



*Facilitating Intra EU Labour Mobility of Third Country Nationals in the EU /MOBILE/,
example of Serbia*

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In the preparation of this report, the phenomenon of posting of workers and migration was placed in a national context. The data used are based on national and EUROSTAT statistics, a literature review, and the results of previous research. The European context is considered through the mobility of workers from third countries. National legislation aligned with European regulations is identified, as well as practice in the field of posting of workers, and possibilities for improving the position of migrant workers through social dialogue, active approach of institutions and implementation of good practices are explored. Empirical data were collected based on the views of social partners, relevant institutions and in-depth interviews that were conducted from mid-July to the end of September 2025. The research was conducted in accordance with the proposed methodology of the MOBILE project.

Bearing in mind that Serbia is a candidate for joining the EU, and that it is predominantly a country of labor emigration, and that at the same time it is increasingly identified as a country of reception of workers from third countries, the researcher considered that this specificity should be investigated by monitoring both flows - the outflow of labor from Serbia to EU countries, as well as the inflow of foreign migrant workers from third countries. This approach would look at the mobility of TCN workers from the perspective of EU candidate countries.

Summary

In recent years, Serbia has recorded an increase in the employment rate¹, as well as a decrease in unemployment, which is a consequence of depopulation and the outflow of the workforce. The most common destinations for workers from Serbia are Germany, Austria, Slovakia, as well as neighboring countries: Croatia, Slovenia, and Hungary. Workers go for temporary work abroad as posted workers based on an inter-company contract, but they also get work through temporary employment agencies or under some other arrangement. The trend of posting workers has been increasing since 2016, with decreases during the post-Covid crisis, so

¹ According to data from the Labor Force Survey in the first quarter of 2025, the employment rate increased by 0.5 percentage points (p.p.) and amounted to 51.4%, while the unemployment rate decreased by 0.3 p.p. and amounted to 9.1%, <https://www.stat.gov.rs/sr-latn/oblasti/trziste-rada/anketa-o-radnoj-snazi>

that for the first time in a long time, in 2024, Serbia had a positive migration balance, which is also a result of the reduction of the migration base². An increase in short-term employment, especially of qualified workers, but also of unqualified workers, is identified.

In the last four years, there has been a record increase in immigrants, third-country nationals, as well as a record number of work permits issued to foreign nationals.³ The largest number of permits was issued to workers from China, Russia, Turkey, India, and Southeast Asian countries. There is an opinion that such an increased trend of immigration through the employment of third- countries nationals with lower wages could increase the external migration flow of workers from Serbia who go to work in EU countries in search of better conditions.

The legislation of the Republic of Serbia in the field of posting workers to work abroad is partially harmonized with European regulations - which further complicates the position of posted workers. The most common problems related to the posting of workers are the payment of wages, contributions, and unpaid overtime. The simplified procedure for obtaining work permits is still a challenge for employers. Workers are often exposed to fraud by non-existent companies, through the issuance of false permits, lack of social and health insurance coverage.

The employment conditions of migrant workers in Serbia are regulated through the Law on the Employment of Foreigners⁴, amended and supplemented in 2023, which in accordance with EU legislation⁵ introduces a single residence and work permit, simplifies and shortens the procedure. However, as in the case of posting workers from Serbia to work in EU countries, irregularities are noted in practice regarding the position of TCN workers and a systematic approach, better coordination, and cooperation of all relevant institutions, including social partners, is necessary. The creation of a coordination body that would unite all actors to coordinate migration issues and harmonize strategies is also being considered.

The paradox that, despite the lack of labor in Serbia, wages remain at a low level is worrying. The reception of foreign workers, especially citizens of third countries, maintains this situation, they are mostly engaged in low-skilled jobs, worse conditions and with low wages. The situation is similar with workers sent from Serbia to the countries of the European Union, who are in a less favorable position compared to resident workers. The danger of "social dumping" and jeopardizing the rights of EU workers, as well as the general leveling or reduction of labor rights at a lower level, is highlighted more often⁶.

² Reduction in the number of the population due to aging, negative birth rate, depopulation, which reduced the labor force base, and thus the base for potential migration to other countries.

³ At the end of 2024, there were 93,642 foreign citizens with approved temporary residence.

⁴ *Official gazette* no. 128/2014, 113/2017, 50/2018, 31/2019 and 62/2023)

⁵ Directive 2011/98/EU of the European Parliament and the Council of December 13, 2011 on the unified procedure for processing requests for the issuance of a unified residence and work permit to citizens of third countries on the territory of a member state and on a common set of rights for workers from third countries legally residing in a member state

⁶ Akgüç M. and Zwysen W. (eds) (2025 *Moving under the radar, Ongoing challenges for short-term intra-EU mobility*, Irastorza, N., -Short-term employment of EU workers-evidence from Sweden, chapter 8 <https://www.etui.org/publications/moving-under-radar>

Representatives of trade unions and employers' organizations are aware of the topicality of this issue and the urgency of its solution. There must be a social dialogue about labor migration where trade unions and employers will be relevant interlocutors, not observers. However, the weak effects of social dialogue, the absence of numerous branch and sectoral collective agreements in the real sector, as well as legislative solutions⁷, limit social partners from acting more efficiently.

Positive practices, the results of projects implemented in the last decade, some of which have come to life even after the end of the projects, indicate the importance of expanding labor legal protection with the so-called domestic territory and for the protection of posted workers and TCN workers engaged in Serbia. A strategic approach to the challenges of migration is necessary, not just a discussion of the consequences.

