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# Labour Migration and EU Enlargement: Reconciling Dutch and Western Balkan Priorities

This policy brief assesses the future of the free movement of workers in the context of further EU enlargement. It specifically explores how a Dutch government ambition to uphold and possibly extend transitional arrangements limiting labour migration from new Member States is perceived in three selected EU candidate countries: Bosnia and Herzegovina, Montenegro, and Serbia. Drawing on targeted interviews and a literature review, the brief first examines the motivations behind the Dutch position, then situates the Dutch debate within the broader EU context, and subsequently considers the perspectives of the selected candidate countries. The brief concludes that post-accession transitional arrangements limiting labour migration are not an effective policy solution to related societal challenges in the Netherlands and fail to address systemic drivers of migration in the Western Balkans. Instead, it recommends a proactive migration management strategy that balances the interests of the Netherlands and the Western Balkans while aligning with EU initiatives towards gradual integration. The brief suggests concrete steps forward, including joint sectoral coordination on labour migration and exploring circular migration and nearshoring schemes.

### 1 Introduction

While the four freedoms form the backbone of the EU's single market, the prospects of attaining the full freedom of movement for workers is uncertain for future Member States.<sup>2</sup> In view of the EU enlargement round with the Western Balkans, the current Dutch government is considering delaying the opening of its labour market to citizens of new Member States through so-called transitional arrangements. Tapping into discussions on preenlargement reforms that are gaining traction in Brussels and the EU capitals, the Netherlands may not only uphold but also extend transition

periods.<sup>3</sup> The four political parties supporting the enlargement-critical Dutch government stipulate in their 2024 Framework Coalition Agreement that:

"With regard to labour migration, the Netherlands will advocate for restrictions on the free movement of persons within the EU if and in so far as enlargement of the EU is at issue."

The Dutch position stands out for various reasons. First, it somewhat diverges from the general EU

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- 2 The four freedoms of the EU's internal market comprise the freedom of goods, services, capital and people.
- 3 See also: Camille van Hees, Louise van Schaik and Wouter Zweers, "The Dutch Dragging Their Feet," Clingendael Institute, 14 November 2023.
- 4 PVV, VVD, NSC and BBB, "2024-2028 Framework Coalition Agreement," 16 May 2024. While this sentence did not return to the government's official programme, we are assured that given its special nature, several ministers regard the outline agreement as standing on equal footing to the government's programme, see: Kabinet Schoof I, "Regeerprogramma," 13 September 2024.

pre-enlargement reform discussions. These mainly revolve around altering the EU's institutional set-up, decision-making procedures, and budget, as well as reforming policies like the Common Agricultural Policy and Cohesion Policy. More importantly, the contents of the Dutch proposal seem to run counter to a European Commission push advocating for accelerating the gradual integration of candidate countries. This includes concrete proposals to boost labour mobility already during the pre-accession period.<sup>5</sup> In contrast to the Dutch priority to limit labour immigration, other Member States, including neighbouring Germany, have in recent years made efforts to facilitate labour migration from the Western Balkans (WB) in response to dire labour market shortages. Additionally, two authoritative reports on the future of the EU's internal market and its competitiveness, authored by Enrico Letta and Mario Draghi in 2024, have called for enhanced labour migration from third countries to support the growth of the EU economy.

In these discussions, the interests of the candidate countries are often quickly overlooked. As (potential) future members, it is essential to account for their interests in EU reform discussions. Even if these countries face brain drain and demographic challenges, which may create the perception that limiting emigration possibilities could serve their interest, the four freedoms – including the free movement of workers – remain a crucial pull factor for becoming an EU Member State.

This policy brief examines the future of labour migration in light of further EU enlargement. Specifically, it explores how the Dutch position to extend limit labour migration from new

EU Member States is seen in three selected candidate countries – Bosnia and Herzegovina, Montenegro, and Serbia (hereafter referred to as 'WB3').<sup>7</sup> These countries were selected for various reasons: Bosnia and Herzegovina faces severe brain drain challenges, Montenegro is formally and arguably the closest to joining the EU, and Serbia constitutes the Western Balkan's biggest economy and largest (working) population. Therefore, the WB3 provide a good overall picture of candidate countries' different interests and perspectives concerning labour migration.

The paper first reflects on the Dutch priorities, assessing the societal challenges the Dutch government seeks to address through its migration policy and the expected impact of limiting labour migration. Second, this brief shows how the EU has handled the issue of freedom of labour during previous enlargement rounds and examines how the current EU debate in preparation for upcoming enlargement rounds relates to the Dutch discussions. Third, the brief analyses how the Dutch proposals and broader EU discussions on labour migration are perceived in the WB3. Finally, the paper puts forward conclusions and recommendations for a balanced and sustainable management of labour migration that works in the interest of both EU Member States and candidate countries.

For this policy brief, the authors conducted research interviews with key policymakers, members of parliament (MPs), experts, and other stakeholders in the Netherlands, Germany, Bosnia and Herzegovina, Montenegro, Serbia, and Brussels.<sup>8</sup>

<sup>5</sup> Such as through the joint recognition of qualifications.
See: European Commission, "Communication New growth plan for the Western Balkans," 8 November 2023.

<sup>6</sup> The brain drain phenomenon can be defined as follows: "a country sees a large number of its highly-skilled workers go abroad to work, [meaning] the remaining population will be older and have a lower potential for productivity." See: Joint Research Centre, "Impact of brain drain - EU Demographic Scenarios," European Commission, accessed on 7 March 2025.

<sup>7</sup> For this policy brief, we look at Bosnia and Herzegovina (as the country with arguably the biggest brain drain challenges), Montenegro (as the country that is arguably closest to joining the EU) and Serbia (as the Western Balkan's biggest economy and largest (working) population).

<sup>8</sup> All research interviews were conducted under agreement of anonymity. As such, to protect the identities of participants, all interviews are cited in a general format (e.g., "Interview with expert, 2024").

