



LOCAL EMPLOYMENT PARTNERSHIP IN FEDERATION BIH CASE STUDY: TEŠANJ

October, 2018

Author: Ranko Markuš

Contents

Foreword3

Summary4

Introduction4

Organizational Structure8

 Legal Status9

 Membership9

Strategic approach10

 Goals and priority areas.....10

 Financing12

Monitoring and Evaluation.....13

Conclusions14

List of abbreviations16

Foreword

This analysis is part of a larger project to support RCC in managing the mutual learning activities among Western Balkan economies under the Employment and Social Affairs Platform (ESAP). ESAP is a regional project financed by the European Commission and jointly implemented by RCC and ILO in Albania, Bosnia and Herzegovina, Kosovo*¹, Montenegro, Serbia and the Former Yugoslav Republic of Macedonia. The project, which began its implementation in 2016 and lasts for 3 years, aims to strengthen regional cooperation and institutional capacities of national administrations, employers' and workers' organizations, enabling them to develop and effectively implement labour market and social policy reforms in their EU enlargement process.

The issue in focus of this particular peer review is the evaluation of local employment partnerships (LEPs), by selecting 2 successful local employment partnerships in Bosnia and Herzegovina. As a result of the assignment, a national report for Bosnia and Herzegovina and 5 short reports are prepared for the other Western Balkan economies. Based on these national and regional analyses, a peer visit will be organized in Bosnia and Herzegovina whereupon officials from the Western Balkans will visit the selected municipalities and exchange views and experiences with the selected partnerships in Bosnia and Herzegovina. The aim of this research is to develop a standardized format for LEP reporting and analyses. It should not solely include the final status of outputs and immediate objectives, but also portray the factors contributing to or hindrances that affect the achievement of results. Furthermore, the aim is to illustrate how the intervention was managed, identify what could have been done differently and what methods or strategies can be replicated in other technical cooperation activities. Following the reports, an inclusive process of consultation among stakeholders, implementing partners and constituents should take place.

The purpose of this activity is to peer review different dimensions of LEP functioning (design, process and results). It addresses the policy performance of selected LEPs in a systematic and objective manner in terms of relevance, effectiveness, efficiency and strategic approach. The evaluation assesses the relevance of the approach, and is based on the following goals:

- to analyse the approach as well as to identify the extent to which the LEP has defined and approached its planned objectives,
- to identify the extent to which its strategy has proved efficient and effective,
- to identify the extent to which an anticipated long-term impact and sustainability can be expected, and
- to identify and document substantive lessons and good practices.

The peer review of different practices should be used as a knowledge base for developing future LEPs in Bosnia and Herzegovina, and in turn the Western Balkans region. A thematic evaluation of the Local Employment Partnerships as structural policy instruments

¹ * This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

is planned. The following elements and topics will be the consultants' focus throughout the research.

Summary

The Tešanj Municipality is an area with highly developed entrepreneurship in BiH. The Municipality is economically very well developed with strong export-oriented economy. Most of the companies in metal, textile and leather, and wood sectors are export oriented and produce for world known companies like Mann Hummel, Mercedes, Volkswagen, Alpina, Belissima, Pierre Cardin, etc.

The Local Employment Partnership (LEP) in Tešanj is recognized as a cooperation mechanism, with a strong sense of local ownership. LEP members are prominent representatives of public institutions (e.g. mayor, director of the vocational school and representatives of the most important companies). Such respectable membership makes their opinions important in the public discourse. Still, the role of LEP is questionable, as it does not have a budget, nor does it initiate and develop implementing projects, but rather only shares information among members.

There are important public-private partnership initiatives in Tešanj, first and foremost led by the secondary vocational school that in cooperation with several employers from Tešanj and neighbouring municipalities established the first dual educational system in the country, including retraining of unemployed persons. Employability of retrained persons is significantly increasing, as training curriculums are developed/revised based on labour market/employers' needs.

Introduction

Bosnia and Herzegovina (BiH) suffers from mass inactivity and high unemployment rates. If BiH is, on its EU way, to reach those EU member countries with the lowest employment rates, it should increase total employment rate almost twofold. That is not feasible even if all the unemployed were employed. This shows how huge inactivity in BiH is. The number of those who are hopelessly marginalized from the mainstream of society is growing at this time of permanent global economic crisis, and as a result, a lot of people are leaving the country due economic reasons. Policies against high long-term unemployment should become a priority in BiH.