I The national context

Table 1: Trends in labor mobility and referrals

	2016	2017	2018	2019	2020	2021	2022	2023	2024
No emigrants	30,573	39,673	50,270	62,070	18,186	13,849		27,000	25,000
No PW	9,049	13,608	15,613	11,843	7,771	7,420	6,620	6,809	5,797
No. work permits issued to foreigners in Serbia	6,323	6,714	7,391	11,119	12,935	23,662	33,174	52,178	49,147
No. PW in Serbia	538	431	572	1,080	1,784	5,926	5,513	2,829	37,000

Source: CROSI for workers sent from Serbia; NES for posted workers coming to Serbia; Eurostat and KIRS (Migration Profile of the Republic of Serbia), for data on immigration and emigration

Serbia is a traditional emigration area. Data published by the OECD in 2022 and included in the *Strategy on Economic Migration* for the period from 2021 to 2027 show that in the last 12 years, more than half a million people, with an average age of thirty years, left Serbia abroad, and that they were evicted in the largest percentage from the "labor force contingent". In that number, a part is made up of posted workers from Serbia to the EU.⁸ Of the total number of 573,952 citizens of Serbia, who had valid residence permits in the EU at the end of 2022, the largest number of them resided in Germany (41.03%) and Austria (18.67%).⁹ Statistics are not complete, especially when it comes to labor emigration. In creating the Migration Profile for 2024, Eurostat data was used, which EU member states publish on the number of immigrants in the current year. In this way, we arrive at the data that between 25 and 27 thousand people leave Serbia annually, most of them based on work.

⁷ Labor Law refers only to employees and not to employed persons who, in the case of labor migration, are mostly in the regime of different employment contracts,

⁸ According to the Institute for Development and Innovation, there are almost no domestic statistics on emigration from Serbia, and international statistics are not comprehensive.

⁹ <https://ec.europa.eu/eurostat/web/products-statistical-reports>

From the EU-27 statistics on the immigration status and flows of Serbian citizens, it becomes clear that the overall pattern of Serbian immigration to the EU has changed in the last decade in the direction of shorter stays due to work. Given that the number have first permits issued in the EU has increased compared to the period 6 years ago, it can be said that the total outflow of emigrants from Serbia has slightly increased in the case of the EU (from 10% to 13%). The share of emigration for reasons of employment for citizens of Serbia to countries of newer destinations was - in Slovakia (88%), Slovenia (72%). In the period 2020/2023, in Croatia, Germany, Slovakia and Slovenia, Serbia was among the first three countries whose citizens received their first residence permits¹⁰.

As for the motives for their departure, there are strong push and pull factors between economic and political instability and insecurity that drives their mobility, and migration plans to a neighboring EU country that provides relatively easy access to its labor market for workers from the former Yugoslavia. (Danaj, S & Geier, L, (2020) and Danaj et al. (2020). The ratio of the salary at the destination to the salary in the country of origin is certainly an incentive for migration. Even if the range of average wages is not large, there is an outflow of low- and medium-skilled migrants from countries with greater inequality in income and wages and higher returns to skills (such as Serbia) to countries with less inequality in income and wages and lower returns to skills (such as Slovakia and Slovenia)¹¹. Partly responding to the demand for skills of the host countries, and partly because of the "push" factor (disincentives to stay in Serbia) for low- and medium-skilled workers, the skill structure of Serbian emigrants in the EU remained similar or somewhat worse compared to the skill structure of the permanent population. This surprising finding further confirms the implicit assumption of an increase in temporary and otherwise vulnerable employment among recent Serbian emigrants to the European Union (Arandarenko, M, Aleksić, D. (2024).

Workers from Serbia in EU countries mostly work in the construction, engineering, transport, services, health, and care sectors. The main corridors for workers from Serbia are Croatia, Slovenia, Austria, Hungary, and Slovakia. Emigration flows have increased, and flow-to-stock ratios are significantly above the EU average in new member countries, such as Slovenia and Slovakia, which indicates a remarkably high share of short-term emigrants. - Slovenia and Slovakia also stand out in terms of the share of issued first permits for paid activities in total permits - in 2022, approaching 90% in Slovakia, and in Slovenia around 70%.

→ Large investment works in Serbia, the arrival of foreign investors, as well as the lack of local labor force, have led to increased immigration and employment of foreign workers in recent years. They are engaged in the construction sector, on large infrastructure projects, in transport, machine industry, service sector and agriculture. In 2023, 52,178 work permits were issued, and in 2024, 49,174. This number is 37% higher than in 2022, and as much as 136% compared to

¹⁰ Annual report on migration and asylum 2023 – Statistical annex – July 2024, <https://ec.europa.eu/eurostat/web/products-statistical-reports/w/KS-09-24-264>

¹¹ This is confirmed by the fact that the migration of low-skilled and medium-skilled labor is from less developed regions, Resavski, Toplički district, Sandžak, where inequalities are pronounced.

2021¹². Most permits were issued to workers from the Russian Federation, who fled the war and transferred their entrepreneurial jobs to remote work, the People's Republic of China (workers mostly employed by Chinese companies), India, Turkey, and Nepal. The largest number of issued work permits is for intermediate level vocational education, as well as for lower qualified workers, while a number of workers have higher education and are most often positioned within foreign companies or the IT sector. One part of the issued work permits refers to posted workers, which foreign companies send to their branches in Serbia due to the lack of domestic labor.¹³ They are engaged in the automotive and mechanical industries, and their position and working conditions are evaluated differently from the point of view of employers and from the point of view of unions.

The relief brought by the amendments to the *Law on the Employment of Foreigners*, as well as the *Law on Foreigners* adopted in 2023, and in full application from February 1, 2024, the introduction of a single residence and work permit with a single request electronically on the *welcometosrbia.gov.rs* portal shortened the procedure and facilitated access to the Serbian labor market for foreign nationals. Although there is still a labor market test, the time from inquiry to obtaining a permit has been significantly shortened. Amendments to the Law on Foreigners also provide for the possibility of temporary residence for up to three years. However, analyzes show that Serbia is not a destination with economic performance that strongly attracts foreign workers. The exception is those who come to work for well-known employers (representative offices of foreign companies, or movement through a business company during the realization of foreign investments), but their stay also ends with the completion of projects.

