources to ensure accurate and relevant insights. The analysis will cover the regional sectoral landscape in selected Western Balkan countries, specifically Albania, Montenegro, and North Macedonia. The key steps in the methodology include:

1. **Data Collection:** Gathering data from multiple sources, including national statistics, labour market surveys, and reports from international organizations.
2. **Sectoral Mapping:** Identifying and mapping sectors with high labour demand in each country.
3. **Comparative Analysis:** Conducting a comparative analysis across the countries to identify common trends and unique sectoral strengths.
4. **Assessment of Vulnerable Groups:** Evaluating labour market entry points for vulnerable groups such as women, youth, low-skilled workers, and minorities.
5. **Evaluation of Agreements:** Reviewing bilateral labour agreements and regional frameworks to assess their impact on labour mobility.
6. **Policy and Institutional Analysis:** Identifying gaps in policy, institutional capacity, and market responsiveness.

This comprehensive approach ensures that the analysis provides a thorough understanding of the regional sectoral landscape and offers actionable insights for policymakers and stakeholders.

3. International and regional frameworks on labour mobility

International frameworks on labour mobility refer to the legal, institutional, and policy mechanisms—often established through multilateral or bilateral agreements—that govern how workers can move across borders for employment. These frameworks aim to manage migration in a way that protects workers' rights, meets labour market needs, and respects the sovereignty of states.

3.1. The ILO sets international labour standards through conventions and recommendations. Key instruments include:

- **ILO Convention No. 97 (Migration for Employment Convention, 1949)**
 - Promotes equal treatment of migrant workers with nationals in terms of employment, social security, and trade union membership.
- **ILO Convention No. 143 (Migrant Workers Convention, 1975)**
 - Focuses on combating illegal migration and ensuring equal treatment and opportunities for legal migrants.
- **ILO Multilateral Framework on Labour Migration (2006) (non-binding)**
 - Provides guidelines on policy development, social dialogue, and the protection of migrant workers.

3.2. United Nations Frameworks

- UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990)
 - A comprehensive treaty focused on the human rights of migrant workers, regardless of their legal status.
 - Ratified by many sending countries, but very few receiving countries.
- Global Compact for Safe, Orderly and Regular Migration (GCM, 2018) (non-binding)
 - Endorsed by the UN General Assembly.
 - A cooperative framework with 23 objectives, including facilitating fair recruitment, enhancing labour mobility pathways, and protecting migrant workers.

The **Global Compact for Safe, Orderly and Regular Migration (GCM)**, adopted by the UN in 2018, includes **23 objectives**, many of which relate either directly or indirectly to **labour mobility** — that is, the ability of people to move across borders for employment in a safe, legal, and fair way.

The main GCM objectives related to labour mobility are as following:

Objective 5: Enhance availability and flexibility of pathways for regular migration

- Directly related to labour mobility.
- Encourages countries to expand and diversify legal pathways, including labour migration schemes, to meet labour market needs.
- Promotes bilateral and regional labour mobility agreements, and the mutual recognition of skills and qualifications.

Objective 6: Facilitate fair and ethical recruitment and safeguard conditions that ensure decent work

- Focuses on ensuring fair recruitment practices and protecting migrant workers from exploitation and abuse.
- Encourages regulation of recruitment agencies, transparent contracts, and access to justice for migrant workers.

Objective 18: Invest in skills development and facilitate mutual recognition of skills, qualifications and competences

- Supports labour mobility by ensuring that migrants' skills are recognized and matched to labour market needs.
- Encourages partnerships between countries, the private sector, and education/training institutions

Objective 2: Minimize the adverse drivers and structural factors that compel people to leave their country of origin

- Indirectly related: Promoting employment opportunities at home may reduce forced migration, allowing migration by choice, including for work.

Objective 21: Cooperate in facilitating safe and dignified return and readmission, as well as sustainable reintegration

- Indirectly related: Sustainable reintegration may include access to labour markets, skills training, and economic inclusion for returning migrants.³

4. Regional Initiatives on Labour Mobility in Western Balkans

4.1. Berlin Process

The Berlin process was initiated by Germany in 2014 as a platform for high-level cooperation between Albania, Bosnia-Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia as well as some EU member states. The first summit took place in Berlin in August 2014. In a way, the Berlin Process was a gesture to the Western Balkan countries that they had not been forgotten, and also an attempt to maintain their momentum of integration with regards to Europe.

The Berlin Process has four declared objectives: the solution of open bilateral and internal problems of the Western Balkans states, reconciliation within and between societies in the region, the improvement of regional economic cooperation, and the creation of a basis for sustainable growth. According to the website of the Berlin Process, there have been results in four areas: **economic cooperation, political and security cooperation, social cooperation and cooperation in the field of ecological change.**⁴

Among most important achievements from the Berlin Process in relation to mobility in the region are the regional mobility agreements signed in 2022, that include:

³ <https://docs.un.org/en/A/RES/73/195>

⁴ The Vienna Institute for International Economic Studies, Resilience tested by yet another external shock Economic Forecasts for Eastern Europe for 2025-27

- *Freedom of movement with ID cards* (including Kosovo).
- *Recognition of professional qualifications* (for doctors, dentists, architects).
- *Mutual recognition of university degrees*.