# 2 Dutch discussions on managing and limiting the free movement of workers

# The Dutch ambition of extending transition periods for new EU Members

Migration is a highly debated topic in Dutch politics. Whether it is asylum, work, study or family-related migration, there is a growing societal and political desire to better manage migration and lower immigration numbers.9 Following the 2023 general elections and the formation of a right-wing government in the summer of 2024, the formal Dutch stance on migration has sharpened. The Dutch government embraced the advisory report of the government-installed State Committee Demographic Developments 2050, which argues for moderate and managed population growth in the coming years.<sup>10</sup> Following another report by the Dutch Advisory Council for Migration on labour migration, the current government aims to steer labour immigration towards creating added value for the Dutch economy while decreasing societal costs, such as those related to the housing market and the health care system.11 The Dutch debate on limiting labour migration also extends to intra-EU migration, with some parties, like the conservative-liberal VVD, seeking to limit the freedom of movement for workers from current Member States.12

9 Interview with Dutch member of parliament on 27 September, 2024.

- 11 The report stresses that the Dutch government has less leeway to directly manage intra-EU labour migration due to free movement, and, therefore, relies on indirect measures. Adviesraad Migratie, "Advies 'Afgewogen arbeidsmigratie. Gericht arbeidsmigratiebeleid voor brede welvaart'," 10 September 2024, 74; Minister Van Hijum (SZW), "Kamerbrief over een selectiever en gerichter arbeidsmigratiebeleid," 14 November 2024; Minister Van Hijum (SZW), "Kamerbrief met reactie kabinet op advies over afgewogen arbeidsmigratie," 9 January 2025.
- 12 Thierry Aartsen, "Arbeidsmigratie: Kiezen wie we écht nodig hebben," Visiestuk VVD, 26 August 2024.

Our conversations with Dutch MPs and policymakers reveal varying interpretations of the statement in the Framework Coalition Agreement on curbing migration for new members.<sup>13</sup> First, it became clear that the statement is not exclusively about post-accession transition periods.14 Rather, it should be seen as an expression of discontent by the ruling coalition members about the number of migrants coming to the Netherlands and concerns over labour migration abuses.<sup>15</sup> Interestingly, several MPs from coalition parties even appeared unaware of the statement or its intended objective. As such, interpretations ranged from maintaining the currently existing transition periods for new Member States of a maximum of seven years to intentions of extending them to a period of 10 to 15 years. 16 In a December 2024 parliamentary debate on demography, a more concrete and widespread consensus emerged in Dutch politics regarding the extension of transition periods. This time, opposition leader Frans Timmermans (Greens-Labour coalition) also suggested longer transition periods could be needed after the next EU enlargement round – marking a shift in his party's thinking.<sup>17</sup>

Recent political debates suggest that the Dutch government's primary objective is to better

- 15 According to the Advisory Council, these abuses are especially frequented in low-cost sectors, and – most likely – less frequent in sectors where high-skilled labour migrants are employed. See: Adviesraad Migratie, "Afgewogen arbeidsmigratie," 12.
- 16 Interviews with Dutch MPs on 11 September, 27 September and 16 October, 2024.
- 17 Tweede Kamer der Staten-Generaal, "Debat over het rapport van de Staatscommissie Demografische Ontwikkelingen 2050," Stenogram, 4 December 2024; Pim van den Dool, "Yoor links is migratiebeperking geen taboe meer, Timmermans spreekt van 'koerswijziging'," 4 December 2024

<sup>10</sup> Tweede Kamer der Staten-Generaal, "Debat over het rapport van de Staatscommissie Demografische Ontwikkelingen 2050 (2e termijn)," Stenogram, 16 January 2025.

<sup>13</sup> For memory: "With regard to labour migration, the Netherlands will advocate for restrictions on the free movement of persons within the EU if and in so far as enlargement of the EU is at issue" PVV, VVD, NSC and BBB, "2024-2028 Framework Coalition Agreement."

<sup>14</sup> See section 3 for more information on the use of transition periods during previous accession rounds in which periods of up to 7 (2+3+2) years could be uphold by each 'old' Member State. See also: Tweede Kamer der Staten-Generaal, "Parlementair onderzoek Lessen uit recente arbeidsmigratie," Den Haag, 2011, 21.

match labour migration with the needs of Dutch society while ensuring a net positive outcome for society as a whole. From an economic perspective, most political parties in the Dutch parliament consider strategic steering on the sectors that provide perceived added value for the Dutch society and economy as beneficial. Such sectors generally seem to include ICT, hightech, and other knowledge-intensive sectors, but for some parties, it also includes agriculture. Other (sub) sectors that host many migrant workers but also see abuses, like slaughterhouses or distribution centres, are considered less desirable, with some parties proposing further automation or cutting the sectors severely.

The idea of implementing and extending transitional arrangements would be to avoid labour migration from new EU Members, one member of parliament said, until migration pressure from these countries has decreased naturally.<sup>21</sup> For some interviewees, this issue also concerns Eastern candidates, especially Ukraine, which has a significantly larger population.<sup>22</sup> Expected effects of extending transition periods

18 The need to match labour migration with sectors where labour is needed was also addressed by various parties in the debate on demographic developments, such as by SGP, GL-PvdA, BBB and Volt. See: Tweede Kamer, "Debat over het rapport van de Staatscommissie Demografische Ontwikkelingen 2050," 2, 17, 33, 85,

- 20 Thierry Aartsen, "Kiezen wie we écht nodig hebben."
- 21 Interviews with Dutch MP on 11 September, 2024.

include the idea that they could limit a brain drain from accession countries and that they would prevent the new Member States from becoming a "new Poland, where a large part of the working population has left".<sup>23</sup> However, it must be noted that transition periods will only be discussed when negotiations on accession treaties come into play and that – as one interviewee duly noted – will very likely not be during the span of the current Dutch government (until 2027).<sup>24</sup>

# Societal and economic considerations in the Dutch debate

To better grasp the Dutch position, it is crucial to understand the underlying issues politicians intend to solve through the proposal to curb labour immigration from future EU Member States. Interviews with MPs from various coalition parties suggest that the desire to lower (labour) migration numbers arises from the perceived limits to the (socio-)economic and (cultural) absorption capacity of Dutch society. Economically, our interlocutors pointed to rising housing shortages and competition for physical space, coupled with pressures on social benefit systems, the health sector, and labour systems, as significant challenges. They argued that extensive labour immigration to the Netherlands could exacerbate these issues.<sup>25</sup> While the combined population of the Western Balkans is relatively small (see Table 1), a Dutch interviewee noted that a new wave could be the last straw that breaks the camel's back.26

While cultural concerns are more often associated with asylum migration, one MP raised concerns about neighbourhood identity and integration challenges in the context of increased labour

<sup>19</sup> The Dutch government has commenced an interdepartmental policy research on labour migration (Interdepartementaal Beleidsonderzoek (IBO) Arbeidsmigratie) which analyses how labour migration is being influenced by different policies as well as various policy options that could increase the control over labour migration. The results are expected before summer 2025. Besides, the government has tasked the Social and Economic Council (SER) to present an advice on how indirect measures can increase the government's (targeted) control over labour migration. See: Minister Van Hijum (SZW), "Arbeidsmigratie en sociale zekerheid. Brief, van de Minister van Sociale Zaken en Werkgelegenheid," Den Haag, 9 January 2025, 3.

