

TORINO PROCESS 2012

BOSNIA AND HERZEGOVINA



Prepared by Margareta Nikolovska and Francesca Rosso, ETF
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INTRODUCTION

This report is the outcome of the 2012 Torino Process conducted in Bosnia and Herzegovina (BA). The Torino Process is a participatory process leading to an evidence-based analysis of vocational education and training (VET) policies in a given country. More specifically, the Torino Process is a vehicle to:

- develop a common understanding for a mid-term vision for VET development, priorities and strategies and explore possible options to implement this vision and/or to make further progress;
- design and evaluate home-grown and affordable VET policies based on evidence, knowledge and collaboration;
- update analyses and achievements at regular intervals;
- identify opportunities for policy learning in partner countries and with the European Union (EU);
- enable countries to better coordinate donor contributions to the achievement of agreed national priorities.

The 2012 Torino Process in Bosnia and Herzegovina was carried out as a European Training Foundation (ETF) assessment. The objective was to assess the drive and capacities of various stakeholders regarding active engagement in VET reforms and to further determine possible ways forward in VET policy and system development. In January 2010, the Ministry of Civil Affairs was appointed coordinator of the Torino Process in the country, implemented since then under its stewardship. The ministry's Agency for Pre-Primary, Primary and Secondary Education and, in particular, the latter's VET Department, has been instrumental in providing up-to-date information on ongoing developments in VET reform and in ensuring the availability of data from the VET in Schools (VETIS) system. The Agency for Statistics of Bosnia and Herzegovina has provided the up-to-date data used for analyses and to prepare the Torino Process indicators. Building on the priorities established as part of the 2010 Torino Process, a number of activities were organised as part of the 2012 cycle (see Annex 4).

- Consultations with different stakeholders involved in VET were held in February 2012.
- A workshop on the topic Curriculum Reform in Vocational Education and Training in Bosnia and Herzegovina: Review of Progress in the Framework of the Torino Process was held in Banja Luka on 26 April 2012 under the leadership of the Ministry for Civil Affairs and in cooperation with the VET Department of the Agency for Pre-Primary, Primary and Secondary Education. The focus was the achievements of different institutions in relation to the broader VET reform framework and a review of progress with the VET curriculum. Particular attention was paid to recent developments in the country, the role of different institutions in the VET reform process and, in particular, social partner and other stakeholder engagement in a broader policy dialogue framework.
- A workshop on 'Torino Process 2012: Kick-Starting the Baseline Qualifications Framework as a Tool for European Integration' was held in Sarajevo on 23 May 2012 in cooperation with the Ministry of Civil Affairs. Progress since 2010 in supporting the development and implementation of the Baseline Qualifications Framework (BQF) was assessed. It particularly addressed the development process for VET and higher education qualifications. Participants discussed how to define different modalities for BQF implementation and possible ways forward.
- A wider consultation event titled '2012 Bosnia and Herzegovina Torino Process: Results of the Review of Progress in VET Reform' was held in Sarajevo on 8 November 2012. Preliminary findings were presented and some ways forward were discussed in regard to how evidence

collected through the 2012 Torino Process might influence key policy making in the VET sector.

The added value of the Torino Process lies in the embedding of VET within the socio-economic context and ensuring that analyses are informed by relevant evidence and take place through structured dialogue. The Torino Process is a participatory instrument for VET analysis and policy assessment. It has documented strong commitment to progress in this type of policy development from key stakeholders in the country. The goal is to take this forward by enhancing long-term capacity and the quality and relevance of policy making. The key questions are as follows:

- What is the vision for VET development?
- Does this vision comply with the broader socio-economic development objectives?
- Do the skills offered by the VET system match those required by the labour market and economic development?
- Do VET institutions and programmes and skills offered by the VET system match the aspirations of individual learners and the needs of vulnerable groups?
- What further reforms are necessary to modernise the various building blocks of the VET system?
- Are institutional arrangements, capacities and budgets adequate for bringing about the desired changes in the VET system?

EXECUTIVE SUMMARY

Bosnia and Herzegovina became a potential candidate country for EU accession following the Thessaloniki European Council of June 2003. In 2008 the European Council adopted a European partnership with Bosnia and Herzegovina and a Stabilisation and Association Agreement was signed. A mid-term priority is to improve the country's education system and create a modern VET system. Major longer-term priorities are the adoption of European principles with regard to compulsory education, teacher qualifications, mobility, recognition of skills acquired out-of-school, improvement of quality in VET, the introduction of the European Credit Transfer and Accumulation System (ECTS), establishment of a comprehensive framework for qualifications recognition and the enhancement of governance and funding for education and training institutions.

Bosnia and Herzegovina has invested efforts over several years in improving the overall quality of its VET system. Important developments since the last Torino Process cycle in 2010 are summarised below.

- After a comprehensive policy dialogue, with the support of all the education ministries for the development of a qualifications framework, in March 2011 the Council of Ministers adopted the BQF to cover all levels of education, providing important direction for lifelong learning and linking the education and labour market in a meaningful way.
- An Entrepreneurial Learning Strategy for 2012–2015 targeting all levels of education was adopted by the Council of Ministers in March 2012. Its primary goal is to foster and promote entrepreneurial mindsets that positively impact on social and economic development, in line with existing strategic commitments and taking into account global economic progress, with the challenge being to deliver along the defined action lines. More effective engagement and commitment by the higher education community to entrepreneurial learning is critical to local, regional and state-level economic development.
- Further strengthening of institutions continued, with the Agency for Pre-Primary, Primary and Secondary Education playing a key role in the development of quality in education. During 2011 it collaboratively worked out a Development Concept 2012–2016 that articulates its mission and vision in the country. Development of VET and lifelong learning is one part of this mission and vision and should eventually become operational though joint efforts by different institutions at different levels.
- Thanks to better staffing, the VET Department of the Agency for Pre-Primary, Primary and Secondary Education has been able to engage in the VET reform process. The drafting of standards for VET profiles in the agrifood sector has been completed. Another important output is an evaluation study undertaken with the goal of systemising the use of modular VET curricula; included is further development of VETIS, aimed at supporting effective decision making in VET.

VET reform in the country relies on the premise that the VET system should provide broad-based education that not only covers vocational skills and knowledge but also offers access to further and higher education and good opportunities for personal development and social integration. VET is a complex policy area, nonetheless, at the intersection of education, training, social, economic and labour market policies. It is expected to address the present and future skill demands of the economy, the requirement for personal development and for active citizens and individual needs for short- and long-term employability. Important findings were revealed by the 2012 Torino Process, described below.

What is the vision for VET development and does this vision comply with broader socio-economic development objectives?

With a population of around 3.84 million inhabitants, Bosnia and Herzegovina is an upper-middle-income market economy (Agency of Statistics, 2011). Like many developed and transition countries, Bosnia and Herzegovina is also facing population growth stagnation. Demographic projections show that the labour force will shrink considerably in the next 40 years, with significant ageing of the population. In the Western Balkans, Bosnia and Herzegovina will experience the fastest ageing, with the dependency ratio estimated to rise steadily in the coming decades. This will increase pension and healthcare costs, as fewer workers will be called on to support more elderly people than at present.

National key stakeholders, through broad-based consultation and policy dialogue, have shaped a vision of VET for the country via a development strategy that represents an explicit endorsement of the Copenhagen policy framework on VET and European employment policy. General directions have been defined for the development of upper secondary VET and for adapting the education system to offer opportunities for retraining and supplemental training, including strategic directions and goals related to lifelong learning. The importance of human resources for economic development is acknowledged and the potential contribution of lifelong learning is recognised, especially in times of rapid change.

VET reform is moving ahead and a range of stakeholders in the country are taking on board a number of commitments. The Republika Srpska, the Brčko District and six out of ten cantons in the Federation (Zenica-Doboj, Sarajevo, Posavina, Bosnian-Podrinje, Una-Sana, Tuzla) have adopted new VET legislation, harmonising it with the state-level VET Framework Law adopted in 2008. Mainstreaming VET legislation across the rest of the cantons is an important milestone ahead. However, adoption of legislation needs to be followed up with support for implementation and the inclusion of pedagogical institutes, education inspectorates and vocational schools in the process is imperative. Policy dialogue is needed at different levels of governance in order to identify and respond to potential operational constraints on newly adopted legislation.

While significant efforts have been made by the public authorities to develop an improved manpower policy environment, attention now needs to turn to developing capacity and encouraging the contribution of enterprise associations to workforce development. A first step should be to ensure the supply of regular data on skills, as this will ensure more effective policies and application of public funds to training. Priority should be given to sectors trading with the EU and sectors where improved skills are essential to ensure that products and services meet EU trading standards. Since VET system development is located at the intersection between education and work, multi-level relationship systems need to be strengthened, including with ministries of labour and employment services. This is because VET policies, if they are to be successfully implemented, depend on a whole range of people and institutions. At the same time the impact of VET strategic decisions depends on the way different partners organise the feedback process and on key stakeholder involvement in VET policy implementation and review.

Do the skills offered by the VET system match those required by the labour market and economic development?

According to the United Nations Development Programme Bosnia and Herzegovina is ranked 13th in the world for outbound migration, with around a fifth of the population with tertiary education currently living outside the country. Negative employment trends started in 2008, with unemployment currently standing at around 28%. The youth unemployment rate, at over double that, shows a sharp and worrisome growing trend. The main reason for these trends is the weak economic performance of the country; nonetheless, there is also a need for education and employment institutions to better manage school-to-work transition. The long-term unemployed share of all registered unemployment is very high. Long-term unemployment has damaging effects on human capital, as being out of work for an extended period has devastating effects on people's skills and work abilities.

The adoption of the Employment Strategy 2010–2014 in July 2010 represented an important step forward. Key objectives include an annual increase in the employment rate by 2% and in the female employment rate by 2.5% and a reduction in registered youth unemployment from the current 47% to 30% by the end of 2014. Implementing the objectives laid out in the Employment Strategy 2010–2014 and coordinating its actions with actions foreseen in strategies adopted by other entities is an important challenge. Emphasis should be placed on enhancing the capacities of the employment offices with a view to effectively delivering active labour market policies for different target groups and on promoting better coordination at the state level, as the lack of a coherent strategic approach results in fragmentation of efforts and non-optimal use of resources.

Enhancing the employability of the population through targeted and well-designed active labour market policies is fundamental for people to find decent employment, remain in the labour market and progress during their career. Better access to the labour market for women should be aided by gender-sensitive measures. Job matching and recruitment mechanisms also need to be further developed, as inefficient information flows between job seekers and hiring employers can hamper the effectiveness of job searches, especially for disadvantaged groups. Moreover, given the importance of this sector for youth employment, the scarcity of data on informal employment – and entrepreneurship in particular – is a major obstacle.