These agreements help reduce barriers and support labour mobility within the region. However, their **implementation remains the weakest link**. Regional instability, legal blockages, and political disputes hinder effective implementation of signed agreements.⁵ Officials and experts warn that even when agreements are signed, **entry into force and enforcement lag behind**, reducing on-the-ground impact.⁶ EC representatives described the Berlin Process as facing "stagnation," pointing to **three out of five mobility agreements signed in 2022 still not fully operational** due to delays — especially concerning ID travel and mobility with Bosnia and Herzegovina.⁷

On 18th of November 2022 one of the remarkable political achievements can be noted with adoption of **the Skopje Declaration** that paved the way for Sustainable Migration Governance in the Western Balkans. Representatives of the Western Balkans committed to strengthening cooperation to address smuggling migrants and trafficking in persons, notably by increasing access to regular pathways for migrants and fostering social inclusion.⁸ In terms facilitating regular pathways and labour mobility in the region, this Declaration highlights commitments to increase access to legal pathways for migrants in protracted transit situation in line with relevant competences, and:

- Increasingly adopt a comprehensive approach, as critical for cooperation to promote pathways to harness the benefits of migration for the development of the sub-region.
- Optimize the use of existing regulations to increase access to temporary or permanent legal pathways. Pathways include asylum, temporary residence for humanitarian reasons, return and readmission and legal migration schemes.
- Foster social inclusion and individual integration pathways to protect the most vulnerable groups, in particular children, and uphold migrants' rights to education, work, housing and a dignified life.

The Common Regional Market (CRM) is a major initiative by the Western Balkans to deepen regional economic integration, enhance economic cooperation, and prepare the region for EU accession. It was endorsed by the leaders of the six Western Balkan economies—Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia—at the Berlin Process Summit in Sofia in November 2020. The Common Regional Market is complementary to the EU's Economic and Investment Plan for the Western Balkans and aims to pave the way for a deeper economic integration with the EU Single market. The implementation of sectoral agreements in this regional framework will be taken into account in the assessment of how prepared Western Balkan Six are for participation in the EU Single market in the given sector. In

⁵ <https://tirana.fes.de/news-events-publications-detail/the-berlin-process-and-regional-economic-integration-a-decade-since-the-launch-of-the-ambitious-initiative-antonela-dhimolea-march-2024.html>

⁶ <https://www.swp-berlin.org/en/publication/the-berlin-process-in-the-western-balkans-big-ideas-difficult-implementation?>

⁷ <https://www.koha.net/en/arberi/ngecje-ne-zbatimin-e-marreshjeve-te-procesit-te-berlinit-mes-vendeve-te-ballkanit>

⁸ <https://www.iom.int/news/newly-adopted-skopje-declaration-paves-way-sustainable-migration-governance-western-balkans>

this respect, integrating the region more closely with the EU Single market before WB6 economies accede to the Union is the guiding principle of the CRM.⁹

4.2. The Growth Plan for the Western Balkans

On 8 November 2023, the European Commission adopted the Growth Plan, aimed at fast-tracking the region's approximation to the EU by granting early access to select EU single-market benefits, prompting socio-economic convergence and growth.¹⁰ A key priority action, directly embedded in the Growth Plan's first pillar, promoting intra-regional and EU-bound labour mobility.¹¹ This resulted with regional cooperation initiatives such as a Joint Statement on labour migration policies. In May 2025, the Regional Cooperation Council (RCC) hosted a high-level conference in Budva, where Western Balkan representatives endorsed a Joint Statement on labour migration policies. The agenda focuses on regional policy coordination, ethical recruitment, data-driven migration frameworks, and integration services aligned with EU standards. It underscores labour mobility's potential to drive economic growth and address skills mismatches.¹²

4.3. Bilateral Cooperation

In terms of bilateral cooperation in the area of labour mobility in the region, is the Cooperation Agreement between Albania and Kosovo, respectively by the Ministry of Labour and Social Welfare of the Republic of Kosovo and the Ministry of Finance and Economy of the Republic of Albania, signed on 02 October 2020. The objectives of this agreement were:

- Eliminate work permits: Allowing citizens from one country to work in the other without requiring a work permit or other bureaucratic processes.
- Enable access to employment services: Citizens can register at employment agencies in either country as if they were local, simplifying labour market mobility.
- Build a common Kosovo–Albania labour market: Promoting professional training, employment opportunities, and cross-border integration.
- Boost mutual economic and social benefits by addressing labour shortages, leveraging skills cross-border, and reducing bureaucracy.¹³

⁹ <https://www.rcc.int/pages/143/common-regional-market>

¹⁰ https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en

¹¹ Ibid

¹² <https://www.rcc.int/news/939/western-balkan-representatives-endorse-joint-statement-on-labour-migration-policies>

¹³ <https://insajderi.org/en/bashkimi-i-tregut-te-punes-kosove-shqiperi-regjistohen-rreth-200-mije-punekerkesues>

5. National Migration Legal, Policy and Institutional Frameworks in the context of Labour Mobility

In Kosovo, the institutional structure and legal framework are largely in line with the EU acquis. Relevant strategic and legal documents are implemented effectively. The new Law on foreigners is pending adoption by the Assembly. The law should ensure judicial overview of detention of migrants decided by police authorities. The current fragmented policy approach should be replaced by a cross-sectoral migration strategy covering all relevant policy areas.¹⁴ Kosovo Government has drafted the Migration Strategy 2021-2025 incorporating GCM objectives in its strategic objectives. The Strategy reflects the priorities included in the government programme 2021-2025. It takes into account obligations deriving from the SAA as well as recent European and global initiatives, such as the EU Pact on Migration and Asylum, and Global Compact on Safe, Regular and Orderly Migration. Currently, Kosovo Government, lead by the Government Authority for Migration (GAM), is in the process of drafting the new Migration Strategy 2026-2030 and has already concluded the evaluation ex-post of the previous Migration Strategy 2021-2025. This evaluation recommended strategic orientation, while labour mobility and regular pathways remain among key recommendations: as following:

1. Recommendation #3: Development and operationalization of regular migration and labour mobility channels - The 2026–2030 strategy should have a clear objective of establishing bilateral agreements for labour mobility, including components for ethical recruitment, partnerships for skills development, and the transfer of migration benefits. Additionally, a system should be developed to monitor recruitment and protect the rights of migrant workers both in Kosovo and abroad, in cooperation with the private sector and international agencies.
2. Recommendation #8: Linking migration policies with economic development and the labour market - In the new Strategy, the link between migration policies and economic development should be institutionalized through joint planning mechanisms between labour, vocational education, and migration institutions. This linkage will enable the forecasting of labour force needs and the development of instruments to guide migration in support of human capital development.
3. Recommendation #15: Integration of the gender dimension into migration policies and support for safe and equal migration for women - The Migration Strategy 2026–2030 should clearly and consistently integrate a gender perspective into all stages of planning, implementation, and monitoring of migration policies. This includes the development of dedicated measures that address the specific challenges faced by migrant women, such as access to information, protective mechanisms against exploitation and gender-based violence, as well as inclusion in the labour market and public services. The Strategy should promote safe and regular migration for women through support for international agreements that include provisions for gender protection, and by empowering the role of women's groups in the design and implementation of policies. Furthermore, the collection of sex-disaggregated data and the analysis

¹⁴ European Commission Country Report 2024 for Kosovo, page 43-44
https://enlargement.ec.europa.eu/document/download/c790738e-4cf6-4a43-a8a9-43c1b6f01e10_en?filename=Kosovo%20Report%202024.pdf

of the gender impact of strategic measures should be ensured, in order to guarantee equality and inclusiveness in migration management.

In Montenegro, the management of legal and irregular migration is satisfactory, and the legal framework is largely aligned with the EU acquis. The 2021-2025 strategy on migration and reintegration of returnees regulates best practice on legal migration, asylum, prevention of irregular migration, readmission, return, integration, internally displaced persons and statelessness.¹⁵

In Albania, the legal framework for migration is partially aligned with the EU acquis and needs updating in line with the latest EU developments. Following the entry into force of the Law on Foreigners in November 2021, 30 pieces of implementing legislation have been adopted so far: 7 in 2023 and 4 in 2024. A revised draft Law on foreigners is in preparation. A national migration strategy (2024-2030) was adopted in May 2024, accompanied by an action plan (2024-2026). The strategy includes the main priorities and goals set out in the EU action plan on the Western Balkans. It is aligned with the cross-cutting integrated border management strategy (2021-2027), the national strategy for countering organised crime and serious crime (2021-2025), and commitments made under the EU's Global Alliance to Counter Migrant Smuggling. Albania requested observer status in the European Migration Network in March 2023.¹⁶

North Macedonia has strategic documents in place on migration, including the 2021-2025 national strategy for integrated border management and accompanying action plan for 2022-2025, and the resolution on migration policy for 2021-2025. The country continues to actively manage mixed migration flows. The legal framework is broadly in line with European standards. Institutional and administrative capacity needs to be strengthened by increasing human, technical and material resources. The Law on work and employment of foreigners and legislation on the right to family reunification in the case of registered partnerships needs to be further aligned with the EU acquis. Overall, North Macedonia needs to strengthen its institutional and administrative capacity for managing migration by increasing the number of employees and providing additional material and technical resources.¹⁷

¹⁵ European Commission Country Report 2024 for Montenegro, page 48

¹⁶ European Commission Country Report 2024 for Albania, page 46

¹⁷ European Commission Country Report 2024 for North Macedonia, page 45

Migration Strategies per selected WB countries; outline of labour mobility objectives.

COUNTRY	NAME OF STRATEGY	SPECIFIC OBJECTIVE RELATED TO FOREIGN WORKERS	INSTITUTIONS RESPONSIBLE FOR IMPLEMENTATION
ALBANIA	National Strategy on Migration (2024-2030) and Action Plan (2024-2026)	<u>Policy Goal II:</u> Develop effective labour migration policies, increasing the positive impact of migration on national/local socio-economic development.	Ministry of Interior, including Anti-trafficking and Migration Directorate, Directorate for Asylum Policies, Foreigners and Citizenship, Directorate General of Civil Registry.
MONTENEGRO	Strategy on Migration and Reintegration of Returnees in Montenegro 2021-2025	<u>Strategic objective 1 of the Strategy on Migration and Reintegration of Returnees:</u> Creating a fully functional mixed migration management system and ensuring full access to rights (includes activities re. amendments of the Law on Foreigners to simplify the procedure for issuing / extending temporary residence and work permits)	Ministry of Interior; Ministry of the Interior; Ministry of Foreign Affairs, the Ministry of Labor and Social Welfare, Directorate for Inspection Affairs, Employment Bureau of MNE and local self-governments.
NORTH MACEDONIA	Resolution on Migration Policy of the Republic of North Macedonia 2021-2025	<u>Strategic objective 3.3 of the Action Plan for Implementation of the Resolution on Migration Policy of the Republic of NMK 2021-2025:</u> Immigration policy for aliens and creation of an appropriate visa policy to facilitate the admission of deficient labour force in the Republic Of NMK	Ministry of Foreign Affairs, Ministry of Labour and Social Protection, Ministry of Interior, Secretariat for European Affairs, and the Emigration Agency. Supported by the Ministry of Education and Science, Ministry of Justice, Ministry of Economy, Ministry of Finance, Ministry of Health, and the State Statistical Office
KOSOVO	State Strategy on Migration 2021-2025 - 2023	<u>Strategic objective 1:</u> Manage regular migration movements; Activity 1.1.2. Signing bilateral labour mobility agreements; <u>Specific objectives 1.3</u> Develop policies and schemes aiming management of immigration for employment purposes and create incentives for attracting immigrants with qualifications based on labour market needs; <u>1.4</u>	National Coordinator on Migration; Government Authority on Migration; Ministry of Internal Affairs; Ministry of Foreign Affairs; Ministry of Finance, Labour and Transfers