Still, there are slight positive trends. According to the BiH Statistical Agency², the number of registered unemployed in BiH amounted to 448.071 in June 2018. If we take 2016 as a base year (2016 = 100) and compare June 2018 with the same month of 2017, the number of unemployed decreased by 7.3 percentage points, or in absolute terms the number of people registered as unemployed decreased by 37.817. Officially, the unemployment rate in Bosnia and Herzegovina decreased to 35.93% in May from 36.54 percent in April of 2018. It averaged 42.44% from 2007 until 2018, reaching an all-time high of 46.10% in February of 2013 and a record low of 35.93% in May of 2018³.

Graph: Unemployment rate in Bosnia and Herzegovina



Table: Key labour market indicators in Bosnia and Herzegovina

	May 2018	Unit
--	----------	------

² First Release on Registered Employment, August 20, 2018, available at: http://www.bhas.ba/saopstenja/2018/LAB_03_2018_06_0_BS.pdf

³ <https://tradingeconomics.com/>

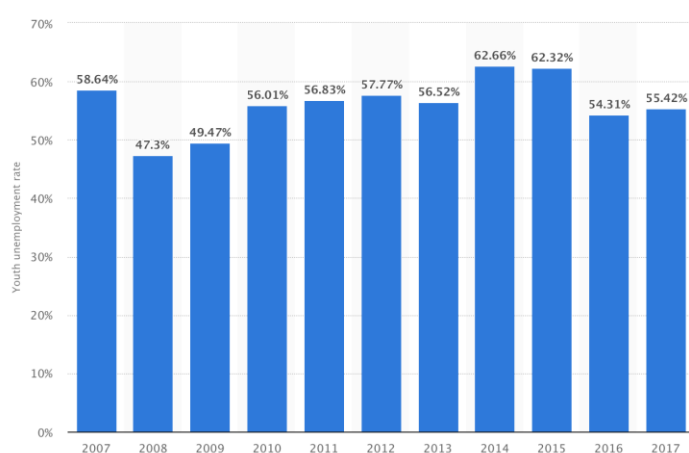
<u>Unemployment Rate</u>	35.93	percent
<u>Unemployed Persons</u>	450.067	
<u>Wages</u>	1371.00	BAM/Month
<u>Wages in Manufacturing</u>	992.00	BAM/Month
<u>Population</u>	3.50	Million
<u>Employed Persons</u>	802718.00	

In BiH, unemployment is of structural nature, since more than four fifths of unemployed persons are waiting for a job for more than a year. There are three proximate reasons for the existing unemployment:

1. Skills' bottlenecks appear to be an important issue. This is underscored by the fact that, although BiH's unemployment rate is one of the highest in Europe, many vacancies on the job market cannot be filled,
2. Inefficient companies, which do not generate demand for new workers due to several reasons, and
3. Inefficiency of the whole system of BiH. In economic terms, the system is inefficient in static terms (poor allocative efficiency) and dynamic terms (low accumulation of all assets, primarily infrastructure).

The latest comparison of registered unemployed (June 2018) by qualification structure gives a more precise picture of the important role that the level of education plays in employability. The lowest number of unemployed are those with higher education (6.455), followed by those with university education (36.656). On the other hand, the largest number of the unemployed are highly skilled and skilled (146.881), followed by unskilled (125.596) and those with a high school diploma (123.752). To demonstrate the poor quality of education, it is enough to consider the youth unemployment rate. It was high even before the global crisis, but it has rapidly increased from 47.3% in 2008 to 55.42% in 2017.

Graph: Bosnia and Herzegovina – Youth Unemployment Rate from 2007 to 2017⁴



⁴ Statista. Available at: <https://www.statista.com/statistics/811689/youth-unemployment-rate-in-bosnia-and-herzegovina/>

This rate is five times higher than the global average, which amounted to 13.2% in 2017. The cause of the high youth unemployment rate is the poor quality of education, which is largely a consequence of the lack of formal relations between schools and companies. Schools do not consult employers regarding future labour market needs. It is thus impossible to ensure high-quality practical classes for the students, which is – to the extent provided – ensured through informal ways and good will of the teaching staff and company managers. As result, the lack of qualified and skilled workers is becoming a serious barrier to the development of business in BiH. According to employers, the lack of skills refers to an insufficient number of workers trained in specific occupations at all qualification levels.