Do VET institutions and programmes and skills offered by the VET system match the aspirations of individual learners and the needs of vulnerable groups?

Policy measures to increase the external efficiency of VET include sustained attempts since 1998 by different stakeholders at various levels of the system to improve vertical and horizontal mobility, through the gradual introduction of modular curricula in VET, the introduction of modern and flexible qualifications based on a qualifications framework that integrates all education levels, ongoing reforms to adult education and training and higher education reform aligned with Bologna requirements.

Until recently, the main VET reform focus in the country was upper secondary VET and the transition to higher education and working life. It particularly addressed four-year curricula and VET programmes, excluding from revision three-year curricula and VET profiles. A policy dialogue exists regarding the need to develop post-secondary VET in line with the introduction of the qualifications framework. The role of colleges and the organisation of vocational studies and post-secondary VET is an issue to be discussed in relation to the BQF. It has also to be acknowledged that the BQF aims to cover all qualifications at all levels, including those provided by higher education. This integrated approach to the development of a qualifications framework will have a positive impact on the attractiveness of VET. In this aspect, important milestone will be established and well-functioning Inter-Sector Committee. Provision should be made to facilitate the dialogue between the VET and higher education sectors in reflecting these issues.

What further reforms are necessary to modernise the various building blocks of the VET system?

The quality of teaching and learning in VET pilot schools has greatly improved. Some 96 VET pilot schools have undergone extensive capacity development and around 3 000 teachers have been trained to design and work with VET modular curricula. The concept of vocational school piloting shows how, under certain circumstances, new and more effective learning environments can be created. The experience with VET pilot schools can also help to close the gap between current realities and future aspirations. In this light, a major focus could be a policy dialogue on the main lessons learned through the vocational school piloting process, with the goal of integrating lessons further in the VET reform process. This renewed debate will provide significant support to policy makers and will ease the process of mainstreaming good results to other vocational schools. This can help vocational schools not part of these developments to learn from the experiences of the others.

A common feature of many curriculum reforms is that changes in programme content are not accompanied by training for teachers to use the new teaching and learning methods. This situation is particularly challenging for teachers of VET subjects. With developments in entrepreneurial learning (at both strategic and pilot school levels) Bosnia and Herzegovina has a unique opportunity to ensure that most vocational teachers are implementing a problem-based, student-centred and creative risk-taking approach – so much in need in contemporary society with information at our fingertips. Peer support of teachers and peer support of vocational school directors is a cornerstone of this strategy. This would be one of the most important milestones in VET reform in terms of significantly supporting the further development of vocational schools.

Development of the Strategic Platform for Adult Education and Training as a process (ongoing in 2012) is a unique opportunity to incorporate the lessons learned while taking into account that quality in VET is only achievable if proper mechanisms are in place and available to all VET providers. The process needs to also look beyond the country as offering excellent opportunities for key stakeholders to grasp and build on mechanisms and tools available in Europe and internationally.

All VET providers (those that offer programmes at upper secondary level and in public and private adult education and training) should be given an opportunity to improve the quality of their teaching and of the learning services provided to various groups of students and target groups. Different tools and mechanisms are available for achieving this. It may be useful to develop quality mechanisms with specificity for VET providers. External evaluation procedures as well as self-assessment for vocational schools would be useful. Inspiration could be obtained from the European quality assurance reference framework.

Are institutional arrangements, capacities and budgets adequate for bringing about the desired changes in the VET system?

The gradual establishment of institutions is supportive to improving the system governance and making VET more efficient. Securing basic governance modes is no longer sufficient, as all citizens aspire to sustained economic and social development in a competitive and promising economy. There is a long way to go in order to make social partners real partners in VET development. Commitment must be through joint efforts by all the partners in the process to develop a knowledge-based society, where citizens will acquire and apply fresh knowledge and skills in their activities. Without formal networks, active participation by social partners and active civic sector engagement, progress in VET reforms may suffer.

Pedagogical institutes in the different regions are responsible for a wide range of tasks that have an impact on VET quality including curriculum development, the introduction of new approaches and methods in the educational process, teacher training and the supervision and evaluation of teachers and schools. Education inspectorates, decentralised to the regions, play a role in supervising educational institutions' organisation, work and implementation of legislation. These need substantial further support in order to actively engage in the development of VET quality.

The European Commission's Instrument for Pre-Accession Assistance (IPA) Multi-annual Indicative Planning Document 2011–2013¹ for Bosnia and Herzegovina indicates that, as a potential candidate country, Bosnia and Herzegovina has been invited to consider the priorities of the Europe 2020 strategy and to adapt its main challenges to its own context. The EU enlargement policy supports the Europe 2020 strategy by extending the internal market and enhancing cooperation in areas where cross-border cooperation is crucial and also offers enlargement countries an important inspiration for reforms. According to the same document, it could be useful to consider the education and training sector instruments and tools that are available at the EU level. Further development of a qualifications framework, completion of the reform of VET curricula, the introduction of entrepreneurship and

¹ See http://ec.europa.eu/enlargement/pdf/mipd_BA_2011_2013_en.pdf

entrepreneurial learning across different levels of education and the introduction of a comprehensive adult education and training system all can find inspiration in the experiences of EU Member States, candidate countries and neighbours.

1. VISION FOR VET SYSTEM DEVELOPMENT

1.1 EU integration and priorities

Pressure is growing to implement reforms that will ensure EU integration for the country, which became a potential candidate country for accession following the Thessaloniki European Council of June 2003. A European partnership agreement was signed in February 2008 and a Stabilisation and Association Agreement was signed in June 2008, providing for wide-ranging cooperation to foster the integration of Bosnia and Herzegovina into EU programmes and structures. VET and human resources development are an integral part of the process. A mid-term priority for the country is to take measures to improve the education system, including primary education, and to create a modern VET system. Major longer-term priorities as expressed in the EU Integration Strategy² are as follows: the adoption of European reference lists and principles with regard to compulsory education, teacher qualifications, mobility, recognition of skills acquired out-of-school, improvement of VET quality, the introduction of the ECTS, establishment of a comprehensive framework for qualifications recognition and the enhancement of governance and funding for educational institutions.

Policy dialogue in the framework of European integration should act as a catalyst in consolidating a more systematic approach to strategic planning in VET. The VET system is regulated and implemented at several levels. Republika Srpska, the 10 Federation cantons and Brčko District each have an education ministry. The Education Department of the Ministry of Civil Affairs at state level plays a networking and coordinating role and is responsible for the adoption of BA framework laws (see Chapter 5). Continued joint efforts in developing a modern VET system are crucial, both in relation to the needs of young people but also vis-à-vis economic growth and labour market developments. Needed are policies and measures for initial VET (upper secondary education level) and for adult education and training, as provided by wide set of institutions, ranging from non-governmental organisations (NGOs) to VET secondary schools and private VET providers.

1.2 Modern VET at the heart of a knowledge-based society

Going back to 2007, key stakeholders in the country, through broad-based consultation and policy dialogue have shaped a vision of VET. The VET Development Strategy 2007–2013 (Official Gazette of Bosnia and Herzegovina, No 65/07), which represents an explicit endorsement of the Copenhagen policy framework on VET and European employment policy, defined general directions for the development of upper secondary VET (including strategic directions and goals related to lifelong learning), stating as follows: ‘The economic development of Bosnia and Herzegovina depends on the quality of its human resources. The use of such resources and investing into their quality are the primary factors for development. The lifelong learning system is a precondition for growth and development and it becomes necessary at a time of quick changes in the skills and knowledge required. The education system must be adapted and must offer opportunities for retraining and supplemental training. In a reformed vocational school, the education of young people shall significantly differ from the previous system, in which youth prepared for one profession only or for one qualification only. The principle of lifelong learning pushes those limits away and allows generations of all ages to enrich their knowledge and skills based on the credit system, increasing their competencies and their employment opportunities.’

The Framework Law on Secondary VET adopted in 2008 provides a broader perspective linked to lifelong learning in reference to upper secondary VET. Indicated in the Strategic Directions for Education Development in Bosnia and Herzegovina and Implementation Plan 2008–2015 (Official Gazette, No 63/08) is the following: ‘Adult education and training is becoming an integral part of the

² Council of Ministers, EU Integration Strategy of Bosnia and Herzegovina, Directorate of EU Integration.

education system, based on the principles of openness and equitable access [...]. Criteria and standards will be developed at the state level [...]. It is necessary to urgently initiate the development of a qualifications framework that will be comparable with the European qualifications framework. Given the scope of the needs and the existence of various educational institutions and education service providers, it is necessary to include private initiative and diversity to programmes’.

This vision represents awareness that, in the world of global information at our fingertips, the significance of acquiring and storing huge quantities of quickly outdated, pre-selected knowledge is diminishing tremendously. Many forms of knowledge and skills repeatedly need to be replaced by new knowledge and skills at different stages in life. Technological changes, job changes, skill changes and changes in work organisation contribute to a heightened focus on innovation and a widespread belief in the importance of lifelong learning. The commitment requires joint efforts by all partners in the process in order to develop a knowledge-based society, where citizens must acquire and apply fresh knowledge and skills in their activities and their segments of society.

1.3 Highlights from 2010 to 2012

Important developments have taken place in the country since the 2010 Torino Process, which have an impact on how VET will develop. In July 2010 Bosnia and Herzegovina adopted its Employment Strategy 2010–2014³, which recognises the importance of further training for adults and of developing skills and knowledge among various target groups (young people, long-term unemployed, informal labour market workers, older people etc.). For instance, a benchmark target is to reduce, through active labour market measures, the administrative youth unemployment rate from the current 47% to 30% by the end of 2014.

The BQF was approved in March 2011 by the Council of Ministers (Official Gazette, No 31/11), providing important direction for lifelong learning and linking the education system and labour market in a meaningful way. Applying the process of wider consultation of different stakeholders, the framework is set up as a tool that enables individuals to receive quality-assured qualifications, benchmarked against the European Qualifications Framework (EQF). The next step will be the establishment and support to what will be called the Inter-Sectoral Committee, the key coordinating body at national level. The Ministry of Civil Affairs is in charge of applying the procedure of the establishment of the Inter-Sectoral Committee, which will be composed of 19 members, from different ministries at different levels of governance, representatives of employers, rectors etc.