That Serbia is not the most desirable destination is also confirmed by the fact that, despite the potential for creating a "common labor market" in the countries of the Western Balkans, labor migration does not occur in practice. In 2024, only 242 requests for free access to the labor market were approved based on the Open Balkans. Workers from Albania and North Macedonia choose to work in Western European countries more often than in Serbia.

As for the motives for the arrival of foreign workers of third-country nationals to Serbia, experts cite several reasons: relatively easy access to the labor market, which especially applies to manual jobs in construction or service seasonal jobs, administrative relief, a shortened procedure for obtaining a single permit, but also the fact that after some time spent working in Serbia, they have the opportunity for further transfer and departure to EU countries.

II Regulatory framework

→ The employment of citizens of the Republic of Serbia abroad is regulated by the *Law on Employment and Unemployment Insurance* ("Official Gazette of the RS", no. 36/09, 88/10, 38/15, 113/17, 113/17-dr law and 49/21). The National Employment Service (NES) and employment agencies are responsible for employment mediation between Serbian citizen and

¹² Migration profile of the Republic of Serbia for 2024, <https://kirs.gov.rs/media/uploads/Migracioni>

¹³ Last year and the year before last, Stellantis sent workers from Kragujevac to its branches in Slovakia and Poland, and HI-LEX from Sremska Mitrovica to Hungary.

foreign employers. Based on the agency's report, in 2024, 349 citizens were employed through agencies, and the destinations were Germany, the Czech Republic, Slovakia, Slovenia, and others.

1. The posting of workers from Serbia is regulated - by the Law on conditions for posting employees for temporary work abroad and their protection (LCPW)¹⁴, as well as by the Agreement between Serbia and Germany. In this part, we will give a brief overview of other laws that also deal with the issue of posting workers.

The provisions of the *Law on the Conditions for Posting Employees to Temporary Work Abroad* (Official Gazette of RS No. 91/15, 50/2018) apply to: 1.) deployment of workers within the framework of performing investment and other works and providing services, based on a business cooperation agreement, or other appropriate basis; 2) work or professional training and development for the employer's needs in the employer's business units abroad, on the basis of the deployment act or other appropriate basis; 3) work or professional development within the framework of inter-company movement, for the needs of the employer. The employer cannot send an employee under the age of 18. An employee may be assigned to temporary work abroad only with his prior written consent.

With the changes to the Law on the Conditions of Posting Employees for Temporary Work Abroad adopted in 2018, the legislator tried to regulate this area. In accordance with the changes, the employee must be employed by the employer for at least three months before the day of posting and that the number of posted workers does not exceed 20% of the total number of employees at the employer on the day of posting.

The agreement¹⁵ implemented between Serbia and Germany (agreement concluded in 1989 between SFR Yugoslavia and FR Germany) mainly refers to construction workers. There is a quota of workers from Serbia in detachments, which in the last detachment year amounted to 2,640 workers, of which 1,083 are in the construction sector. A company based in Serbia, registered to perform the activity for which the referral was assigned, can apply for the posting quota.¹⁶

Posting via temporary work agencies is currently not possible in Serbia. However, this is envisaged in the *Law on Temporary Agency Employment* adopted in 2019. The articles regarding posting (Article 10 and 12) shall apply from “the day of acquiring full membership of the Republic of Serbia in the European Union” (Article 37)

The *Law on Contributions for Mandatory Social Insurance*¹⁷ (LCMSI) explicitly mentions posted workers. The contribution base for posted workers is defined as the amount of earnings

¹⁴ Article 3, LCPW

https://www.paragraf.rs/propisi/zakon_o_uslovima_za_upucivanje_zaposlenih_na_privremeni_rad_u_inostranstvo_i_njihovoj_zastiti.html

¹⁵ A special category of posted workers is regulated by the International Agreement signed in 1989 with the FEC of the Assembly of the Socialist Federal Republic of Yugoslavia (SFRJ) and the Government of the Federal Republic of Germany on the secondment of Yugoslav workers on the basis of a contract for the performance of works. Serbia, as the successor of Yugoslavia, continues to implement this agreement, which was renewed in 2001.

¹⁶The request will be approved only when a company from Serbia concludes a contract with a company from the territory of the EU <https://pks.rs/strana/sekcija/detasmani-odluka>

¹⁷ <https://www.paragraf.rs/propisi/zakon-o-doprinosima-za-obavezno-socijalno-osiguranje.html>

they would earn, in accordance with the Labor Law, general acts and the employment contract, at the same or similar workplace in Serbia, unless otherwise stipulated by an international agreement.

Serbia has concluded social security agreements with 35 countries and several signed bilateral agreements on temporary employment abroad (Slovakia, Slovenia). These agreements are a guarantee to citizens of Serbia working abroad that they have the right to the same salary and working conditions as the residents of those countries. As these agreements are rare, most of the temporary or long-term employment of Serbian citizens in the EU takes place through an informal network, through the engagement of companies, employment platforms, and temporary work agencies. For example, Slovenian temporary work agencies have a widespread practice of recruiting workers from the Western Balkans, including Serbia, and deploying them elsewhere in Western Europe.

2. Legislation related to posted workers is partially harmonized with European directives. Regarding the Enforcement Directive 2014/67/EU¹⁸ (Article 5 (c) where there is information on the posting of workers¹⁹ - the question of updating, availability, especially information on the applicable collective agreements is open. LCPW is still not in line with the revised Directive²⁰ 957/2018/EU, specifically the minimum wage guarantee has not been changed to remuneration, and no mention is made of long-term postings (longer than 12 or 18 months).

