

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT – BOSNIA AND HERZEGOVINA 2022

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EXECUTIVE SUMMARY

In November 2022, Bosnia and Herzegovina inaugurated its new tripartite presidency. A new government will be faced with several challenges and issues of economic, social and educational nature.

These include the effects of energy and food price increases on poverty, weak labour and economic productivity, negative population growth and emigration of young people and the complex governance structure for education. The recent COVID-19 pandemic has had a disproportionate impact in particular on young women. Recovery from the crisis has not translated into increased job opportunities.

Despite these challenges, the leaders of the European Union unanimously decided to grant EU candidate status to Bosnia and Herzegovina on 15 December.

Recent progress in vocational education and training (VET) policy in BiH includes the development of a plan of priorities and activities for improving the quality and relevance of VET until 2030. The document 'Improvement of Quality and Relevance of Vocational Education and Training in Bosnia and Herzegovina in the Light of Riga Conclusions (for the period 2021-2030)' was drawn up by the Ministry of Civil Affairs, with support from Austria's Agency for Education and Internationalisation and a group of regional and international experts. The report (MoCA & OeAD, 2021) is divided into three main areas. The first part includes key political, demographic, economic and social characteristics of BiH. The second part addresses issues concerning education and training policies. The third part refers to labour market and employment issues.

Based on the analysis of recent developments in BiH, the ETF's general policy recommendations include:

- increasing public and private investment in education;
- implementing measures to improve the quality of learning and educational outcomes;
- improving youth transition to work, including the development and implementation of the Youth Guarantee Implementation Plan;
- promoting greater participation in formal education and vocational training, particularly for underrepresented groups;
- improving coordination and communication between different levels of governance;
- increasing funding for technology and equipment in vocational education;
- increasing use of the Baseline Qualifications Framework, as well as developing and implementing occupational standards aligned with the European Qualifications Framework;
- establishing a state-wide VET quality assurance system based on EQAVET.

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

Since the signing of the Dayton Peace Agreement, which ended the war in Bosnia and Herzegovina 25 years ago, a complex and confrontational governance framework has essentially maintained the country in a permanent state of crisis. Bosnia and Herzegovina is a federal republic made up of two entities: the Federation of Bosnia and Herzegovina (BiH), the Republika Srpska (RS) and a self-governing district, Brčko. The Federation comprises 10 cantons. Responsibility for education and employment is spread across 13 ministries and a number of executive agencies. At national level, education and employment developments are coordinated by the Ministry of Civil Affairs.

After a meeting in Brussels on 12 June 2022, the leaders of Bosnia and Herzegovina's (BiH) political parties and members of the presidency adopted an agreement pledging commitment to preserving a peaceful, stable, and independent state and adhering to EU values. The agreement also included measures for the efficient organisation of the general elections of 2 October 2022. After the elections, the authorities would cooperate constructively to ensure the swift formation of new legislative and executive authorities within the prescribed deadlines. On the topic of joining the EU, they agreed to deliver on a 'critical mass of reforms' to restore regular policy dialogue with the EU and work decisively towards fulfilling the 14 key priorities of the Commission's Opinion on EU membership (European Council, 2022).

On 16 November 2022, Bosnia and Herzegovina inaugurated its new tripartite presidency. The three elected representatives are Bosniak Denis Bećirović and Bosnian Croat Željko Komšić, from the Social Democratic Party and Democratic Front, and Željka Cvijanović from the Bosnian Serb party Alliance of Independent Social Democrats. It also marks the first time a woman has been elected to the country's top office.

Demographics

In 2021, Bosnia and Herzegovina was estimated to comprise total of 3 453 000 million inhabitants (based on the 2013 census). In terms of ethnic distribution, Bosnia and Herzegovina comprises three ethnic populations. Previous data point to Bosniaks representing approximately 50% of the population, while approximately 15% of the population are Croats and 30% are Serbs. The ethnic lines are reflected in the governance arrangements. Bosniak and Croat communities make up the entity of the Federation of Bosnia and Herzegovina (10 cantons), while the Serb community is primarily concentrated in Republika Srpska.

According to the Labour Force Survey (LFS) 2021, 'out of the total labour force, 64.2% of the population belong to the age group 25-49 years, then 25% to the age group 50-64 years, 9.2% to the age group 15-24 years and 1.5% are persons aged 65+' (BHAS 2022a, p.2). Emigration trends point to a sharp rise in numbers, as young people seek more opportunities away from home, with some 47% of young people planning to leave (Soldo, Spahic & Hasic 2021, p. 70).