As the best case example can serve the Municipality of Tešanj. It is an area with extremely developed entrepreneurship in BiH, where every fifth citizen is an entrepreneur⁵. According to the available data from the Federal Statistical Office, Tešanj municipality has registered more than 2411 business subjects (out of which 40% separate companies, 40% crafts and 20% production units). A growing trend is recorded in all areas, and if we compare for example the number of registered companies from 2014 to 2018, it increased from 811 to 950⁶. The number of different legal entities increased more than 10% in 4 years' time (2132 in 2014 to 2411 in 2018). There are positive trends in employment levels, and net average salaries.

Map: Municipality of Tešanj

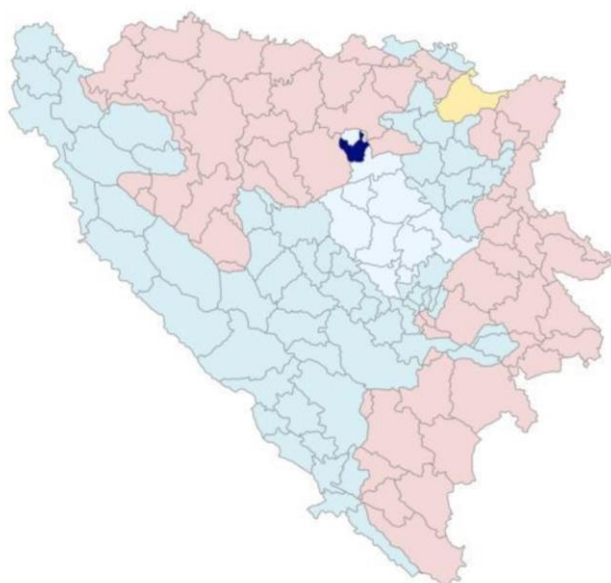


Table: Key labour market indicators in Tešanj

	July 2018	Unit
<u>Unemployed Persons</u>	5,688	

⁵ Općina Tešanj. Profil privrede. Available at: http://www.tra.ba/assets/user_files/files/promo/OSS%20vodici%20BHS/TESANJ%20PROFIL%20PRIVREDE.pdf

⁶ Federalni zavod za statistiku. «Zeničko-dobojski kanton u Brojkama». Sarajevo, 2018, page 10, available at: <http://fzs.ba/wp-content/uploads/2018/07/Kanton-4-Zeni%C4%8Dko-dobojski-kanton.pdf>

<u>Wages</u>	587 (net)	BAM/Month
<u>Population</u>	43, 456	
<u>Working force</u>	31,151	

In economic terms, the municipality is second strongest in the Zenica-Doboj Canton, just behind the capital, Zenica. Tešanj companies are exporting in more than 60 countries worldwide. Most of the companies in metal, textile and leather, and wood sectors are export oriented and produce for world known companies like Mann Hummel, Mercedes, Volkswagen, Alpina, Belissima, Pierre Cardin, etc. For example, only the automotive-related industry in Tešanj has partners in the most prominent companies of the sector such as VW, Audi, Škoda, Mercedes, Ford, Man, Deutz, HATZ, Turk Traktor etc.

Employment is mainly divided between four major sectors:

- Metal sector (around 30 companies with app. 2,000 employees)
- Textile and leather (around 20 companies with app. 1,500 employees)
- Wood (around 20 companies with app. 1,000 employees)
- Food (around 15 companies with app. 1,000 employees).

Having in mind the structure of the economy, an analysis of the educational structure of 5,688 unemployed persons (July 2018), shows that it is mainly in line with BiH general trends, where 77% of unemployed persons has less than secondary-school degree with alarming information that one third of unemployed has no skills at all:

- Unskilled workers (PK, NSS) – 1,989 = 34.96%
- Semi-skilled – 224 = 3.93%
- Skilled – 2,134 = 37.51%
- Highly-skilled – 39 = 0.54%
- Secondary school – 1,070 = 18,8%
- Two year college degree – 20 = 0.35%
- University qualification – 212 = 3.72%

A deeper analysis shows that skills of unemployed persons are not in line with labour market needs and therefore companies are hiring workers from neighbouring municipalities. The Adult Education Centre Tešanj EDUKA BH⁷ has been established to organize adjustments of labour force in line with industry requirements. Some of offered trainings are in mechatronics technicians, CNC operators, welders, etc.