<sup>22</sup> However, it should be noted that many Ukrainian refugees are already working in the Netherlands under the Temporary Protection Directive (TPD). See also:
Government of the Netherlands, "Temporary Protection Directive extended up to and including 4 March 2026,"
25 June 2024; Council of the European Union, "Refugees from Ukraine in the EU," accessed on 7 March 2025.

<sup>23</sup> Interview with Dutch MP on 27 September, 2024. In reality, this statement deserves nuancing as Polish migrant workers are mostly staying in MS on a temporary basis. Besides, more and more Polish migrants are returning to Poland, underlining the (eventual) circular effect of the freedom of movement. See: Eric Albert and Hélène Bienvenu, "Ces milliers de Polonaises et de Polonais qui reviennent dans leur pays après avoir vécu dans l'ouest de l'UE," Le Monde, May 31, 2024.

<sup>24</sup> Interview with Dutch policy maker on 19 September, 2024.

<sup>25</sup> Interviews with Dutch MP on 11 September, 27 September and 16 October, 2024.

<sup>26</sup> Interview with Dutch MP on16 October, 2024.

immigration.<sup>27</sup> Thereby, they echoed an argument made in a recent party outlook on labour migration of the VVD.<sup>28</sup> On the other hand, the BBB (Farmer-Citizen Movement) explicitly rejects the link between cultural concerns and labour migration, noting that neighbourhood identity challenges are only relevant to asylum migration.<sup>29</sup>

Further arguments for better managing and potentially curbing labour immigration included exploitation challenges. All Dutch interviewees referred to a 2020 report by Emile Roemer, who was appointed head of a special interdepartmental commission to report on the protection of labour migrants in the Netherlands after many parliamentary debates on the topic before 2020. His report rang alarm bells about the exploitation of labour migrants, including substandard housing conditions, insufficient access to social benefits, and general negligence of immigrant labour rights, offering various recommendations.30 As the Dutch Advisory Council for Migration also argues, steering immigration towards more skill-intensive sectors with added value for the Dutch economy, as well as limiting immigration numbers, could automatically diminish such challenges.31

# Other policy options considered in the Netherlands

The interviews conducted for this study reveal that Dutch perspectives on labour migration go beyond introducing extended transition periods

alone. They also brought forward other policy options – echoing Dutch political debates and various advisory reports – for managing labour migration. These included adjusting or better enforcing the EU's Posting of Workers Directive to ensure better protection of workers' rights when third-country nationals are posted in the Netherlands via companies in other Member States (e.g. Serbian construction workers working in the Netherlands for Slovenian companies).<sup>32</sup> This would diminish the abuses related to the exploitation of migrant workers, as discussed above. These particularly affect posted workers, who often face issues such as illegal overstays, labour rights abuses and insufficient social safety nets, showing a need for better enforcement of current rules.

Another path forward would be the introduction of circular models for labour migration. Earlier research indicates that a model through which people leave their country of origin temporarily to work (or study) in another country in sectors where there are labour shortages comes with several benefits. That is because migrants return home with acquired income, new skills and expertise after a certain period. In that way, circular migration decreases brain drain risks for the countries of origin while decreasing labour market shortages in the destination country. Hurther case study research could contribute to identifying the practical feasibility of circular migration between the Netherlands and the Western Balkans.

<sup>27</sup> Interview with Dutch MP on 11 September, 2024.

<sup>28</sup> Thierry Aartsen, "Kiezen wie we écht nodig hebben."

<sup>29</sup> BBB, "Kanttekeningen BBB bij VVD-plan arbeidsmigratie," BBB, 27 August 2024.

<sup>30</sup> Emile Roemer, a former member of parliament, was appointed head of a special interdepartmental commission to report on the protection of labour migrations in the Netherlands. This "Aanjaagteam Bescherming Arbeidsmigranten" ("Advisory team for the protection of labour migrants") published two advisory reports in 2020. See: "Geen tweederangsburgers.

Aanbevelingen om misstanden bij arbeidsmigranten in Nederland tegen te gaan," 30 October 2020. See also: The Netherlands State Committee Demographic Development 2050 states that almost three quarters of labour migrants have left the Netherlands after 10 years, see: The Netherlands State Committee Demographic Development 2050, "Gematigde Groei," 2024,152 & 217.

<sup>31</sup> Adviesraad Migratie, "Afgewogen arbeidsmigratie."

<sup>32</sup> The Posting of Workers Directive (PWD) ensures that the rights and working conditions of posted workers are protected across the EU by establishing mandatory employment rules that promote fair competition. See: European Commission, "Posted workers," accessed on 7 March, 2025; European Parliament and the Council, "Directive 96/71/EC of the European Parliament and of the Council," 16 December 1996.

<sup>33</sup> Such as the following recent Clingendael study about circular migration with Egypt regarding ICT: Matteo Colombo, Anouk Pronk and Monika Sie, "Connecting Shores: Assessing Egypt's ICT nearshoring potential. A case study on opportunities for Dutch companies," 18 February 2025. See also: Monika Sie et al., "Gedeeld belang bij circulaire migratie Naar duurzame partnerschappen," Clingendael Institute, 23 June 2021.

<sup>34</sup> See: Monika Sie et al., "Gedeeld belang bij circulaire migratie."

Similarly, nearshoring jobs, or "bringing work to people rather than people to work", could also relieve migration pressure on the Netherlands while bringing economic benefits to the Western Balkans. In practice, nearshoring entails either "(1) hiring foreign-based workers, (2) establishing business partnerships with local companies abroad, or (3) opening new branches outside the Netherlands". To better assess the full potential of nearshoring, recent research on the opportunities for nearshoring ICT jobs from the Netherlands to Egypt could be replicated for the Western Balkans for different sectors. 35

# Do the Dutch take into account effects on countries of origin?

Dutch coalition politicians and policymakers tend to focus predominantly on the Dutch context, meaning socio-economic issues in the Netherlands come on top of moral, political and economic considerations over potential negative brain drain and demographic effects on the countries of origin in the Western Balkans. Only when explicitly prompted did some interviewees acknowledge that impacts on countries of origin are important. One MP noted that we should be careful with immigration from the WB compared to, for instance, Asia, as their population size and EU relations with these countries differ starkly.36 Another MP spoke out in favour of the Netherlands and EU to consider labour market shortages in the candidate countries while, somewhat paradoxically, saying earlier in the conversation that the Netherlands should try to attract labour migrants only for roles where there is a critical need.<sup>37</sup> These two ambitions are likely mutually exclusive as shortages in, for instance, the healthcare sector overlap between the Netherlands and candidate countries.