The natural decrease in the population together with the emigration of young people from Bosnia and Herzegovina (primarily to the EU Member States) represent challenges to human capital for growth and competitiveness.

Key economic developments

Based on the latest economic statistics published by the Agency for Statistics of Bosnia and Herzegovina, gross domestic product (GDP) for BiH for 2021 grew nominally by 12.8% in relation to 2020, while the real increase was 7.5%. Real growth in gross value added was recorded in sectors such as: Accommodation and food service activities (I) 27.3%; Arts, entertainment and recreation (R)

25.2%; Administrative and support service activities (N) 24.6%; Manufacturing (C) 24.2% and Electricity, gas, steam and air conditioning supply (D) 22.8%.

According to OECD data, services account for the largest share of the Bosnian economy, accounting for 55.7% of GDP and 50.3% of employment (OECD, 2021). Wholesale and retail trade dominate the services industry, along with public administration. At nearly 9.4% of GDP, the public sector in BiH is the largest in the region. Industry contributes 23.9% to GDP and is responsible for 31.7% of employment, with the highest contribution coming from the manufacturing sector (15.3% of GDP and 17.7% of employment). Agriculture, forestry, and fishing contributed only 5.6% to GDP in 2019, but still account for 18% of employment, which shows that there is significant scope to boost agricultural productivity and achieve economy-wide productivity gains through the reallocation of labour from agriculture to other more productive sectors. Informal employment in Bosnia and Herzegovina is high and incentivised by relatively high labour costs. The Informal labour market is estimated to represent around one-third of GDP.

Despite the improvements, Bosnia and Herzegovina's economy remains characterised by weak productivity. Across all sectors, labour productivity, measured as output per worker, is less than one-third of the EU average.

Key social issues

Despite the lack of comparable data on poverty in BiH, Madzarevic-Sujster & Record (2022), using data from the World Bank, estimate that poverty was reduced in 2021. However, Russia's war on Ukraine is associated with impacts on BiH's economy, including increased energy, transport and food prices. Since the beginning of the war, data show an increase in food prices of 25.5% and an increase in energy prices of 18.2% in Bosnia and Herzegovina. According to the authors, 'inflation (...) affects the less well-off relatively more than higher income groups as the less fortunate tend to spend more of their budget on food and energy and have fewer coping mechanisms to maintain purchasing power' (Madzarevic-Sujster & Record 2022). The World Bank argues that, in the absence of any government measures, the impact of the energy and food price may lead to an increase in poverty of about 21% in Bosnia and Herzegovina.

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

Bosnia and Herzegovina has a complex governance arrangement for education, comprising 14 institutions responsible for overseeing education developments (13 ministries and a state-level education agency), decentralised in two entities, Republika Srpska and the Federation of Bosnia and Herzegovina, both of which have an education ministry. The Federation further comprises 10 cantons, each with an education ministry. Education affairs in a third administrative area – Brčko District – are overseen by a dedicated education department. Overall coordination of education across Bosnia and Herzegovina, including liaison at an international level, is undertaken by the Ministry of Civil Affairs at the state level.

The 2008 Framework Law on Secondary Vocational Education and Training defines the principles, levels and structure of secondary education. The 2008 Framework Law on Secondary Vocational Education and Training addresses the following: a) the role of the social partners and the focus on the needs and demands of the economy; b) the autonomy of vocational schools in response to local economic needs; c) the potential for cooperation between schools whilst retaining their autonomous legal status; d) the diversification of the training offer for new target groups (e.g. adults) and the potential for income generation by schools.

Moreover, the Ministry of Civil Affairs of Bosnia and Herzegovina has recently published the document 'Improvement of Quality and Relevance of VET in Bosnia and Herzegovina in the Light of the EU Riga Conclusions¹ (for the period 2021-2030)', developed with support from Austria's Agency for Education and Internationalisation (OeAD) and international experts. One of the objectives of the document is to develop a plan of priorities and activities in Bosnia and Herzegovina for competitive and attractive vocational education and training in the period 2021-2030. The document includes separate short-term (2021-2023), medium-term (2024-2026) and long-term priorities (2026-2030), as well as activities and institutions responsible for each objective (MoCA & OeAD, 2021).

Education expenditure

According to the Agency for Statistics of BiH (BHAS 2022b), public expenditure on formal education accounted for 4.3% of GDP in Bosnia and Herzegovina in 2020. Total public and private expenditure and foreign funds for educational institutions in 2020 accounted for 4.6% of GDP. Primary education accounted for 49.6% of public expenditure on education, followed by secondary education (23.6%), higher education (21.6%) and preschool education (5.0%).

