LABOUR MOBILITY REGULATION
IN SOUTH-EAST EUROPE

Legislative assessment report

Bosnia and Herzegovina
Disclaimer

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Report prepared by: Mirnesa Bajramovic under overall guidance of the Labour Migration and Human Development Unit, IOM Regional Office in Vienna. The analysis was carried out based on the information available and legislation in action as of June 2014. In addition to the legislation and secondary sources analysis, the consultant conducted several meetings with various authorities to obtain further information and collect initial feedback on the assessment findings. Given the time limitation, however, the national consultations were limited in scope and included meetings with only key line ministries, such as ministry of labour. For a deeper and more comprehensive analysis in the Republic Srpska the review of additional legislation and further consultations would be needed.

This country report is a part of the broader IOM study “Labour Mobility as a Factor of Development in South-Eastern Europe” conducted within a project funded by the IOM Development Fund and implemented by IOM in partnership with the governments in the region in 2014.

The research team produced seven separate reports for Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Montenegro, UNSC resolution 1244-administered Kosovo1, Serbia and one regional overview. The seven reports looked at the policies and regulative mechanisms which govern labour mobility, in terms of their approaches in facilitating movements of specific categories of migrant workers, consistency with evolving regional objectives and compliance with the EU acquis and standards. The regional overview presented an overall framework for regulating labour mobility from the perspective of existing international and regional norms and their relevance to the South-Eastern European (SEE) region. The regional overview explored the degree of harmonization of existing regulative frameworks within the SEE region and their coherence with the increasing labour market integration and overall socioeconomic development at national and regional levels.

The IOM study was carried out in close coordination and partnership with the Regional Cooperation Council (RCC), whose labour mobility study conducted in 2014 complements IOM’s legal assessment by looking at labour mobility from the socioeconomic perspective. It is the expectation that both IOM and RCC reports will help the governments in the region in operationalizing the South-East Europe 2020 Strategy adopted in 2013, which specifically foresees a common regional action on facilitating labour mobility as a tool towards stronger economic growth and closer integration with the EU. The initial consultations for such a common regional action took place in the SEE region in October 2014 within the framework of the RCC Working Group on Social Agenda, where representatives of various stakeholders

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1 Hereinafter referred to as Kosovo/UNSCR 1244
expressed their views on possible topics and modalities of regional cooperation, including ministries of labour, education, interior, health, trade, chambers of commerce, business/employer association, trade unions, statistical offices, public employment services. The international partners and the governments in the region are committed to continuing the consultations to ensure that the proposed regional initiative addresses the needs in the region in the most effective, collaborative and realistic manner.
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<tr>
<td>BiH</td>
<td>Bosnia and Herzegovina</td>
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<td>bos. FZZ</td>
<td>Federation BiH Employment Bureau</td>
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<tr>
<td>CARDS</td>
<td>Community assistance for reconstruction, development and stabilisation</td>
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<td>CAT</td>
<td>Convention against Torture</td>
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<td>CMW</td>
<td>Convention on the Protection of Rights of All Migrants Workers and Members of their Families</td>
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<td>CRC</td>
<td>Convention on the Rights of the Child</td>
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<td>ECHR</td>
<td>European Convention for the Protection of Human Rights and Fundamental Freedoms</td>
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<td>EUR</td>
<td>EURO</td>
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<td>FBIH</td>
<td>Federation of Bosnia-Herzegovina</td>
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<td>Foreign Investment Promotion Agency</td>
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<td>ICCPR</td>
<td>International Covenant on Civil and Political Rights</td>
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<td>ICESCR</td>
<td>International Covenant on Economic, Social and Cultural Rights</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>KM</td>
<td>Konvertible Mark</td>
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<td>MOS</td>
<td>Ministry of Security</td>
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<td>MoU</td>
<td>Memorandum of Understanding</td>
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<td>RS</td>
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<td>South East European</td>
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1.0. Introduction

Bosnia-Herzegovina has a complex decentralised structure consisting of the two entities, namely Republika Srpska (RS) and Federation of Bosnia-Herzegovina (FBiH), of whom latter is further broken down into ten cantons. Each of them exercises its own jurisdiction in specific areas pre-determined by a respective State, entity and cantonal constitutions through its own policy and legislation. Apart from entities, there is District of Brcko with its special status that also creates its own legislation and policies. In this constitutional set up, all migration matters (immigration, refugees and asylum) fall under the authorities of the BiH State and its institutions. On the other hand, labour and social policy fall under the authority of entities in general terms and is then further broken down to cantons in FBiH entity, where the state institutions exercise certain specific “coordinating role functions” concerning foreign labour (e.g. determination of quotas, conclusion of bilateral employment agreements and others). Such a structure involving several institutions at the state, entity and cantonal level, each with its own authorities, represents a challenge to regulate harmonized legislation and clear operational procedures for legal employment and work of foreign nationals in BiH, also referred to as migrant workers or foreign labour.

For the purpose of this legal assessment both the BiH Law on Movement and Stay of Foreigners and Asylum as the umbrella legislation regulating conditions for legal entry and stay/residence of foreigners in BiH as well as the Laws on employment of foreigners of Republika Srpska and Federation BiH as well as respective Labour codes at entity levels and respective Laws on Intermediary Employment Services and Social Security of Unemployed Persons stipulating roles and tasks of Employment Bureaus and provision of rights to unemployed persons have been examined in view of regulating labour mobility.

It should be noted that certain progress has been made in recent years in terms of harmonizing entity foreign labour legislation with the relevant state migration legislation, resulting also in improved field cooperation between the entity/cantonal authorities in charge of issuing work permits and the state authorities in charge of providing stay permits. However, a lot of work in this area remains to be done, as there are many constraints to foreign labour mobility in practical terms within the territory of BiH at first and also within South East European (SEE) region. Such constraints are reflected in cumbersome, time consuming, costly procedures of obtaining all necessary approvals and permits to reside, work and

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According to the Constitution of BiH, which is the integral part of the General Framework Agreement for Peace in BiH (Annex 4), BiH consists of two entities: FBiH and RS. Jurisdictions of BiH are prescribed by Act III of the Constitution of BiH: foreign policy, foreign trade policy, tariff policy, monetary policy, as stated in Act VII; financing of institutions and international obligations of BiH; politics and regulations concerning immigrants, refugees and asylum; conducting international and inter-entity criminal-justice regulations, including relations with Interpol; forming and functioning of mutual and international means of communication; traffic regulations among entities; air traffic control. According to the Constitution of FBiH, FBiH is one of the two entities in country of Bosnia and Herzegovina and has the power, jurisdictions and responsibilities which are not stated in inclusive jurisdictions of BiH. FBiH consists of federal units (cantons). According to the Constitution of RS, RS is unique and inseparable constitutional entity, which, on its own, performs constitutional, legal, executive and judicial functions. All state functions and jurisdiction belong to RS, except those that are clearly transferred, according to the Constitution of BiH, to its institutions.

According to the Statute, the Brcko District is unique administrative unit of local self-governance under sovereignty of BiH. Considering small number of foreign labour present in relatively small area of District due to time and other limitations in developing report, it will not be a subject of elaboration this time.

SEE region implies BiH, Croatia, Serbia, Montenegro, former Yugoslav Republic of Macedonia, Albania, and Kosovo/UNSCR 1244.
operate business legally in line with domestic legislation. The largest concern is reflected in limited territorial scope of permits validity: Once all necessary legal conditions are met by a foreign national, mostly with an assistance of the attorney at law, they are valid only in certain area of the country (where employer’s registered seat is located) meaning in one respective canton within FBiH or one of the two entities within the state.

This situation adversely affects labour mobility and all parties involved in the process including: migrant workers, existing employers of foreign workers in BiH, foreign entrepreneurs/ investors, but also to certain extent the authorities which partially control labour mobility process. In summary, BiH needs to streamline, facilitate and simplify its procedures for all categories of foreign labour interested in legal working and investing to BiH. This requirement will become even more evident if the presently relatively modest number of granted work permits starts to increase over a time followed with an increased demand for labour mobility within the SEE region itself. In addition, this has also been very relevant for BiH accession to the EU, although unfortunately due to some political reasons the country has not made much progress lately.

By analysing current legal and operational framework from an outside perspective, this report will attempt to identify some bottlenecks and to offer some recommendations for improvements in the current system by respecting the current set up and jurisdictions of authorities in charge.

Considering the focus of assessment, time and other constraints, the report dealt mainly with the issues governing legal stay and work of foreign nationals in BiH. The Report could not encompass all other legislative and operational aspects of migrant workers such as their rights to health and social welfare protection, education, taxes and others in great detail. These additional and equally relevant issues have been mentioned but not analysed in detail.