When asked, Dutch interviewees were open to further considering the effects of Dutch or EU migration policies on countries of origin. They acknowledged the negative impact on, for example, the healthcare systems in Balkan candidate countries. However, in general, the interviewees considered the push factors for emigration more significant than the pull factors.38 In other words, they essentially believed that the responsibility for emigration - be it for economic or political reasons - lies primarily with the Western Balkan countries themselves. From this line of reasoning, it is seen as the responsibility of the Western Balkan governments to create the conditions (a democratic and prosperous society) in which people want to stay - something the MPs interviewed feel the EU is already assisting as much as it can through the accession policy.<sup>39</sup> Additionally, one MP questioned the notion that labour emigration has negative effects on the democratic and economic development of the Balkan candidates, arguing that "remittances, experiences of people abroad, as well as diaspora voting, may actually have positive effects" (though indicating a need for more research).40

# 3 EU labour migration facilitation in past and current enlargement rounds

# Labour migration in previous enlargement rounds

In 2004, 2007 and 2013, the respective accession treaties with new EU Member States included provisions for temporarily restricting the right of free movement of workers. Each 'old' Member State could adopt transition periods for two years (first phase) with the possibility to extend this for three years (second phase). In case of a threat of serious disturbances to the labour market, another two years (third phase) was possible. In total, this accumulated

<sup>35</sup> Matteo Colombo, Anouk Pronk and Monika Sie, "Connecting Shores," 1.

<sup>36</sup> Interview with German policy maker at the German Ministry of Foreign Affairs on 10 October, 2024.

<sup>37</sup> Interview with Dutch MP on 11 September, 2024.

<sup>38</sup> For an extensive study into the pull and push factors for migration, see: Saskia Hollander et al., "Geopolitieke contexten als oorzaken van migratie naar Nederland - Een focus op landen van herkomst," Clingendael Institute, December 2023.

<sup>39</sup> Interviews with Dutch MP on 11 September, 27 September and 16 October, 2024.

<sup>40</sup> Interview with Dutch MP on 16 October, 2024.

to seven years.<sup>41</sup> The framework for applying these provisions still holds in the case of new accessions. Apart from the UK, Ireland and Sweden, all Member States – including the Netherlands – decided to uphold transition periods in the 2004 round to varying extents (with only three Member States maintaining it until the third phase).<sup>42,43</sup> However, countries such as Germany adopted different types of bilateral sectoral exemptions or quotas through new immigration laws (known as the Zuwanderungsgesetz) permitting employers to recruit workers from the new EU Member States if they considered it essential for their company.<sup>44,45</sup>

- 41 Tweede Kamer, "Lessen uit recente arbeidsmigratie," 2011, 21: "This was not new. A transitional phase was also used when Greece in 1981 and Portugal and Spain joined the EU. A transitional period of six years applied to Greece; for Spain and Portugal a seven-year period was agreed, which was eventually shortened to six years because migration from both countries lagged behind lagged behind expectations. Incidentally, the transitional regime applied to these accessions EU-wide and the application of transitional measures was not left to individual member states as in 2004."
- 42 See also the following article by then-UK's Minister for Europe: Denis MacShane, "Blair was right to let in the Polish plumbers," The Article, 1 January 2025. Papers released to the UK National Archives in December 2024 and read by The Guardian showed how then Home Secretary David Blunkett attempted to convince Prime Minister Tony Blair not to uphold the transition period: "[Upholding a transition period] would 'not only be expensive and bureaucratic but I believe ineffective'. He said a restrictive scheme could buy the government short-term political cover but would only be 'storing up more deep-seated political difficulties in the very near future and closer to the general election'." See: Sammy Gecsoyler, "Senior Labour figures urged Tony Blair to delay arrival of EU citizens in UK," The Guardian, 331 December 2024.
- 43 Saskia Hollander et al., "Geopolitieke contexten als oorzaken van migratie naar Nederland Een focus op landen van herkomst," Clingendael Institute, 81.
- 44 Bundesgesetzblatt, "Gesetz zur Steuerung und Begrenzung der Zuwanderung und zur Regelung des Aufenthalts und der Integration von Unionsbürgern und Ausländern (Zuwanderungsgesetz)," Bundesgesetzblatt Jahrgang 2004 Teil I Nr. 41, Bonn, 5 August 2004.
- 45 See also: Camille van Hees, Saskia Hollander and Robin Neumann, "Gradual integration of candidate countries into the European Union: Pushing the impossible, delaying the inevitable?", Clingendael Institute, February 2025.

Today's context for the Western Balkans differs significantly from previous EU enlargements. The 2004 Big Bang Enlargement nearly doubled the number of Member States and increased the EU population from 380 to 455 million, raising concerns about the single market's functionality. Such a surge in population particularly concerned founding members like the Netherlands, whose economic development was far ahead of the newcomers' economies. making the Netherlands an attractive destination country. To address and manage such concerns, temporary derogations were introduced to ease the transition and prevent a sudden influx of workers. The same measures applied to subsequent enlargements. In contrast to the 'big bang' enlargement, the accession of the Western Balkans would add only 17 million people, a relatively small change for the EU (see Table 1), particularly as the total WB population is smaller than that of the Netherlands. 46 Moreover, the regatta principle ensures that countries individually progress to EU membership based on reforms. With stark differences between candidate countries' levels of preparedness for membership (from Montenegro as a frontrunner to Bosnia and Herzegovina as a backbencher), their accession will likely occur over a broad timeframe. Given the region's small population and varied accession speeds, the potential impact of increased labour mobility from further enlargements on EU Member States is (significantly) smaller than in previous rounds.

Table 1 Impact of Enlargement on the EU's Population Size

	increase	Relative increase of the EU
Big Bang enlargement	75 million	17%
Western Balkan enlargement	17 million	4%

<sup>46</sup> Interestingly, when Romania joined, alongside Bulgaria, in 2007, its population alone (20.8 million) was larger than that of entire Western Balkans combined today.

# EU-wide developments on labour migration and EU enlargement

Several EU policies, ambitions and advisory reports are relevant for the debate on labour migration and have direct implications for EU-candidates relations during the preaccession period and the opportunities for these countries once they become EU members.