Access, participation and early school leaving

According to the data from the World Bank's 2020 Human Capital Index (World Bank, 2020), children in Bosnia and Herzegovina can expect to complete an average of 11.7 years of schooling by the age of 18. However, this is equivalent to only 7.8 years of effective education when the quality of learning is considered.

The following data points can be highlighted regarding access, participation and early school leaving (see statistical annex):

¹ The Riga Conclusions (2015) established a new set of medium-term deliverables in the field of VET for EU Member States and candidate countries for the period 2015-2020. Subsequent to the Riga Conclusions, EU Member States and candidate countries have now committed to the [Osnabruck declaration 2020: on vocational education and training as an enabler of recovery and just transitions to digital and green economies | CEDEFOP \(europa.eu\)](#).

- The share of VET students at the upper secondary level (ISCED 3) was 78.4% in 2021 against 74.2% in 2015.
- The share of early school leavers (% aged 18-24) was 4.7% (4.5% among women) in 2021 against 5.6% in 2015 (5.6% among women).
- The share of those aged 20-29 with low educational attainment (ISCED 0-2) was 5.5% in 2021 (4.8% among women) against 7.3% in 2015 (7.9% among women).
- The share of those aged 25-34 with high educational attainment (ISCED 5-8) was 27.1% in 2021 (32.9% among women) against 21.5% in 2015 (26.2% among women).
- Participation in formal education (aged 15-29) was 42.9% in 2021 (47% among women) against 44.9% in 2015 (50.1% among women).
- Participation in formal education and work (aged 15-29) was 1.0% in 2021 (0.9% among women) against 1.5% in 2015 (1.6% among women).
- Completion of upper secondary education (aged 20-24) was 93.9% in 2021 (94.7% among women) against 93.8% in 2015 (93.1% among women).

PISA results

The results of Bosnia and Herzegovina's first participation in the PISA assessment in 2018 underscore serious concerns about the quality of education. Well over half of 15-year-olds are low-achieving in reading, writing and mathematics, compared to a fifth of their counterparts in the European Union. The PISA data and wider analysis point to significant deficiencies in primary education, which are carried through into secondary education. There is evidence of an enrolment gatekeeping exercise where poor performers from primary education are being funnelled into vocational streams. These children are further disenfranchised as the quality of teaching and learning in vocational education is significantly lower than in general secondary education (APOS0, 2019).

Young people not in employment, education or training (NEET)

The situation of young people remains problematic in Bosnia and Herzegovina, with persistently high numbers of young people who are not in employment, education or training (NEET). In 2021, Bosnia and Herzegovina's 25.1% NEET rate was almost twice that of the EU (13.1%) for the age group 15-29. By gender, young women are overrepresented within the NEET group, with a rate of 21.6% among men and 28.8% among women in 2021. When disaggregated by categories of NEET (unemployed or inactive), the NEET incidence in Bosnia and Herzegovina, like in other countries, reveals higher risks of labour market disengagement among young women.

It is believed that the effects of the COVID-19 crisis have been mitigated and are becoming less visible in the youth transition patterns in the country. Young women continue to be more seriously affected than young men. As young women are more likely to be inactive, their first steps to (re)enter the labour market tend to be even more challenging. This can be linked to several factors, such as socio-cultural norms, less favourable working environments, and family duties.

Several factors could explain the precarious position of young people in the labour market. Young graduates often face a difficult transition from school to work on account of their insufficient employability levels caused by low education attainment and the lack of relevance of their skills for the labour market. The various cantons differ in their understanding of the importance or relevance of career guidance and in their efforts to promote it. In some cases, services are designed for specific categories of people, such as the long-term unemployed or those with disabilities. Guidance policies are fragmented despite the existence of an interdepartmental working group, set up by the Federation of BiH in 2014 and led by the Ministry of Education and Science. Its role is to propose strategic directions for the development of career guidance as well as relevant action plans (ETF, 2022a).

Also, the unattractive working conditions, reflected in informality, low wages, insufficient protection of health and safety at work, and insufficient mentorship and/or coaching arrangements for newly hired workers or skills are not aligned with those needed in the economy or by employers (ETF, 2020).

Strategic and legal framework for initial VET and adult learning

Given the decentralised governance arrangements, education legislation is addressed at three levels: a) state-level (framework legislation); b) entity level (Republika Srpska and the Federation of Bosnia and Herzegovina); and c) cantonal level, including Brčko District. Vocational education is addressed within general education.