In March 2012, an Entrepreneurial Learning Strategy 2012–2015 was adopted by the Council of Ministers, targeting all levels of education. It builds on the Small Business Act for Europe and regular assessment of Bosnia and Herzegovina’s performance by the European Commission. The primary goal of the strategy is to foster and promote entrepreneurial mindsets that positively impact on social and economic development in line with existing strategic commitments and taking into account global economic progress. A Partnership for Entrepreneurial Learning network, part of the Entrepreneurial Learning Strategy, encompasses representatives of education, business and employment at state level, entity/district level (Federation of Bosnia and Herzegovina and Republika Srpska and Brčko District) and at the level of the 10 cantons of the Federation; it also incorporates a wider advisory structure representing civil society, donor initiatives and public and private education providers involved in entrepreneurial learning initiatives at different levels.

An important step in promoting harmonisation and coordination of the process has been the establishment of the Conference of Ministers of Education (early 2008) as the permanent and highest advisory body for education. In accordance with recently adopted legislation, three agencies for education have been established at the national level: the Agency for the Development of Higher

³ Council of Ministers, Employment Strategy 2010-2014, Ministry of Civil Affairs.

Education and Quality Assurance, the Agency for Pre-Primary, Primary and Secondary Education (with a dedicated VET Department) and the Centre for Information and Documents Recognition in Higher Education.

The Agency for Pre-Primary, Primary and Secondary Education is becoming an important actor in the promotion of quality in education. During 2011 it drew up a Development Concept 2012–2016, as a collaborative effort between the Agency leadership and its staff, articulating its mission and vision in the country. The Development Concept is also an instrument for introducing changes and promoting the Agency's work. It is a dynamic guideline that aims to strengthen the Agency's role in assisting all relevant institutions in developing common core curricula, learning standards and evaluation procedures for all levels of education including also lifelong learning.

Thanks to higher staffing levels, the VET Department of the Agency for Pre-Primary, Primary and Secondary Education has been able to engage significantly in the VET reform process. The drafting of standards for agriculture and food processing VET profiles has been completed. The most important output is the evaluation study undertaken with the objective of systemising the use of modular VET curricula in Bosnia and Herzegovina.

During 2010 and 2011, with know-how support from the EU, the VET Department evaluated curricula for 36 occupations from five occupational families, including mechanical engineering and metal processing; economy, law, administration and trade; catering and tourism; forestry and wood processing; and geodesy and civil engineering. Efforts have been invested in the further development of VETIS as the basis for an evidence-based approach and also in creating and maintaining a VET Department website⁴ to raise awareness about VET reform among stakeholders

1.4 Policy dialogue in VET reform implementation

VET reform relies on the premise that the VET system should provide broad-based education that not only covers vocational skills and knowledge but also offers opportunities for social integration, access to further and higher education and personal development. This is clearly highlighted in different strategies and documents that also include the wider aims of VET. Reference is made to satisfying labour market needs for vocational and general skills and for the competences necessary to contribute to the development of trade and industry. The strategies and documents also specify that VET must motivate young people to learn and must be open to all. They also specify that education and training opportunities should be provided that form the basis for future professional careers and contribute to personal development and to an understanding of society and its development; VET should also give people seeking further education and training a basis for doing so.

These visionary strategies documents are providing a sound basis for effective VET reforms. Encouraging developments are associated with the existing set of policy documents and with the creation or reinforcement of institutions. Although the VET reform process is under way within an international donor framework, there are clear signs of success in the engagement over the years of key stakeholders in the consultation and policy dialogue process. The credibility of all the strategies and actions implemented depends on the way they are linked with the needs of citizens at the local level and how they are operationalised in Republika Srpska, Brčko District and at canton-level in the Federation. The capacity of the authorities to target resources and to mobilise institutions and stakeholders at all levels of the VET system is also important, as is the capacity of stakeholders to engage in a meaningful policy dialogue that will enhance the likelihood of policy implementation.

⁴ See www.vetBA.org/portal/

Table 1.1 School and student numbers – Bosnia and Herzegovina, cantons, entities and Brčko District, 2011/11

Cantons, entities and district	Number	
	Schools	Students
Una-Sana	14	7 286
Posavina	2	1 178
Tuzla	24	17 232
Zenica-Doboj	20	12 338
Bosnia Podrinje	3	847
Central Bosnia	21	8 436
Herzegovina Neretva	20	6 939
Western Herzegovina	4	2 415
Sarajevo	21	11 275
Canton Ten	6	1 656
Federation (= 10 cantons)	135	69 602
Republika Srpska	69	36 200
District Brčko	3	2 872
Total	207	108 674

Source: Agency for Pre-Primary, Primary and Secondary Education, VET Department (data collected directly from schools)

2. EXTERNAL EFFICIENCY: DEMOGRAPHIC, ECONOMIC AND LABOUR MARKET NEEDS

2.1 Socio-economic challenges

With a population of around 3.84 million inhabitants, according to the 2011 Labour Force Survey (Agency for Statistics, 2011) (the last census was undertaken in 1991), Bosnia and Herzegovina is an upper-middle-income market economy according to the World Bank (2010). Nearly half (48%) of the population lives in urban areas and 13.4% of the population is 15–24 years old (UN, 2011). The literacy rate is quite high, at 97.9% in 2010, according to the UNESCO Institute for Statistics; most of the population has primary or secondary school education (43.2% and 48%, respectively), while 8.8% has higher education (Agency for Statistics, 2011). Substantial gender differences exist; educational attainment for women is generally lower than for men (53.5% of women have primary education or less compared to only 32.2% of men (Agency for Statistics, 2011). The educational enrolment rate in the country remains lower than in most of its neighbouring countries (81% gross enrolment in secondary education, according to the 2012 Torino Process indicators. The enrolment rates for children from poor households are much lower than average, which makes it difficult for them to find a job and escape poverty (Khare et al., 2011).

Like many developed and transition countries, Bosnia and Herzegovina is facing population growth stagnation, with estimated annual growth of -0.2% in 2010 (World Bank, 2012)⁵. The age-dependency ratio (non-working age population as a percentage of the working age population) is showing a slight downwards trend to 41% in 2010 (World Bank, 2012)⁶, which means that a (proportionally) bigger workforce will share the cost of supporting the population that does not work⁷. Demographic projections show, nevertheless, that the labour force will shrink considerably in the next 40 years, with significant ageing of the population. Bosnia and Herzegovina will be ageing, in fact, at the fastest rate in the Western Balkans, with the dependency ratio rising to 55.1% by 2050 (World Bank, 2012)⁸. This will increase pension and healthcare costs, as fewer workers will be available to support a larger elderly population. Structural measures are needed to tackle current imbalances and future costs related to the changing population structure (World Bank, 2012a).

The country is ranked 13th in the world for outbound migration, with an emigration rate of 25% according to the UNDP Human Development Report 2009 (cited in Khare et al., 2011). Highly skilled workers, in particular, are keen to look for further and better work possibilities abroad, adding to the problem of brain drain; 20% of the population with tertiary education in the 25+ age group are estimated to currently live in another OECD country (World Bank, 2012a). The national labour market clearly needs more jobs and more attractive jobs in order to ensure sustainable social and economic development.

Remittances from migrants, estimated at around USD 2.2 million (World Bank, 2011), play an important role in the economy. Although they significantly contribute to the domestic economy, they also are partly responsible for increasing inactivity rates, thereby affecting the age-dependency ratio and depleting domestic human resources.

⁵ See <http://data.worldbank.org/indicator/SP.POP.GROW> (last accessed 16 August 2012).

⁶ See <http://data.worldbank.org/indicator/SP.POP.DPND> (last accessed 16 August 2012).

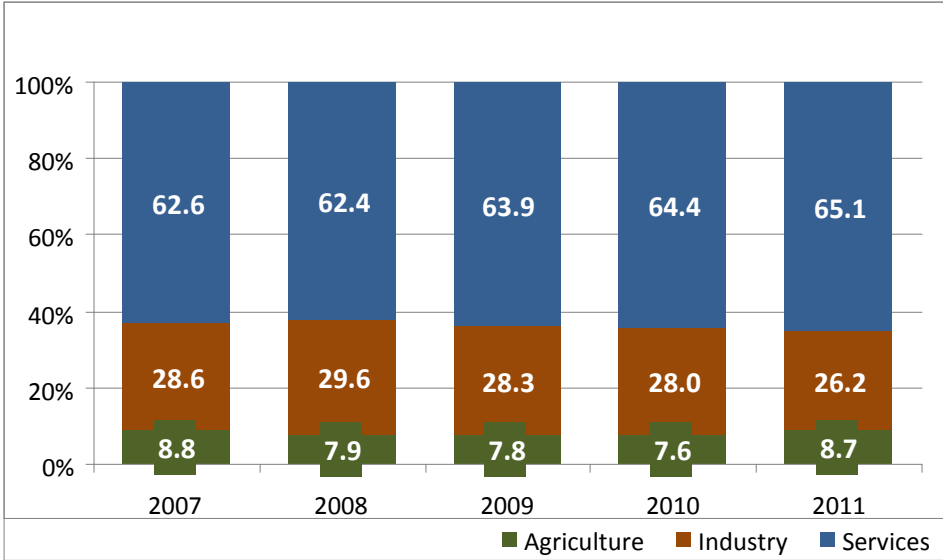
⁷ The total dependency ratio shows the relationship between the number of non-working age persons (people younger than 15 and older than 64 years of age) and the number of persons in the working age (15–64 years). The higher the number, the higher the burden for the productive population in terms of supporting the non-productive population.

⁸ See <http://data.worldbank.org/indicator/SP.POP.DPND.OL> (last accessed 16 August 2012).

Gross domestic product (GDP) per capita was USD 9 089 in 2011, with a slightly increasing trend overall compared to previous years. After a severe drop in 2009 (to -2.9%) due to the international economic crisis, GDP turned positive again (0.8%) in 2010 (World Bank, 2012) and increased in 2011 (1.7)⁹. Nevertheless, the fact that this did not lead to a reduction in the extremely high unemployment in the country is clear evidence of jobless growth.

According to data from the World Bank, economic output in 2011 was dominated by the services sector which accounted for 65.1% of GDP, followed by the industrial sector (26.2%) and agriculture (8.7%). The employment structure by sector reveals a falling trend in agricultural employment (20.5% in 2006 compared to 19.6% in 2011), while the opposite is happening with the services sector (48.7% in 2006 compared to 51.5% in 2011). In 2010, 19.7% of the workforce was employed in agriculture, 31% in industry and 49.3% in services. In terms of economic sector and gender, more women than men were employed in the agricultural sector (20.8% versus 18.8%, respectively) and services sector (61% versus 43% men, respectively). The difference between genders was significant also for industry, with only 16.4% women versus 40% men in 2010. A significant gap between genders can be seen for unpaid family workers (10% of females versus only 2% of males in employment).