First, as for the pre-accession period, the EU has redefined its perspective of the WB from being a region of migratory burden to a source of migratory opportunities. This shift in thinking is captured in the concept of "gradual integration" as encapsulated in the EU's 2023 New Growth Plan for the Western Balkans (NGP). 47,48 This policy document identifies the free movement of workers (and services) as one of the seven "priority actions" for accelerated integration, including the recognition of skills and professional qualifications between the EU and the WB.<sup>49</sup> This builds upon the 2023 European Commission recommendation that Member States "systematically improve their attractiveness as a destination for third-country nationals of all skill levels" to facilitate their integration into the labour market in line with

the needs of the Union's economy and society.<sup>50</sup> The underlying logic behind the approach of gradual integration, which the 2024 Letta Report also endorsed, is that deeper integration into parts of the EU single market, including labour mobility before full EU accession, could reduce the socio-economic gap between the EU and the region, strengthen domestic democratic institutions and the rule of law, and even encourage foreign policy alignment.<sup>51</sup>

Second, the trend amongst the EU capitals is towards a more open approach towards labour migration from EU candidate countries. Regarding the Western Balkans, several EU countries, led by Germany, have already eased access for WB workers. While the position of the new German government is yet unclear, labour shortages have prompted Berlin in the past years to ease restrictions on labour migration through a special Westbalkanregelung - a specific visa arrangement for citizens from the region.<sup>52</sup> Austria offers visas for highly educated individuals, open to applicants from any country, with additional points awarded for proficiency in Serbian/Croatian (alongside German, English, and French).53 For example, Arabic or Turkish (some of the languages spoken by the majority of immigrants in Austria) are not included as languages for additional points. Similarly, the Czech Republic has specific work permits for certain, albeit not all, Western Balkan countries and a comparable system exists in Slovakia.54 Additionally, countries like Slovenia serve as intermediaries, posting WB workers to other EU countries.55 This trend highlights the region's

<sup>47</sup> Upon its genesis in the think tank community, the concept was endorsed by June 2022 European Council conclusions and reaffirmed by 2024-29 Strategic Agenda, insisting on the necessity of gradually integrating the region already during the enlargement process itself in a reversible and merit-based manner. European Council, "Conclusions," 23-24 June 2022; European Council, "Strategic agenda 2024-2029," accessed on 11 March 2025. See also: Milena Mihajlović, Steven Blockmans, Strahinja Subotić, and Michael Emerson, Template 2.0 for Staged Accession to the EU, August 2023; Camille van Hees, Saskia Hollander and Robin Neumann, "Gradual integration of candidate countries into the European Union: Pushing the impossible, delaying the inevitable?"; Strahinja Subotić, "The Role of Civil Society in Re-shaping EU Enlargement Policy in the Context of Geopolitical Changes: The Model for Staged Accession to the EU as a Case Study," 14 October 2024.

<sup>48</sup> It was only preceded by the incorporation of gradual integration into the negotiating frameworks for Albania and North Macedonia, as well as into their screening processes through the identification of measures for accelerated integration.

<sup>49</sup> European Commission, "NGP for the Western Balkans," 4.

<sup>50</sup> European Commission, "Commission recommendation (EU) 2023/2611 on the recognition of qualifications of third-country nationals," of 15 November 2023, 8.

<sup>51</sup> Ibid, 139.

<sup>52</sup> See: Bundesagentur für Arbeit, "Westbalkanregelung," accessed March 2025.

<sup>53 &</sup>quot;Austrian Migration Points Calculator," accessed March 10, 2025.

<sup>54 &</sup>quot;Special Work Visa – Czech Republic," accessed March 10, 2025.

<sup>55</sup> Mihail Arandarenko and Dragan Aleksić, "Sustainable and socially just transnational sectoral labour markets for temporary migrants, Background report for Serbia," The Faculty of Economics and Business, University of Belgrade, April 2024.

evolving role as a crucial labour pool for the EU economies.

Third, the mainstream EU policy reports suggest that the future of the EU lies in enhanced labour movement among member states. With a view of facilitating enhanced labour migration as a tool to overcome the shortage of skilled personnel across EU-wide industrial ecosystems, where job vacancies at all skill levels are increasing, the Letta report and Draghi report seem to permeate the new EU's institutional cycle. For instance, arguing that the freedom of people has been and remains "the least developed of the four freedoms", Letta insists on the necessity of expanding "intra-EU mobility". 56 As one way to enhance the Single Market, the recommendation is to work on extending the benefits of labour to a larger number of people, particularly as countries across the EU share common challenges of skills and labour shortages.<sup>57</sup> Additionally, arguing that labour force growth was a significant driver of GDP growth, the Draghi Report insists that "Europe needs faster productivity growth to maintain sustainable growth rates in the face of adverse demographics." 58 Recognising a dire need to drive innovation, address the skill gap, and complete the Single Market, any attempt to introduce post-accession labour limitations for new member states would directly contradict the strategic priorities outlined in both reports.

All in all, proposals to limit labour mobility discussed in the Netherlands seem to run counter to the EU trends described above. Our interviews indicate that limited consideration in The Hague is given to the relation between limiting labour migration from new EU Member States and the EU-wide discussions about boosting gradual integration and European competitiveness. When asked about their view on gradual economic integration, one Dutch member of parliament argued that "a doctor in training should not do surgery", meaning that countries that do not fully qualify for the

internal market should not be allowed partial accession.59 Interestingly, an MP from the VVD recently argued the opposite in an op-ed in Het Financieele Dagblad, making the case that the EU needs to offer the WB countries closer economic integration where possible before official accession.60 Dutch policymakers especially emphasised the need to safeguard the integrity of the internal market, noting there is not yet a formal Dutch government position on gradual integration.61 Similarly, the Dutch debate on labour migration seems to take place in relative isolation from discussions in other Member States. The distinct Dutch position makes that, as one policymaker noted, the scenario that the Netherlands would be one of, if not the only Member State upholding transition periods is relatively likely.62 Such a scenario carries economic risks for the Netherlands, as opening up to a new pool of labour migrants is ultimately part of a broader competition among EU countries to attract the most highly skilled workers.63

# 4 The Western Balkan perspective: temporary post-accession limitation of labour movement

The debate on altering the free movement of labour is of direct and significant importance to candidate countries, especially Western Balkan countries. <sup>64</sup> Despite their differences,

<sup>59</sup> Interview with Dutch MP on 16 October, 2024.

<sup>60</sup> Thom van Campen, "Bied een beter perspectief op EU-toetreding, om Rusland en China buiten de deur te houden," Het Financieele Dagblad, 13 October, 2024.

<sup>61</sup> Interview with a policy maker of the Netherlands Ministry of Foreign Affairs on 19 September, 2024.

<sup>62</sup> Interview with Dutch policy maker on 11 November, 2024.

<sup>63</sup> Expert input during a roundtable under Chatham House rule on gradual integration at the Clingendael Institute, 15 November 2024.