The Ministry of Civil Affairs has coordinated five framework education laws. More specifically for VET, the 2003 Framework Law on Primary and Secondary Education defines the principles, levels and structure of secondary education. The 2008 Framework Law on Secondary VET addresses: a) the role of social partners and the demands of the economy; b) the autonomy of vocational schools in response to local economic needs; c) the potential for schools' cooperation whilst retaining their autonomous legal status; and d) diversification of the training offer for new target groups (e.g. adults) and the potential for income generation by schools. The VET framework legislation has been adopted or adapted into local legislation in Republika Srpska, seven cantons of the Federation, and in Brčko District (ETF, 2020).

VET governance and financing arrangements

At the state level, the Ministry of Civil Affairs coordinates education areas of common interest to the entities and Brčko. The Ministry has no policy or legislative decision-making powers. It proposes legislation and a state-wide strategy to the BiH Council of Ministers. A Conference of Education Ministers provides a forum for exchange on issues common to all education authorities. However, it meets irregularly.

In BiH, most of the education financing is used to pay staff salaries, with little funding available for technology, equipment and other resources. According to the OECD (2022), 'this disproportionately impacts VET institutions, which generally have higher costs in these areas than do general education institutions. In fact, lack of equipment and materials, along with the lack of practical training, is considered the most significant constraint to VET in Bosnia and Herzegovina' (p. 146). The VET system still strongly relies on financial support from international donors such as the EU or GIZ.

Qualifications, validation and recognition

The Council of Ministers adopted Bosnia and Herzegovina's Baseline Qualifications Framework in March 2011. Training providers, employers and learners still do not use the framework. Nonetheless, newly developed VET and higher education qualifications are based on learning outcomes and standards. The Agency for Pre-Primary, Primary and Secondary Education of BiH is in charge of and coordinates all phases of the development of occupational standards. A recent initiative is the occupational standards for agricultural technicians.

The implementation of the Baseline Qualifications Framework is overseen by an intersectoral committee chaired by the Ministry of Civil Affairs. A further milestone to be met by the BiH authorities is referencing the Baseline Qualifications Framework to the principles and criteria of the wider European Qualifications Framework (EQF).

The validation of non-formal learning is part of the qualifications framework's action plan, but implementation is currently limited.

Quality assurance

A proposal for a new state-wide VET quality assurance system framework for initial and continuing VET, based on the European Quality Assurance in VET (EQAVET), was developed in 2018 as part of the work done on the Baseline Qualifications Framework. A 'VET Quality Assurance Manual' was

developed with the support of the project. According to MoCA and OeAD (2021), the manual includes topics such as- VET quality assurance standards, the self-evaluation manual for institutions, the external evaluation manual for institutions, the systemic evaluation manual, external evaluator training standards and Guidelines on the European Credit System for Vocational Education and Training (ECVET).

Quality assurance in VET is one of the priorities established in the document 'Improvement of Quality and Relevance of VET in Bosnia and Herzegovina in the Light of Riga Conclusions (for the period 2021-2030)'. To move forward, the state-wide quality assurance framework for initial and continuing VET would need to be approved and a legal basis would need to be established. Furthermore, staff development measures will be necessary to address the administrative, legal and practical implementation of quality assurance in VET (ETF, 2020).

Work-based learning arrangements

According to the OECD (2022), 'systematic and effective engagement between VET and the private sector is yet to be achieved' (OECD, 2022, p. 144).

Work-based learning (WBL) arrangements in Bosnia and Herzegovina include the following (MoCA & OeAD, 2021):

a) Alternate learning at school and business company: This is the most prevalent form of WBL arrangements in the entity Republika Srpska, in cantons in the entity Federation of Bosnia and Herzegovina and in Brčko District of Bosnia and Herzegovina. It refers to cases in which students spend between one and three days per week throughout the school year in practical training at companies. Schools and companies regulate their rights and obligations in a relevant document (contract).

b) School workshops, laboratories, etc.: in some cases, WBL takes place at laboratories, workshops, kitchens, virtual companies, etc. Students develop their practical skills at school premises in learning situations that correspond to real-life situations.

c) Summer and winter holiday placements: In this format of WBL, students spend certain periods of time at companies (mostly between 10 and 15 days).