Figure 2.1 GDP by main economic sector (value added as % of GDP)



Source: World Bank, World Development Indicators¹⁰. The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3.

According to the SME Development Strategy 2009–11, micro-enterprises (up to 10 employees) account for 93.6% of all small and medium-sized enterprises (SMEs) and most SMEs operate in the trade sector. Data collection on SMEs is, nevertheless, very scarce and there is no official definition of SMEs in the country. The implementation of the EU Small Business Act is uneven across the country. It is fundamental to support the private sector in two areas: the development of an appropriate institutional framework at state level, i.e. a common basic framework which would bring together SME stakeholders to ensure a coherent approach towards the implementation of SME policy; and human capital development and further support for lifelong entrepreneurial learning (with systematic monitoring and evaluation).

Plans for industrial policy development remain rather sketched and poorly coordinated at a central level: the entities implement industrial policies and action plans and introduce measures to stimulate

⁹ World Bank, see <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG> (last accessed 16 August 2012).

¹⁰ For agriculture, see <http://data.worldbank.org/indicator/NV.AGR.TOTL.ZS>; for industry, see <http://data.worldbank.org/indicator/NV.IND.TOTL.ZS>; for services, see <http://data.worldbank.org/indicator/NV.SRV.TETC.ZS> (last accessed 20 August 2012).

exports and maintain employment levels in sectors affected by economic crisis. However, the Development Strategy for Bosnia and Herzegovina (which includes industrial policy elements) remains to be adopted. The absence of harmonised statistics does not allow for the creation of an effective strategic framework for industrial policy planning or for agricultural policy planning. An Industrial Policy Strategy has been developed by the Directorate for Economic Planning but has not yet been accepted by all the entities. A Basic Guideline for Industry was drafted by the IPA 2011 EU-funded project (EU Support to trade policy and capacity building in Bosnia and Herzegovina (EU TPP2), identifying common goals and objectives for industrial development and the most important industrial sectors from an economic point of view. Following accession to the EU by Croatia, a key trading partner in the agrifood sector, specific consideration should be given to upgrading skills at all levels with regard to agrifood production, processing, packaging and transport to ensure compliance with the EU's internal market regulations for the sector.

The tourism sector is perceived to be among the sectors with the highest competitive potential, given its economic significance (10% of GDP, both directly and indirectly generated, 16% of export earnings and over 8% of total employment). There also have been encouraging institutional developments, notably at the state level; a special department has been created within the Ministry for Foreign Trade and Economic Relations and a functional working group for coordination and reporting directly to the Council of Ministers has been set up. Additionally, the sector offers potential for fostering entrepreneurship and foreign investment and constitutes a good example of cross-sectoral cooperation (with environment, transport, rural development etc.). According to a travel and tourism competitiveness report, Bosnia and Herzegovina ranked 107th out of 133 countries profiled in 2009. Raising education and training of tourism staff is one of the issues that, if addressed, could help enhance the performance of the sector.

2.2 Labour market trends

The labour market continues to be characterised by a low activity rate, high unemployment, especially among young people, and a high level of informality. The financial crisis worsened the conditions of the labour market and has widened gaps between different groups, notably between men and women (European Commission, 2011).

According to the 2011 Labour Force Survey (Agency for Statistics, 2011), the activity rate (15+ years) in 2011 (44%) was slightly lower compared to the previous year (44.6%). Women's participation in the labour market is persistently low compared to that of men (in 2011, 32.8% compared to 55.9%). Young people (15–24 years) have the lowest activity rate with only one third (31.4%) participating in the labour market, whereby there are marked gender differences in this age group (females 23.3% versus males 38.8%). Inactivity is particularly high among people with primary school and less education but is very low among people with tertiary education, at 60.9% and 4% of the total inactive population, respectively (Agency for Statistics, 2011).

The employment rate (15+ years) also decreased slightly, from 33.6% in 2008 to 31.9% in 2011, with discrepancies remaining between men and women (41.3% and 23%, respectively). Just under two thirds (64.5%) of the total labour force is composed of people with secondary education and only 14.9% has tertiary education (Agency for Statistics, 2011). Informal employment represents one of the most challenging issues in the country. Research shows that 34% of employed people in Bosnia and Herzegovina do not pay pension and/or health insurance contributions; this is indicative of the extent of informal employment in the country (Khare et al., 2011). Most instances of informal employment occur in the 15–24 age group, where the rate is estimated to be 30% higher than in older age groups (ILO, 2010), among workers with primary or basic education and in agriculture, construction, the processing industry and services (wholesale and retail). Informal employment is characterised by a high level of precariousness, long working hours, low incomes, lack of social protection and devalued human capital. Indeed, informality particularly hampers human capital development in young people, since informal first employment translates into fewer opportunities for better jobs in the future and also

because the prospect of informal employment discourages young people from investing in education (Martín and Bardak, 2012); note that the return to education in the informal sector is particularly low. Informal employment is a major factor affecting employability, as young people see their qualifications stagnate or deteriorate and get permanently disconnected from the formal labour market and the prospect of finding a decent job (ibid.). There is no strategy or plan to tackle the informal economy, although ad hoc interventions are supported by donor agencies.

Following negative trends that started in 2008, the unemployment rate (15+ years) continued to rise from 23.4% in 2008 to 27.6% in 2011, with some disparities between men and women, at 26.1% and 29.9%, respectively (Agency for Statistics, 2011). The youth unemployment rate (15–24 age group), at 57.9%, remains very high (56.4% for males and 60.5% for females), with a sharp and worrisome increase compared to 2009 (48.7%). This negative trends is largely the result of the weak economic performance of the country but also indicates a need for better management of school-to-work transition by educational and employment institutions. The long-term unemployment rate is very high, at 80.8% of all registered unemployed people in 2011. Long-term unemployment has very damaging effects on human capital, as being out of work for an extended period has devastating effects on people's skills and work abilities. This, in turn, diminishes their future job prospects and, ultimately, may lead job seekers to become inactive. Unemployment for unskilled workers (with no education beyond primary) continues to be higher than for skilled workers (World Bank, 2012a).

The unemployment rates for primary, secondary and tertiary graduates in 2011 were 29.2%, 29.9% and 15.4%, respectively (Agency for Statistics, 2011). Tertiary education graduates are far more employable, whereas both primary and secondary education graduates face serious problems in entering the labour market. The former, especially women, tend to abandon the labour market completely and become inactive, while the latter register as unemployed while they look for formal work.

A common database for job vacancies at the state level does not exist and firms rarely use employment bureaus to fill vacancies. Informal channels are the most common search technique used by the unemployed when looking for a job (e.g. people tend to look for jobs through family/informal connections rather than through official channels).

Table 2.1 Bosnia and Herzegovina and EU labour market benchmarks

	EU27 2011	Bosnia and Herzegovina	
		2010	2011
Activity rate (15–64)	77	54	53.8
Activity rate (15+)	69	44.6	44
Female activity rate (15+)	63.3	33.2	32.8
Employment rate (2–64)* 2020 75%	68.6	NA	NA
Employment rate (15–64)	64.3	39	38.7
Employment rate (15+)	–	32.5	31.9
Female employment rate (15+)	45.8	23.3	23
Employment rate for older workforce (50–64)	57.5	33.3	33.6
Employment in agriculture (% of total)	5.3	19.7	19.6
Unemployment rate (15–64)	–	27.7	28
Unemployment rate (15+)	9.7	27.2	27.6
Female unemployment rate (15+)	9.8*	29.9	29.9
Youth unemployment rate (15–24)	21.4	57.5	57.9
Unemployment rate for older workforce**	2.7**	17.8***	18.6***

Notes: Age groups: (*) 15–74 years; (**) 55–74 years; (***) 50–64 years.

Sources: Eurostat, 2012 (for EU Member States data); and Agency for Statistics, 2010 and 2011

Inactivity and unemployment are a result of the low level of job creation and the slack labour demand in the country, which are, in turn, caused by the weak economy and its poor employment growth potential. The Doing Business 2012 report ranks Bosnia and Herzegovina only 125th out of 183 countries, while neighbouring countries had substantially better records (World Bank and IFC, 2012). During 2011 some steps were taken to facilitate business start-ups and construction permits and a SMEs Development Strategy 2012–15 is being prepared¹¹, but no major reform processes have been initiated. World Economic Forum data show a slight improvement in the Global Competitiveness Index in the last few years (ranking 100th out of 142 countries in 2011–12 versus 102nd out of 139 countries in 2010–11)¹²; access to financing, tax rates and inefficient government bureaucracy are the most problematic factors for doing business.

Increasing competitiveness, particularly through the strengthening of the human resources in the country, and increasing the employment rate, in particular through job creation, are the main economic challenges that the country needs to face. A review of the country's performance on the human capital dimensions of the Small Business Act for Europe underscores good policy progress in entrepreneurial learning (OECD et al., 2012). This needs to be followed up with a policy implementation drive at all levels of the education system. While there are good examples of entrepreneurship promotion in third-level education institutions, scale is an important factor if universities are to make any real impact on local-, regional- and state-level economic developments. In terms of skilled manpower for small businesses particularly, policy making is hampered by lack of data and intelligence. This undermines

¹¹ 4th Meeting of the Interim Sub-Committee on Trade, Industry, Customs, Taxation and Cooperation with other Candidate Countries, Council of Ministers, Bosnia and Herzegovina, March 2012.

¹² See http://www3.weforum.org/docs/WEF_GCR_GCI_Rankings_2011-12.xlsx (last accessed 6 December 2011).

effective targeting of policy support and resources for training to small businesses particularly to sectors where EU standards apply for exporting purposes.

2.3 Response to socio-demographic, economic and labour market needs

Unemployment rate has to be analysed in conjunction with the very low activity rate. With this caveat, the unemployment rate is significant because it reveals clear obstacles to labour market insertion for two specific groups: young people (15–30 age group) and women. The dualistic structure of the labour market is evident in the fact that youth unemployment and female unemployment consistently double general unemployment or male unemployment. In a context where educational attainment has increased steadily, the weak links between the education and training system and the labour market are underlined and also the major difficulties experienced with the transition from school to work.