<sup>64</sup> Such discussions fit into larger process of deliberation regarding the EU's prospective enlargement which mandates significant reforms to accommodate over 30 Member States. Critical areas of reform include decision-making procedures (like extending qualified majority voting), institutional restructuring (e.g., adjusting the number of Commissioners), policy field reforms (such as CAP and Structural Funds), and potential increases to the EU budget overall.

<sup>56</sup> Enrico Letta, "Much more than a market," April 2024, 102.

<sup>57</sup> Ibid, 101.

<sup>58</sup> Mario Draghi, "The future of European competitiveness, Part A", September 2024, 23 & 26.

WB3 interviewees share the same view on postaccession labour limitations.65 While no official stance has yet been developed – since this issue typically arises at the end of the accession process – it is clear that none of these countries would consider such restrictions a desirable way forward. Moreover, they particularly highlight that (extended) post-accession restrictions on labour movement "would run counter to the New Growth Plan objectives." Whereas the NGP would aim to better prepare candidates for membership by gradually integrating them into the Single Market - including increased opportunities for labour mobility and reducing the socio-economic gap – the post-accession temporary derogations would (temporarily) halt these processes. Nonetheless, acknowledging that some Member States may still decide to push for these restrictions, the priority of the WB3 will be to negotiate the shortest possible limitation period bilaterally.

The underlying argument is that a sole focus on limitations would not resolve potential postaccession migration issues but merely postpone them. Instead, interviewees emphasise that the focus should be on effective and joint migration management. This entails implementing policies during the pre-accession period that promote integration, support labour market needs, and address the socio-economic challenges associated with migration. Crucially, such efforts align with the broader EU objective of preparing for enlargement while mitigating potential migration-related challenges. There is thus a broad consensus among the WB3 interviewees that enhanced economic and financial cooperation before membership would help the EU mitigate a potential spike in labour mobility following accession, particularly as initiatives like the NGP aim to improve the socio-economic prospects of the candidate countries.

The WB's smaller population and their extended pre-accession period distinguish them from

65 In total, 14 interviews were conducted in the WB3: four in Serbia, four in Montenegro, and six in Bosnia and Herzegovina. previous EU enlargements. Unlike earlier rounds, where negotiations lasted about five years, WB countries have been in talks for over a decade, with broader European integration spanning two decades. Although politically challenging, this prolonged process has allowed the WB countries to integrate into the EU single market in many aspects already partially. This integration has occurred within the framework of Stabilisation and Association Agreements (SAAs), which established free trade relations while reaffirming their EU perspective. Sectoral agreements in energy and transport areas have also boosted these efforts. Visa liberalisation has also played a role in linking trade with mobility, as all WB3 interviewees emphasised, boosting short-term travel and strengthening business ties (see Table 2). Since then, trade has flourished, and EU countries, particularly Germany, have eased work permits, encouraging migration to address their own labour shortages.66 This has resulted in rising brain drain and circular migration during the pre-accession period, in contrast to Croatia, for example, where emigration surged after accession.<sup>67</sup> Given these trends, all the interviewees agree that WB citizens have already gained substantial socio-economic opportunities for migration, suggesting that their labour migration potential upon accession may be much less pronounced than in previous enlargements.

Nonetheless, policymakers in Bosnia and Herzegovina, Montenegro, and Serbia express concerns about demographic challenges affecting the WB countries' prosperity. While these issues are common across the region, their manifestation differs. Montenegro, for instance, has not experienced depopulation, with its population growing slightly due to an influx of foreigners. 68 Serbia, however, has seen a steep population decline, primarily due to natural

<sup>66</sup> Mihail Arandarenko and Dragan Aleksić, "Sustainable and socially just transnational sectoral labour markets for temporary migrants."

<sup>67</sup> Marko Valenta et al., "Changes in the Croatian migration system: conceptualising thecomplexities of migrations, 1990-2023," Labour History vol.65, no.4 Routledge, 2024, 510-527

<sup>68</sup> Interview with a representative of the Ministry of European Affairs of Montenegro on 2 December, 2024.

Table 2 The Evolution of Socio-Economic Ties

	SAA Signed	Visa Liberalisation	SAA Entry into Force
Bosnia and Herzegovina	August 2008	December 2010	June 2015
Montenegro	October 2007	December 2009	May 2010
Serbia	April 2008	December 2009	September 2013

decrease.<sup>69</sup> Bosnia and Herzegovina has the highest emigration rate in the region, resulting in a significant brain drain. These demographic shifts have led to a considerable reduction in the overall pool of potential migrants in the WB, raising questions about the potential impact of the WB workforce on the EU labour market – and, consequently, the reasoning for temporary restrictions. Even though, from the perspective of the WB, temporary restrictions might limit the outflow of talent, helping to preserve human capital in the short term, such measures would likely offer only temporary results unless accompanied by broader reforms addressing the root causes of emigration.<sup>70</sup>

The economic landscape of the WB has undergone a remarkable transformation over the past decade, shifting from a region with high unemployment to one facing labour shortages. This shift is reflected in the declining unemployment rates and the growing participation of WB countries in the global labour market, attracting workers worldwide. Serbia is a leader in this trend, driven by a robust construction industry and major projects such as EXPO 2027 and Belgrade Waterfront, while Montenegro faces acute labour shortages in tourism.71 In fact, as of 2024, the WB countries have lower unemployment rates than Croatia at the time of its EU accession. Serbia's unemployment rate dropped to 8.1%, Montenegro's to 11.4%, and Bosnia and

Herzegovina's to 12.2%.<sup>72</sup> For comparison, Croatia's unemployment rate was around 17% at the time of its EU accession in 2013.<sup>73</sup> Since higher unemployment rates are regarded as one of the major drivers of emigration, such trends of low(er) unemployment rates will likely lead to a reduced outflow upon the eventual accession.<sup>74</sup> The lower number of unemployed individuals (see Table 3), combined with structural unemployment driven by skills mismatch and sectoral imbalances, differentiates the WB from previous enlargement countries.<sup>75</sup> Unlike them, WB countries are "better prepared for membership" and are addressing labour market challenges that can be more easily resolved

<sup>72</sup> CEIC, "Serbia Unemployment Rate," accessed

December 20," 2024; CEIC, "Montenegro Unemployment
Rate," accessed December 20, 2024; and CEIC, "Bosnia
and Herzegovina Unemployment Rate," accessed

December 20, 2024.

<sup>73 &</sup>quot;Unemployment statistics," Eurostat, accessed
December 20, 2024. Slovakia and Poland had even
higher unemployment rates when they joined, standing
at 17.7% and 18.6%, respectively. See also: Eurostat,
"October 2004 <br/>
- Euro-zone unemployment stable at
8.9%," October 2004.

