

## **Employment and Social Affairs Platform (ESAP)**

### **Peer review on local employment partnerships in Bosnia and Herzegovina**

**3-5 October 2018**

#### **Report**

The peer review on local employment partnerships in BiH was organized as a three day event and was hosted by representatives of BiH PES system organizations (Agency for Work and Employment of BiH, F BiH PES, PES RS) and ESAP/RCC (including a national expert from Bosnia and Herzegovina). Peer assessors as well as other employees from the public employment services of Albania, Kosovo<sup>\*1</sup>, Serbia, The Former Yugoslav Republic of Macedonia, and Montenegro attended the program and provided key inputs for improvement of local employment partnerships in BiH and the Western Balkan 6 (WB6).

According to the program, on the first day, national reports were presented by national expert and representatives of participating PES in Sarajevo. On the second and the third day participants visited local employment partnerships in Tešanj and Prnjavor.

#### **First day**

The introductory address of the event was held by the ESAP expert Srđan Kujundžić. During the introductory speech, it was emphasized that the focus of this particular peer review is the evaluation of local employment partnerships (LEPs), by selecting 2 successful local employment partnerships in BiH. As a result of the assignment, a national report for BiH and 5 short reports have been prepared for other Western Balkans economies. Based on these national and regional analyses, the peer visit to BiH brought together relevant officials from other 5 Western Balkan economies with the aim of visiting selected municipalities in BiH and exchanging their views and experiences in relation to the analysed BiH partnerships. The peer review of different practices should be used as a knowledge base for developing future local employment partnerships in Bosnia and Herzegovina, and, in turn, in the Western Balkan economies.

Local employment partnerships are a specific form of arrangement between partners. Not all relationships of PES are partnerships in a strict sense. A partnership is a specific form of arrangement between partners: that of a close relationship with joint decision-making and shared commitment of partners.

Well-functioning partnerships of all relevant labour market stakeholders, including employment services, social security services, education and training providers and social

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<sup>1</sup> 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

partners, are vital to ensure complementarity of services and truly manage careers. PES need to adapt to changing environments and work in close cooperation with other stakeholders to ‘maximise job matching, secure pathways for vulnerable groups and improve labour market intelligence in the context of the new skills agenda’. PES are urged to use the mechanism of partnerships to address particular problems faced at the local, regional and national levels by playing a new and more active role in their respective national employment strategies. With a wide territorial coverage and implementing most of the measures which ‘make transitions pay’, public employment services are in a central position to act as transition agencies and develop these partnerships.

This peer review aims to assist PES in the WB6 to make best use of their unique position in being placed in the centre of the WB6 employment systems to achieve their goal. It thus provides information on how to use partnerships as a mechanism to enhance employment opportunities. Analyses of collaboration in delivering public employment services in the WB6, for instance, show that three major aspects are important to make partnerships successful. **These are: framework conditions enhancing collaboration at all levels of governance; stakeholders that are open to learn from others, sharing a common vision and taking responsibility in developing and implementing activities and policies together; and actions that provide consolidated answers to the complex problems faced.**

After the introductory speech, peer assessors as well as other employees from the public employment services of Albania, Kosovo\*, Serbia, the Former Yugoslav Republic of Macedonia, and Montenegro presented national LEPs that are considered as examples of good practice in establishing and functioning of local employment partnerships.

The first day was concluded by agreeing on the set of lessons learnt for PES engagement in local employment partnerships. Key features for success in implementing partnerships at the local level concern a **shared common vision, leadership, continuity, commitment, flexibility and adaptability**. In order to enable partnerships to take a long-term view on local issues and problems and contribute fully to better policy outcomes, however, a solid, sustainable financial basis for operation is crucial. Such financial security needs to be linked to good performance.