It is noteworthy that occasional deviations in using legal jargon were made as the intention was to make this report available to wider community, including non BiH jurists. In this regard, the authorities of primary institutions involved with stay and labour of migrant workers were not cited ad verbatim, rather explained by focusing only at those authorities pertaining to issues of foreign labour.

IOM would like to thank all representatives of the authorities who provided their time, information and data for the report in a drafting process and afterwards, thus contributing to its added value and making it a more pragmatic and useful tool.

### 2.0. Regulative framework and its alignment with the EU acquis

#### 2.1. Overview of main policies governing labour mobility in the country

The BiH Migration and Asylum Strategy and Action Plan (2012-2015), developed by the Ministry of Security, represent a fundamental strategic policy document addressing migration matters as a whole in BiH. The first Strategy covered the period 2008-2011 and was one of the first steps to improve migration management and also to respond to EU requests to local authorities for allowing visa liberalisation
regime. The following Strategy and accompanying Action Plan was adopted in 2012 and it also covered a three year period (2012-2015). Speaking of labour mobility in BiH, the current Strategy in force does not particularly address this issue, but a connecting point could be found to some extent under strategic goal 6 entitled “Strengthen institutional capacities of BiH with an aim to link Migration and Development” stating planned measures/programs involving:

| 6.1. Advancement of legal framework in accordance with EU positive practice, whereas such framework spur a development of BiH by immigration and establishing institutional framework to monitor immigration impact to development of BiH; |
| 6.2. Advancement of legal framework in accordance with EU Acquis and positive practices that will spur that circular migration to BiH and outside of BiH, for purpose of employment and education, seasonal and daily work migration with neighbouring countries affect development of BiH and establishment of an institutional framework for monitoring impact of this type of migration to BiH development; |
| 6.3. Advancement of legal and institutional framework in accordance with recommendations and EU positive practices in order to link emigration resources with development of BiH; |
| 6.4. Development of research capacities and education in the area of migration and development”. |

The 2013 BiH Migration Profile is another relevant document for migration management, which was also one of EU roadmap requirements for BiH visa liberalisation back in 2009.

In this regard, the Council of Ministers (the BiH state level Government) by its decision (BiH Official Gazette 83/09) imposed an obligation to all institutions and agencies involved in migration management to supply their respective statistics and data (through 34 pre-defined tables) to the Ministry of Security on annual basis for the purpose of developing the migration profile. Concerning work and employment of foreign nationals, the 2013 Migration Profile contains a number of granted work permits (a total of 2,563 work permits in year 2013), disaggregated by following criteria:

- Nationality (The leading 11 countries include: 1) Serbia, 2) Turkey, 3) China, 4) Croatia,5) Russian Federation, 6) Italy, 7) Slovenia, 8) Montenegro, 9) former Yugoslav Republic of Macedonia, 10) Austria and 11) Germany.);
- Educational background/qualifications (high school, secondary and qualified workers);
- Types of business operations (e.g. trade, catering, construction etc.);
- Sex and age structure (male/female, age groups 18-35, 36-59, +60).

There is no specific division among those foreigners who are employed by an existing employer and those who are self-employed.

It should be noted that both documents, the Strategy and Migration Profile have been developed by the Ministry of Security and its agencies in coordination with other relevant authorities. Afterwards they had been adopted by the Council of Ministers (the state Government) as official migration policy documents of Bosnia-Herzegovina.

Above documents don’t address the issue of foreign direct investments, as there are other authorities in charge of those affairs at the state level including the BiH Ministry of Foreign Trade and Economic Relations and the Foreign Investment Promotion Agency (FIPA). Concerning business environment,
investors have reported to FIPA several issues that jeopardize their businesses including political instability, complex and time consuming customs procedures, lack of support to exporting companies, lack of transparency for providing subventions and incentives, labour legislation and lack of legislation harmonization at various levels. According to information obtained, the issue of mobility of foreign labour has not been addressed in particular in FIPA’s policy document, rather issues related to their businesses operations as described above.

Furthermore, the issue of foreign labour mobility has not been addressed in particular in the policies of entity ministries in charge of labour, employment and social policy. Rather, the entity Employment bureaus (in charge of work permits issuing) conduct sporadic needs-based researches about the demand of foreign labour for purpose of quota planning. In this process, they use historical information about number of previous work permits issued to propose quota for the following year.

2.2. Key institutions involved in labour mobility regulation and their main functions

As stated in the Introduction, competencies between the state, entity and cantonal authorities have been divided concerning foreign nationals stay and work. Following is a short and summarized description of fundamental institutions which are competent or deal with a foreigner’s stay for purpose of work and employment in BiH.

At the state level

The Ministry of Security (MOS) is the main state level ministry in charge of creating and enforcing immigration and asylum policy and legislation along with regulating procedures concerning stay and movement of foreigners; protection of international border crossings; preventing and detecting perpetrators of terrorism, drug smuggling, human trafficking, money counterfeit and other transnational crimes.

The Ministry’s Immigration Sector, in cooperation with other sectors and agencies is the creator of policy documents (a three year Migration and Asylum Strategy; an annual Migration Profile and others). In addition, it develops core migration legislation (the Law on Movement of Stay of Foreigner and Asylum) and accompanying by-laws that regulate general entry and stay conditions of foreign nationals in BiH including for purpose of work/employment. In addition to carrying out above legislative and policy development tasks, the Immigration Sector within MoS serves as the second instance authority for receiving appeals in case of a rejected stay permit application.

The Service for Foreigners’ Affairs (SFA) is the law enforcement service within the MoS with operational independence, and an authority to conduct all legal, administrative and operational matters concerning foreign nationals’ stay (including deciding upon a stay permit based on employment/work), cancellation of stay, expulsion, and removal from country, readmission and other related matters. With regards to employment and work of foreign nationals, the Service shall grant a stay permit for purpose of work, if the work permit has been obtained previously (by another authority-competent entity/cantonal employment bureau) and if other general entry conditions have been met. In addition, if a work permit was annulled or revoked later at any stage, the Service will subsequently annul or revoke a stay permit. More information on operational procedures will be provided further in the report.
The Ministry of Foreign Affairs runs a foreign BiH policy, including a proposal concerning establishing or annulling diplomatic or consular relations with other states through establishing and organising diplomatic consular posts; proposing membership to international organizations and cooperating with them and other tasks. With regards to foreign nationals, consular posts grant visas to nationals of certain countries determined by a visa regime decision adopted by the BiH authorities. Concerning work of foreign nationals, MFA issues a long term visa, Visa D, among others in cooperation with the Service for Foreign Affairs, that is one of pre-requests for employment engagement for nationals requiring visa to enter and reside in BiH.

The Ministry of Civil Affairs’ operations are related to affairs involving granting/renouncing of citizenship, issuing travel and ID documents to BiH nationals and foreigners and performing a coordinating role on some labour issues. Specifically its Sector for Labour, Employment, Social Security and Pension coordinates the level of the entity authorities; defines strategies at the international level concerning areas of labour, employment, social protection and pensions, especially with regards to preparing and drafting bilateral agreements on employment and social security issues (BiH nationals abroad and vice versa if perceived by treaty); the Sector also is involved in ratifying and reporting on implementing ILO’s conventions. In addition, this Ministry proposes annual quota of work permits to the Council of Ministers based on data provided by entity employment bureaus through the Agency for Labour and Employment.

The BiH Labour and Employment Agency, is the state independent Agency within the BiH institutions which fulfils its tasks in close cooperation with the Ministry of Civil Affairs and entity employment bureaus. Some of its legal competencies involve: a) initiating conclusion of international treaties in the area of employment and b) implementing international treaties related to social security in case of unemployment and c) monitoring the enforcement of treaties in accordance with the entity employment bureaus and Brčko district; coordinating employment of BiH citizens abroad within its legal competencies and in cooperation with entity and Brčko district employment bureaus among other competencies.

The Foreign Investors Promotion Agency (FIPA) provides practical assistance to foreign investors in dealing with government institutions, by working directly with them and, more structurally, by assisting the government in improving the legal framework and business environment for foreign investments.

The Ministry of Foreign Trade and Economic Relations is in charge of foreign trade policy and customs tariff policy of BiH including: development of contracts, agreements and other documents in the field of economic relations and trade with other countries and reconstruction of BiH; relations with international organizations and institutions in the field of foreign trade and economic relations; business environment, single economic space (in coordination with FIPA); development and promotion of entrepreneurship; co-ordination of international economic assistance to BiH, with the exception of the EU assistance; and others.