<sup>74</sup> Together with population size, demographics, diaspora communities, politics and other economic drivers. See also: Camille van Hees, Saskia Hollander and Robin Neumann, "Gradual integration of candidate countries into the European Union: Pushing the impossible, delaying the inevitable?"

<sup>75</sup> The main drivers of unemployment are structural issues such as skills mismatches, sectoral imbalances, and seasonal employment patterns, particularly evident in Montenegro. This structural unemployment differs significantly from the challenges faced by countries in the previous rounds of enlargement at the time of the accession, which were largely shaped by agricultural dependence and post-transition industrial decline that happened after the transition period, causes that were more deeply rooted and harder to solve with the access to the liberalised market. See: Bernard Funck and Lodovico Pizzati, "Labor, employment, and social policies in the EU enlargement process: changing perspectives and policy options," World Bank Group, 1 January 2002.

<sup>69</sup> Ivan Ž. Marinković, "Socijalna politika i demografski izazovi u zemljama Zapadnog Balkana," Socijalna politika, 2023.

<sup>70</sup> Interview with an expert in demographics in Serbia on 29 October, 2024.

<sup>71</sup> Interview with a representative of the Ministry of Labour, Employment, Veterans' and Social Affairs of Serbia on 13 November, 2024.

Table 3 Total number of unemployed in the three rounds of enlargement, compared to the total number of unemployed in the selected WB countries

Region/Group	Year	Total Unemployed (Approximately)
Montenegro	2024	40,000
Bosnia and Herzegovina	2024	200,000
Serbia	2024	260,000
2013 Enlargement (Croatia)	2013	300,000
2007 Enlargement (Bulgaria, Romania)	2007	1,050,000
2004 Enlargement	2004	6,390,000

Source: Authors' calculation, based on Eurostat, National Statistical Bureaus

by gaining access to a larger, more liberalised labour market without the need for prolonged transitional agreements.<sup>76</sup>

The prevailing view is that, despite declining unemployment, labour market imbalances persist, with surpluses in low-demand sectors and shortages in high-demand professions like IT and high-tech. Liberalisation could yield long-term benefits. Given EU-wide trends of labour migration liberalisation (e.g. from specific Member States and through the NGP), some interviewees in the WB see limiting labour migration as a "step backwards" in EU integration. 77 Additionally, while some argue that the EU's demand for professions such as healthcare and IT overlaps with the region's needs, which can harm the WB, expanded access could also boost investment in education and training.<sup>78</sup> However, effective management is necessary to fully realise the liberalised labour market's potential. Collaborative return programmes, reintegration efforts, and alignment of education systems with labour market needs in the WB countries are crucial for

avoiding potential negative short-term effects.79 If managed well, liberalisation could enhance a more efficient allocation of labour across the EU as a whole. This would improve productivity, foster economic growth, and reduce push factors for permanent emigration, contributing to stronger economic integration between the WB and the EU. WB3 interviewees agree that Dutch-proposed limits on labour mobility, if endorsed by other MS, would likely exacerbate rather than alleviate existing challenges in the WB3 labour markets. While highly-skilled workers in high-demand sectors could bypass these restrictions through specialised visas or educational programs, less-skilled workers would bear the burden, deepening social inequalities and straining domestic labour markets. Moreover, such restrictions could demotivate professionals in key industries, reducing the appeal of circular migration opportunities and diminishing confidence in their countries' future progress. Interviewees also noted that uncertain access to EU markets could discourage younger generations from pursuing internationally competitive skills.80 Instead of protecting the WB labour markets, the proposal of (prolonged) transition periods could hinder their development and innovation while failing to address the core issue: the systemic drivers of migration.

<sup>76</sup> Interview with a representative of the Ministry of European Affairs of Montenegro on 2 December, 2024.

<sup>77</sup> Interview with a representative of the Ministry of Labour and Social Policy of the Federation of Bosnia and Herzegovina on 6 November, 2024.

<sup>78</sup> Interview with a representative of the Ministry of Labour and Social Policy of the Federation of Bosnia and Herzegovina on 6 November, 2024.

<sup>79</sup> Interview with a representative of the Ministry of Labour, Employment, Veterans' and Social Affairs of Serbia on 13 November, 2024.

<sup>80</sup> Interview with a Serbian labour market expert on 14 November, 2024.

#### 5 Conclusions

This policy brief set out Dutch and "WB3" - Bosnian, Montenegrin and Serbian perspectives on the free movement of workers in the context of future EU enlargement. It has shown that the Dutch government coalition's priority to pursue "restrictions on the free movement of persons within the EU if and in so far as enlargement of the EU is at issue" is not solely about implementing (extended) transition periods.81 It is rather an expression of a wider Dutch debate about curbing migration, through which politicians seek to solve a wide range of societal issues, including housing prices, pressure on social services such as health, spatial pressure, abuses in labour migration and even cultural concerns. Building on advisory reports such as the Roemer report, a report on demographic trends 2050, and the Dutch Advisory Council for Migration, the Netherlands intends to strategically steer immigration towards providing added value for the Dutch society and (desired) strategic economic sectors. Our interviews show that Dutch policy and lawmakers in these discussions are predominantly concerned with the Netherlands itself rather than potential effects on countries of origin in the Western Balkans. The brief also shows that the Dutch ambition to limit labour migration upon new EU enlargement sets the Netherlands apart from various EU-wide developments, both in Brussels and the Member State capitals.

WB3 perspectives on labour migration differ substantially from the current Dutch approach. WB3 representatives emphasise that rather than restricting labour mobility, advancing economic integration would stimulate economic growth and further reduce potential migration pressure. They argue that deeper economic cooperation, increased investment, and alignment with EU labour markets could create better opportunities within the region, making emigration a choice rather than a necessity. Such collaboration could serve to address more systemic drivers of

migration, that go beyond labour market access, encompassing inadequate social protection, limited professional opportunities, poor governance, and weak rule of law.