		Consolidation of the system for integration of foreigners.	
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NOTE: Mapping on the strategic framework and institutional responsibilities related to labour mobility

6. Employment of foreigners in selected WB countries and sectors with high labour market demand

This section intends to provide data and statistics on labour migrants in selected Western Balkans countries, with focus on Kosovo, Albania, North Macedonia and Montenegro. Part of analysis of this section that is imperative in particular those within the region and identify the sectors they are employed as well as the sectors that face the highest demand of the labour force.

6.1. Kosovo

The labour market in Kosovo continues to remain one of the biggest challenges for economic and social development. In 2024, according to the Labor Force Survey (LFS), the unemployment rate was 10.8%, while for young people (15–24 years old) it reached 19.5%.¹⁸ Compared to the previous decade, these figures represent a significant improvement, but the domestic reality remains problematic: labour force participation is still low, only 43.2%, while over a third of young people (31.4%) are classified as NEET (not in education, employment or training).

These indicators reflect a paradox of the Kosovo market: the demographic structure is young and potentially dynamic, but the market's capacity to absorb the workforce remains limited. Unemployment is not only related to the lack of jobs, but also to their quality, as most are low-paid and in sectors with limited productivity. As a result, migration appears as a reasonable strategy for young people seeking better professional and social prospects.

Another dimension is the gender gap in the labour market. Women's participation remains significantly lower compared to men, reflecting not only structural and cultural barriers, but also the lack of effective policies for gender equality in employment. This situation may reflect the tendency for many young women to seek employment opportunities abroad, especially in the health and social care sectors where there is high demand in EU countries.

In this context, the labour market in Kosovo is not only an indicator of internal development, but also a driving factor for migration. Structural unemployment, the gender gap, and the lack of opportunities for professional development make migration not only an option, but often a necessity for a significant portion of the active population.

Regular immigration to Kosovo during 2024 was mainly reflected in the granting of 7,596 temporary residence permits, of which 3,612 were for the first time and 3,984 were extensions. Statistics show a steady increase in the presence of foreigners, which is mostly related to employment (56%) and family reunification (35%). These two reasons account for over 90% of residence permits, leaving studies in a peripheral role (8%). This report highlights the fact that Kosovo is seen more as a place of work or residence for family reasons, rather than as an academic destination.

In a longer-term context, permanent residence permits remain much more limited: only 414 cases in 2024. Over half of them belong to the Serbian community (218 cases), while the rest are distributed among Germans, Turks and Albanians. This profile shows that the long-term

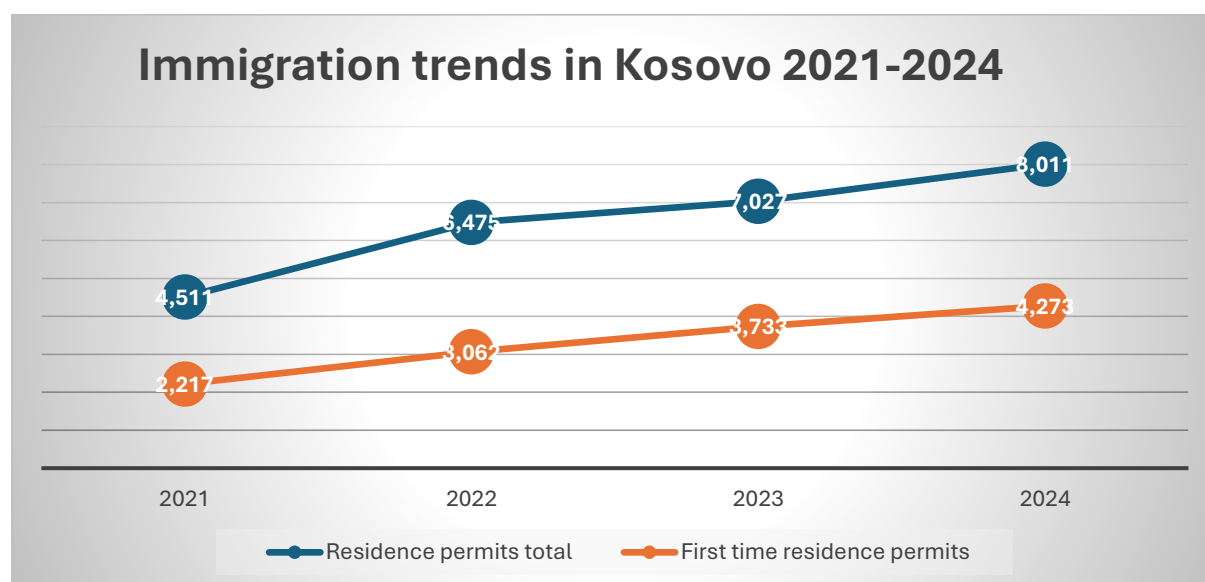
¹⁸ Agjencia e Statistikave të Kosovës (ASK). (2024). *Anketa e fuqisë punëtore 2024*. Prishtinë: ASK

integration of foreigners in Kosovo is still partial and more related to ethnic and regional specificities than to an attractive strategy for permanent migration from the EU or other countries.