The Ministry of Human Rights and Refugees is in charge of monitoring of fundamental human rights standards implementation by the BiH authorities with regard to signed international treaties and conventions. In regard to foreign nationals, it is responsible for providing access to rights to conventional refugees (1951 Convention) including right to work, among others (no work permit is
required). Concerning emigration affairs, its Sector for Diaspora is in charge of proposing policy and legislation in the field of emigration, proposing bi-lateral agreements of relevance to diaspora; spurring cooperation and linkages between emigrants’ associations and local authorities etc.

At the Federation BiH entity and cantonal level

The Ministry of Labour and Social Policy FBiH performs various affairs in the area of labour and employment, employment relations and rights stemming from employment; safety at work, pension and disability insurance; issues related to social welfare (e.g. rights in case of unemployment). This Ministry is in charge of developing labour legislation on employment of foreign nationals in FBiH that regulates actual procedure for issuing work permits exercised by 10 cantonal labour employment bureaus. In addition, this Ministry serves as the second instance authority for appeals lodged in case of rejection of a work permit application by any cantonal employment bureau.

The Federation BiH Employment Bureau is a public institution which through its network of 10 subordinate cantonal bureaus (each is located in the Canton) and further municipal departments provides intermediating and facilitating services between registered unemployed local nationals and employers seeking workforce. Also, the Bureau enforces active labour employment measures (pre-qualifications, programs for specific categories) and ensures provision of rights in case of unemployment (e.g. health care insurance) among other functions. With regard to work permits, cantonal employment bureaus conduct an entire procedure required for work permit obtainment, launched at the request of an employer only. The bureau in charge will be determined in accordance with an employer’s business seat. The role of “central” Federation BiH Employment Bureau in this process would be to provide a final concurrence to the cantonal bureau’s decision prior to granting a concerned work permit. In addition, the Federation Employment Bureau is in charge of keeping all statistics on work permits and proposing an annual quota for Federation BiH area. In mid-2011, the Federation BiH Employment Bureau has adopted the document entitled “Procedures for Issuing a Work Permit” that standardized and streamlined steps in the process: including setting deadlines for undertaking certain actions, specifying a number of supporting documents and streamlining work permit fees among cantons in Federation BiH.

The work permit application required for work permit can be submitted by employer, or his authorized legal representative in person or by post. The permit issued by one canton (e.g. Sarajevo) is not valid to pursue work in another canton (e.g. Zenica-Doboji), and the whole procedure has to be re-launched, which represents a huge obstacle for labour mobility.

At the Republika Srpska (RS) Level

The Ministry of Labour and War Veterans Protection performs affairs concerning employment and rights stemming from the employment, salaries and other benefits, hiring procedures, safety at work, retirement and professional injury insurance and others. Concerning foreign nationals, this ministry is in charge of developing appropriate legislation on employment and work of migrant workers on territory of RS, which is enforced by the Employment Bureaus at the field. It also provides a legal interpretation of its provisions to interested parties.

The Ministry of Economic Relations and Regional Cooperation performs administrative and other expert tasks, among others related to the following: attracting foreign investment to the RS and creation
of more favourable conditions for foreign investments and assistance to potential investors; promotion of economic potentials of the RS abroad; establishment and coordination of cooperation with other bodies in BiH and European Union and other functions.

The Ministry of Interior (MOI) within its authorities performs affairs of civil authority which refer to protection of Constitutional set order and jeopardising security of Republika Srpska, life protection and citizens’ personal security, as well as other affairs set out in the Law on republic administration. In performing affairs (listed out in art. 1 of the Law on MOI), the MOI cooperates with other authorities and organizations of Republic, Bosnia-Herzegovina, Federation of Bosnia-Herzegovina and Brcko District as well as with other law enforcement agencies and also acts as a focal point in monitoring the Roadmap on visa liberalisation regime.

The Employment Bureau of Republika Srpska is a sole public employment service, with functional and territorial linkages within the Service, has been organized on the three levels: including the central service level- consisting of the three sectors: the Sectors for intermediating and active employment measures, the Sector for legal, personnel and general affairs, the IT Sector, analytics and public relations); at the regional level- six regional centres (branch office Banja Luka, Bijeljina, Doboj, Istočno Sarajevo, Prijedor and Trebinje) and 56 local municipal bureaus within aforesaid regional centres. The primary functions of the public Employment Bureau involve: 1) Intermediating in employment procedures; 2) Implementation of unemployed persons’ rights; 3) public notifications on terms of employment; 4) professional orientation (job counselling); 5) training and preparations for undertaking employment; 6) Implementation of employment programs; 7) following up the situation at the job marker; 8) processing and distribution of data on labour market. With regard to foreign nationals, like in Federation BiH, one of six RS regional employment centres conducts an actual procedure for processing work application, which is submitted by an employer. The competent bureau in charge will be determined in accordance with an employer’s business seat and basically procedure in both entities are harmonized to a large degree (in terms of documents required, time required for applications’ processing). The permit issued by one RS regional branch office (e.g. Bijeljina) will be acknowledged in another one (Banja Luka) or any other site within the territory of RS, if a worker has to be reallocated by retaining his genuine job to another site, but this would be valid only for the same employer.

Nevertheless, a major problem concerning labour mobility in whole state seems to be that work permit issued in one entity is valid only for that entity and consequently not acknowledged by another entity. This issue will be addressed further.

2.3. International and regional framework regulating labour mobility to and out of the country

The Constitution of BiH in its article II: Human Rights and Fundamental Freedoms stipulates that BiH and both entities shall ensure the highest level of internationally recognized human rights and fundamental freedoms. Concerning international standards, the rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and its Protocols apply directly in BiH. These shall have priority over all other laws. Furthermore, point 2. entitled „non-discrimination „stipulates that the enjoyment of the rights and freedoms provided for in this Article or in
the international agreements listed in annex I to the Constitution (and as annex to this report) shall be secured to all persons in BiH without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.²

The treatment of a migrant worker is subject of an increasing number of conventions and charters, both of international and regional characters. Speaking of general protection of human rights, BiH has been a signatory of the following international conventions and treaties: International Covenant on Civil and Political Rights ICCPR (1966), International Covenant on Economic, Social and Cultural Rights ICESCR (1966); Convention against Torture CAT (1984) ; Convention on the Rights of the Child CRC (1989); European Social Charter (1961; revised 1996). Concerning migrant workers’ rights the following relevant treaties/conventions have been acceded to by BiH: ILO C97- Migration for Employment Convention (1949); ILO C143 Migrant Workers Convention (1975) and Convention on the Protection of the Rights of All Migrants Workers and Members of their Families (CMW).

Bi-lateral Agreements

Speaking of bi-lateral agreements, there are two categories of agreements. The first category implies employment agreements that regulate procedures of migrants’ employment and employer obligations towards them (e.g. possession of permits, work contracts), migrants’ restrictions (e.g. limited access to labour market) and rights (e.g remuneration, equal treatment). To date, BiH has signed bi-lateral agreements with Serbia (reciprocal), Slovenia (applicable only to BiH nationals in Slovenia), Germany (applicable only to BiH healthcare professionals) and Qatar ratification in progress).³ Speaking of treaty implementation with Germany, a total of 575 BiH nationals- medical professionals have been employed to date. In addition, based on the Vocational Training Program for Students, 86 BiH students were sent to summer training to Germany in the course of 2013. Furthermore, the agreement with Slovenia has recorded particularly good implementation in practice, with over 1200 BH nationals who have been deployed for work engagements. In addition, BiH workers have been engaged within “the Red-White-Red Card Program” implemented by the Government of Austria. Through this program its labour market has been opened to foreign labour, whereas a total of 386 workers from BiH got a job thus making the largest group of foreign workers participating in this program.

Also, interest and initiatives (at various stages of implementation and in various forms) for agreements/technical protocols have been launched by BiH towards Russia, Montenegro, Sweden, and Croatia.

The second category includes bilateral agreements on social insurance that usually regulate issues with regard to health insurance, occupational accident at work, pensions, financial unemployment remuneration, and occasionally child allowance. To date, BiH has concluded bi-lateral agreements with the following countries:

³ This reflects a period when information for report were collected (early June 2014)
The Ministry of Civil Affairs runs a negotiation process for both categories of agreements, as a policy maker. However, the state level Agency for Labour and Employment in coordination with entity Labour Bureaus implements the agreements/protocols at operational level and provides a feedback to the Ministry on status of their implementation. To this end, the Agency for Employment and Labour of BiH in cooperation with the entity and Brkco district employment Bureaus has been implementing international treaties on social security, concluded by BiH with other states as well as of those treaties concluded by former Yugoslavia accepted by a succession. Out of total number of 1,487 file cases (involving Serbia, Slovenia, Montenegro, Austria, former Yugoslav Republic Macedonia and Croatia) which were registered in the Agency’s database and subjected to proceedings, 1,265 individual cases (85%) have been completed to date.

