



Employment and Social Affairs Platform

Peer review workshop on youth employment programmes

REPORT on Bosnia and Herzegovina

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BOSNIA AND HERZEGOVINA

The youth labour market in Bosnia and Herzegovina (BiH) is characterized by high youth (15-24) unemployment rates (over 60 per cent); underemployment (at around 10 per cent, on a declining trend), skills mismatches (with over half young graduates being overqualified for the job they do) and high youth informality rates (at around 50 per cent of all young workers). Educational attainment pays in the labour market, with highly educated youth experiencing a substantial wage premium compared to young workers with secondary and primary education (69 per cent and 86 per cent respectively). A university education, however, is only a weak insurance against unemployment, as the unemployment rate among university graduates is relatively high (21 per cent) compared to the rates recorded for youth with secondary and primary education (28 and 30 per cent, respectively). In 2014, the share of young people (15-24) not in employment, education or training (NEET) represented 28.3 per cent of the youth population, over twice the rate recorded in European Union countries.¹

Table 1: Total number of young NEETs, by labour market status and sex (2016, annual data, thousands)

| | Total |
|--------------------------------|----------------|
| Total NEETs (15-24) | 104,000 |
| Unemployed (LFS), 15-24 | 61,000 |
| Registered with the PES, 15-24 | N/A |
| Inactive, 15-24 | 43,700 |

Source: Labour Force Survey, 2016

1. PES ALMPs and services targeting youth

The Centres for information, counselling and training (CISO) were established in BiH to provide a dedicated service line for young people.² In the FBiH the job clubs are also mostly used by young unemployed for employment support, job search training and information on job vacancies. There is also a partnership agreement between the Federal Institute and Cantonal PESs for the provision of career guidance to various population groups (students, jobseekers and unemployed individuals).³ Similarly, in the RS the CISO centres provide dedicated assistance to young unemployed. These activities are complemented by job clubs, where young people are supported in active job search. In the Brčko

¹ILO, *Jobs and skills for youth: Review of policies for youth employment of Bosnia and Herzegovina*, ILO, 2016

²These Centres were established through international assistance, see <http://mptf.undp.org/factsheet/project/00067211>

³Strategic Guidelines for the Development of Career Orientation in the Federation of Bosnia and Herzegovina for the period 2015-2020 available at http://fmon.gov.ba/Upload/Dokumenti/9ce1a95c-1d1d-4817-b9fb-09479db744b7_Strate%C5%A1ki%20pravci%20razvoja%20karijerne%20orijentacije%20u%20FBiH%20za%20period%202015%E2%80%932020.%20godina.pdf.

District, there is no dedicated youth service line, nor specific employment services targeting the needs of young people.

The current portfolio of active labour market programmes across Entities encompasses wage subsidies, self-employment support and training and re-training programmes.

Further education and training

Second chance programmes are organised through adult education systems. Specific legislation on adult education was adopted in Republika Srpska and six FBiH Cantons. Adult education programmes are implemented by primary and secondary institutions, especially VET schools. In higher education adults can attend part-time programmes.

The employment offices co-finance training and retraining programmes organized by vocational education and training institutions in specific career areas. These programmes lead to a recognized qualification. On-the-job training programmes (*training for known employer*) are also organized in partnership with employers, typically of three month duration.

Employment and self-employment

Wage subsidies are the most common type active labour market programme offered in the country. In the FBiH, there are multiple programmes, with different design, target groups and funding allocation - including a programme specifically targeting young entrepreneurs (up to 35 years of age) - *Young Entrepreneurs*. The *First work experience* programme targets young unemployed (up to 29 years of age) and provides them with training and a period of work practice organized with partner enterprises. Other subsidies are available to registered unemployed (from six to twelve months), facing barriers in the labour market returnees, jobseekers of Roma origin and vulnerable individuals). In the RS, the subsidies provided to young people are mostly related to co-financing of projects for acquiring work experience and for starting a business, both of one year duration. In the Brčko District, the Employment Institute provides a self-employment scheme that includes business training, development of a business plan and mentoring.

Apprenticeship schemes

Apprenticeship schemes and other forms of work-based learning are still underdeveloped in the country. The formal vocational education and training system envisages that students undertake practical training as part of the curriculum –organized in school workshops, laboratories and in local enterprises.

Traineeship

Traineeship programmes are organized in all three Entities to support young people that require a period of work experience to carry out their occupation of choice. These programmes – lasting between six and twelve months, depending on the level of initial education – are organized in the public sector as well as in enterprises and civil society organizations.



2. Activities of other Institutions Promoting Youth Employment

The Ministry of Family, Youth and Sports was mentioned as an Institution engaged in supporting youth employment.

3. Evaluation of ALMPs

The delivery of employment services and labour market re-integration programme in both Entities suffers from low coverage (10 per cent of registered unemployed on average), insufficient funding allocation and unfavourable staff to unemployment ratios (1: over 1,000).

The social partners contribute to the design of employment policies through their involvement in Tripartite Management Board of the PES and in the Economic and Social Councils.

The monitoring of performance of labour market integration measures is done by administrative data pooling in all Entities, whilst impact evaluations were never carried out. Information on the effectiveness of programmes indicates that in the RS, where the lack of work experience is a key issue, the returns of the traineeship programme are around 50-60 per cent (and mostly in partner enterprises). Six months past the contractual obligation, 65% of the self-employed benefiting from the FBiH self-employment subsidy are still employed, while 14% of them have additionally hired workers. In all instances performance data are used for the adjustment of measures.