Bosnia and Herzegovina's participation in the European Alliance for Apprenticeships (EAfA) might provide an important impetus for the government, the training community and the private sector. It would allow for policy learning and access to best practices to determine ways and means to build a WBL culture between schools, training centres, universities and businesses.

Expanding the scope and quality of WBL is also one of the priorities established in the document 'Improvement of Quality and Relevance of VET in Bosnia and Herzegovina in the Light of Riga Conclusions (for the period 2021-2030)'.

Digital education and skills

Since the COVID-19 pandemic, the Ministry of Civil Affairs has placed particular emphasis on digital education and skills policies, including options for building on digital applications for learning.

According to the Survey on the usage of information and communication technologies in BiH (ICT), in 2019, 20% of women and 29% of men had basic or above basic digital skills, while in the EU-27 the average was 54% for women, and 56% for men. Data from PISA 2018 shows that there are just over 0.3 computers per pupil in Bosnian schools, compared with an average of over 0.8 in OECD countries. Concerning internet access, while around 70% of schools in Bosnia and Herzegovina are connected, nearly all school computers in OECD countries have access to an internet connection (OECD, 2022).

Furthermore, PISA 2018 data showed lower usage of digital devices and instructional materials by teachers when compared to the OECD average and the average across Western Balkan countries. According to Guthrie et al. (2022), 'school-based teacher groups, where they exist, do not always

provide spaces for regular collaborative learning. Moreover, while most schools have a pedagogue who is expected to help teachers improve their practice, stakeholders reported that pedagogues' capacity to support teaching and learning is underutilised and that their role is not always supported' (p. 120).

Statistics on education and training

Key sources of education statistics in BiH are the Agency for Statistics of Bosnia and Herzegovina (BHAS), as well as the Agency for Pre-Primary, Primary and Secondary Education (APOSO). The first aims to provide reliable and internationally comparable statistical data on several areas of interest such as the economic, demographic and social area, the environment and natural resources. APOSO is responsible for setting up learning standards, evaluating learning achievements, developing common core curricula in pre-primary, primary and secondary education and further competent works concerning learning standards and evaluation of education quality as defined by special laws and other regulations.

In 2022, the Agency for Pre-Primary, Primary and Secondary Education held its first meeting with the coordinators for international surveys from the ministries of education and the Department of Education of the Brčko District of BiH. A decision was made to approve the conclusion of an agreement on the participation of Bosnia and Herzegovina in the Trends in International Mathematics and Science Study (TIMSS) 2023, and in the International Survey of Computer and Information Literacy for students of the 8th grade of primary education.

A key issue refers to the lack of confirmation on the participation of BiH in other international surveys, such as PISA 2022. Even though Bosnia and Herzegovina have committed to participate in international surveys the participation depends on a decision from the Presidency of BiH.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

While the BiH's economy has begun to strengthen following the COVID-19 lockdown crisis (with GDP growth over 10% since 2020, to 7.1% in 2021), the recovery has not translated into many more jobs. The unemployment rate of those aged 15+ rose from 15.9% to 17.4% between 2020 and 2021 (European Commission, 2022a). This is a significant gap in relation to the EU (7%). Apart from structural weaknesses in the economy, high unemployment levels also reflect high social contributions of low-income earners, which act as a disincentive to work (ETF, 2019) and are considered as contributing to informal employment, which is estimated to account for 30.5% of total employment (ILO, 2020).

In 2021, women's unemployment in Bosnia and Herzegovina stood at 22.2% (compared to 7.4% in the EU), which was almost 8 percentage points higher than that of men (European Commission, 2022b). Contributory factors include low enrolment in early childhood education and care for the elderly, with women bearing responsibility for family support. Women's employment rates for 2021 point to an upward trend, but only 5 out of 10 women in Bosnia and Herzegovina are registered as officially employed, compared to 7 out of 10 women in the European Union (European Commission and Eurostat, 2022).

The youth unemployment rate (aged 15-24) as captured through the labour force survey stood at 12.2%, demonstrating a lack of improvement when compared to the 2021 rate.

The country's large informal economy accounts for one-third of the GDP. The COVID-19 pandemic has likely reinforced informal employment, as those falling out of work in the formal economy sought out job opportunities through informal work. The consequences of this are a misrepresentation of the jobless rate in registered unemployment figures, a distortion of competition and the undermining of the tax base (European Commission, 2022b).