Neither is the Law on Contributions for Mandatory Social Insurance (LCMSI) in accordance with the Law on Conditions for Temporary Assignment of Workers to Work Abroad. The Law on Conditions assumes that the worker earns a minimum gross salary in the host country, while the LCMSI explicitly states the amount of salary they would earn at the same or similar workplace in Serbia, which cannot be lower than 70% of the average monthly salary in Serbia. This leaves a significant difference between the minimum gross salary in the receiving country in relation to the minimum contribution base for posted workers in Serbia, which is reflected in the future of pensions amount but also compensation in case of work injuries and sick leave. At the same time, in interviews and letters from Germany, non-compliance with the payment of wages, contributions or taxes is particularly emphasized.

3. The employment of foreign nationals in Serbia is regulated by the *Law on the Employment of Foreigners*²¹ (*Official Gazette* of RS, No. 128/2014, 113/2017, 50/2018, 31/2019 and 62/2023), and the amendments to the Law on Foreigners adopted in August 2023, which apply from February 1, 2024, prescribe a unique work and residence permit and additionally simplify the procedure of hiring foreigners.²² It is stipulated that the employment of foreigners is realized

¹⁸ Directive 2014/67/EU of the European Parliament and the Council of May 15, 2014, on the implementation of Directive 96/71/EC on the posting of workers in the provision of services and on amendments to Regulation (EU) no. 1024/2012 on administrative cooperation through the Internal Market Information System ("IMI Regulation")

¹⁹ "Stating the main applicable working conditions, which apply to posted workers, including occupational health and safety", Article 5 c.

²⁰ of June 28, 2018, on amendments to Directive 96/71/EC on the posting of workers within the scope of the provision of services

²¹ https://www.paragraf.rs/propisi/zakon_o_zaposljavanju_stranaca.html

²² *Employment of a foreigner is the conclusion of an employment contract or other contract by which a foreigner, without establishing an employment relationship, realizes rights based on work in accordance with the law; (Art. 2.*

on the condition that: a) they have a visa for a long stay on the basis of employment, for those countries that are in the visa regime; b) have permission for temporary residence or permanent residence in Serbia; and c) have a permit to work in Serbia with prescribed exceptions. After submitting a request for a single permit, the National Employment Service makes an assessment for: 1) employment; 2) particular cases of employment²³, and 3) self-employment. If there is no agreement, an explanation is given.

A foreigner who is employed, i.e., temporarily employed in the Republic in accordance with this law, has the same rights and obligations in terms of work, employment, and self-employment as citizens of the Republic, if the conditions are met in accordance with the law. The law on the employment of foreigners also provides for a labor market test, which means that formally an employer cannot hire a foreigner if there are domestic workers on the records of the National Employment Service who could perform the same tasks. An employer who has canceled an employee's employment contract due to technological, economic, or organizational changes may not hire a foreigner for the same or similar jobs three months after the employee was declared redundant to perform the same or similar jobs. The Government of Serbia can introduce quotas or restrictions on the number of foreigners who can access the Serbian labor market, if it judges that the conditions on the labor market dictate this. Penal provisions for employers and workers in case of violation of the provisions and employment contrary to this law are also foreseen.

Although this law is harmonized with European regulations²⁴ aimed at relaxing the entry and movement of migrant workers, as well as equal treatment, there are discussions about its application. Thus, we have workers who work six days a week for 10 and 12 hours, and sometimes even more, and receive minimum wage. In most cases, their arrival in Serbia is regular, but the problem is horizontal movement, where they start doing different jobs or go to other companies with other employers, and this is where insight is completely lost. Bearing in mind that workers will be dissatisfied with their position, some employers do not provide return tickets until the end of the contractual obligation, and in some cases, they even confiscate their passports. (Todorović, CATUS

The remark also refers to compliance with the Strategy on Economic Migration 2021-2027, because foreign workers mostly come to larger economic centers, which disrupts even regional development, and the question of their skills and education and the overall impact on living and working conditions in Serbia is also open. The strategy was adopted with the following priority goals: building and strengthening institutional capacities for monitoring and increasing the quality of data on economic migration; improvement of living and working conditions in the economic and social sector; creation of conditions for monitoring, encouraging and supporting circular and return migrations; and creating conditions for more efficient management of internal migration

²³ namely: (1) for referred persons, (2) for movement within the company, (3) for an independent professional, (4) for training and improvement.

²⁴ Directive 2014/36/EU of the European Parliament and the Council of 26 February 2014 on the conditions for the entry and residence of third-country nationals for the purpose of employment as seasonal workers,

flows²⁵. From the Business Support Network, they note that Serbia does not have relevant institutions for the testing of knowledge, skills and psychophysical abilities of foreigners who come looking for work. These are the measures of employment of foreigners that exist in other countries, especially in the EU member states, which also have a problem with labor shortage.

Union representatives and experts in the field of labor law are of the opinion that the Law with relaxed conditions for the employment of foreigners is applied in the interest of maintaining a low level of labor costs and the further collapse of labor rights. Foreign workers are engaged in low-skilled jobs from countries that, according to the ITUCs Global Rights Index, fall into group V, and some countries are among the 10 worst rated where workers' rights are not respected.²⁶

From March 2024, in accordance with the Law on Confirmation of the *Agreement on Conditions for Free Access to the Labor Market in the Western Balkans* (Official Gazette of the RS-International Agreement No. 27/21) and the signed Protocol on the Implementation of the Agreement on Conditions for Free Access to the Labor Market in the Western Balkans ("Open Balkans" initiative), citizens of the Republic of Albania and the Republic of North Macedonia can submit a request for free access to the Serbian labor market without the obligation to submit a request for a temporary residence permit. This approval is valid for two years, and the Law stipulates that foreigners who are employed in Serbia in accordance with this have the same rights as domestic citizens.

