

COUNTRY STRATEGY PAPER 2019 UPDATE

BOSNIA AND HERZEGOVINA



1. A brief summary of key developments in VET and skills and EU and donor cooperation during 2017–18

The employment rate increased by 1.3% in 2017. While the trend is positive, improvement is slow and employment remains below pre-crisis levels. To grasp the size of the economic challenge, Bosnia and Herzegovina saw the region's sharpest decline in unemployment, but the fall was due largely to declining labour force participation as people emigrated or stopped looking for work. Encouragingly, long-term unemployment fell by nearly 3.4% to 82% in 2017, but the rate remains very high.

Job generation is localised and low worker mobility limits the allocation of labour resources to emerging needs. A high joblessness rate among young people remains the country's defining characteristic. Rigid rules on social protection benefits (e.g. an obligation to register with public employment services) continue to burden employment agencies, limiting the capacity and scope of activation measures.

In 2018, Bosnia and Herzegovina applied for EU candidate status. The application is under review and an opinion is expected by mid-2019.

The EU is the largest single donor, making significant contributions to education and training reform and labour-market improvements and focusing recently on major projects in the VET sector that address teachers, curricula, occupational standards and qualifications. In the period 2018-2020, the approach will reflect a stronger labour-market orientation and greater support for employability.

Since 2017, the European Commission has shifted its main form of employment assistance toward sector budget support. The budget support programme for 2019 and beyond depends on endorsement of a nationwide employment strategy. Because of limited confidence that this will be ready in 2018, the issue was a key topic at the 2018 EC-BiH sub-committee meeting. Even if stakeholders approve the strategy, however, it is unclear whether adequate funding will be available.

Active donors in skills development include GIZ, Swiss Development, the World Bank and KulturKontakt. The ETF works with all donors, particularly GIZ, who will undertake tracer studies in 2019, complementing work with entity employment agencies.

2. An assessment of mid-term progress towards the ETF's 2020 objectives

The ETF country strategy paper 2017-2020 identified four priorities: supporting development of the Qualifications Framework for Bosnia and Herzegovina and its referencing against the EQF, enhancing labour-market efficiency by improving skills identification and the use of EU employment policy trends (e.g. youth guarantee programmes), lending support to the European Commission and the Torino Process and bolstering entrepreneurial learning.

In 2018, the ETF gave technical support to employment agencies to review their employer survey practices, including a preliminary assessment of methodological requirements and an examination of the feasibility of moving towards a medium to long-term labour-market outlook. Based on the findings, the approach is feasible from a technical standpoint, provided that interinstitutional cooperation is expanded and the necessary research and analytical capability can be ensured at the level of public institutions.

Between 2016 and 2018, Bosnia and Herzegovina developed a qualifications framework, but submission to the EQF Advisory Group was unlikely in 2018. More time is needed to reach agreement among all educational authorities. The European Commission's assessment highlighted a need for Bosnia and Herzegovina to give stronger emphasis to level 5 qualifications.

Significant progress has been made in entrepreneurial learning, which was inserted into IPA 2016 to promote development in secondary education. The Ministry of Civil Affairs, the ETF's main counterpart, is facilitating a policy group to prepare recommendations for the development and implementation of entrepreneurial and digital competencies in 2019, followed in 2020 by an IPA support programme.

A major emerging need is to monitor progress in the education, employment and training provided by the European Commission as a consequence of the country's application for candidate status.

From the past two years, it is clear that the central problem lies in the institutional cooperation processes available to stakeholders.

The first PISA results for Bosnia and Herzegovina will be available in 2019.

3. Actions planned for 2019

The priorities of the country strategy paper remain relevant except for continuing professional development.

Specific Objective 1: support EU external assistance and bilateral policy dialogue.

The European Commission is expected to require the ETF to monitor progress closely and provide evidence to back critical assessments of developments (policies, institutions, bottlenecks etc.).

Upon the EU Delegation to Bosnia and Herzegovina's request, the ETF remains available to provide technical support under IPA II to implement the priorities for digital and entrepreneurial competencies identified in 2018, including follow-up on establishment of state-wide priorities for employment.

The ETF will provide support to the EU-BiH bilateral policy dialogue:

- inputs and progress reporting (vocational training and employment) to the SAA I Sub-committee;
- yearly assessment of the Bosnia and Herzegovina Economic Reform Programme (DG EMPL);
- participation in review missions on candidate status.

In support of the Small Business Act assessment for South Eastern Europe and Turkey, the ETF will participate in disseminating the 2018 results for Bosnia and Herzegovina.

Specific Objective 2: support referencing of Bosnia and Herzegovina Framework against the EQF.

The ETF will give feedback on the EQF referencing report of the Bosnia and Herzegovina Framework (expected in 2019).

Specific Objective 3: support labour-market efficiency.

In employment policy, the ETF will mirror the priority given by the EU Delegation to state-level policymaking and cooperate with the Employment Department of the Ministry of Civil Affairs and the employment bureaus at entity level.

Specific objective 4: monitor VET progress through the Torino Process.

The Torino Process provided the Bosnia and Herzegovina Council of Education Ministers with the only agreed, statewide VET report. The next round will offer an opportunity to revisit the report and initiate a discussion on progress with the EU.

The Torino Process is valuable in promoting interinstitutional cooperation on education and training policy. In policy terms, the Torino Process could support the creation of a new VET strategy in 2018/2019, building synergy through links with Riga. The statistics authorities will take part in the collection and use of labour-market data, including updates on 2018 work.

Also in 2019, the Torino Process review will be supplemented with support to BiH authorities in bringing forward developments in entrepreneurship and digital key competences (EntreComp and DigComp) including building awareness through schools of digital readiness (SELFIE) and distance learning applications. A digital inventory of all vocational schools will be undertaken.