Three sectors demonstrating improved employment included manufacturing, tourism and trade (European Commission, 2022a). Overall, the improving employment trends suggest a growing confidence by employers. Business surveys pointed to employer interest in new recruitments, particularly in services, construction, and ICT (BiH Employment Agency, 2021). In terms of international benchmarking, while the EU has set itself an employment rate target of 78% by 2030 among those aged 20-64 years, Bosnia and Herzegovina's employment rate stood at 52.6% in 2021, well behind the EU rate (73.1%).

A recent study points to the emergence of new and non-standard forms of employment associated with wider digital developments (platform work), which will eventually need to be addressed more systematically in administrative employment data and support services, e.g. training, career guidance (ETF, 2022b).

Statistics on and labour market and employment

The Agency for Statistics of Bosnia and Herzegovina, in cooperation with the Federal Institute of Statistics (responsible for the collection of cantonal statistics) and the Institute of Statistics of Republika Srpska, undertake annual labour force surveys. The survey follows the International Labour Organization (ILO) definitions and methods, as well as the requirements of the European Statistical Office (Eurostat), which ensures international comparability of data.

Furthermore, the state-level Labour and Employment Agency collects and summarises administrative employment statistics on a monthly basis from the range of competent authorities. More sophisticated

data analyses, including ad hoc surveys (e.g. skills forecasts) are provided mainly through internationally financed technical assistance projects.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

Responsibility for employment policy straddles a number of governance levels established by the post-war Dayton Accords in 1995 (see Organigramme of the employment institutions in Bosnia and Herzegovina in the annex). Primary policy competence rests with the two entities (Federation of Bosnia and Herzegovina and Republika Srpska) and Brčko District, while the Ministry of Civil Affairs provides overall coordination at the state level. A range of public institutions support employment developments in BiH, reflecting the complex governance arrangements from state to entity (region) to local (canton) levels.

The government of Republika Srpska adopted a 2021-2027 employment strategy in November 2021. The Federation's draft strategy for the same period remains to be adopted by the Federation of BiH's upper parliamentary chamber. The development of a state-wide employment strategy depends on the Federation's adoption of its strategy. Failure in achieving a state-wide agreement on employment frustrates wider developments in areas such as an integrated skills monitoring framework and efforts to align youth employment support with wider developments in the European Union ('Youth Guarantee' scheme, see below).

Initiatives to boost employment

Employment subsidies and entrepreneurship support comprise the lion's share of active labour market support across Bosnia and Herzegovina. Before the pandemic, employment subsidies made up 62% of active employment support in the Federation, compared to 33% in Republika Srpska (Bandić & Markus, 2021). The remaining budget targets primarily self-employment measures, whereas broader job mediation services remain underdeveloped. Recent legislative reforms in Republika Srpska are to ensure a better focus on job counselling and mediation and the targeting of resources towards more effective active labour market measures.

Both entities, in collaboration with the Ministry of Civil Affairs, are now engaged in developing reform priorities and measures in line with EU Youth Guarantee initiative. These mirror broader EU objectives to promote both the employability and employment of young people up to 30 years of age. Important steps taken include: a) the establishment of a state-wide Steering Committee group, comprising 37 competent institutions and social partners; and b) a technical, expert working group whose task will be to develop a state-wide Youth Guarantee implementation plan for adoption by the state-level Council of Ministers in 2023. Both the policy dialogue within the expert group and planning by the multi-stakeholder group will require sustained cooperation between policy-makers and practitioners across all BiH governance levels. State-wide dialogue on the core pillars of the Youth Guarantee scheme (e.g. apprenticeships, training, career guidance) provides an opportunity for the education and employment policies and systems of BiH to undergo further reforms and become more efficient and effective. The European Commission stands ready to co-finance priority areas from the adopted Youth Guarantee implementation plan.

Initiatives to increase the capacity of the public employment services

Two factors frustrate the development and capacity of public employment services in Bosnia and Herzegovina.

Firstly, the complex governance arrangements for employment services undermine commitment to building coherence across the employment services network in terms of strategy, design and delivery of services. Cooperation of the public employment services between entities, in terms of knowledge and know-how exchange, is very limited.

Secondly, the fragmentation of service for public employment support generates inefficiency across the entire public employment services network. Limited public finance within the constituent parts of Bosnia and Herzegovina compromises the quality and availability of services, particularly the provision of active measures. Some 800 staff provide services to approximately 400 000 registered unemployed across the BiH public employment services. The lion's share of resources is allocated to the administration of social payments, as 70% of staff time is used for the administration of health and social benefits. The remaining staff are engaged in employment support (BiH Employment Agency, 2021). A remodelling of the entire public employment service will need to address the issue of decoupling health insurance services from the registration and services for unemployed people (ILO, 2021).