In July 2010 Bosnia and Herzegovina adopted an Employment Strategy 2010–2014, drafted by the Ministry of Civil Affairs. Key objectives include an annual increase of 2% in the employment rate and of 2.5% in the female employment rate and a reduction in the registered youth unemployment rate from the current 47% to 30% by the end of 2014. Employment strategies are also adopted at the entity level and should be in line with (or should complement) the national employment strategy¹³. Various active labour market measures aimed at different target groups are planned to be implemented (see next paragraph). The employment bureaux of the entities and the cantons are responsible for different aspects of implementation of the strategy but often they mostly focus on registering unemployed people and paying benefits (ILO and Council of Europe, 2009). A group for monitoring implementation was to be constituted within the Ministry of Civil Affairs but no information is available regarding this group. Profiling systems to diagnose individual employability, to assess long-term unemployment risk and to determine the level of assistance needed by individuals need to be further developed.

The Agency for Labour and Employment of Bosnia and Herzegovina, the Federation Employment Institute, the Republika Srpska Employment Service and the Brčko District Employment Service adopted active policy measures in 2011 that target vulnerable groups, mainly youth, long-term unemployed people and war veterans, mostly within the lines of the broad objectives of the Employment Strategy 2010–2014. Such measures are limited in budget and scope, however, which is why their impact can be assumed to be limited. At the national level, coordination of active labour market policies is very limited and this has a negative impact on their effectiveness. Activation policies should follow an integrated approach that links measures with other policy areas such as economic development, regional development and industrial and entrepreneurship policies. Gender mainstreaming measures are still to be implemented.

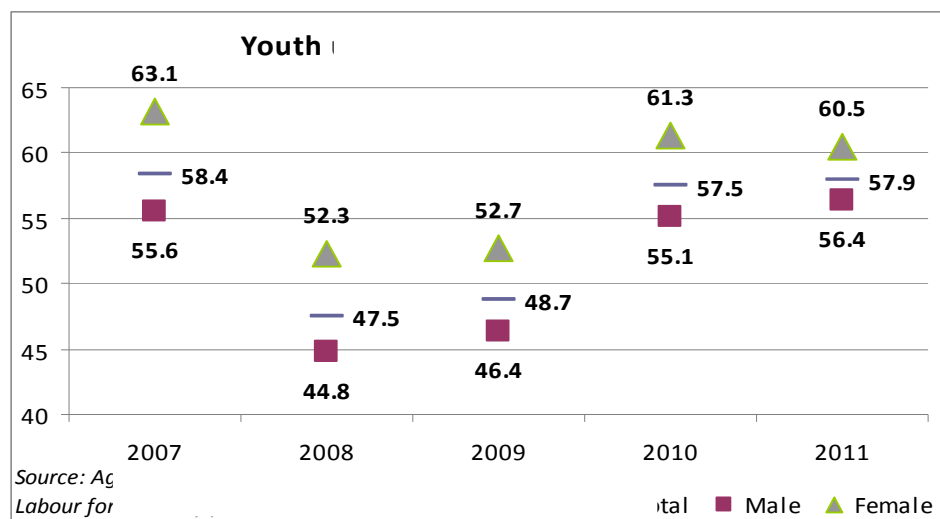
Specific active labour market policies in line with the Employment Strategy 2009–2013 were implemented by the Federation Employment Service, mostly from its budget and targeted at the following groups: (i) young people/first- job seekers (co-financing of employment for about 2 000 young people with no working experience); (ii) women without qualifications (co-financing of employment and self-employment for 1 511 women); (iii) minorities and Roma people in particular (co-financing of employment and self-employment for 1 140 returnees and 156 Roma); and (iv) people with disabilities (co-financing of employment and self-employment for 347 disabled persons).

¹³ Bosnia and Herzegovina Employment Strategy 2010–2014, adopted by the Council of Ministers, Session 128, in July 2010.

Entrepreneurship programmes have also been implemented by the Federation Employment Service, including funding for the best business idea¹⁴. Support was also offered for organising job fairs that advertised 1 400 vacant positions. Co-financing of training, additional training and retraining for 2 194 persons was provided, together with active job-seeking training (curriculum vitae and cover letter writing and interviewing techniques) through information, advisory and training centres within a project called 'I Will Make It/I Will Succeed!' for approximately 10 000 young people. Passive labour market measures (social security benefits) were also provided to unemployed people.

In accordance with the Republika Srpska's Employment Strategy 2011–2015, its Action Plan for Employment Strategy Implementation 2011 and 2012 and Economic Policy 2011; the Republika Srpska Employment Service has prepared a project on higher education graduate employment called 'Get a Job by Knowledge' (*Znanjem do Posla*), aimed at co-financing salaries for 1 000 registered unemployed young people without work experience (850 university graduates and 150 college graduates). Work experience is a precondition for employment. However, due to the great interest inspired by the project among unemployed people and employers, it was decided to modify the project to increase the number from 1 000 to 1 500 (1 350 university graduates and 150 college graduates)¹⁵.

Figure 2.2 Youth (15–24) unemployment rates (%)



Source: Agency for Statistics, labour force surveys

Active employment measures and programmes are also implemented by the Brĉko District Employment Service, aimed at decreasing unemployment through support to employers and training for pre-qualification and for first employment. In 2011, it implemented an 18-month long employment programme by financing 12 months of salaries and benefits for newly employed trainees, with employers financing the remaining six months. In 2011, 39 trainees were employed through this programme worth BAM 350 461. In addition, it has prepared employment programmes for a target group with particular difficulties, namely, older people (men over 55 and women over 50 years of age), to enable them to obtain working experience and achieve retirement conditions. In 2011, 32 individuals were employed through this programme worth BAM 230 396.

Despite major unemployment and labour market challenges, there were no major labour policy changes in 2011 or in the first quarter of 2012. Investment climate indicators suggest that labour

¹⁴ The Federation Employment Service co-financed entrepreneurial and computer training for 140 women, self-employment and training for 99 entrepreneurs, training for 588 persons within the SSNESP project, loans for the employment of 178 persons through a programme of long-term credits designed to encourage employment via the Federation Development Bank.

¹⁵ Review of Policy Documents in Bosnia and Herzegovina for 2011, prepared by a joint team of representatives of the Labour and Employment Agency of Bosnia and Herzegovina, Federation Employment Service, Republika Srpska Employment Service and Brĉko District Employment Services.

regulations remain problematic and elements of social protection provide incentives for people not to actively seek employment (World Bank, 2012a). Expenditure on active labour market policies remains very low (0.14% of GDP for 2010, the latest year for which data are available). According to legal provisions, budgetary resources must first be used to cover unemployment benefits and the overhead costs of labour offices. Only the remaining funds may be used for active labour market policies. Thus, (i) the budget for the latter is somewhat unpredictable and (ii) most of the funds only become available later in the year. Additional limitations are imposed by the fact that priority continues to be given to employment (wage) subsidies (Corradini et al., 2010). Active labour market measures are not regularly evaluated to assess their impact, so funds cannot be strategically directed to the most effective approaches. Involvement of important partners (such as employer organisations, local authorities and educational establishments) in the planning and implementation of employment policies are far from being optimal and could be improved (Crnkovic-Pozaić and Feiler, 2011). The growing scale of unemployment and other labour market challenges suggests that Bosnia and Herzegovina should consider more substantial measures to deal with unemployment, especially youth unemployment. This could include scaling up existing measures and programmes that have proven to be efficient and effective within the overall budget constraint and, perhaps, experimenting with new programmes based on good international practices.

2.4 Main challenges for the future

Implementing the objectives laid out in the Employment Strategy 2010–2014 will be an important challenge. Emphasis should be placed on enhancing the capacities of employment offices with a view to effectively delivering active labour market policies for the different target groups identified by the Employment Strategy. The institutional setting at the state level and subsequent coordination of actions at the entity level constitute a key driver for reform of the labour market and particularly for the fight against inactivity and unemployment. Government action to promote employment needs better coordination. The lack of institutional coordination and the variety of different actors intervening in the fight against unemployment are a major obstacle. The lack of a coherent strategic approach results in the fragmentation of effort and non-optimal use of resources.

Alongside other challenges such as the skills upgrading of adults, the retraining of older workers and the creation of more quality jobs, the country has to face an important challenge related to low youth participation and high youth unemployment rates. In particular, the adoption of adequate labour market measures for the youth population will determine the economic and social path followed by the country in the future. If not addressed in a proper and timely manner, the youth employment gap will not only mean waste of the resources invested in education but could potentially lead to a devaluation of human capital and a skills shortage that constrains economic growth (Martín and Bardak, 2012).

Enhancing the employability of the population, through targeted and well-designed active labour market policies, is fundamental in order to allow people obtain decent work, remain in the labour market and progress during their career. Increased enrolment and quality in post-compulsory education (including for young women) could enhance the employability of young people and their future engagement in lifelong learning activities. Better access to the labour market should be granted to women through gender-sensitive measures (some affirmative discrimination measures could be adopted and investments could be made in child-care facilities, pre-primary school enrolment and incentives for hiring women). Better designed active labour market policies are needed, based on better evidence of what works and what does not work to promote employment. Better analysis of the long-term benefits and cost-effectiveness of active labour market policies (i.e. monitoring and evaluation of impact) is fundamental to planning programmes that are tailored to the needs of the country. Moreover, programmes could be more effective in addressing important constraints such as funding and skill gaps. Strong cooperation with the private sector is crucial to understand employer needs and to create opportunities for young people in the form of apprenticeships and internships.

Finally, efficient job matching and recruitment mechanisms need to be further developed. Lack of information flows between job seekers and hiring employers can hamper the effectiveness of job searches, especially for disadvantaged groups. The scarcity of data on informal employment and entrepreneurship in particular is a major obstacle, given the importance of this sector for youth employment. A transparent labour market and vacancy information accessible to everyone will facilitate merit-based and competitive recruitment mechanisms as an alternative to social contacts. The establishment of online nationwide labour market information systems would provide an effective platform for such services (ETF, 2011c).

All in all, an integrated approach to employment needs to be adopted that includes employability measures, adequate training, well-targeted active labour market policies, self-employment incentives, job creation actions and the boosting of foreign investment. Measures should be established via a participatory approach, taking into account the needs of employers in terms of capacities. A network of labour market stakeholders should be put in place that includes important partners for the public employment services, such as responsible ministries at central level, social partners, social welfare centres, educational establishments, local authorities and employer representatives. Tools to anticipate labour market needs could help to better match skills and vacancies, particularly for those sectors which have a high potential for development.

3. EXTERNAL EFFICIENCY: VET DEMAND AND SOCIAL INCLUSION

An efficient and inclusive VET system is built on how well VET meets the aspirations of individual learners in facilitating their transition to higher levels of education or to the labour market and how successful VET is at the state/regional and local levels in providing learning opportunities for adults so that they can enhance their labour market prospects or upgrade their skills¹⁶.