⁷ <https://eduka-bh.ba/o-nama/>

Organizational Structure

Legal Status

The Municipality of Tešanj is business oriented and has very close relationships with representatives of the business sector, including a partnership with the Association of Entrepreneurs – Business Centre Tešanj. The Economic Development Council (local: Savjet za ekonomski razvoj – SLER) has been established as one of the cooperation tools.

SLER is a platform to discuss issues of common interest, among the business, and education sectors and the municipality. The primary role of SLER is to exchange information on municipal development initiatives and initiate public-private dialogue. It is a continuation of the cooperation policy that started through the establishment of the municipal VET Council in 2010⁸. The VET Council has been established as an advisory body, based on the Framework Law on VET, with the aim to enable labour market stakeholders to influence VET policy.

The VET Council was replaced by SLER, which was established in September 2015, while the current composition of SLER has been founded by Mayor's decision⁹ on July 27, 2017, and published in Municipal Official Gazette. This decision is based on Municipal Decision on Public-Private Partnership¹⁰ and Municipal Statute¹¹.

SLER has its own Rulebook, based on which it functions. The Council's Rulebook stipulates decision making processes and other issues of importance for its functioning. It has been adopted by SLER on September 15, 2014.

The Council's Rulebook defines that the key activities of the SLER are:

- Regular exchange of information between public and private sector;
- Discussion over important developments and improving business climate issues;
- Proposing measures related to previous point;
- Identification and initiation of business-sector initiatives that are under the responsibility of higher governance levels;
- Discussion of (private-public) partnership-project initiatives and their implementation.

⁸ SIDA Fact Sheet: Training Tailored to specific needs helps Company boost its production and employ new workers. Available at: <https://www.sida.se/globalassets/global/countries-and-regions/europe-incl.-central-asia/bosnia-and-herzegovina/training-boosts-company-production-and-employ-workers.pdf>. The first VET Council in Bosnia-Herzegovina has been established with the support of USAID FIRMA Project in November 2010 in Tešanj and since then several other councils have been established elsewhere in the country, at the local level but also at the cantonal level (Tuzla and Bosansko-Podrinjski canton)

⁹ Number 02-49-2-686-3/17, on July 27, 2018

¹⁰ Official Gazette of the Municipality of Tešanj 04/14

¹¹ Article 30 of the Statute. Official Gazette of the Municipality of Tešanj 11/07. Available at: <http://www.opcina-tesanj.ba/admin/slike/doc/Statut%20Opcine%20Tesanj%202007.pdf>

Membership

The goal of SLER is to raise public private partnership (PPP) on a higher level, and to create a business-friendly environment through information exchange and dialogue. SLER includes public and private institutions. Initially it had 11 members, while it has currently been increased to 15 – 7 representatives of public institutions, 7 companies and one NGO, as follows¹²:

1. The Municipality of Tešanj – Mayor
2. The Municipality of Tešanj – Assistant mayor for economy, finance, communal and inspectorate affairs
3. Association of Business – Udruženje privrednika Biznis centar Jelah Tešanj;
4. Municipal Development Agency Tešanj TRA
5. Public Communal Company Rad Tešanj
6. Cantonal PES – Bureau Tešanj
7. Public institution – Vocational high school Tešanj (Mješovita srednja škola);
8. Company Zuteks doo
9. Company Mann-Hummel BA
10. Company Alpina Bromy doo Tešanj
11. Company Ascom doo Tešanj
12. Company Hifa doo Tešanj
13. Company Nordent doo Tešanj
14. Company Madi doo Tešanj
15. Association of Women in Agriculture „Poljoprivrednice usorsko tešanjskog kraja“

The Municipal Development Agency Tešanj (TRA) is appointed to act as technical secretariat of the SLER¹³. Its role is to prepare SLER sessions, keep meeting memos, follow up on SLER conclusions, initiate public-private (PP) initiatives, develop and maintain different PP databases, report annually to the mayor, etc.

SLER can make conclusions in the form of initiatives, recommendations, opinions, proposals and conclusions. It does not take any operational decisions that might directly impact the implementation of certain initiatives or projects.