In view of the challenge of political coordination of employment policies and services, the European Commission's support, in cooperation with the ILO, for local employment partnerships has generated alternative and innovative models for cooperation. The emphasis has been on building local capacities of public employment services to generate employment, in cooperation with municipalities, training organisations and local businesses and targeting selected sectors (e.g. agriculture, textiles, tourism).

Further EU support for public employment services focuses on improving data collection, strategies and planning of employment services. Staff are trained in labour market analyses, private sector engagement, as well as the design and evaluation of active labour market measures.

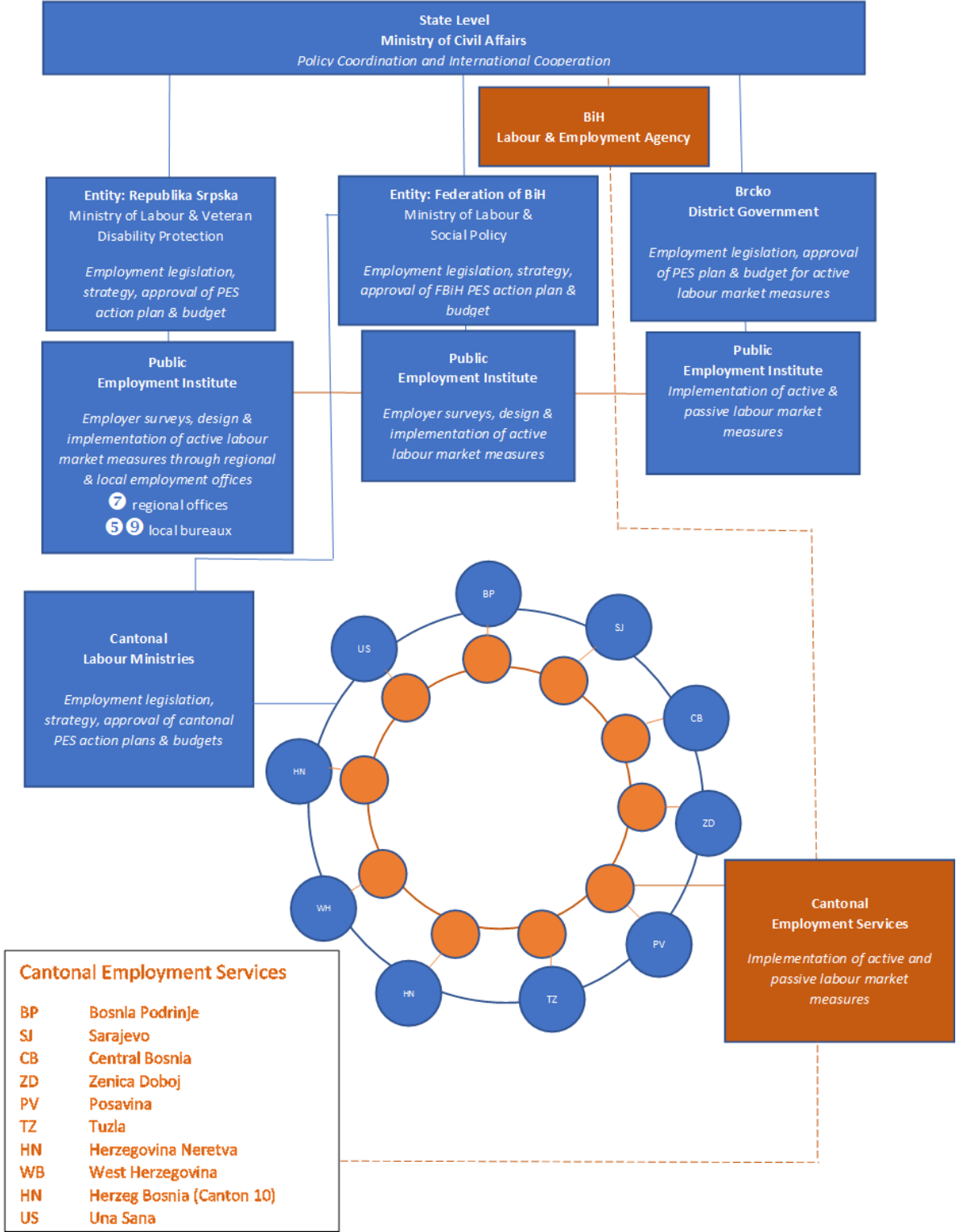
STATISTICAL ANNEX – BOSNIA AND HERZEGOVINA