3.1 Enrolment trends and adult education and training issues

The efficiency and inclusiveness of VET can be assessed based on the choices of young people who enrol and proceed through the education and training system. Bosnia and Herzegovina's gross enrolment rates are relatively high for primary and lower secondary education and drop slightly for upper secondary level. Nevertheless, as a result of different policy measures put in place since 1998, the total gross enrolment rate for upper secondary education has been improving, from 73% in 2007 to 81% in 2010 (79% for males and 83% for females).

Enrolment in upper secondary VET has remained high over the years, standing at 74.5% in 2010 and averaging around the same in the previous three years (UNESCO Institute for Statistics data). Such a high enrolment rate is an important tradition in upper secondary VET; four years of upper secondary VET provides access to either the labour market or higher education. Although upper secondary VET seems to be quite attractive to young people in comparison to general secondary education, its actual quality remains a challenge that will require attention over the longer term.

Bosnia and Herzegovina has satisfactory enrolment rates at tertiary level, i.e. International Standard Classification of Education (ISCED) levels 5–6, showing a steady increase from 33% in 2007 to 36% in 2010 (Table 3.1). These trends are also an indication that the length of time spent in education has increased significantly since 2007, indicating greater student participation in all levels of education. It is expected that, coupled with the implementation of adequate quality mechanisms, these positive trends will have a positive impact on the educational attainment levels of the population.

An important indication as to whether the VET system is inclusive are the opportunities for requalification and renewal of knowledge and skills available to both young people and adults through differentiated pathways. Although the population has high adult literacy rates (97.8% in 2009: 99.4% for men and 96.4% for women), it is important to note that only a small proportion of the working age population (3.3% of young people and 1.9% of adults) have the opportunity to upgrade their skills (ILO, 2010). Nevertheless, an ETF Torino Process report (Corradini et al., 2010) concludes that adult education and training is provided in different settings that correspond partially to the variety of needs identified. Vocational schools make up the majority of providers. NGOs are playing an increasingly important role in adult training provision, and numbers of promising initiatives are taking place. Most importantly different institutions and key stakeholders are more and more considering adult education and training as a possibility to improve the employability skills of various target groups (see Chapter 2).

¹⁶ ETF 2012 Torino Process analytical framework.

Table 3.1 Gross enrolment rates by education level and gender (%)

	ISCED 0	ISCED 1	ISCED 2	ISCED 3	ISCED 5–6
Total (%)					
2007	11.0	90.0	96.0	73.0	33.0
2008	13.0	84.0	104.0	75.0	35.0
2009	16.0	83.0	106.0	76.0	35.0
2010	17.0	88.0	99.0	81.0	36.0
Male (%)					
2007	12.0	89.0	95.0	72.0	MD
2008	13.0	83.0	103.0	75.0	30.0
2009	16.0	82.0	105.0	75.0	31.0
2010	17.0	87.0	98.0	79.0	31.0
Female (%)					
2007	11.0	91.0	97.0	74.0	MD
2008	13.0	84.0	105.0	76.0	39.0
2009	16.0	83.0	106.0	78.0	40.0
2010	17.0	88.0	99.0	83.0	41.0

Note: ISCED – International Standard Classification for Education; MD – missing data.

Source: UNESCO Institute for Statistics

3.2 Enhancing external efficiency and VET inclusiveness

Policy measures to enhance external VET efficiency include, since 1998, a sustained attempt by different stakeholders at various levels of the system to improve vertical and horizontal mobility through the gradual introduction of modular curricula and a modern and flexible qualifications system based on a qualifications framework that integrates all education levels, ongoing reform of adult education and training and higher education reform aligned with Bologna requirements.

After the Dayton Agreement, responsibilities for education were assigned to the entities, cantons and Brčko District. This resulted in different curricula in different parts of the country. To ensure preconditions for free movement of students, in 2003/04 the objective was set of introducing common core curriculum for primary and general secondary education, including upper secondary VET. Substantial work is underway in the country in relation to establishing these common core curricula. Reform efforts are being led by the Agency for Pre-Primary, Primary and Secondary Education, which has established a network of cooperating institutions composed of education ministry and pedagogical institute representatives.

The situation with VET curricula is more diversified. A new classification of VET profiles has been adopted, with the new list consisting of about 100 broader VET profiles down from about 500 more specific profiles. The modular curricula need to ensure horizontal and vertical movement within any given VET profile but also between different VET profiles. Most of the VET curricula have been redesigned according to a modular approach. VET pilot schools have also received support in the form of new equipment funded by several EU VET projects and donors. Changing the balance between general and vocational subjects – 30% general versus 70% VET – makes it possible to provide more practical preparation for future employment and easier entry to the working environment. The first

curriculum evaluation by vocational schools indicated that the new curricula are better than the former ones, primarily because they are more flexible, more focused on vocational subjects and practical training and more appropriate for student needs and learning.

Table 3.2 Participation in upper secondary VET by field of study

Field of study	2010/11	
	Pupils	Structure (%)
Education, humanities and art	3 387	3.0
Social sciences, business and law	26 072	23.1
Science	2 160	1.9
Engineering, manufacturing and construction	39 474	34.9
Agriculture and veterinary	9 583	8.5
Health and welfare	11 935	10.6
Services	15 889	14.1
Unspecified	4 462	4.0
Total	112 962	100.0

Source: Agency for Statistics, education statistics (data received)

Changes are underway in higher education, with the Bologna Declaration serving as the primary source of inspiration. A law on higher education was adopted in Bosnia and Herzegovina in 2007 as the basis for the organisation of higher education; it defines roles, authorities and specifically mentions quality assurance¹⁷. This legislation makes provision for colleges, which could play a role in post-secondary VET. The Council of Ministers adopted the Decision on the Adoption of Documents for Further Implementation of the Bologna Process in Bosnia and Herzegovina (Official Gazette, No 13/08), including documents referring to the Higher Education Qualifications Framework and Implementation of the Higher Education Qualifications Framework and also the National Action Plan for Recognition of Qualifications (for higher education).

With an activity rate for women (31.6%) that is considerably lower than that for men (57.1%) (see Chapter 2), high unemployment of secondary and higher education graduates and massive long-term unemployment, the risk of poverty and social exclusion is aggravated. On the side of inclusive policies in education, the document called Strategic Directions for Education Development states that key issues are the prevention of social exclusion amongst children and young people, coupled with the aim of raising general education levels amongst the population and improving education system efficiency. The document advocates the right of everyone to at least the nine years of basic obligatory education. Approximately three quarters of all Roma have never attended primary education, however. A Revised Action Plan for Roma Education was adopted in July 2010 and an expert group monitors its implementation. The latest report on Roma education (2012) concludes that Roma participation has increased at all levels of education. In general, and based on a recent study (ETF regional report on social inclusion in the Western Balkans and Turkey, 2010), progress has been made in making the country's education and training system more inclusive, although this has received expression more in legal frameworks and policy papers, whereas effective implementation remains a challenge.

¹⁷ IPA 2011 sector fiche for Higher Education project.

3.3 Main challenges for the future

VET efficiency is very much related to the demand for and supply of knowledge and skills. Bosnia and Herzegovina is not alone in suffering from poor linkage between demand and supply. ETF regional peer review studies pointed to how the links between VET and the labour market in countries in the region suffer from classic dilemmas: weak local labour market conditions and weak job creation; undeveloped social partner infrastructures at the local and national levels; poor occupational classifications and priorities; a lack of labour market information and skill needs analyses; and poor collaboration between authorities responsible for education and labour and the consequent lack of integration among different types of VET provision.

Until recently, the main focus in VET reform was upper secondary VET and the transition to working life. Particularly addressed were four-year curricula and VET programmes, with three-year curricula and VET profiles not yet subject to major revision (see Chapter 4). The framework legislation on secondary VET refers partially to the issue by stating an objective to be to ensure conditions for the development and promotion of traditional crafts. Beyond traditional crafts, however, there is the need to consider modernising the three-year VET profiles, ideally in close cooperation with social partners, possibly in the context of apprenticeship schemes. Meanwhile, post-secondary VET offering training after upper secondary VET is very limited or is non-existent. This is particularly important in view of the demographic decline, which will increase the shortage of young qualified people in some professions.

A policy dialogue is underway about the need to develop post-secondary VET in line with the introduction of the qualifications framework. The role of colleges and the organisation of post-secondary VET will be an issue to be discussed in relation to qualifications frameworks. Therefore, the establishment of a national qualifications framework is becoming very important in order to support external efficiency and to increase the inclusiveness of VET. It has also to be acknowledged that a BQF is aimed at covering all qualifications at all levels, including higher education. Further support of the Inter-Sector Committee provision should be made to facilitate the dialogue between the VET and higher education sectors in reflecting those issues.

The low level of participation in adult education and training and the long list of target groups in need for adult education and training to strengthen their employability are the main challenges requiring integrated and firm attention.