4. The Labour Inspectorate (LI) is the main intermediate authority responsible for posting abroad and employment of foreigners in Serbia. In the control of 2024, during 289 inspections, the inspectors found 611 foreign citizens who did not have a permit to work in Serbia, which is every twelfth controlled foreign citizen. More than half of these workers did not have an employment contract. After the inspection and the adopted measures, they often do not establish a working relationship with the employer, but return to their home country, and other, also foreign workers, are employed instead. The labor inspectors found that out of the total number of foreign nationals found at work, the employers for eight percent of them did not previously secure permits to work in Serbia, and five percent of them did not conclude employment contracts and did not register them for mandatory social insurance²⁷

III Mapping of social dialogue

Social dialogue is necessary to adapt to changing economic and social circumstances. Labor market reforms and labor shortages cannot be solved without the participation of

²⁵ Interestingly, the first draft of the strategy focused much more narrowly on preventing (usually long-term) highly skilled migration and facilitating the return of highly skilled migrants, as well as attracting highly skilled immigrants.

²⁶ <https://www.ituc-csi.org/global-rights-index>

²⁷ *Control of employment of foreign citizens and supervision of the implementation of the Law on the Employment of Foreigners, 2024*, <https://www.minrzs.gov.rs/sr/struktura/organi-uprave-u-sastavu-ministarstva/inspektorat-za-rad>

representatives of employees, employers, and public authorities. In addition to information and consultation, which are regulated by Directive 2002/14/EC, and within the basic objectives of the European social policy established by Article 151 of the TFEU, social dialogue and collective bargaining between employers and workers' representatives represent two other forms of worker participation,

The Republic of Serbia does not have a legal framework for the participation of employees in the decision-making process at the company level, so we can only talk about fragments and partial adaptation of the *acquis Communautaire* when it comes to informing and consulting employees.²⁸ On the other hand, there are organized trade unions, formed at the level of companies, sectors and at the national level, and information and consultation are mainly realized in the union-employer relationship.

Social dialogue in Serbia, as well as collective bargaining, are defined by the Labor Law. There are several levels at which social dialogue takes place - national, local and company level, as well as tripartite (Government, representative organization of employers and representative trade union organizations) and bipartite (employers and trade unions). The Social Economic Council (SEC) is a tripartite body at the national level. SEC is an independent body made up of representatives of the Government of the Republic of Serbia, representatives of two representative trade unions (Confederation of Autonomous Trade Unions of Serbia (CATUS) and TUC NEZAVISNOST) and the Serbian Association of Employers (SAE). The Council's decisions are adopted by consensus.

According to the assessment of social partners and analysts in the field of labor law, social dialogue in Serbia is insufficiently effective. There are serious delays in the work of the SEC, its decisions are ignored despite numerous initiatives initiated and coordinated by trade unions and employers, and laws are passed according to urgent procedures. There are two reasons for the crisis of social dialogue in Serbia. First, the power imbalance of social partners. Second, the absence of the necessary level of goodwill, trust and understanding among the social partners themselves. On the one hand, we have fragmented unions whose power of mobilization has declined due to general economic trends and declining membership, the only representative employers' association (SAE) was designed to gather a small number of employers with low economic and social impact. (Urdarević, B., Reljanović, M., Bradaš, S., Misailović J (2025)²⁹ From the perspective of our research, the lack of interest of employers, who employ a large number of workers, to join the SAE is not without significance, which leads to the *de facto* blocking of any possibility of sectoral, branch, or other form of collective bargaining at the level of special collective agreements.

This situation and the imbalance in the "relationship of power" usually end up in favor of the state. The state as a social partner appears in several segments³⁰. According to analysts, the

²⁸ There are some provisions in the Labor Law that partially correspond to the standards prescribed by this directive.

²⁹ Collective bargaining in the Republic of Serbia, (2025), p.7

<https://cdrsrbija.org/wpcontent/uploads/2024/03/Kolektivno-pregovaranje-u-Republici-Srbiji.pdf>

³⁰ State representatives (Government, competent ministry, local self-governments) are members of national or local tripartite bodies and authorities. The state is a direct negotiator in the sense of an employer in collective negotiations in the public sector.

state has slowly moved from the central part responsible for the overall environment of social dialogue from tripartite bodies to lobbying centers and entities that exclusively represent the interests of capital³¹. In such an atmosphere, it significantly contributes to stifling social dialogue and increasing social tensions. This can be seen through lobbying for legislation without the "green light" of the SEC, or in the cases of - Indian and Vietnamese workers - whose position has been debated by the European Parliament, where it consciously limits itself in order to meet the demands of capital.³² The lack of quality social dialogue in this area has led to laws favoring the needs of employers and the labor market, while issues of labor and social rights of foreign workers are dealt with superficially and without adequate control of their application. This missed the opportunity to improve protection standards through social dialogue, as well as to ensure a sustainable balance between economic interests and the protection of human rights. (Paunović, CATUS

Serbia does not inherit a general collective agreement, while special collective agreements are concluded in the public sector, in the private sector there is significantly less coverage. The trade unions point out that in some branches they do not have an adequate representative negotiator³³ for the conclusion of a collective agreement, employers emphasize that it is an insufficient classification of activities, where very different activities enter one economic branch, which makes the application of a collective agreement very difficult.³⁴ The situation is somewhat better with collective agreements at the company level.