		2015	2019	2020b	2021b	EU (2021b)
1	Share of VET students at upper-secondary level (ISCED 3)	74.2	77.2	78.0	78.4	m
2	Share of early school leavers (% aged 18-24)	5.2	3.8u	4.7	4.7	9.7
	Women	5.6	3.5u	4.6u	4.5u	11.4
3	Share of those aged 20-29 low-educated (ISCED 0-2)	7.3	5.4	6.3	5.5	14.8
	Women	7.9	6.5	6.7	4.8	12.7
4	Completion of upper-secondary education (aged 20-24)	93.8	95.5	94.2	93.9	84.4
	Women	93.1	95.6	94.1	94.7	87.1
5	Share of those aged 25-34 high-educated (ISCED 5-8)	21.5	24.0	27.0	27.1	41.0
	Women	26.2	29.7	33.1	32.9	46.6
6	Participation in formal education (aged 15-29)	44.9	44.0	41.3	42.9	39.5
	Women	50.1	48.1	44.2	47.0	41.1
7	Participation in formal education and work (aged 15-29)	1.5	1.7	3.4	1.0	15.2
	Women	1.6	1.3	3.2	0.9	15.7
8	NEETs aged 15-29	32.8	25.0	25.9	25.1	13.1
	Inactive	10.5	11.2	13.1	11.7	8.2
	Unemployed	22.3	13.7	12.8	13.4	4.9
	Men	32.4	22.6	22.0	21.6	11.8
	Inactive	7.3	8.5	8.8	7.5	6.3
	Unemployed	25.2	14.1	13.2	14.1	5.5
	Women	33.3	27.9	30.1	28.8	14.5
	Inactive	14.3	14.6	17.7	16.2	10.2
	Unemployed	18.9	13.3	12.4	12.7	4.3
9	Youth employment rate aged 15-24	12.1	23.4	21.0	19.8	32.7

		2015	2019	2020b	2021b	EU (2021b)
	Women	8.0	18.6	15.8	13.7	30.3
10	Employment rate of ISCED 5-8 graduates aged 20-34	35.9	52.4	50.5	56.2	79.6
11	Employment rate of ISCED 3-4 VET graduates aged 20-34	26.1u	54.5	42.9	43.5	76.4
12	Employment rate aged 20-64	43.2	49.7	52.5	52.6	73.1
	Women	32.4	38.0	40.0	39.1	67.7
13	Unemployment rate aged 15-24	62.3	33.8	36.6	38.3	16.6
	Women	67.3	37.9	42.8	44.5	16.7
14	Unemployment ratio aged 15-24	20.0	12.0	12.2	12.2	6.5
15	Ratio youth/adult unemployment ratio	1.7	1.8	1.6	1.5	m
16	Unemployment rate aged 15+	27.7	15.7	15.9	17.4	7.0
	Women	30.7	18.8	18.5	22.0	7.4
17	Lifelong learning during past 4 weeks (aged 25-64)	2.3	1.8	3.3	2.1	10.8
	Low-educated (ISCED 0-2)	0.4u	0.1u	1.0	0.4	4.3
	Unemployed	2.4u	2.7u	2.8	1.5	12.7

Notes: m = missing; u = unreliable

Organisation chart of the employment institutions in Bosnia and Herzegovina



KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

Recent and on-going support actions for employment development in Bosnia and Herzegovina include:

- European Commission, ILO and ETF technical support to develop the Youth Guarantee implementation plan in Bosnia and Herzegovina (2021 – ongoing).
- European Commission (2020-2023): employment policy and strategy building at Brčko, entity and state levels with capacity building of the public employment service network (see above).
- European Commission (2020-2023): education for employment project focusing on pre-service teacher training, careers guidance and quality assurance in higher education.
- European Training Foundation (2020): case study (Flanders, Belgium) as an employment policy learning reference for highly decentralised governance and reporting arrangements to the European Commission.
- European Training Foundation ETF (2021): a review of enrolment policy and practice for secondary education.
- ILO and Regional Cooperation Council (2020-2021): roadmap to address formalisation of the illicit employment, social dialogue and monitoring and evaluating labour market policies.
- European Training Foundation (2022). Training on quality assurance in VET.
- European Training Foundation (2022). Training on recognition of prior learning.
- KfW Development Bank is supporting 3 business and vocational training partnerships in 2021 with further opportunities for vocational training organisations to join a regional drive to build more innovative relationships with the business community with additional financial resources in 2022.

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