Strategic approach

Goals and priority areas

SLER does not have a strategy, but its chair proposes an annual work plan. The 2018 plan has 18 points to be discussed, that are divided quarterly, but also it is anticipated that SLER will meet every three months, or four times a year¹⁴:

First quarter:

¹²http://www.opcina-tesanj.ba/images/dokumenti/article/0/Spisak_%C4%8Dlanova_SLER-a_2017.pdf

¹³ Ismar Alagić i Darko Petković. Ekonomski razvoj malih sredina baziran na vlastitim resursima naspram postojanja/nepostojanja podrške glavnog grada – studija slučaja za Općinu Tešanj, http://www.anubih.ba/images/publikacije/posebna_izdanja/ODN/06_osebna_izdanja_CLXIV_6/09-alagic.petkovic.pdf

¹⁴ Plan rada Savjeta za lokalni ekonomski razvoj Općine Tešanj (SLER) za 2018.godinu. No. 02-49-2-2673-2/17, April 3, 2018

- Information on grant-scheme «Support to youth start-up ideas development» (Swiss Agency for Development and Cooperation SDC funded MEG project)
- Presentation of the Action Plan for Employment of the Municipality of Tešanj for the period 2018-2021
- Information on enrolment plans into high schools in Tešanj Municipality
- Information on investment into the business infrastructure for years 2017 and 2018

Second quarter:

- Report of the One-Stop-Shop (EU funded COBEAR project) and proposal for future entrepreneurial support mechanisms based on the conducted survey
- Preparations for the implementation of the youth employment fair
- Information on enrolment into high schools in Tešanj Municipality
- Ethical codex for employers in Municipality of Tešanj

Third quarter:

- Discussion of the project “Increase of Earnings for Vulnerable Groups through Family Agriculture”
- Information of Employment Fair, Tešanj 2017
- Discussion of the business zones urban planning documentation
- Presentation of the urban plan for business zone Ljetinić
- Information on the implemented financial incentives in Tešanj area

Fourth quarter:

- Information on future strategic utility projects as support to economic development (sewage system, potable water, energy efficiency, garbage recycling etc.)
- Presentation of available funds and donors
- Proposing project ideas for potential financing through international funds and donors
- SLER annual work-plan for 2019.

Clearly, SLER acts predominantly as an advisory body that discusses processes related to economic development. It does not implement any activities, nor has a mandate to do so. For example, during the thematic session related to cooperation between the education and private sectors, SLER brought the following decisions that are mostly implemented in practice¹⁵:

- The Municipality of Tešanj, municipal secondary schools and business centre Jelah should develop at least three curriculums in sectors that have the highest potential and development rates.
- Municipal secondary schools should prepare plans on how to increase practical classes in cooperation with businesses, outside of schools.
- The new development strategy should additionally analyse areas of informal education, technological development centres, and centres for adult education.
- The municipal bureau should analyse school enrolment policies against the structure of unemployed persons.
- Within the Secondary Schools Fair, increase participation of employees.
- Develop the Action Plan for Employment.

¹⁵ Meeting report, March 28, 2017

SLER members might be in charge of the implementation of different projects in area of their responsibility, but it is not related to their membership in this professional body. One of the best cases of those activities in Tešanj, but also in BiH, are activities of the Secondary Vocational School in Tešanj. School management is coming from perspective that educational process should be modular, flexible, and practical, directly related to the labour market outcomes. Achieving good cooperation with private employers is a prerequisite for the development of new occupational profiles and fitting curriculum design to the needs of the labour market. Under the current rules, schools must obtain approval from the pedagogical institutes and education ministries for each activity they wish to undertake. The school does not have its own bank account, so the funds it generates go to the Treasury, and only after a time consuming and complicated bureaucratic process, the school can utilize these funds¹⁶. Therefore cooperation on the local level faces a number of difficulties, including changing the curriculum, but also financing of practical classes. It is important to have all interested stakeholders involved in the process in order to find and implement feasible solutions.

The school started a significant cooperation with the private sector in 2004, and established cooperation with many public, private and international donors for financing its vocational education projects. The most important international partners are: SDC (Swiss Agency for Development and Cooperation), USAID (United States Agency for International Development), GIZ (Gesellschaft für Internationale Zusammenarbeit), DVV International, LERC (Labour Education and Research Centre), Centro Formazione Porednone – Italy. Among public partners, it is important to mention the Federal Employment Institute (FEI), the Federal Ministry of Education, the Government of Zenica-Doboj Canton, and Municipality Tešanj, but also neighbouring municipalities Maglaj, Usora and Doboj Jug.