In the report on Serbia for 2022, the European Commission assessed that the social dialogue is still weak, the Labor Law is only partially harmonized with the EU acquis and that the preparation of the new law has yet to be started and the implementation of the Action Plan for Chapter 19 – Social Policy and Employment³⁵ has yet to be started. In the latest Declaration of the Joint Consultative Committee of Civil Society between Serbia and the EU (JCC) from April 2025, the key importance of respecting the principle of dignified work is confirmed, which also includes the proper resolution of issues on the labor market - the promotion of collective bargaining, the fight against corruption and solving the problems of the informal economy. JCC calls on Serbia to advance labor reforms that are in line with international standards of decent work, with the aim of improving the quality of work and quality of life. encourages the Serbian authorities to foster an environment conducive to social dialogue, the strengthening of workers' rights and the establishment of effective negotiation mechanisms.³⁶

³¹ *Ibid* 3 <https://cdrsrbija.org/wp-content/uploads/2024/03/Kolektivno-pregovaranje-u-Republici-Srbiji.pdf>

³² *Ibid*, 7

³³ Amendments to the Labor Law from 2014 prescribe that a collective agreement whose effect is extended binds employers who employ more than 50 percent of employees in a certain branch, group, subgroup, or activity. When considering the state of employers' organizations in Serbia, which gather a small number of employers, it is not realistic to expect this condition to be met for most activities.

³⁴ Law on the National Framework of Qualifications of the Republic of Serbia (NFQS) ("Official Gazette of the RS", no. 27/2018, 6/2020, 129/2021 - other laws and 76/2023

³⁵The strategic framework related to social dialogue in Serbia was established through the Action Plan for Chapter 19 from May 2020, which refers to the determination of competent institutions for the adoption of regulations and the strengthening of administrative capacities for their implementation, Action Plan for Chapter 19 , <https://www.minrzs.gov.rs>

³⁶ expresses support for the rapid opening of cluster 3 - Competitiveness and inclusive growth; believes that support for the opening of cluster 3 should be linked to overcoming the current deadlock in Serbia's EU integration process

IV Possibilities of social dialogue for TCN workers - Challenges and good practices

Migrant workers who are citizens of third countries are at a disadvantage compared to residents. They are often not visible to unions except in the case of referrals through intercompany cooperation when they are in contact with parent companies. If they are engaged on some other basis through mediation agencies or on an individual basis, it is difficult for them to access unions and collective bargaining. Obstacles are insufficient information, lack of knowledge of the law, language barrier or simply lack of interest in some kind of inclusion, bearing in mind the temporary nature of their employment. Only in the case of injuries at work, gross violation of rights, fraud due to unfulfilled conditions, and especially if it is a larger group of workers, do they turn to the union, or through an intermediary to the labor inspectorate.³⁷ Temporary employees who frequently stay abroad, as well as seasonal workers who are completely under the statistical and social radar, are exposed to the greatest insecurity.

The most common problems faced by TCN migrant workers, according to a counselor from the Permanent Counseling Network in Germany (Beratungsnetzwerk), are incomplete documentation (absence of Vander Elst visa, employment contract, PD A1) signing blank receipts, which results in unpaid wages and compensations. It happens that workers come with a backpack and return after a few months with the same backpack without being paid. In the case of workers from Serbia, the problem of salary payments, which are usually minimal without compensation (lower than their qualifications, annual leave is not calculated), is also present for those who come under a contract on detachments, as well as those who are sent to work in Germany from another EU country (most often Croatia). (Vojic, Beratungsnetzwerk)

A special problem is with "letter box" companies or subcontractors, where in the event of non-fulfillment of obligations, it is difficult to find the main contractor who would compensate the workers. Subsidiary liability exists for now only in the construction sector, but it would be much more advantageous to apply joint liability in the case of claims for unpaid wages. The position of TCN migrant workers must be resolved through social dialogue, where the key role is played by trade unions who are at the negotiating table and participate in all agreements related to employment and working conditions. The bilateral agreement between Serbia and Slovenia is the result of such an activity, where in case of an extraordinary and justified dismissal due to non-fulfillment of the agreed conditions, the worker can change the employer, without losing his work and residence permit. (Tanasić, AFTU of Slovenia.)

There are also legislative obstacles on the possibilities of social dialogue in improving the position of third-country national workers in Serbia, obstacles such as the provisions of the Labor Law, which limited union membership to the status of an employee with an employment contract, (which is often not the case with TCN migrant workers, but they are employed persons, who most often conclude different contracts), as well as union statutes - aimed only at union members.

and hopes for renewed commitment to reforms and inclusive dialogue, which would create the necessary conditions for further progress in accession negotiations, <https://europeanwesternbalkans.rs/deklaracija-zajednickog-konsultativnog-odbora-jcc-podrska-studentskim-zahtevima-zabrinutost-zbog-sve-vece-krize-u-srbiji/>

³⁷ From the Report and interview with a representative of the Labor Inspection

Language and cultural barriers limit migrant workers and reduce their access to the already poor base of collective bargaining. (Bratić, CATUS)

The current system of social dialogue in Serbia includes topics related to the employment and mobility of citizens of third countries to a limited extent. They are considered only once a year, within the framework of negotiations on the level of the minimum wage, whereby the role of foreign workers in that process is viewed exclusively through the prism of the impact on labor costs. An additional problem is the fact that key investors and capital holders in Serbia are mostly from abroad. Their primary interest is profit, while social issues and long-term workforce development are neglected. In this sense, the social dialogue system does not recognize the strategic importance of issues related to workers from third countries but treats them exclusively as a factor in reducing business costs. This misses the opportunity to develop a balanced and sustainable approach that would protect the interests of both domestic and foreign workers, as well as the long-term needs of the national economy. (Paunović, CATUS)

Workers employed on infrastructural projects, in foreign subcontracting companies, are usually housed in special facilities, campuses, communicate with each other in their own languages and are isolated from local workers. Their communication with others at the workplace is limited to the exchange of information and instructions related to the performance of work in poor English or even poorer Serbian. In some cases, despite the right to freedom of association, employers prohibit migrant workers from joining a union. The lack of information often means a lack of rights, exploitation through overtime and unpaid work, non-fulfillment of contract conditions and constant pressure that the contract can be terminated and they can be replaced by another worker. The situation is particularly unfavorable for workers who come from poor countries where labor and trade union rights are not respected, and wages are extremely low.