During 2023, the number of foreigners with temporary residence permits was 6,785. Data for the period 2021–2023 show an increasing trend in the number of foreign nationals with temporary residence permits in the Republic of Kosovo. The number of foreigners with temporary residence permits in 2023 (6,245) increased by 9% compared to 2022 (6,245) and by 59% compared to 2021(4,281). By nationality, the highest number of temporary residence permits were issued to citizens from Turkey (25%), Serbia (19%), Albania (16%), Bangladesh (11%), North Macedonia (9%), and other countries (20%).

These trends are showing an increase of foreigners exploring and targeting labour opportunities in Kosovo. Statistics show an increase for 77% of total residence permits issued by Kosovo authorities during the period 2021 to 2024, while residence permits for employment purposes have increased for 92.7% during the same period.

Graph 1: Immigration trends in Kosovo, 2021-2024



Source: Ministry of Internal Affairs, Kosovo Government

In Kosovo, foreign workers are employed in sectors such as constructions, agriculture and services including gastronomy and housework. These are the main sectors that are facing labour shortages, and the foreign workers are contributing to filling these places.¹⁹

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¹⁹ Assessment on the migrant workers in Kosovo, GIZ, June 2024.

IOM Labour Study Kosovo²⁰

Statistical report of the Labour migration survey conducted in Kosovo between 7 December 2023 and 5 April 2024.

- The survey interviewed 82 respondents, mostly male (87.8%), and mostly coming from **Bangladesh (52.44%), Turkey (13.41%) and Botswana (6.1%)**. Half of the respondents had arrived within 36 days prior to the interview.
- Majority (73.8%) were previously employed in their country of origin. Main categories of occupation were skilled manual and elementary occupations. **Construction and agriculture were the most stated sectors of previous work.**
- **As for the type of work they will be doing in Kosovo, respondents stated construction (48.15%)** and elementary occupations (e.g. cleaners, mining/ construction labourers, street vendors, refuse workers) (22.22%)
- **Fifty-eight percent of respondents applied for the job through a recruitment agency.** Majority paid the fee for the recruitment agency in the country of origin. The average cost was 2800 Euros.
- **Almost 60% stated they were/will be sending remittances to relatives in the country of origin.** The average amount stated was 256 euros per month.
- **The average size of the company where respondents work was 22 people.** The mean percentage of migrant workers in these workplaces was 41%. Most stated temporary employment arrangement (58%), followed by permanent (28%), and seasonal employment category (14%). **The average monthly income mentioned by the respondents was 555 euros.**
- **Fifteen percent stated how the employer did not adhere to the terms and conditions of the contract.** These were mainly related to longer working hours than those mentioned in the contract.
- While the majority (62%) stated having no problems at their workplace, **32% mentioned the lack of health/medical insurance, 21% mentioned low wages, and 21% long hours.**
- Eighty percent of the respondents stated having information about where they would stay prior to arriving in Kosovo. **Arrangements about the accommodation were made mostly by the employer (66%).** Sixty-eight percent stated how the accommodation was provided by the employer.

²⁰ IOM (2024), Labour Mobility Study, IOM Kosovo

6.2. North Macedonia

A total of 14,151 foreigners from 125 different countries were granted temporary residence permits in 2024 in North Macedonia. Turkish citizens top the list for temporary residence permits in Macedonia. Aside from Turkey, a significant number of permits were issued to citizens of Kosovo – a total of 1,426. In this case, the structure is different: nearly half (734 people) obtained permits on family members grounds, while the rest were mostly for employment (286) and studying (262). From Serbia, 948 people received temporary residence permits, with 640 granted on family members grounds and 138 for employment. A similar pattern is seen with Albania – 934 people received such permits, with 585 people granted on family members grounds, 144 for family reunification, and 133 for employment.

The largest number of temporary residence permits issued in North Macedonia in 2024 were granted for employment – a total of 4,943. Turkish citizens received the most (2,247), but a significant number were also granted to nationals from Nepal (425), Bangladesh (375), India (362), Kosovo (286), Serbia (138), and Albania (133).

According to the official statistics of North Macedonia, in the first quarter of 2025, construction remains the sector with the highest demand, with a 3.29 % vacancy rate, followed by accommodation and food services and manufacturing.²¹

In 2024, according to the statistics, there was a boom in services sector, where tourism/hospitality becomes the largest shortage sector (3.47 % vacancy rate), then construction ~ 3.0% and the third manufacturing (<3%).²²

In 2023: North Macedonia issued a total 6,821 residence permits, while 371 were for Kosovo citizens. Depending on the country of origin, most permits were issued to people from Turkey, Kosovo, Serbia, and Albania. According to the employment agency, the most common professions for which permits are issued are managers, construction workers, carpenters, electricians, rebar workers, and others. It is also important to emphasize that the country has signed three bilateral agreements with Germany, Slovenia and Qatar for seasonal workers.²³

In 2022, according to the Office, in 2022 most workers were required in the manufacturing industry (2953), followed by the wholesale and retail trade for the repair of motor vehicles (1735). There were 996 vacancies in transport and storage, followed by construction with 730 and IT and communications with 580.²⁴

In North Macedonia, 4,344 immigrants were granted temporary residence for the purpose of employment in 2022 and as per the countries coming from the majority were from the region (Albania, Kosovo), Turkey (tourism and hospitality) and China (construction), as well as Bangladesh, India, Nepal, Pakistan, and the Philippines (tourism). In the recent years construction workers are recruited from Azerbaijan and Tajikistan.²⁵

²¹ State Statistical Office of the Republic of North Macedonia, "Official Website," accessed August 29, 2025, <https://www.stat.gov.mk>

²² Ibid

²³ **European Commission.** *North Macedonia 2024 Report*. Brussels: European Commission, 2024, p. 61. Available at: https://enlargement.ec.europa.eu/document/download/5f0c9185-ce46-46fc-bf44-82318ab47e88_en

²⁴ Ibid

²⁵ Labour Mobility and Growth in the Western Balkan, Desk Review- IOM Bosnia and Hercegovina, May 2024.