**A well-structured partnership** is required for balancing the contributions of partners to this process in the best possible way. Partnerships define their organizational structure based upon needs (objectives of the partnership, actions implemented, context, etc.) and possibilities (funding, availability of partners, etc.). Most alliances have a **strategic decision-making body and an operative body. Partnership managers are needed to pool knowledge, coordinate activities and manage the various tasks of the partnership**. Whereas the partners constitute the core of partnerships, partnership managers are often the ‘drivers’; partnership performance rises and falls with their inputs and skills. In particular, those partnerships which have managers who have been in the business for some years often turn out to be more stable than others. Our research in the WB6 also indicates that partnerships can better contribute to enhanced employment opportunities if **strong multi-**

**level arrangements are in place** to guarantee the integration of grassroots concerns and viewpoints within them.

Enhanced cooperation with employers ranks high on the agenda for most PES since matching of labour supply with labour demand is the core function of all PES. Most PES emphasize the importance of maintaining a close exchange with employers. Even so, *‘this dialogue does not appear to be very systematic and in most cases involves only a small subset of employers.’*

The *five lessons learnt* by using partnerships to enhance employment opportunities when working with employers are:

1. Allocate time, knowledge, resources. **It is therefore essential that partnership building between actors is a clearly defined objective of PES at all levels of governance, that resources are allocated to this task and that enough time is given to build up trust.**
2. Start small and precise. **Starting cooperation based on clearly defined aims, timeframe, required resources (monetary and non-monetary) and involved staff (e.g. appoint a named contact person, establish regular long-term relationships) has proven to ease cooperation with employers.**
3. Establish win-win situations. **It is important to pay attention to the benefits and added value of the cooperation from the start. Experience shows that establishing a win-win situation for all involved eases the cooperation.**
4. Pursue joint goals, pull together and reduce administrative burdens. **Partnerships are likely to be successful if partners join together and pursue common goals.**
5. Check results regularly. **The work of partnerships has to be monitored and evaluated systematically.**

Last but not least, PES have to **follow the course of a *mental and cultural shift* by their individual and organizational ways of working.**

### **Second day**

During the second day of the visit, participants visited Tešanj municipality. The mayor and speaker of municipal parliament explained that the positive business and development outlook of Tešanj, position them as the best practice regionally. The Municipality of Tešanj is business oriented and has very close relationship with representatives of the business sector, including partnership with the Association of Entrepreneurs – Business Centre Tešanj, whose president explained some of the important developments within the municipality. 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 business, educational sector 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

cooperation policy that started through the establishment of the municipal VET council in 2010. The VET council has been established as advisory body, based on the Framework Law on VET, with the purpose of enabling labour market stakeholders to influence VET policy.

There are important public-private partnership initiatives in Tešanj. The secondary vocational school 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 significantly increased afterwards.

In the second part of the day, the group was hosted by Mr. Mahmut Galijasevic during their visit to company Mann+Hummel BH, one of the most significant factories in the municipality. The market value of the company amounts to 68 million BAM. Mann+Hummel BH is subsidiary of a German giant company and is considered to be one of the most successful privatizations in BiH. As a manufacturer of filters and components for automotive industry, Mann+Hummel BH company from Tešanj has operated positively for years and every year it achieves a growth in production and profit. For example, the company finished the 2014 business year with the profit of 4.08 million BAM.

The second day was concluded by the workshop at which LEP Tešanj was discussed and some recommendations were presented. The results of the visit were summarized and recommendations were discussed. Well-developed areas are highlighted: local action plans for employment, a system of work with people with disabilities, performance agreements etc.

### **Third day**

During the third and final day of the study tour, the case study of Prnjavor was presented. Prnjavor LEP has been established through ILO support. The municipality took over the responsibility for running the operation of the council and its formalization through the establishment act. LEP is formed as municipal permanent working body, by the Decision on Employment Council Establishment (Odluka o osnivanju Savjeta za zapošljavanje), within municipal Business Council (Privredni svjet).

EU provided funds not only for technical support to the council, but also for the implementation of a project that is focused on prequalification of job-seekers, and relation between educational system and business sector. That has been raising the interest of the council members to be actively involved into its work, but also to think profoundly on more efficient organizational way of implementing current and future projects. The project theme in Prnjavor provides a solid base for local cooperation through the development of the partnership aimed at supporting development of vocational education through involvement into the process of provision of recommendations on enrolment plans, curriculum planning and implementation.

There is a lack of profiling methodologies, with a particular focus on identifying and subsequently targeting those most in need of support to gain/maintain their position on the labour market. Therefore, the selection of participants should be directly based on individual employment plans, not on their choice on offered opportunities.



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After the technical presentation of Prnjavor LEP, the group visited the local company Export City, whose major business activity is manufacturing of upholstered furniture and office chairs.