Speaking of SEE region countries, the Agency has accomplished a close cooperation with the respective employment bureaus of Montenegro, Serbia, Croatia, Slovenia, in order to intensify cooperation in implementing provisions of social security agreements between BiH and those countries.

2.4. National framework regulating labour mobility to and out of the country

2.4.1. General access of foreigners to labour market

Legislation

The BiH Law on Movement and Stay of Foreigners and Asylum is the umbrella legislation regulating conditions for legal entry and stay/residence of foreigners in BiH. Due to division of jurisdictions between the state and entity authorities, this Law outlines general principles for legal stay for purpose of employment. There is no distinction concerning treatment of foreign nationals whether they come from SEE countries, EU Member states or other countries. The only distinction in terms of pre-entry to BiH refers to requirement of obtaining visa for nationals of certain countries.

With regard to employment and self-employment of migrant workers, as a general rule, the Law provides that a foreigner cannot work without a work permit. Following a work permit obtained by an employer (first), a foreign national can be granted a stay permit (second) pending fulfilment of other general entry conditions including possession of an employment or other /work engagement agreement

A year when the agreement entered into force.
The law provides causal linkage between the three requirements listed: a stay permit shall be abolished within a 15 day period after annulment/expiry of work permit (if stay was exclusively granted for purpose of work) and vice versa. As an exception, the Law provides that several categories are entitled to work without a work permit due to their specific engagement and/or shorter nature of work engagement. Furthermore, the Law describes a quota setting mechanism but also enlists categories that are exempted from quota, though still required to possess a work permit, such as: highly educated foreigners, foreigners whose engagement is based on international treaty, foreigners at key managerial posts, teachers who possess specific knowledge, professional sportsmen, and foreigners married to a long term resident. Furthermore, long term residents, persons granted international protection is exempted from the work permit requirement.

The Laws on employment of foreigners of Republika Srpska and Federation BiH are *lex specialis* stipulating procedures for obtaining work permit, including the documentation along application that has to be submitted by an employer. They contain provisions regarding obligations of migrant worker and his employer including a period of work permit validity (up to one year) with possible extension, provisions on exceptional professionals allowed to work without work permit and contain other provisions harmonized with the state Law on Movement and Stay of Foreigners and Asylum. Both laws contain a non-discriminatory clause concerning migrants’ equal employment obligations and rights with respect to BiH nationals.

Respective Labour codes at entity levels are also relevant legislation, as they contain general provisions on employment procedure in BiH in general, including but not limiting to types and elements of work agreement (e.g. employment agreement, short work engagement agreement), rights and obligations of workers stemming from employment (e.g. remuneration, leave, work hours, right to associations) that are applicable to all workers employed legally in BiH regardless of their nationality.

Respective Laws on Intermediary Employment Services and Social Security of Unemployed Persons stipulate roles and tasks of Employment Bureaus and provision of rights to unemployed persons. Concerning migrant workers, Employment Bureaus’ major role pertains to granting work permits and to allow access to certain rights to unemployed person (even foreign nationals), provided that social contributions for concerned individual were paid into appropriate funds for certain period of time while employed.

**Operational Procedure for Work Permit Granting / Institutions involved Constraints**

In Federation BiH, an application for work permit is submitted by: either by a respective existing employer who intends to employ a migrant worker provided that he has an operating existing business (referred here as situation 1) or by a self-employed foreign entrepreneur/investor (referred here as a situation 2).

**Situation 1- foreign workers**

The process starts by filling out a work permit application (available at Federation BiH Employment Bureau in hard copies, as well as on their web site in local language) along with enclosing supporting documents (e.g. certificate on business registry, personal data on foreigner, data on work post and terms of work, bank solvency statement, certificates on paid taxes, reasoning for offering an
employment to a particular individual, translation and recognition of school diploma). The application is submitted by an employer or his authorized legal representative in person or by post mail. This would imply that a foreign worker may reside in his own country at this stage of process, provided that he has good communication with his future employer and can provide all required documentation to him. Full list of documents required is listed on Federation BiH Employment Bureau’s web page in the document “Procedures for Work Permit Obtainment” available in Bosnian, English, and German. Since mid-2011, these procedures have been streamlined in terms of decreasing the amount of supporting documents and timeframe in all cantons, as opposed to previous times. 

The application for work permit can be filed only at a specific bureau located in the same canton where business seat of employer is located. The employer shall have to pay an administrative fee to the Bureau in the amount of 150 KM (approximately 75 EUR), with the exception of Sarajevo canton where additional fee of 1000 KM (approximately 500 EUR) has to be paid, so in total KM 1150. vii

The Bureau has to grant or reject application within a 30 day period which represents the general administrative deadline, but usually it takes less time. In case of a rejection of the application or later annulment of work permit, a foreigner can file an appeal to the Federation BiH Ministry of Labour and Social Policy. At the beginning of this procedure, the Bureau would check whether unemployed BiH nationals could (could not) fill a vacancy and additionally, whether posting fits under quota threshold, and if other legal conditions are met. If all above preconditions are met, the work permit can be issued by a cantonal Employment Bureau (supplied with Federal Bureau consent for requested period but with a maximum validity of one year). Work permit is valid only for a respective job post, site and employer. It cannot be transferred to another employer. In terms of location, it means that a permit is tied to a specific employer/requestor for the respective area (Canton) where application was made (for example valid only for Sarajevo canton if the registered business seat of an employer is the Sarajevo canton). If an employer has branch offices in another canton throughout Federation BiH and wants to reallocate his migrant worker to another site, he will have to re-initiate and repeat the procedure with that other Employment Bureau. Additionally, this will also apply in a situation where the same employer with a business seat in Federation BiH has a branch office or affiliate in another entity, Republika Srpska and wants to reallocate his worker there. He will have to reinitiate the whole procedure for a work permit with the RS Employment Bureau as well.

This demonstrates a status of almost no mobility within the country presently neither between cantons in Federation BiH or among the two entities. Furthermore, an issue concerning a change of employment (e.g. accepting a new job offer by another employer while in country) has not been sufficiently addressed in the legislation.

However having been granted work permit does not complete the process, since afterwards a foreign national must apply for obtaining a stay permit in person, meaning that at this stage he has to arrive/reside in BiH. The stay permit is granted by another authority, namely the Service for Foreigners Affairs. A valid work permit is just one of the criteria which needs to be met for a stay permit to be issued, but does not mean automatically that a stay permit shall be granted. Some reasons for rejecting

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vi This amount is cantonal revenue and not associated with the Bureau.
a stay to foreign national with granted work permit are associated with lack of other general conditions (e.g. housing, health insurance, etc.), and security concerns or criminal history.

**Situation 2- foreign entrepreneurs**

The second scenario involves a foreign national (referred here as an entrepreneur or investor) who can lodge an application by himself if he is opening up own business (a company/craft/trade) and works in BiH as a self-employed person. In this situation, facilitated procedure in Federation BiH will be applied requiring less number of supporting documents (e.g. no need to nostrify diploma) and a shorter timeframe of 15 days to process an application. Also in this situation, the Bureau will not be checking if local unemployed nationals would fit for such employment.

In addition, if a foreign national is only involved in tasks related to establishing company or other business in BiH (court registration and associated tasks) for short period of time and does not intend to reside as self-employed person, he will not be required to obtain a work permit.

As stated earlier, the third step in a process involves concluding an employment or work agreement in BiH between an employer and foreign worker based on job offer. To this end, there has been an issue of recognizing valid work employment contracts concluded abroad, not in BiH, but allowing managerial position in BiH (e.g. managerial contracts). This option has not been regulated by legislation and it presently hinders labour mobility (with an exception of RS labour code). This requirement for recognition of existing employment/work agreements of foreign managers (usually covering several countries of the region) has been strongly advocated by foreign employers in BiH and is listed as one of the obstacles in the White Book.