6.3. Albania

Albania is also among the countries that has an increasing trend of residence permits for employment purposes and work permits issued for foreigners.

As per the statistics in regard to the foreign workers (temporary residence permit issued):

- 2024 - 21,940 (54.3% for employment purposes – approx. 11,917)²⁶
- 2023 - 21,460 (48.3% for employment purposes – approx. 10,346)

At the end of 2023, the number of foreigners with residence permits in Albania resulted 21,460 inhabitants, by increasing with 18.2 % compared to 2022. The number of resident foreigners in 2023 is dominated by males with 63.8 % versus females with 36.2%. The number of applications for residence permits in Albania, in 2023 was 12,430 applications, by increasing with 22.7 % compared with 2022. Resident foreigners originating from Kosovo, Italy, and Turkey constitute the largest number of foreigners with residence permits in Albania in 2023, respectively with 3,712, 3,375 and 1,693 inhabitants. Foreigners originating from Europe, in 2023 result in 15,223 inhabitants and constitute 70.9 % of the total number of foreigners compared to 73.3 % that constituted in 2022. The main reason for the residence permits of foreigners in Albania in 2023, is for employment with 48.3 %.²⁷

From an analysis of the statistical data collected, during 2024 the total number of foreigners who applied for a residence/unique permit in the country was 23,771 people, up from 18,549 who were registered in 2023. Expressed in percentage, in 2024 we have an increase of 28.1% in applications compared to 2023.²⁸

The biggest flow is from Albanians to Greece, generally from South and Southern-Eastern areas of Saranda, Delvina, Konsipol, Gjirokastra, Permet, Kolonje, Korca and Devoll. The highest flows are happening during the summer and winter seasons. Other destinations are Montenegro and the North Macedonia, where Albanian waiters and seasonal workers work as irregular migrants in agriculture and tourism mainly during summer season. In Montenegro, there is evidence of workers from Albania in construction as well. A specific case is the regular mobility between Albania and Kosovo which due to the common ethnicity is not considered as migration per se. These mobility flows are perceived as a natural effect of the intensification of cooperation between both countries, including mobility of elites, to name but a few: appointment of deputy ministers in the current government, as well as in leading positions in institutions of national importance (i.e. National gallery of Arts). Both in Tirana and Prishtina, there is an increasing number of university professors, project managers, bank sector experts, and businessmen etc. which work with regular contracts. There were initiatives to facilitate regional cooperation and labour mobility between Albania-Kosovo and North Macedonia, which consist in increasing cooperation for vocational training offered by the regional Employment Centre of Prizren (Kosovo) and the Public Employment Services in Kukes (Albania) across the border.

²⁶ Institute of Statistics (INSTAT), *Foreigners in Albania, Year 2024*, August 25, 2025, https://www.instat.gov.al/en/themes/demography-and-social-indicators/migration-and-migrant-integration/publications/2025/foreigners-in-albania-year-2024/?utm_source=chatgpt.com.

²⁷ Institute of Statistics (INSTAT), *Foreigners in Albania, Year 2023*, August 23, 2024, <https://www.instat.gov.al/en/themes/demography-and-social-indicators/migration-and-migrant-integration/publications/2024/foreigners-in-albania-year-2023/>

²⁸ <https://mb.gov.al/wp-content/uploads/2025/02/PROFILI-VJETOR-KOMBETAR-I-MIGRACIONIT-2023.pdf>

In 2022, the National Employment and Skills Agency in Albania registered a total of **39,815 vacancies**, with the highest demand observed in the following sectors:

1. Manufacturing Industry

- **Vacancies:** Highest among all sectors - Significant demand for craft and related trades workers, plant and machine operators, and assemblers.

2. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles - Strong demand for sales workers and related occupations.

3. Accommodation and Food Services - High demand due to the tourism sector's growth.

Albania has seen a “tourist boom” in recent years. Many businesses in hotels, restaurants, bars etc. are short-staffed, especially in seasonal periods (summer). Common foreign roles include waiters, cooks, bartenders, housekeeping staff. Most foreigners are employed in the manufacturing sector, such as those dealing with the production of textiles or construction materials. Specifically, about 572 foreigners work in manufacturing enterprises in Albania. Meanwhile, the other sector with the highest demand for foreign workers is trade, hotels-bars-restaurants. On the other hand, mining and construction are the other two sectors with the largest number of foreign employees, with 133 and 128 respectively. While finance and services, electricity, gas and water, are those that employ the fewest foreigners.²⁹

²⁹ <https://scantv.al/english/lajme/shqiperia/shqiptaret-ikin-jashte-te-huajt-punojne-ketu-ishp-gjate-vitit-te-i2260>

6.4. Montenegro

Number of residence permits for employment purposed through the years:³⁰

- 2024 – 28,988 (In 2024, there was a limit for the number of temporary residence permits and work the main purpose of ensuring that the infrastructure can support the influx of foreign workers)
- 2023 – 38,943 temporary residence permits and work (a 32.83% increase from 2022)
- 2022 – 29,319 temporary residence and work.
- As per the filling of these shortages, from the number of the residence permits for employment purposes, we can see that labour migrants are one of the main components in this regard.
- As per the sectoral distribution, the residence permits were issues for work in sectors such as construction, hospitality, tourism, trade, agriculture and transportation.