Overall, the analysis shows that limiting the free movement of workers from future EU Member States through extending transition periods upon their accession will not offer a solution to current demographic pressures in the Netherlands. This is primarily because the population of the WB candidate countries is relatively small. Moreover, part of the labour force that wants to work in the EU has already migrated, thereby using existing pathways such as bilateral agreements with individual Member States and the EU's posted workers directive. Moreover, given that the WB countries themselves experience labour shortages, opening the free movement of workers to candidate countries is unlikely to create a 'migration shock' to the Netherlands as perceived during previous enlargement rounds. Moreover, installing (extended) transition agreements only upon the EU accession of new candidates will not effectively address the shortterm challenges identified by Dutch politicians, as (potential) accession will likely take several more years. Regarding the candidate countries, restricting labour migration would not contribute to addressing the root causes of migration. While limiting labour migration may temporarily slow migration, reforms to improve institutional quality, economic stability, and labour market competitiveness could have a similar effect with additional benefits.82

Instead of extending limitations to labour mobility upon the accession of new EU Members, this policy brief recommends adopting a more immediate, constructive and comprehensive migration management approach that considers both the interests of the Netherlands and the WB3. Such an approach could include deliberately steering labour migration from the Western Balkans towards sectors that add value to the Dutch society and economy, e.g., by

<sup>81</sup> PVV, VVD, NSC and BBB, "2024-2028 Framework Coalition Agreement."

<sup>82</sup> Interview with an expert in labour market in Serbia on 14 November, 2024.

issuing visa exemptions and introducing labour migration quotas based on sectoral assessments. Such steps could consider a priori potential negative side effects related to housing, labour exploitation risks, and pressure on social systems in the Netherlands. As such, the number of quotas would need to depend on the ability of companies in these sectors to house labour migrants in humane conditions and provide sufficient social security measures.

In order to ensure that opening up specific sectors in the Netherlands does not exacerbate brain drain or general labour shortage challenges in critical sectors in the Western Balkans, sectoral steering could be agreed upon jointly by the Netherlands and the countries of origin in the Western Balkans. For the same purpose, labour migration agreements could introduce circular migration models to ensure that experiences of labour migrations flow back to countries of origin, contributing to their economic development. Further case study research could contribute to identifying the practical potential for circular migration between the Netherlands and the Western Balkans in specific sectors. The same goes for nearshoring, meaning Dutch companies would create jobs in the WB countries instead of attracting workers from there. Recent research on the opportunities for nearshoring ICT jobs from The Netherlands to Egypt could be replicated for the Western Balkans for specific sectors.

Overall, proactively managing labour migration in cooperation with the WB countries would be in line with EU-wide developments, minimising risks of the Netherlands losing the European competition over skilled labour and placing the Netherlands in a better position to steer EU policy development on enlargement. Importantly, such an approach would be most suitable to address short-term Dutch migration concerns, but would also address longer-term push factors for migration from the Western Balkans by boosting economic development. Spurring European economic convergence would benefit broader European competitiveness, and when candidates join the EU, it would culminate in a strengthened EU internal market. Lastly, by boosting bilateral cooperation between a

Member State like the Netherlands and the WB countries, the proposed approach could contribute to successful further EU integration of the candidate countries as part of their EU accession trajectory.

In line with this conclusion, we recommend the following to **Dutch**, **EU and WB policymakers**:

- Policymakers in the Netherlands, EU
   and the WB could adopt a proactive and
   collaborative approach to labour migration.
   Such an approach could be more effective
   in catering to short-term Dutch concerns
   about labour migration excesses than limiting
   migration upon accession while at the same
   time avoiding negative effects on countries of
   origin in the WB.
- The Netherlands and its WB partners could jointly explore sectoral steering on labour migration. This could be implemented through bilateral agreements as proposed in the EU's New Growth Plan for the Western Balkans. That way, the Netherlands and the WB countries could strategically steer migration towards sectors where the Netherlands needs labour force while minimising brain drain effects in the countries of origin.<sup>83</sup> Steps towards mutual recognition of diplomas, as proposed in the NGP, could facilitate further Dutch control over sectoral steering.
- Applying circular migration models already during the accession process of the Western Balkans may help the Netherlands remain competitive in attracting highly skilled workers and workers in high-demand sectors. At the same time, it could help the WB benefit from improved skills and knowledge sharing. It could, therefore, be opportune to research further the feasibility and potential impact of introducing circular migration between the Netherlands and Western Balkans for specific sectors.

<sup>83</sup> Camille van Hees, Saskia Hollander and Robin Neumann, "Gradual integration of candidate countries into the European Union: Pushing the impossible, delaying the inevitable?", 42.

- Similarly, the concept of nearshoring, bringing Dutch jobs towards the Western Balkans, could alleviate migration pressure on the Netherlands while spurring economic development in the Western Balkans. Follow-up research could identify opportunities for nearshoring in specific sectors and countries.
- Given labour exploitation challenges of thirdcountry nationals residing in the Netherlands as posted workers, including workers from the Western Balkans, the Netherlands could seek to enhance the implementation and enforcement, and potentially alter, the EU's posted workers' directive to solve labour migration abuses at the EU level.
- The EU and the Netherlands could seek to strengthen the integration of the WB economies further into European value chains. Deepening economic ties between WB and EU economies can positively impact the economic development of the WB and, thereby, European competitiveness. Supporting policies that enhance regional production capabilities, innovation, and alignment with EU market standards can offer workers competitive wages and career growth prospects. This would positively affect economic stability in the region and contribute to workforce retention, alleviating migration pressure on EU member states like the Netherlands.
- To effectively tackle push factors for migration in the Western Balkans, the EU would be advised to strictly apply conditionality in the EU accession process, including on gradual integration initiatives. This would ensure that pre-accession funding, including through the NGP, serves to improve governance and the broader economic development of the Western Balkans.
- Engaging proactively in the gradual integration and EU reform debates could place the Netherlands in a better position to steer EU policy development. Encapsulating the Dutch approach in EU-wide developments

towards enhanced labour mobility could lead to more sustainable solutions while minimising the risk of the Netherlands losing European competition over skilled labour.

We recommend to **WB policymakers** (to be supported by the EU) the following:

- The WB3 countries could seek to further enhance workforce employability through targeted employment services, like career counselling and upskilling initiatives.
   Facilitating access to funding and training programs that align with the evolving needs of the labour market can improve labour market efficiency and increase domestic productivity by supporting workers in securing sustainable and rewarding opportunities. These policies could be designed to bridge skill gaps and align labour market demand with workforce supply in the region.
- The WB3 countries could implement targeted programs that provide financial and technical support for entrepreneurs and self-employed individuals to foster economic opportunities.
   Encouraging innovation-driven enterprises and start-ups can help diversify the economy and reduce reliance on emigration as a means of economic mobility.
- The WB3 countries could implement institutional reforms to improve governance and accountability, as these remain strong push factors of migration. Examples include strengthening the rule of law, combating corruption, and increasing transparency in economic and political institutions. Creating an environment where citizens feel secure and motivated to build their futures within their home countries can help mitigate migration pressures without resorting to restrictive policies.

#### **About the Clingendael Institute**

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