**In Republika Srpska**, procedural steps for obtaining a work permit are very similar as described in Federation BiH under scenario 1 and 2. There are certain distinctions concerning deciding authorities, fees and number of documents required, appealing authority and territorial validity. The RS six employment bureau branch offices (organized per territorial principle) are the deciding authorities in charge of receiving and processing work permit applications, submitted by a future employer. The list of supporting documents is shorter slightly with respect to Federation and has some distinctions (e.g. a health certificate is required for the first permit in RS which is not case in Federation BiH, but no need to nostrify diploma formally unlike in FBH, provided it corresponds to a standardized professions in RS). The application form containing a list of supporting documents is available at the RS Employment Bureau’s web page in local language. Republic administrative fee for smaller with respect to Federation BiH and amounts to 50 KM (EUR 25), while the Employment Bureau provides free of charge processing. Like in FBiH, a work permit cannot be granted if there are unemployed nationals registered with the employment bureau with the same skill set unless local person refuses to accept a job offer. In case of a rejection of an application, the appealing authority is the director of Labour Bureau main office. Concerning labour mobility, a work permit issued by one branch office is valid for the whole territory of RS provided that a migrant worker is resettled by his existing employer. Though legislation does not address this situation, it is a reflection of discussions held with relevant representatives of Labour Bureaus’ main office and the Ministry of Labour. Concerning inter-entity mobility, a permit issued by Federation BiH authorities is not valid in RS even when the same employer operates in both entities.
Furthermore, an issue concerning a change of employment (e.g. accepting a new job offer by another employer while in country) has not been sufficiently addressed in the legislation.

2.4.2. Access to labour market of specific categories of foreigners/ Gap Analysis with EU acquis

In the previous period the BiH migration authorities made efforts to follow up and built in relevant migration acquis, where feasible into the Law on Movement and Stay of Foreigners and Asylum. This was acknowledged in the EC Progress Report for BiH in 2013. This legislative effort commenced back in 2004 with IOM’s Regional and National Migration Management EU CARDS projects and was continued by the Ministry of Security's Immigration Sector.

Pursuant to the Council of Ministers’ Decision on compliance of BiH Legislation with the EU acquis (Official Gazette of BiH no 23/11.) local regulations adjustment with relevant EU acquis is an obligation of any ministry in the course of legislation drafting procedure.

Thanks to IOM’s assistance and subsequent own efforts by the Ministry, it should be noted that Directive on Long Term Residents 2003/109/EC; Family Reunification Directive 2003/86/EC; EC Directive 2004/114 on the conditions of admission of third-country nationals for the purposes of studies, pupil exchange, unremunerated training or voluntary service; Directive 2005/71/EC on Specific Procedure for Admitting the Third Country National for the Purpose of Scientific Research; and 2008/115/EC Directive on Return (with an exception of Directive 2001/40/EC on Mutual Recognition of Expulsion Orders) have already been to a large degree incorporated in the subject Law and therefore shall not be elaborated here.

Speaking of foreign labour trends in EU, It has been evident that the current EU policy and legislation have become more flexible towards employment and work of foreigners in the EU in comparison to previous periods. To this end, it has been recognized that labour immigration can contribute to increased competitiveness and economic vitality whereas flexible immigration policies will make an important contribution to the Union’s economic development and performance in the longer term. Accordingly, several EU Directives have been passed in recent years to facilitate work of foreign migrants such as Directive 2011/98/EU on Single Application Procedure for Single Permit to reside and work; Directive 2009/50/EC on the condition of entry and residence of third country nationals for the purpose of highly qualified employment (Blue Card); Directive 2014/36/EU on Seasonal Workers, Directive EC 2009/52/EC Minimum Standards on Sanctions and Measures against Employers of illegally staying third-country nationals; and PE CONS 58/14EC Directive on conditions of entry and residence of third country national in the framework of intra corporate transfer (adopted on May 13, 2014).

Following is a short description of core elements of each listed directive, summarized and selected for purpose of this report only. Full text of directive must be considered for any official interpretation/transposition. It should be noted that BH Law on Movements of Stay and Foreigners is going to be amended shortly, so following remarks should be considered by the legislators:
Directive 2011/98 on a single application procedure for a single permit for third country nationals to reside and work in the territory of MS and on common set of rights for third country workers legally residing in a MS

The Directive establishes: a) single application procedure for issuing a single permit for third-country nationals (in a form of bio-metric document) to reside for the purpose of work in the territory of a Member State, in order to simplify the procedures for their admission and to facilitate the control of their status; and b) a common set of rights to third-country workers legally residing in a Member State, irrespective of the purposes for which they were initially admitted to the territory of that Member State, based on equal treatment with nationals of that Member State.

It shall not apply to following categories: posted workers, seasonal workers, *au pairs*, beneficiaries of international and national protection, long term residents, foreigners whose removal is pending, self-employed workers, and seafarers. The member states may not apply to persons authorized to work up to 6 months and students.

**BiH position: Not aligned.** As stated earlier, there are two separate procedures for issuance of work permit (the Employment Bureau) and stay permit (the Service for Foreigner’s Affairs) and the authorities are divided between the state and entities. Implementation of this Directive shall be a huge challenge for BiH considering current division of powers.


The purpose of this Directive is to determine the conditions of entry and residence for more than three months in the territory of the Member State of third country nationals for the purpose of highly qualified employment, and of their family members. In the context of Directive, highly qualified employment means the paid employment of a third country national with higher professional/education qualification. More favourable conditions may apply. There must be a job offer for highly qualified employment of at least one year; proof of qualifications; valid travel document, sickness insurance, salary of at least 1.5 average in MS concerned; Blue card can be issued for a period between one and four years (7.2); Blue card entitles holder to enter, re-enter and stay (art7.4), labour market access (art12), continued stay during temporary unemployment (art13), equal treatment (art14), including right to move to another MS after 18 month (art18), in principle together with family (19.1) Restrictions include: public authority jobs and jobs of general interest of the MS, reserved to nationals (12.3).

**BiH position: Not aligned.** Foreign nationals with high education are not subject to quota restrictions which could be interpreted as a certain preference for this category. However, there is no particular division on categories of workers according to their educational background and skills (including highly skilled, seasonal workers and others) in the Law on Stay and Movement of Foreigners and Asylum. The only division refers to certain categories that are exceptions for work permit obtainment and certain professionals with high educational background who have been included there (e.g. university professors, lectures, experts engaged on projects) but criteria (whether a work permit is needed or not) is rather made on nature of their business and period of engagement in some cases. From operational perspective, almost half of foreign workers carrying out work with work permits in BiH have high
educational background (47.17%) in 2013 which makes it a priority to regulate this category more closely.


The proposal establishes a fast track procedure for the admission of third country seasonal workers, based on common definition and common criteria, e.g. existence of work contract/binding job offer that specifies a salary, maximum duration of stay during calendar year (to prevent overstaying), provision of accommodation and explicit obligation to return after that period considering temporary nature of these jobs, implying that there is no possibility of status change for seasonal workers.

There may be clear and simple procedures for issuing multi-seasonal work permit or re-issuance of permit for the same workers. Also, rights and obligations of employers of seasonal workers are clearly stipulated.

**BiH position: Not aligned.** As stated, there is no particular division on categories of workers according to their educational background and skills (including highly skilled, seasonal workers and cross border workers others). From a total number of 2,573 work permits granted in 2013, only 11.86% permits were issued to qualified foreign workers, but a further sub-division to seasonal workers or cross border workers does not exist. Therefore there are no exact data in this regard and this issue will be taken up by the Ministry of Security as it is preparing a new law on foreigners. Besides this new law on foreigners the BiH government would be well advised to take a more proactive stance in protecting the rights of Bosnian seasonal workers who are engaged in Montenegro and Croatia against abuse through a bi-lateral agreement on employment or other mechanism.


The Directive establishes a transparent and simplified procedure for admission of intra corporate transferees, based on a common definition and harmonized criteria: the transferee must occupy a post as manager, specialist or graduate trainee; the prior employment within the same group of undertakings must have lasted at least 12 months, if required by the Member State; an assignment letter must be produced confirming that the third-country national is transferred to the host entity and specifying the remuneration. Unless this condition conflicts with the principle of Union preference as expressed in the relevant provisions of the Acts of Accession, no labour market test would be performed. A specific scheme for graduate trainees is envisaged. Intra-corporate transferees admitted would be issued with a specific residence permit (marked ‘intra-corporate transferee’) allowing them to carry out their assignment in diverse entities belonging to the same transnational corporation, including, under certain conditions, entities located in other Member States. This permit would also give them favourable conditions for family reunification in the first Member State.

**BiH position: Not aligned.** As stated, there is no particular division on categories of workers according to their educational background and skills (including highly skilled, seasonal workers and others). This group also deserves an attention due to the fact that they represent highly skilled workers representing
47.17% of foreign workers with granted work permits. In addition, there are some multi-national or regional corporations present in BiH and the region which have a large need to transfer their staff either regularly or on occasional basis.