Access to collective representation for TCN migrant workers is also necessary. It is also necessary to define which collective agreements will be applied, whether they are branch agreements that have a universal character or whether they are agreements with the employer. It seems justified that these should primarily be contracts with the employer, which refer to the workers in the company and the assumption is that they give greater or more specific rights in relation to the branch contract. However, the limitation in information, the marking of contracts with the label "business secret" makes such contracts unavailable to the public.

Trade unions and employers' organizations have not jointly initiated measures to improve the position of workers of third-country nationals through collective bargaining or tripartite dialogue. There are institutional frameworks that the EU and the ILO encourage - the "*Strengthening of social dialogue in the Republic of Serbia*" project, which was launched in September 2024, and is financed by the European Union with the support of the International Labor Organization. The goal of this project is to modernize legislation, strengthen the institutional framework of social dialogue and empower all social partners through training and technical support, both at the national and local levels.

Good practices are also the results of European projects implemented by social partners from Serbia. The Memorandum of understanding and cooperation of trade unions in the field of

protection of the rights of posted workers, signed by trade union representatives of 6 countries, is a natural continuation of cooperation and exchange of information within the project "POSTEN - Posting of workers in industry - new mechanisms of cooperation. The memorandum represents a broad platform for cooperation and promotes the rights of workers to achieve dignified working conditions and who work in Italy, Malta, Norway, Romania, Slovenia, and Serbia. The Compliance checklist, a tool for employers, social partners, labor inspectors, experts has been created to ensure compliance with the revised Directive on the posting of workers. The CATUS is currently implementing the project FELM2, Fair European Labor Mobility2, aimed at workers posted to work in the European Union. The project establishes a network of trade union counseling centers that cooperate with existing counseling services and exchange information with various national bodies <https://sindicat.rs/savetovaliste/>

Unions emphasize the importance of mapping and support points for workers. Good examples of practice are the formation of Viber and WhatsApp groups for legal support for migrant workers, and the creation of operational and short guides in their languages so that they are familiar with their rights, web addresses and contacts to turn to for the protection of their rights. Maintaining platforms with an overview of legislative regulation in a simple and popular way, a list of contacts for providing support and advisory services, constant exchange of information and training are important. The space for individual membership in the union, the possibility of membership for one year only for posted workers, and thus access to the collective agreement (IG BAU practice), the creation of subgroups that will include these workers within the umbrella organization of the union would provide labor and legal protection for TCN workers as well.

V Stakeholder Views

During the research for the MOBILE project from mid-July to the end of September 2025, 12 in-depth interviews were conducted. with representatives of trade unions (CATUS and AMUS), employers' organizations (SAE/UEV), representatives of relevant institutions, experts in this field who deal with the issue of migration and representatives of organizations engaged in the protection of migrant workers in Slovenia and Germany. The interviews were conducted by phone (Viber call), via Zoom, email and in direct contact. Semi-structured in-depth interviews were conducted to collect data, present perceptions, attitudes, and opinions related to the issues researched.

All interlocutors emphasized that the issue of migration is extremely important and that it is necessary to seek solutions through a comprehensive approach, drafting and amending laws as well as controlling their implementation. The lack of workforce³⁸, especially of certain work profiles, is evident, therefore the adoption of the Law on Crafts, the harmonization of the educational program with the needs of the labor market would represent a positive impulse in bridging the gap between supply and demand. (Lalošević, UEV). Serbia has never had such a trend of labor migration in its history. Now, for the first time, it is faced with the arrival of labor from

³⁸ A labor market study conducted by UNDP in Serbia predicts that labor needs will increase from 125,000 workers in 2024 to almost 144,000 by 2026, with the highest demand in the manufacturing and IT industry sectors, while there will continue to be high demand in the wholesale and retail sectors,

distant areas. Synchronized and strategic action should be taken when it comes to migration through the creation of a coordinating body that would bring together all relevant actors. (Pantovic,

During the last decade or so, emigration from Serbia to the European Union has undergone a significant transformation. The share of migrants for reasons of employment in the total number of migrants has increased. Temporary and seasonal migration patterns have become more prominent, suggesting an increase in temporary and otherwise vulnerable employment among recent Serbian emigrants to the European Union. Among the tens of thousands of those who go to work abroad, the majority are workers with secondary and lower education. Foreigners are coming to (their) vacant positions in domestic construction, tourism, catering... (Arandarenko, EKOF)

There is a lot of marketing and spin when it comes to the arrival of foreign TCN workers. Recently, the Ministry of Labor responded to the news about the arrival of 100,000 workers from Ghana with a statement³⁹. When it comes to inter-company cooperation, one gets the impression that some numbers of foreign workers are manipulated to see how the local community reacts to such news. (Todorović, CATUS)

The employers' organization (SAE) insists on dividing employers into two groups. Those who work within legal frameworks, pay all costs and invest their own resources for the training of TCN workers and those hired by foreign investors, companies and subcontractors who were often subsidized by the state and did not respect the laws and where exploitation is recorded (Linglong case). As for the objections of the trade union about the lower wages of TCN workers, it is pointed out that in the case of regular employment, a foreign worker is significantly more expensive for the employer than a resident. It is necessary to provide accommodation, food, provide travel expenses, organize additional training and language learning. In addition, there is a possibility that the worker changes the employer, which harms the calling employer. If the social dialogue would work, the issue of foreign workers and migration with the coordinated activity of all actors and the adoption of systemic solutions would be in the interest of both workers and employers. (Jevtović, SAE).