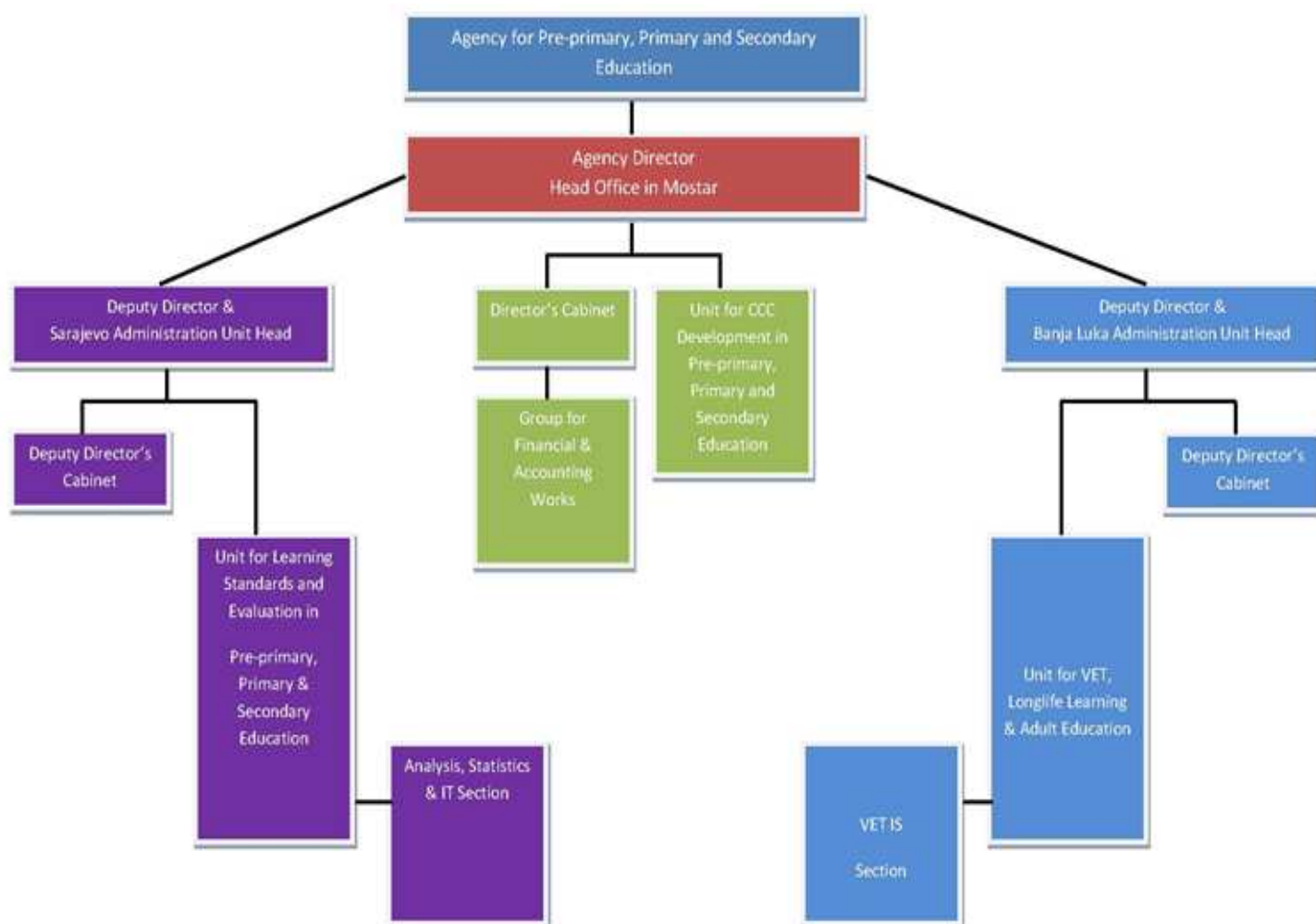
4. INTERNAL VET QUALITY AND EFFICIENCY

Quality in VET is a complex matter and there are a number of issues to be considered related to vocational school level and vocational system level. The VET Development Strategy 2007–2013 states that quality is crucial and a main aspect in developing VET. Quality assurance has a key role to play in the functioning and development of VET. The VET Development Strategy notes four key notions: quality assurance, quality improvement, quality evaluation and quality management. Quality in VET has the following functions and goals: it provides answers to critical questions for vocational school actors, social partners and those responsible for the VET system; it uncovers examples of good practices; it improves the education system; it reduces differences and facilitates comparison at all levels; it ensures that all interested parties and those that make decisions are part of the process; it offers an integral picture of all VET segments; it provides feedback for further planning; and, finally, it appreciates the local and regional needs. The VET Development Strategy recognises that quality in VET is also related to modern and flexible curricula, new teaching methods, constant professional development for teaching staff, well-equipped vocational schools etc.

4.1 VET quality at the system level and emerging needs

The 2007 legislation on the Agency for Pre-Primary, Primary and Secondary Education (operational since January 2009 and steadily growing in capacity) defined its role in quality in education and its responsibilities for VET, realised through a VET Department located in Banja Luka (Figure 4.1).

Figure 4.1 Agency for Pre-Primary, Primary and Secondary Education



Its Development Concept 2012–2016, which is its main long-term strategic document, states that each child is entitled to a quality upbringing and education; consequently, progress in the fragmented education system, in efficiency and in mobility calls for joint efforts in adapting curricula, establishing self-evaluation and external evaluation and joining international assessment surveys. The VET Department has a number of responsibilities in VET quality. As an example, in the Agency statutes, Article 5 referring to curricula development and certification, states the following as objectives: to develop a framework, namely, learning standards for related occupations; to apply a modular methodology in developing curricula; and to develop curricula in line with occupational standards agreed with employer and labour market representatives. Further specified is that learning standards and curricula are to be comparable and compatible with EU requirements and that an external evaluation system should be established to evaluate the quality of secondary vocational education. The Agency for Pre-Primary, Primary and Secondary Education's role in quality improvement in education is realised through joint efforts and partnerships with a network of pedagogical institutes, ministries of education and other partners in the reform.

Pedagogical institutes in the cantons and entities are responsible for a wide range of tasks that have an impact on quality in VET: curriculum development, the introduction of new approaches and methods in the educational process, teacher training, supervision and evaluation of teachers and schools etc. Education inspectorates distributed throughout the cantons and entities also play a role. Supervision over the implementation of legislation, organisation and the work of the educational institutions is carried out by the education inspectorates within the competent education ministries. Their duties generally include reviewing student records, issues associated with school premises, permits and licenses, employment of teachers, teacher qualifications and certificates, disciplinary measures and appointment of school boards and school directors. Nevertheless, pedagogical institutes and education inspectorates are in need of substantial further support in order to be able to actively engage in the development of VET quality.

A number of issues need to be discussed in relation to adult education and training and its quality. In the Federation cantons and in the Brčko District, educational programmes for adults include primary education as an adapted version of the corresponding programmes for children and VET programmes as offered to regular students. Private and the non-governmental sector also offer programmes which do not issue officially recognised certificates. The content and quality of such programmes is subject to fluctuation and teaching staff members are not equipped with suitable qualifications to work with adults. Existing higher education institutions in the country do not offer study programmes focused on adults.

4.2 Policy measures to improve quality in VET

Vocational student intake to upper secondary VET is very important. Knowing more about student achievements at the end of their first nine years of education is vital to devising appropriate policy measures to boost knowledge and skills development. The Trends in International Mathematics and Science Study (TIMSS) 2007 was conducted in 181 classes in 150 primary schools to test some 4 300 leaving-grade students in mathematics and science. The study revealed that class sizes, at 24 students, were relatively small compared to the international average of 29. Typically, students in classes with 25–40 students tend to perform better than those in a smaller class in many other countries; in Bosnia and Herzegovina, however, there is very little difference in student performance between small classes (score 454) and larger classes (score 458). According to the Agency for Pre-Primary, Primary and Secondary Education, around half of the students (international average 23%) were taught by teachers over 50 years old, and 6% of students were taught by teachers aged 29 years or under.

A recent VET Department evaluation¹⁸ (2011) of the implementation of VET modular curricula indicates that about 200 vocational schools are using the new curricula, available for about 70 vocational profiles in upper secondary VET. Pilot vocational schools involved in a number of capacity building activities through different projects; have managed to greatly improve the quality of their education and training. Schools that switched from regular VET curricula to modular VET curricula have encountered a number of challenges, related in particular to a lack of equipment needed to implement practical training, poor prior preparation of vocational teachers etc. Other reasons may be related to understaffing in the pedagogical institutes, but also their more comprehensive involvement, together with the education inspectorates, in the VET reform process.

Despite the challenges, many vocational schools are managing to improve the quality of their services and to incorporate innovative processes in their daily practices. The latest developments are related to the introduction of entrepreneurship learning¹⁹ in the classroom. Teachers and school directors have a critical role to play in embedding entrepreneurial learning in schools. Pilot activities in entrepreneurship learning in some vocational schools show that encouraging and facilitating peer support is a pragmatic approach to the professional development of teachers.

Additional support to improving the quality of teaching and learning can be achieved through the daily use of information and communication technologies in schools. The education sector took a major step forward in relation to 2005, particularly with regard to the student-computer ratio in primary and secondary schools, which improved from 57:1 to 26:1; the situation is generally much better in secondary schools than primary schools (16:1 versus 35:1 in 2005). The percentage of schools with a computer classroom/laboratory with internet connection increased from 64% in 2005 to 80% in 2009. The percentage of schools with internet access has increased from 43% in 2005 to 90% in 2009 (mainly ISDN and ADSL access), and this has had a positive impact on pedagogy and the use of modern teaching methods. The number of teachers with information technology qualifications is growing steadily. All 10,799 teachers in Republika Srpska, for instance, were scheduled for computer skills training before the beginning of the school year 2010/11 (UNDP, 2010).

Within the Ministry of Education and Culture of Republika Srpska, the Institute of Adult Education, launched in 2010, has taken pivotal steps to improve adult education and training quality, including the adoption of selection procedures for institutions to organise and run adult education courses, the introduction of common form and content for public documents, standards and procedures in relation to the establishment of examination boards, standards and procedures in checking and verifying candidates' practical work experience and skills etc. An examination centre has been established for all types of formal, non-formal and informal learning and is taking its first steps in devising a policy for validating and recognising prior learning and skills in adults. Some 44 adult education organisations have been licenced in Republika Srpska, where 1 345 students completed different forms of adult education. Important lessons have been learned in relation to the implementation of different quality procedures and, as a result, the adult education legislation was amended in 2011 (Official Gazette of Republic Srpska, No 1/12).

4.3 Main challenges for the future

The quality of teaching and learning in 96 vocational pilot schools that went through extensive capacity development has significantly improved. Around 3 000 teachers have been trained to design and work with modular VET curricula (Corradini et al., 2012). The concept of vocational school piloting shows how, under certain circumstances, new and more effective learning environments can be created. The experience with these schools can also help close the gap between current realities and future aspirations. However, it is important to ensure that piloting does not become an end in itself and that

¹⁸ The evaluation was implemented with the support of the EC VET 4 project.

¹⁹ Strategy for Entrepreneurial Learning 2012–2015, March 2012, Council of Ministers.

schools labelled as VET pilot schools do not create individualism but generate positive attitudes to change and emulation across vocational schools in the country. In this light, one of the major concerns for the country could be a policy dialogue in relation to major lessons learned from the piloting process. A key issue in relation to pilot schools is that these are environments where policy implementation unfolds. VET pilot schools also attract donor resources and expertise, leading to significant capacity building of school managers and teachers.

A common feature of many VET curricular reforms is that changes in programme content are not accompanied by training for teachers in using the new methods of teaching and learning. With developments in entrepreneurial learning, Bosnia and Herzegovina has a unique opportunity to ensure that vocational teachers are gradually shifted to problem-based, student-centred teaching activities and creative risk-taking. Peer support among teachers and among vocational school directors is a key notion in the strategy that would significantly support quality development in schools and would mark an important milestone in the next stage of VET reform.