Council directive 2009/52/EC of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals

This directive requires Member States to prohibit the employment of illegally staying non-EU nationals. It lays down common minimum standards on sanctions against employers who infringe the prohibition. Member States may decide not to apply the directive to illegally staying non-EU nationals whose removal has been suspended and who have been granted permission to work under national law. The employers’ obligations include: require non-EU nationals to produce a residence permit or another authorization to stay before taking up employment; keep copies of the permit or authorization for the duration of the employment, in case of inspection by the national authorities; notify the authorities within the period established by the Member State when they employ a non-EU national. In cases where the employer is an individual who engages a non-EU national for private purposes, Member States may provide for a simplified procedure of notification. Member States may decide not to require notification when the non-EU national has been granted long-term residence status.

Sanctions

Member States must ensure that infringements are subject to effective, proportionate and dissuasive sanctions, including:

- financial sanctions in relation to each illegally employed non-EU national;
- payment of the costs for returning the illegally employed non-EU nationals.

Member States must ensure that employers are also, if appropriate, subject to other measures, such as:

- exclusion from entitlement to some or all public benefits, including EU funding for up to five years;
- exclusion from participation in a public contract for up to five years;
- recovery of benefits granted up to 12 months prior the detection of the illegal employment;
- temporary or permanent closure of the establishment.

An intentional infringement constitutes a criminal offence when the employer:

- persists in his/her non-compliance;
- employs a significant number of illegally staying non-EU nationals;
- employs such persons in particularly exploitative working conditions;
- employs victims of trafficking in human beings;
- illegally employs minors.

BiH position: Partially aligned. The Federation BiH and RS entity legislation on employment of foreigners stipulate identical infringement by employer when he: a) employs a foreigner without work permit; b) does not conclude employment/work engagement contract; c) dispose a foreigner to job post which is different from the one indicated in the work permit or employment agreement; d) transfers a work permit to another employer; e) continues to have a foreign worker engaged in business activity
after expiry of a work permit. The Federation BiH law provides fines amounting from 1,000 to 3,000 KM for above listed infringements while RS range fines are higher: from 500 KM to 50,000 KM. In case of repeated infringement a labour inspectorate can ban an employer from performing business activity for up to 6 month period. BiH authorities should build in other missing portions of directive (e.g. obligatory payment of salary, and other sanctions to employers who persistently breach the law and employ irregular workers).


The directive provides for a special scheme for temporary mobility. In such situations, professionals can in principle work on the basis of a declaration made in advance. The directive sets out three systems for the recognition of qualifications:

- Automatic recognition for professions for which the minimum training conditions have been harmonised (health professionals, architects)
- The general system for other regulated professions
- Recognition on the basis of professional experience for certain professional activities.

The directive also applies to professionals wishing to establish themselves in an EU country:

- as an employed or self-employed person
- on a permanent basis
- other than that in which they obtained their professional qualifications

**BiH position: Not aligned.** Neither Law on Employment of Foreigners nor the laws on employment of foreigners directly address the issue of recognition of professional qualifications. However this is one of the requirements for obtaining a work permit requested by Federation BiH Employment Bureau (which does not apply to investors) and occasionally in RS in a situation when foreigner’s professional qualifications is not encompassed by the local system.

In reality, nostrification causes serious difficulties to employers and foreign nationals, as there is no centralized institution in country in charge of process (it is done by either Public Universities or the Ministries of Education in FBiH and by the special Commission with the Ministry of Education in RS). In addition, different procedures and costs are deployed in this time consuming process. Instead of nostrification (comparison between foreign curriculum and local one), “recognizing” diploma in line with 2003 Lisbon Convention and above Directive would simplify and facilitate the procedure. In this regard, the Employment Bureaus should benefit from establishing closer cooperation with the BiH Centre for Information and Recognition of Qualifications in Higher Education.

### Regulation EC/ 862/2007 of July 2007 Community Statistics on Migration and International Protection

As pointed out, the annual Migration Profile is a relevant document for migration management, which provides migration statistics overview which was also one of the EU roadmap requirements for BiH visa liberalisation back in 2009. In this regard, the Council of Ministers (the BiH state level Government) by its decision (BiH Official Gazette 83/09) imposed an obligation to all institutions and agencies involved in migration management to supply their respective statistics and data (through 34 predefined tables) to
the Ministry of Security on annual basis for purpose of developing the migration profile whereas EC Regulation 862/2007 served as a benchmark. The profile contains data on number of several categories including: visa issued, entries/refusal of entry, stay and residency, revocation of stay/residency, expulsion orders, detention orders, forced removals, voluntary return, admission per admission agreements, international assistance (asylum), work permits, acquisition of BiH citizenship and estimates on BiH emigrants abroad.

It is evident that key migration authorities have made efforts to harmonize data with EC Regulation 862/2007, but the Migration Profile reiterates that some other institutions' data have not been fully adjusted and segregated according to the Regulation's criteria resulting in manual calculations and data entries to defined tables. Furthermore, BiH authorities don't have a mechanism for collecting official data on BiH emigrants residing abroad, which makes statistics incomplete in that regard.

Concerning work and employment, 2,563 work permits were granted to foreign nationals in 2013, which is a slight decrease of 0.39% compared to 2012, when the number of such permits amounted to 2,573.11 Considering nationality, majority of foreign nationals with work permits in Bosnia and Herzegovina are nationals of Serbia (809), followed by nationals of Turkey (354), China (350), Croatia (231), the Russian Federation (96), Italy (92), Slovenia (71), Montenegro (70), former Yugoslav Republic of Macedonia (69) Austria (51). It is visible that out of total number of 2,563 permits, over 50% were granted to nationals of SEE region.

Considering qualification, 2013 data show that the major number of migrant workers have a university degree (47.17%), followed by those with secondary education (25.71%), and qualified workers (11.86%). Considering work by sectors, most work permits were issued for the following fields: trade 719 (28%), other community, social and personal service activities 468 (18%), education 432 (17%), and processing industry 409 (16%). Considering gender, in total 614 (23.96%) permits were issued to women while 1,949 work permits (76.04%) to men, which is a ratio approximate to the one in 2012. Regarding age criteria, a total of 1,001 (39.06%), were issued to men aged between 36 to 59 age group.

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<th>Amount</th>
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<tr>
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</table>

Table 1. Foreign investment in BiH January 2010 - December 2013
As mentioned previously in the report, certain categories of foreigner can work without work permit and there were 1377 such individuals registered. In closing, this gives a total of 3,940 foreigners who resided legally in BiH for purpose of work and employment in 2013.

The migration profile does not contain data on foreign investments, so certain data were obtained thanks to the assistance of the BiH Ministry of Foreign Trade and Economic Relations. The registered foreign investments in 2013 to BiH amount 287.761 671 KM whereas in 2012 investments were 432.254.161 which is less for almost 145 million. Following is a review of direct foreign investments from January 2010 through December 2013 (investments over 10 million KM).

### 2.4.3. Family unification

According to the Law on Movement and Stay of Foreigners and Asylum, the family unification can be allowed to a foreign national (including migrant worker with granted stay permit) who obtained a long term residency or who has been residing in BiH for over 18 months provided that he fulfills general conditions of stay (means of subsistence, housing/accommodation). In addition, foreigners who were granted a stay permit on family reunification grounds have preference for obtaining a work permit within quota limitation.

### 2.4.4. Social and labour rights

The Law on Movement and Stay of Foreigners and Asylum contains a clause (art.8) prohibiting discrimination of foreigners on any ground. In addition the entity Laws on Employment of Foreigners (art. 3 RS, art. 6 Federation BiH) stipulate that foreigners employed with domestic physical persons and legal entities have the same rights, obligations and responsibilities stemming from employment as local nationals as provided by labour legislation and collective work agreements.

In legal terms, this would mean that an employer must pay social benefits to the state (public health and pension fund) based on employment agreement regardless of worker’s nationality. This would allow a foreign national to utilize his right to a health insurance, including rights to health protection, rights to salary compensation while temporarily disabled for work as well as other rights set out by legislation and documents of Republika Srpska Health Insurance Fund, as well as access to social welfare provided that an employer regularly pays contributions to the aforesaid funds. Right to health protection implies measures which improve health, prevent disease and disability, early detect and treat illness, prevent disability and recovery of life and work capacities after illness and injuries.

In case of unemployment, workers who were employed for certain period of time (min. 8 months in continuity within a year) are entitled to financial aid for a limited time, for a social and health insurance provided by employment bureaus. The RS Law on Intermediating Employment Services and Rights to Unemployed Persons (art. 36) specifically stipulates that such rights are available to foreigners and stateless persons.

The issue of export of pension rights is regulated by treaties on social security concluded on bi-lateral basis elaborated earlier in the report. Concerning other social rights, such as the right to associate, foreigners like BiH nationals have a right to form any association provided that there are at least 3 interested parties with the limitation that public order and Constitution must be respected.
As trade unions are also registered as an association in BiH, there is no provision that prevents foreigners from joining an existing trade union or establishing their own union by complying with legal conditions.