One of the typical cooperation examples is with the company Mann Hummel, that started in 2011. Within that cooperation framework, 180 pupils were trained in the school, out of whom 30 were directly employed. As a result, school curriculums were revised and adopted according to the needs of the labour market. This is the first example of dual education in BiH, and is very often promoted as best practice.

Similar projects are implemented with companies outside of the Municipality of Tešanj, Prevent FAD d.d. Jelah¹⁷ and Ćosić Promex from Usora that employ a significant number of welders and CNC operators, a scarce occupation in the labour market.

Financing

SLER does not have a budget or projects that are designed or directly implemented by it. Therefore, financing of development initiatives discussed by the SLER depends on donor-related activities or the municipal budget. For example, one can use the above-mentioned

¹⁶ Branković, N., at all. (2013). Mapping of VET educational policies and practices for social inclusion and social cohesion in the Western Balkans, Turkey and Israel Country report: Bosnia and Herzegovina. London School of Economics. Available at: <http://www.lse.ac.uk/LSEE-Research-on-South-Eastern-Europe/Assets/Documents/Research/Research-Network/Research-Projects/Mapping-of-VET-Educational-Policies/BOSNIA-and-HERZEGOVINA-FINAL-Report.pdf>

¹⁷ 50 persons were trained, out of which 40 was at unemployed and at the employment bureau register.

activities on retraining of CNC operators, that was implemented by SLER/VET Council project „Vocational training and recruitment of candidates for the occupation of whitesmith and CNC operator“.

The project partners signed the Partnership Agreement on the implementation of the „Training and employment of CNC/lather operators“. The project was implemented by representatives of public and private sector, including international donors¹⁸:

- the Municipality of Tešanj,
- Agency for Development of the Municipality Tešanj,
- FBiH Employment Institute,
- USAID-Sida FIRMA project,
- GIZ,
- „FAD“ company and
- Vocational high school Tešanj (Mješovita srednja škola)

They provided funds in the total amount of 42,800 KM. This project targeted 40 persons to be retrained in order to find or keep their current jobs. Namely, the company FAD Tešanj expressed a need to employ 30 persons (from PES register), and to improve skills of 10 current employees of the company in order to enable them to keep their jobs. Capacity building activities were implemented by the Agency for Development of the Municipality Tešanj, company „FAD“ and Vocational high school Tešanj¹⁹.

Within the 2018 municipal Budget²⁰, SLER as such is not mentioned as recipient, nor responsible party for certain activities, so one can conclude that SLER is acting as advisory body, but not as direct implementer of projects or a body in charge of implementation.

Monitoring and Evaluation

The Municipal Council (separately from SLER) takes decisions on potential public-private projects, while SLER as a body is not involved. There are annual²¹ and (mid-term) three-year project plans²². These projects are mostly related to resolving municipal infrastructural needs, such as swimming pool, sport hall or city lighting. All private investors are invited to express interest for potential implementation of projects that bypass SLER. Since the adoption of the public-private partnership law, no projects in this area have been implemented officially in the Tešanj Municipality.

Detailed analyses of the SLER related documents confirm its role focuses solely on policy and carries operational responsibility. It works through official sessions, based on the proposed work-plan and agenda; members discuss issues of SLER interest and vote for its adoption.

¹⁸ Realization of this project is a continuation of the successful cooperation of the FBiH Employment Service and the USAID-Sida FIRMA project on specific projects for training the unemployed, which is based on the Partnership Agreement from 2011

¹⁹ Employment policies in Bosnia and Herzegovina in 2012: A Review

²⁰ Municipal Budget Tešanj available at http://www.opcina-tesanj.ba/images/Bud%C5%BEet_2018.pdf

²¹ Annual plan available at: http://www.opcina-tesanj.ba/images/godi%C5%A1nji_plan_JPP.pdf

²² Three-years plan available at: http://www.opcina-tesanj.ba/images/srednjoro%C4%8Dni_plan_JPP.pdf

Since its establishment, on September 15, 2014, SLER has organized nine meetings. For example during year 2017 three meetings took place.