Table 1: Employment residence permits issued for Kosovo, Albania and North Macedonia citizens, by Montenegro, in 2024

Country	Total in numbers	Total in percentage
Albania	2035	5.35
Kosovo	1457	3.83
North Macedonia	720	1.89

- Source: Employment Office of Montenegro³¹

It is worth noting that majority of employment residence permits issued by Montenegro are for citizens from Serbia, Turkey and Russian Federation, while countries in region remain in the top of the countries whom citizens have obtained residence permit for employment purposes in Montenegro.

As per the recent official statistic from January to June 2025 ³²in Montenegro, employers reported **13,309 job vacancies** to the Employment Agency. The sectors with the most vacancies were: education; accommodation and food services and trade.

As per the first part of the year 2024, employers reported 13,541 job vacancies to the Employment Agency and their greatest need was for hospitality and tourism occupations – 1,519 reported. The data shows that 3438 jobs were advertised in the field of accommodation and food service: 2859 in education and 1860 in the field of wholesale and retail trade.

Although accurate data on contemporary Montenegrin emigration is not available, it is clear that Montenegro is transitioning from an old emigration region to a country facing a labour shortage and increasingly attracting workers from the Western Balkan region. While the topic of emigration is present in the policy documents, mainly with respect to maintaining Diaspora relations,

³⁰ **European Commission. Montenegro 2024 Report.** Brussels: European Commission, 2024, p. 65. Available at: https://enlargement.ec.europa.eu/document/download/a41cf419-5473-4659-a3f3-af4bc8ed243b_en

³¹ <https://www.zzzcg.me/uploads/wysiwyg/lzvjestaj-o-radu-ZZZCG-za-2024-godinu-19-2-2025-KONACNI-PDF-67c19f3e5141e.pdf>

³² **Employment Service of Montenegro (ZZZCG). Labour Market Statistics – Job Vacancies (January 1 – July 31, 2025) and (January 1 – July 31 2024).** Podgorica: ZZZCG, 2025. Available at: <https://www.zzzcg.me>

attracting their investment and preventing Brain Drain, the issue of employment of foreign workers is on the top of the agenda of policy makers in this field. Several reforms have been undertaken in the past couple of years intended to, on the one hand, simplify the process of issuing work permits, while on the other hand, leading campaigns intended to motivate employers based in Montenegro to employ Montenegrin citizens - a couple of years ago they even had an 'Employ Montenegrin' campaign. While an open labour market policy approach seems to have been pursued, in reality the position of the policy makers is much more ambivalent.³³

Circular migration in the case of Montenegro is relatively weak, but in the last couple of years it has become more evident alongside stronger immigration processes. Following independence in 2006, the implementation of economic and other reforms, the labour market in Montenegro has been stabilised and job growth is noted. Thus, Montenegro became a country of net immigration, attracting numerous workers, mainly from the West Balkan Region.³⁴

33 Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe, Vladimir Grečić Jadranka Kaludjerović, July 2012

34 Ibid

7. Labour Markets, Employment and Skills

Labour markets in the Western Balkans in general continue to be characterized by low labour participation rate, especially among women and young people, low employment rates, and emigration of skilled workers.³⁵

The labor force participation rate improved over the course of 2023 at the WB6 regional level. The increase in the labour force participation rate partly reflected a decline in the working age population.³⁶

Employment statistics may not reflect the reality, as WB citizens declare themselves unemployed to keep access to social welfare or health services even when working on the informal market.^{37 38}

One major barrier to growth in the WB is skills mismatches, whereas high unemployment rates coexist with skills and labour shortages.³⁹ Skills gaps are a major cause of hiring difficulties⁴⁰ and firms in Montenegro (16%) and Kosovo (44%) point to inadequately educated workforce as a major constraint.⁴¹ Labour shortages are expected in key sectors of the WB economies, in low, medium and high skills categories.

In 2023, labour shortages continued to be among top concerns raised by businesses in the WB. According to the Balkan Business Barometer 2023, when asked what the Government should do to curb the problem of labour force shortages and brain drain, WB employers indicate primarily retention of labour force (70%) and facilitation of immigration from third country (17%).⁴² When asked about their preference in hiring workers from abroad, WB employers indicate a preference for workers from the WB (40%), the EU (16%) and third country nationals (8%), while 21 percent prefer neither and 15 refused to answer.⁴³

Health and ICT sectors are particularly impacted by the emigration of young professionals.⁴⁴ Following the COVID-19 pandemic, there has been a sharp increase in unfilled vacancies in the health sector, and a surge in migrant workers from Asian countries.⁴⁵

Regionally, IT and Services are highly affected by skill losses.⁴⁶ Computer Software, Internet, and Telecommunications are negatively impacted in Albania and North Macedonia.⁴⁷

³⁵ EC (2023) Enlargement Package Communication, December 2023.

³⁶ World Bank, Western Balkans Regular Economic Report, Quarter 1 2024. [World Bank Document](#)

³⁷ This is the case for instance in the Federation of BiH. Issues with unemployment data are also reported in MNE.