2.4.5. Private Recruitment Agencies

BiH has signed and ratified ILO’s 181 Private Employment Agencies Convention which made an obligation to authorities to regulate their status and functioning. In 2009, the Federation BiH authorities enacted its Decree on Private Agencies for Intermediating in Employment, stipulating that an agency has to obtain permit for its operations from the Ministry of Labour and Social Affairs. According to the Decree, an Agency performs the following services: a) acting as an intermediary in employment process; b) providing counselling and information to employers and unemployed persons; c) delivering training to unemployed persons; and d) providing professional streamlining, information dissemination and skills upgrade. Similarly, Republika Srpska Law on Intermediary Employment Services and Rights to Unemployed Persons briefly defines their role stating that in addition to the public Employment Bureaus, employment related affairs such as providing intermediary services like job counselling, training can be carried out by companies and individual entrepreneurs.

Private Recruitment Agencies can perform above tasks on behalf of future employer, but not act as an employer by themselves and therefore “lease” workforce to an actual employer. Also, they can charge their services only to employers, not to unemployed persons. According to available information, private recruitment agencies have not been very prominent in recruiting foreigners to work in BiH, with the exception of few examples.

2.4.6. Employer responsibility

The issue of employer’s responsibility has been addressed previously under other sections of the report, but it could be concluded that with regard to the area of migrants’ work and employment BiH legislation has been partially aligned with Directive EC 2009/52/EC on Minimum Standards on Sanctions and Measures against Employers of illegally staying third-country nationals.

3.0. Main findings, recommendations and conclusions

3.1. Overall compliance with EU acquis

In general, the BiH migration authorities made efforts to follow up and built in most of relevant migration acquis, where feasible into the Law on Movement and Stay of Foreigners and Asylum and accompanying by-laws. To this end, the first legislative effort commenced in 2004 with IOM’s assistance through EU funded CARDS project and resulted with incorporation of key elements from migration and Schengen acquis into the legislation (e.g. Schengen Border Code, Directive on Long Term Residents 2003/109/EC; Family Reunification Directive 2003/86/EC; and others). This process was continued by the BiH migration authorities and was positively acknowledged by EU Delegation in its 2013 BiH Progress Report: „Overall Bosnia and Herzegovina has continued to make progress in the areas of visa policy,
border management, asylum and migration. The adoption of amendments to the Law on Movement and Stay of Aliens and Asylum has further aligned the legal framework with the *acquis*.

Yet, significant work remains to be done in the area of work and employment of foreign nationals in mutual coordination of all stakeholders involved in the process namely the state authorities Ministry of Security, the Service for Foreigner's Affairs along with the entity Labour Ministries and the Ministry of civil affairs - Labour, employment, social welfare and pensions sector in accordance with its legally defined role in the area of labour and employment. In summary, several issues will have to be addressed starting from differentiating various categories of foreign labour (seasonal workers, highly skilled workers, intra-corporate transferees, and others); facilitating professional qualification recognition process; streamlining operational procedures by entity and cantonal employment bureaus; finding solution for issuing a single stay and work permit given complex country’s structure and division of powers.

3.2. **Key gaps in compliance with EU acquis**

Concerning the area of migrants’ work and employment BiH legislation has been partially aligned with Directive EC 2009/52/EC on Minimum Standards on Sanctions and Measures against Employers of illegally staying third-country nationals. However, BiH shall have to take into consideration additional directives regulating work and labour matters, in particular:

- Directive 2011/98/EU on Single Application Procedure for Single Permit to reside and work;
- Directive 2009/50/EC on the condition of entry and residence of third country nationals for the purpose of highly qualified employment (Blue Card);
- Directive 2014/36/EU on Seasonal Workers,

3.3. **Key legislative provisions acting as barriers to labour mobility towards the country and within the SEE region and recommended steps in the mid-term perspective (up to 2020)**

Based on information provided in the report, some key issues can be grouped together that presently hinder labour mobility within the country. The first group deals with issues concerning work permits and procedure involved as following:

**Lack of recognition of work permit validity between entities (Federation- RS, RS- Federation):** This involves primarily recognition of work permit validity in other cantons (within FBiH entity) and between the two entities (within the state of BiH). This is the major problem that the whole procedure needs to be reinitiated if a migrant worker is reallocated. In addition, a work permit is valid only for a specific post and employer and cannot be transferred to another employer. An entrepreneur /investor would face the same issue in the event of moving his business to another canton/entity. Since the entity legislation prescribes rules regarding work permits to be further implemented by the Employment bureaus, some
type of MoU could be made between the Bureaus to recognize validity of already granted work permit (instead of requiring a whole procedure to be repeated).

**Sequence of permits/authorities in procedures has to be clear to a migrant worker/employer:** 1) work permit is granted by Employment Bureau by request of an existing employer in BiH on behalf of foreign worker- so foreign worker can reside in his home country at this stage, or at a request of self-employed worker-entrepreneur-investor if he starts up a business (he can also reside in his country and authorize a representative); 2) Stay permit application must be filed in person by foreign national regardless of which category to the Service Foreigners’ Authority implying that at this stage he has to arrive to country; 3) Employment or other work contract (based on job offer) between an employer and worker signed and submitted to Service for Foreigners’ Affairs. Validity or lack of validity of one permit affects the other. It is recommended that this sequence of steps is clearly explained and published in appropriate brochures/leaflets in simple language and posted on Bureau, SFA, and Ministry of Security’s web pages in local and English language.

**Information availability and procedure transparency:** it is commendable that both entity Employment bureaus have placed work permit applications in local language on their web page, specifying supporting documents that need to be enclosed. Federation BiH has also made Procedures for Work Permit Issuance available in local language, English and German. It is recommended to make application forms available in English and references as to where certain supporting documents issued in BiH can be obtained. This is of particular importance to foreign workers who reside abroad and send their applications and supporting documents to employer in country. In addition, informational leaflets/booklets, printed in hard copy and disseminated to foreign nationals, employers and business community with clear steps and instructions would facilitate the process as above.

**Various fee levels are not contributing to one single economic space:** this includes harmonization between the Sarajevo cantons (currently KM 1150 in total) with respect to other cantons (KM 150) on the Federation BiH level, and secondly harmonization should occur between Federation and Republika Srpska (50KM) level.

Also, there is a separate fee for temporary stay permit on an annual basis, issued by the Service for Foreigners’ Affairs that amounts 100 KM. Fees need to be harmonized/streamlined at the same amount for whole territory of BiH.

**Time period for processing application:** while time period for processing application is satisfactory and lasts for 25-30 days, with 15 days for foreign investors in FBiH. However, significant prior period of time is required to collect all supporting documentation especially to nostrificate school diploma which can be extremely lengthy and could slow down significantly the process of work permit issuance. Finally, additional time is required for the issuance of the stay permit (up to 30 days) by another authority. Consider an elimination of requirement concerning diploma nostrification (with some exceptions if necessary) and its replacement with diploma recognition.

**Diploma nostrification:** this requirement has not been prescribed as supporting documentation by the entity labour legislation but it is required by cantonal bureaus in FBiH with the exception for entrepreneurs. In RS, it is only required if a foreigner’s qualifications are not encompassed by the
current system. In any case, this process is extremely de-centralised, time-consuming and expensive and not always even necessary. The foreign national would have to initiate this procedure with one of 10 institutions in the country whose jurisdiction is determined by the employer’s seat and future residence of foreigner. The practice in most countries is to request diploma recognition, which involves less time and efforts, which should be applied in BiH as well in accordance with Lisbon Convention and relevant EU directive. Closer cooperation between Employment Bureaus and the BiH Centre for Information and Recognition of Qualifications in Higher Education should be established. Consider an elimination of requirement concerning diploma nostrification (with some exceptions if necessary) and its replacement with diploma recognition or diploma translation where applicable.

**Supporting documents:** a foreigner should be allowed to submit the entire application from his home country. To this end, a request for genuine documents should be handled more flexibly to accept certified, notarized copies of documents sent from own country of residence. Reconsider what type of supporting documents is really vital for making decision on work permit.

**Obtainment of supporting documents from other BiH authorities:** to the extent possible, Employment Bureaus should obtain required documents issued by other institutions (such as Tax Authorities) by themselves (by access to their database, etc), rather than requesting them from foreign national who is likely to be unaware of this process.

### 3.4. Other General issues

Law on Movement and Stay of Foreigners and Asylum at BiH level and entity level foreign labour employment laws must continue to be harmonized in process of EU adjustment. This is absolutely necessary and timely involvement of relevant institutions in drafting/amending both legislation is required.