The innovated Law on the Employment of Foreigners dealt with administration but did not seriously deal with the essence - the protection of workers' rights. These workers are mostly engaged in low-skilled jobs and are completely dependent on the employer. Unions are not against the arrival of foreign workers, especially when it comes to inter-company cooperation⁴⁰, but they are concerned about the impact on the domestic workforce - the deficit of labor rights and the maintenance of low labor costs. (Marković, AMUS). There have also been cases where domestic

³⁹ The Ministry pointed out that despite challenges in the form of labor shortages in certain sectors, the law foresees a number of protective mechanisms, including the labor market test and quota mechanisms that ensure priority for domestic workers and the preservation of employment stability in Serbia.

⁴⁰Stellantis factory Fiat Chrysler Automobiles Serbia lacks workers for the introduction of the third shift. Recently, the public was informed that workers are coming from Morocco and Nepal. The FCA Serbia Trade Union says that they are "against bringing workers from abroad, unless they are from Stellantis factories, because workers from Kragujevac also went to Slovakia and Poland for training and work." The problem with the lack of workforce in FCA can be solved by increasing wages to a level that would make employees happy. For the trade unions, this situation increasingly indicates a reliance on foreign labor, which has lower expectations in terms of wages, which is to the detriment of local workers. "

workers are fired and replaced by cheaper foreign labor.⁴¹ The lack of political will to include this topic in the strategic framework of social dialogue, with the dominance of the interests of foreign investors and capital, further hinders the ability of trade unions to actively represent the rights of workers from third countries. The obstacles are not only legal and institutional, but also structural and political - because issues of labor rights are treated secondary to economic interests, which in the long term undermines the protection of domestic and foreign labor. and foreign workers, as well as domestic ones, do not consider them as a resource but as consumable goods where certain needs will be met and work will be realized (Todorović, CATUS

VI Conclusions and recommendations

Migrant workers who are citizens of third countries are at a disadvantage compared to residents. The previous analysis indicates that both the workers sent from Serbia to EU countries and the migrant workers of TCN who are engaged in work in Serbia are in a disadvantageous position. Incomplete statistics, different legal interpretations and their combined status of "posted worker" and "labour migrant" resulting from the dubious trend of "immigration of labor for the purpose of posting" along with the vagueness of the concept of "usual country of work" make posted third-country national workers particularly vulnerable compared to EU national workers. Due to lack of information, ignorance of the law and lack of institutional support, these workers are often victims of fraud and exploitation through overtime and unpaid work, non-payment of wages, and engagement in high-risk jobs without prior training and appropriate protective equipment. The unfavorable position of TCN migrant workers, mostly engaged in insecure, low-paid jobs, puts the local workforce in an unfavorable position because it keeps wages at a low level and derogates from labor rights. This position does not contribute to the improvement of work standards and makes social dialogue and collective bargaining meaningless.

There is no special regulation in the EU for collective bargaining at the national level, and thus no special framework for transnational collective bargaining, except for the existence of European works councils, which are given the powers of information and consultation, but not the powers of collective bargaining.

- For Serbia as a candidate for joining the EU, it is necessary to conduct negotiations for mobile workers on issues such as employment, social insurance and working conditions, with the full support of the European Union and the empowerment and strengthening of the capacities of social partners. Cooperation with international partners should be extended, from exchange of information to implementation of joint actions that should be agreed upon at the decision-making level.

Migration control and management should be among the main priorities of the Serbian government in the upcoming period. Even with an optimal migration strategy, soon, Serbia will remain vulnerable to various unwanted effects of a country that exports labor force and at the same time accepts many TCN migrant workers.

⁴¹ On the same day, AB catering fired 40 workers from Serbia and hired 20 Indians. The union launched a dispute. Epilogue: workers from Serbia were offered to return to work, but the working conditions were unsatisfactory, so many did not return. The Indians remained.

- It is essential that Serbia engages with the European Commission to ensure that the new EU Pact on Migration and Asylum, announced in September 2020, fulfills its promise of "comprehensive cooperation with partner countries to help strengthen mutually beneficial international mobility."
- Positive trends in legislation improvements and simplification of procedures for labour mobility are evident but harmonization with EU legislation and interpretation of terms should be continued. Improvement of the legal and institutional framework, capacity building, the inclusion of social partners and awareness raising on posting as well as the reception of foreign workers are necessary.
- Trade unions, as well as employers, should become more involved, that is, they should influence the creation of public policies more. The Action plan for Chapter 19 (the plan envisages the transposition of directives that can be considered "a package of related EU legislation and is focused on information and consultation at the national level) provides an opportunity to influence the upcoming process of harmonization of Serbian legislation with relevant EU standards.

Inter-institutional cooperation is established at the operational level between relevant ministries such as labour issues, foreign affairs, interior affairs, finance, tax administration as well as with the employment office on labour mobility, but there is no coordination which includes all actors.

- The topic of labor migration and labor shortage must be discussed through social dialogue. To improve economic, social, and working conditions, a unique approach is established for all workers. Strategic management and wider regional cooperation would avoid the imbalance of labor supply and demand and ensure the conditions for economic and social development.
- There is a need to extend the labor-legal protection from the domestic field to employed workers on temporary work abroad, as well as to TCN workers engaged in Serbia, through raising the capacity of social partners, as well as systemic solutions. The good practice of established networks of advisors in trade unions to support migrant workers for now only through project activities should grow into a permanent European network of advisors, with the support of the EU.

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