³⁸ [Ako Bosna i Hercegovina ima 335.386 nezaposlenih osoba - zašto zapošljavamo strane radnike? \(klix.ba\)](#)

³⁹ ILO (2019) The Role of social partners in skills development, recognition and matching for migrant workers. A contribution to the Global Skills Partnership.

⁴⁰ OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits.

⁴¹ OECD (2022), Labour Migration in the Western Balkans: Mapping Patterns, Addressing Challenges and Reaping Benefits.

⁴² RCC (2023), [Balkan Business Barometer](#).

⁴³ RCC (2023), [Balkan Business Barometer](#).

⁴⁴ IOM (2022) Emigration of Health and Information and Communication Technology Professionals from BiH; IOM (2022) Assessment of Labour Mobility Frameworks and Their Impact on the Mobility of Albanian Labour Migrants.

⁴⁵ World Bank (2023), Western Balkans Regular Economic Report No.24, Fall 2023.

⁴⁶ World Bank and WIIW (2020), Western Balkans Labor Market Trends 2020.

⁴⁷ World Bank and WIIW (2020), Western Balkans Labor Market Trends 2020.

According to a recent study commissioned by IOM in Kosovo with private sector companies, 34% of respondents were considering recruiting foreign workers mainly in sectors such as construction, gastronomy and manufacturing.

In Kosovo, key factors influencing the employment of migrant workers include filling skill gaps, cost-effectiveness, diversity, language proficiency, market expansion, and seasonal work needs.⁴⁸

⁴⁸ Chamber of commerce (2023), Business Climate in Kosovo.

8. Main Findings

High-Demand Sectors

The analysis identifies several sectors with high labour demand across Albania, Montenegro, and North Macedonia. These include construction, tourism, agriculture, ICT, and healthcare. Each country has its unique sectoral strengths and demands, but these sectors consistently show high demand for labour force.

Labor Market Entry Points for Vulnerable Groups

The analysis highlights the challenges and opportunities for vulnerable groups such as women, youth, low-skilled workers. It emphasizes the need for targeted skills development and vocational training to improve their participation rates in the labour market.

Bilateral Labour Agreements and Regional Frameworks

The analysis provides an inventory of bilateral labour agreements and regional frameworks like the Common Regional Market and the Berlin Process. These agreements play a crucial role in facilitating regular, safe, and orderly migration, although their implementation often faces challenges.

Policy and Institutional Gaps

The analysis identifies gaps in policy, institutional capacity, and market responsiveness. It stresses the need for better alignment between labour market needs and policy frameworks, as well as the importance of enhancing institutional capacities to manage labour mobility effectively.

9. Key Challenges

Skills Mismatches and Labour Shortages

One major barrier to growth in the Western Balkans is the mismatch between the skills available in the labour market and the skills demanded by employers. High unemployment rates coexist with significant labour shortages, particularly in sectors such as construction, tourism, agriculture, ICT, and healthcare. This mismatch is a major cause of hiring difficulties, with firms in Montenegro and Kosovo pointing to an inadequately educated workforce as a significant constraint.

Vulnerable Groups and Labour Market Entry

Vulnerable groups, including women, youth, low-skilled workers, face significant barriers to entering the labour market. These barriers include limited access to skills development and vocational training opportunities, which are essential for improving their participation rates in the labour market.

Implementation of Bilateral Labour Agreements and Regional Frameworks

While bilateral labour agreements and regional frameworks like the Common Regional Market and the Berlin Process play a crucial role in facilitating regular, safe, and orderly migration, their implementation often faces challenges. Regional instability, legal blockages, and political disputes hinder the effective implementation of these agreements, reducing their impact on the ground.

Policy and Institutional Gaps

There are significant gaps in policy, institutional capacity, and market responsiveness. Better alignment between labour market needs and policy frameworks is needed, along with enhanced institutional capacities to manage labour mobility effectively.

10. Key Strategic Recommendations

Opportunities from the Growth Plan - The Plan includes up to €6 billion in funding (2024–2027) to support infrastructure, green transition, digital transformation, energy, transport, and private sector growth. The Growth Plan aims to boost to Private Sector & Job Creation in the region through innovation and skills training and contribute to reduce youth unemployment and brain drain.

Formalizing Regional Mobility Bilaterally – data and statistics at disposal show that there is a regional mobility of the labour migrants, in particular for seasonal works. However, there is evidence that significant number of labour migrants are informal workers originated from the region, working in seasonal jobs in the tourism sector or in the mining and construction sectors, while increasing labour rights and Occupational Health and Safety (OSH) risks. There are no bilateral labour mobility agreements in place (except Kosovo and Albania). This shows how important are the Bilateral Labour Mobility Agreements (BLMAs) among the countries in the region with its benefits such as: Protecting Migrant Workers' Rights, Addressing Labour Market Needs, Promoting Safe and Legal Migration Supporting Skills Development and Transfer, ensure skills transfer upon return and reintegration into the country of origin.

With the aim of addressing skills mismatches and labour shortages – this assessment recommends exploring modalities of negotiating and concluding the Skills Mobility Partnerships (SMPs) among Western Balkan countries. Skills Mobility Partnerships are collaborative agreements—often between countries, institutions, or organizations—that facilitate the mutual recognition, development, and transfer of skills across borders. They aim to match skills supply with labour market needs while promoting ethical and beneficial migration. To this end, with international and regional initiatives in place, funding committed by the European Union for structural reforms, SMP's ensure the best solution between sending and receiving countries, ensure collaboration between private and public sector and terms of developing and acquiring the adequate and recognisable skills transfers, while enhancing vocational training and education in compliance with the labour market demands and respective economic sectors.