**Provide data exchange through electronic network channels among institutions**- quick exchange of data and information between relevant institutions (SFA, the Employment Bureaus and others) would definitely decrease quantity of required supporting documents and length of procedure.

**Legal change of employment status while in BiH:** This situation has not been addressed in BiH legislation, including transfer to another city where employer has his business activity, then taking up/promotion to another post with the same employer, and/or accepting a job offer of another employer while in BiH. Presently, there is a strict provision in the law that an annulment of work permit for any reason (including expiry of work permit) would always result in annulment of stay permit and departure from country. Situations concerning change of employment and access to job market should be considered to allow for more flexibility and discretion in every individual case.

**Employment contracts:** There should be provision in appropriate legislation to recognize already concluded employment and/or work engagement contracts outside of BiH, for foreign workers who are displaced or transferred from their corporations within their own affiliates (intra-corporate transferees) or to another company operating in BiH for certain fixed period of time. These persons have already concluded employment agreements in their home countries and should not be pressured to conclude other ones in BiH. This issue has been addressed as one of barriers for doing business in the White Book.
for BiH. In addition, an employer pays social and health insurance funds contributions in their home country, and based on appropriate evidence such worker should be exempted from an obligation to pay contributions in BiH (bos. detasman).

**Private Recruiting Agencies:** Under appropriate supervision, the agencies can be used more for completing the whole procedure required on behalf of employer, starting from advertising job posts, selection of suitable work force up to completing of permit issuance. This could be appropriate for workers interested in taking up short term assignments such as seasonal workers.

**Bilateral Agreements on Employment and Social Insurance with SEE:** the practice of initiating and concluding bi-lateral agreements should be continued, as a method of safeguarding rights of BiH migrant workers broad and vice versa. The Agreement of Employment of BiH nationals in Slovenia, represents a good example. Concluding agreements with other countries of the SEE region Montenegro, Serbia, former Yugoslav Republic of Macedonia and Croatia in particular is of benefit to Immigrant workers and likely vice versa. Also, SEE migration and labour authorities individually may consider applying more favourable rules and facilitated procedures to nationals of SEE countries.

Developing Policy on Foreign Labour—within existing migration policy and general employment policy in country BiH there should be a definition of what type of needs BiH has in terms of foreign labour, based on information from institutions but also research of market needs and trends at field level.

Certainly, high national unemployment rate (44.6%) of BiH nationals cannot be ignored, but occasionally there is deficit for certain professionals in some geographical cross-border areas that cannot be filled only by BH nationals. In addition, BiH welcomes foreign investors but does not systematically address their complaints concerning lack of regulations harmonization at various levels, as well as the fact that some business related procedures are not transparent, cumbersome, time-consuming and expensive. Certainly, creating appropriate policy is an evolving process that requires active engagement of all government relevant experts in migration, labour and investment matters but also those representing foreign workers/investors (such as employer’s associations, Foreign Investors Council, unions, and employer’s associations).

As a conclusion, over 50% of foreign labour force in BiH is coming from neighbouring SEE countries and this situation is likely to be similar in those countries as well. Certainly, there are already some elements in place that facilitate labour mobility. For example, nationals of Serbia, Croatia, BiH and Montenegro are members of one linguistic area and can communicate without hardships. In addition, nationals of SEE region (with the exception of Albania) have had the same legal system under ex-Yugoslavia and should be in general mostly aware of institutional set up. Due to conflict and post conflict migration in ex-Yugoslavia in 1990 nationals may already have some family members living in neighbouring country and additionally some possess a passport of a neighbouring state. In summary, SEE states should look for appropriate mechanism to facilitate labour mobility within SEE region and allow for potentially beneficial preferential treatment.

2 The Constitution of Bosnia and Herzegovina in its article II: *Human Rights and Fundamental Freedoms.*
3 Law on Movement and Stay of Foreigners and Asylum (Official Gazette of Bosnia and Herzegovina 36/08 and 87/12)
4 Law on Employment of Foreigners (Federation BiH) (Official Gazette Federation of Bosnia and Herzegovina 111/2012) and Law on Employment of Foreigners (Official Gazette Republika Srpska 24/09,117/11)
5 Labour Code (Official Gazette Republika Srpska 55/2007 cleansed version) and Labour Code (Official Gazette of Bosnia and Herzegovina 43/99, 32/00 and 29/03)
6 Laws on Intermediary Employment Services and Social Security of Unemployed Persons
7 Bosnia and Herzegovina Employment Bureau. Full list of documents required is listed on Federation BiH Employment Bureau’s [website](http://www.fzzz.ba/radne_dozvole/SUMMARY%20OF%20THE%20PROCEDURE%20FOR%20ISSUANCE%20OF%20WORK%20PERMITS_Word.pdf)
8 European Commission. *Bosnia and Herzegovina 2013 Progress Report.* 2013, Brussels, 2013. Section 4.3.1. “Overall Bosnia and Herzegovina has continued to make progress in the areas of visa policy, border management, asylum and migration. The adoption of amendments to the Law on Movement and Stay of Aliens and Asylum has further aligned the legal framework with the acquis”;
9 Law on Movement and Stay of Foreigners and Asylum (Official Gazette of Bosnia and Herzegovina 36/08 and 87/12), Article 84 of the Law enlists 21 exceptions.
10 Decision on the obligation of submitting statistical data on migration and international protection to the Ministry of Security Official Gazette of Bosnia and Herzegovina No. 83/09)
12 Law on Movement and Stay of Foreigners and Asylum (Official Gazette of Bosnia and Herzegovina 36/08 and 87/12)
13 ILO C181 Private Employment Agencies Convention, 1997 (No. 181)
14 Law on Intermediary Employment Services and Rights during Unemployment (Official Gazette Republika Srpska 30/10, 102/12)
4.0. Annexes

4.1. List of key national legal documents

Laws

Legislation at BiH level

1. Law on Movement and Stay of Foreigners and Asylum (Official Gazette of Bosnia and Herzegovina 36/08 and 87/12)

2. Decision on the obligation of submitting statistical data on migration and international protection to the Ministry of Security (Official Gazette of Bosnia and Herzegovina No. 83/09)


Federation BiH entity level legislation

1. Law on Employment of Foreigners (Federation BiH) (Official Gazette Federation of Bosnia and Herzegovina 111/2012)

2. Law on Intermediary Employment Services and Social Security of Unemployed Persons (FBiH Official Gazette 41/01, 22/05)

3. Labour Code (Official Gazette of Bosnia and Herzegovina.43/99, 32/00 and 29/03)

Republika Srpska entity level legislation

1. Law on Employment of Foreigners (Official Gazette Republika Srpska 24/09,117/11)

2. The Law on Intermediary Employment Services and Rights during Unemployment (Official Gazette Republika Srpska 30/10, 102/12)


Policies

1. Bosnia and Herzegovina, Ministry of Security

2. Bosnia and Herzegovina, Ministry of Security

Other documents

1. European Commission
4.2. List of key international and regional agreements

List of European Union Directives


Additional International treaties ratified by Bosnia and Herzegovina relevant to Migrants Work and Abuse

1. ILO C97 Migration for Employment Convention (Revised), 1949 (Succession: 2 June 1993)

2. ILO C143 Migrant Workers Convention

3. ILO C181 Private Employment Agencies Convention, 1997 (No. 181)

Annex I to the BiH Constitution

1. 1948 Convention on the Prevention and Punishment of the Crime of Genocide
3. 1951 Convention relating to the Status of Refugees and the 1966 Protocol thereto
4. 1957 Convention on the Nationality of Married Women
5. 1961 Convention on the Reduction of Statelessness
6. 1965 International Convention on the Elimination of All Forms of Racial Discrimination
8. 1966 Covenant on Economic, Social and Cultural Rights
9. 1979 Convention on the Elimination of All Forms of Discrimination against Women
10. 1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
11. 1987 European Convention on the Prevention of Torture and Inhuman or Degrading Treatment or Punishment
12. 1989 Convention on the Rights of the Child
13. 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
14. 1992 European Charter for Regional or Minority Languages
15. 1994 Framework Convention for the Protection of National Minorities

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viii ECHR is an integral part of the BiH Institution
### 4.3. Officials within following institutions consulted

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution/Dept.</th>
<th>Position</th>
<th>Date of interview</th>
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</thead>
<tbody>
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<td>Ms. Maida Bečirović</td>
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<td>RS Ministry of Labour and War Veterans Protection</td>
<td>Assistant Minister for Labour and Employment</td>
<td>11 June, 2014</td>
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