According to the Council's Rulebook, TRA acts as the SLER secretariat, and one of their tasks is to conduct monitoring and evaluation of the private-public dialogue. TRA is additionally obliged to annually report to the Municipal Council on SLER activities. That report is an integral part of TRA annual report, which is submitted to the Municipal Council within regular reporting procedures of public companies.

Officially no monitoring or evaluation have been conducted on the level of SLER, while, as earlier mentioned, SLER members implement projects separately from their SLER membership and their impact is monitored in line with donor/financer requirements.

Conclusions

The positive outlook of Tešanj puts the Municipality into the centre of different analyses, and they serve as the best practice regionally. There are many different examples, one of which is the initiative of Municipality Doboj Jug to establish their own municipal SLER²³.

There are important public-private partnership initiatives in Tešanj. One that stands out is led by the Secondary Vocational School that in cooperation with several employers from Tešanj and neighbouring municipalities established the first dual educational system in the country, revised curriculums in line with employers' needs, but also worked on retraining of unemployed persons, whose chances to find employment were significantly increased afterwards. Compared to PES management, SLER has a less rigid framework that provides more opportunities for 'trying out' different approaches and piloting new initiatives. Having in mind the good reputation of Tešanj, central level policy makers (e.g. canton or Federation) would have an interest to learn about innovative practices that might have positive impact also on central level policy making. Therefore it is important to inform policy makers on developments at local level. Of course these findings should directly inform the further design of ALMPs on local level, as well. That should be SLER role.

Tešanj is a great location to encourage PES to move from an employer-centred and expenditure driven ALMP implementation system towards unemployed persons and their adjustment to local labour market needs. Greater impact may be achieved with fewer well selected participants matched to tailored ALMPs.

Negative aspects of SLER include the lack of their decision-making power and the lack of resources available that sometimes provoke questioning of their real importance for municipal development. SLER has no funds, projects, and even the PPP plan has been developed outside of their decision-making process. It seems that the maximum SLER can do is to act as a centre of information exchange. In reality if SLER would not accept some

²³ Doboj Jug. Izvještaj o realizaciji Strategije integrisanog ekonomskog razvoja za 2016.godinu. Available at: <http://www.dobojjug.ba/files/umihana/IZVJE%C5%A0TAJ%20STRATEGIJA%202016.pdf> , page 15

information that is on their agenda, that would not prevent the subject to continue with its implementation.

There are two directions in which SLER could develop in the future:

- Platform for information sharing
- Operational function

SLER is funded to be a platform for opinions exchange and trust building. Therefore, it should move from bi-partite towards tripartite dialogue, by sharing information, consultation and negotiating arrangements. Tripartite social dialogue implies and requires independent and strong representative associations of trade unions and employers associations, municipal and educational sector representatives, with well-developed resources and capacities, which shall regularly match the needs for a continuous and efficient social dialogue in the economic and social policy development and implementation processes. The term “social dialogue” should be used to deliberately distinguish between negotiations on wages and terms and conditions of employment (referred to as collective bargaining), towards dialogue between trade unions, employers and representatives of municipalities on the main challenges facing the sector in order to define solutions to improve it.

It would be very useful to further improve the mechanism of horizontal and vertical coordination of activities of the public, private and civil sector for the purpose of building and developing the public employment system. From the horizontal perspective, it would be very useful to coordinate the work of cantonal PES with the activities on the local level through being informed on local needs by its representative in SLER. Currently conducted projects of vocational training in Tešanj could be treated at projects attached to the SLER, but also financing model of SLER and related activities could be reconsidered.

List of abbreviations

BiH – Bosnia and Herzegovina

CNC – Computer numerical control

COBEAR – Business Excellence Area Project – EU funded

EU – European Union

FEI – Federal Employment Institute

GIZ – Gesellschaft für Internationale Zusammenarbeit

LEP – Local Employment Pact

LERC – Labor Education and Research Centre

MEG – The Municipal Environmental and Economic Governance Project – SDC funded

NGO – Non-Governmental Organization

SDC – Swiss Agency for Development and Cooperation

SLER – Economic Development Council

TRA – Municipal Development Agency Tešanj

USAID – United States Agency for International Development

USAID FIRMA – Project Fostering Interventions for Rapid Market Advancement

VET – Vocational Education and Training