The development of quality in adult education and training should follow along the path taken in recent times. Substantial experience is already available that can be analysed for important feedback as to what is going well and where adjustments are necessary. For instance, Republika Srpska has gone a long way towards the implementation of legislation from 2008 and Brčko District and a few Federation cantons have launched their own initiatives. Development of the Strategic Platform for Adult Education and Training (ongoing in 2012) represents a unique opportunity to incorporate the lessons learned, while recognising that quality in VET is only achievable if proper mechanisms are put in place and available to all VET providers. The process also needs to look beyond Bosnia and Herzegovina and encourage key stakeholders to take up and build further on mechanisms and tools available in Europe and internationally (ETF, 2011).

All VET providers, i.e. at upper secondary VET level as well as at the adult education and training level, should be given the opportunity to improve the quality of the teaching and learning services they provide to different groups of students and target groups. Different tools and mechanisms are available for achieving this. The development of a quality mechanism with VET provider specificity could be useful in a country with a complex administrative and education management set-up; it could also represent an opportunity to grant greater autonomy to VET providers. This autonomy could be based on the development of self-assessment and external evaluation procedures for VET providers (and vocational schools) and also the development of indicators and of a monitoring and evaluation system at policy and system level.

Actors in policy-making processes actively construct their understanding of policies in communities of practice and interpret policies on the basis of prior knowledge, beliefs and experience. Keeping in mind the role of different institutions at various levels of the VET system, efforts to improve quality in VET should also include innovative approaches to creating links between the education ministries, pedagogical institutes and education inspectorates and the VET Department of the Agency for Pre-Primary, Primary and Secondary Education. This could be done by facilitating different types of policy dialogues in communities of practice. One such dialogue, which could be inspired by the European Quality Assurance Reference Framework for VET, could focus on exploring how to better integrate quality in VET as a comprehensive approach following the best practices of EU Member States or candidate countries.

5. GOVERNANCE, FINANCING AND INSTITUTIONAL CAPACITIES

VET is a complex policy area at the intersection of education, training, social, economic and labour market policies. It is expected to address the present and future skill demands of the economy, the needs of individuals for short- and long-term employability and personal development and society's need for active citizens. In recent decades VET systems have been under pressure to become a vehicle for lifelong learning – i.e. building and permanently enhancing skills and knowledge for young people and adults alike – in rapidly evolving contexts involving economic and technological change, globalisation and uncertain labour markets. In Bosnia and Herzegovina the pressure on VET has been even more intense, given the transition from a centrally planned to a functioning market economy, the large scale economic restructuring process and a democratisation process coupled with post-war rehabilitation.

5.1 The role of key institutions and social partners

Over the last decade, VET system capacity has grown, with each level of government increasingly fulfilling its responsibilities. This is evident from the legislative actions, the establishment of new and necessary institutions at the country, entity and canton levels and the implementation of different VET functions. Playing an important role in the education sector is the Ministry of Civil Affairs, which reported that, by May 2012, Republika Srpska, Brčko District and six out of ten Federation cantons (Zenica-Doboj, Sarajevo, Posavina, Bosnian-Podrinje, Una-Sana and Tuzla) had adopted new VET legislation and had harmonised it with the state-level VET Framework Law adopted in 2008. VET reform is moving steadily ahead, with stakeholders taking on board a range of commitments with the goal of making VET reform a reality for citizens.

Keeping in mind that comprehensive VET strategic documents are already in place, the country has a solid basis on which to build a sound VET system that is highly relevant to students and enterprises, with an Employment Service, moreover, that is capable of representing particular needs across 10 cantons, two entities and Brčko District. Actual VET governance covers VET management from a financial, legal and administrative perspective and quality management with respect to curricula and teaching content, methods of working, evaluation of student achievements etc. (see Chapter 4). These two sub-systems are recognised in the functioning of entity/canton-level education ministries and professional institutions (pedagogical institutes, education inspectorates etc.)²⁰.

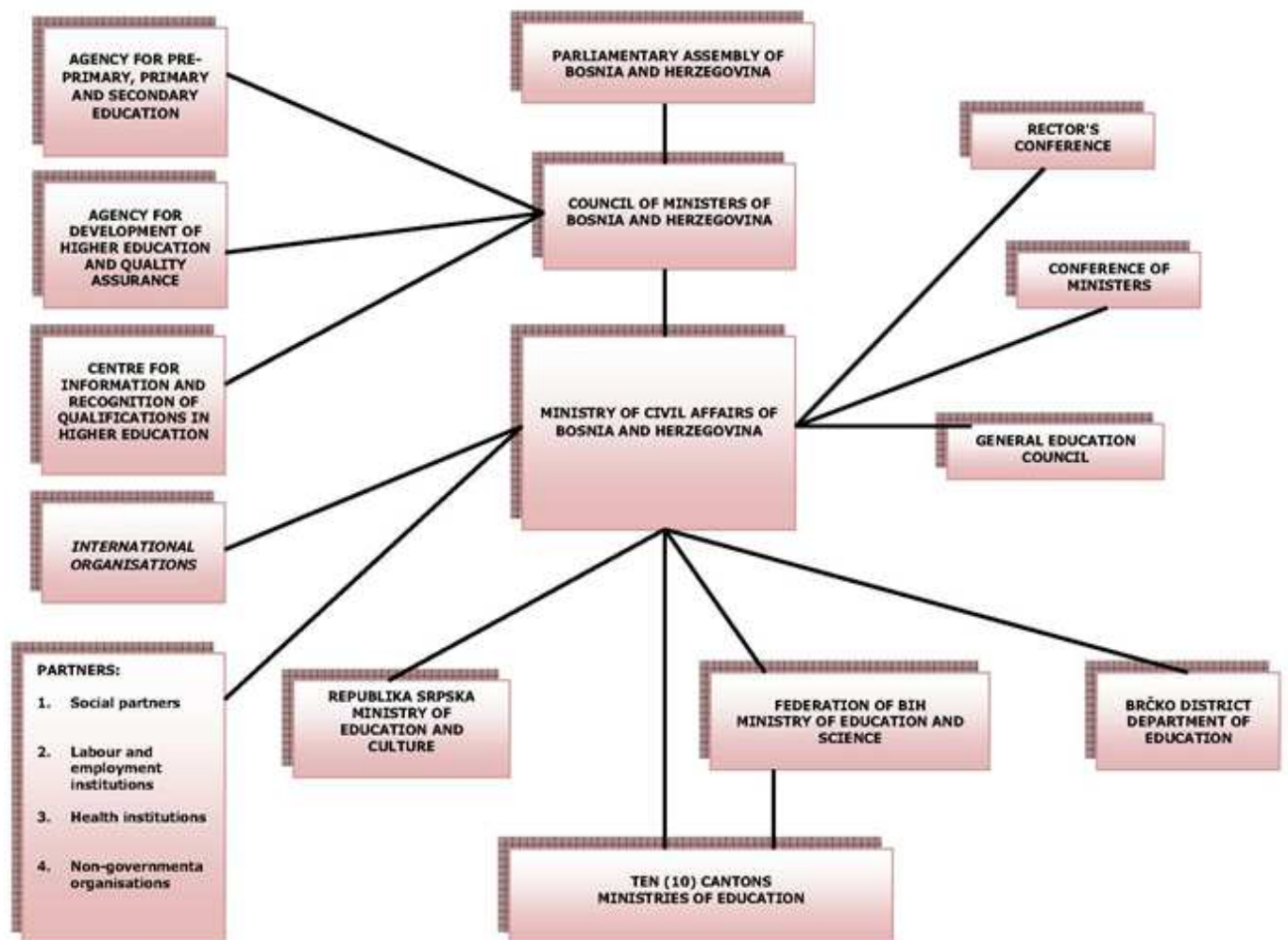
Constitutional responsibilities for upper secondary VET are concentrated at the level of Republika Srpska, cantons of the Federation and Brčko District. It is important to note that the Department for Education in the Ministry of Civil Affairs has no executive power over upper secondary VET or adult education and training. However, it plays an important policy monitoring role, ensures policy analysis and reporting on developments in education policy, coordinates activities of the entire educational sector in the area of EU integration and on the international level and coordinates inter-sectoral cooperation at the national level. The policy-making network that the Education Department is working with indicates particularly important roles for the Rectors Conference, Conference of Ministers for Education and General Education Council (Figure 5.1). The approach represents an important effort to actively ensure the participation of a wide range of stakeholders in effective educational policy making, to ensure a partnership approach that links various aspects of governance.

²⁰ Institutional and capacity building of education system of Bosnia and Herzegovina, EU-ICBE project: Technical Assistance to Education Reform in Bosnia and Herzegovina, final documents, February 2008.

A study was on social partners carried out by the ETF in 2007 to assess the role of social partners in VET revealed that trade unions are actively working with the corresponding education authorities in both the Federation and Republika Srpska, through participation in different VET working groups. Employer association involvement in VET is marginal and is confined mostly to issuing opinions on enrolment before the start of the school year and on occupational needs. Although companies used to provide on-the-job training (e.g. Mittal, a large international steel company located in Zenica), the financial crisis has reduced the investment in staff training.

Nevertheless, ongoing VET reform has played an important role in encouraging social partners to come to the table and discuss a variety of issues that previously had been discussed to a very limited extent. One good example is the development of modular curricula for initial VET, to point the way towards a more decentralised, open and participatory approach to VET curriculum design. The involvement of employers in the development of demand-oriented curricula is increasingly being acknowledged and practised.

Figure 5.1 Ministry of Civil Affairs' Department of Education – Policy-making network



5.2 VET funding and the need for increased efficiency

In relation to financing, there is a need to distinguish between initial VET (at upper secondary level) and continuing VET or adult education and training in a lifelong learning context. Decisions regarding initial VET are made by the education ministries and financing is mainly from the budgets of the two entities, 10 cantons and Brčko District, making that a total of 13 separate education budgets in Bosnia and Herzegovina).

A World Bank review confirms that the high public spend on education is not efficient (2012b). Budgetary spending on education overall is 6% of GDP (4% in Republika Srpska, 6% in the Federation and 11.2% in the Brčko District), yet results are rather modest, especially considering that this rate is higher than in any other south-eastern European country or 5.1% of the EU27 (Eurostat, 2012)²¹. Of the total education budget, approximately 88% is earmarked for gross salaries and allowances, 8% for material expenditure and 4% for capital investments. Approximately 21% of total public spending on education goes to initial VET, three times the amount spent on general education but in line, in fact, with the level of enrolment in each. Although investment in education is adequate, the system is inefficient and inequitable and is characterised by low coverage and inadequate educational achievements.

Learning programmes for adults are mainly funded through the public employment services as an active employment measure, are provided by employers for their employees or are paid for by individuals enrolling in programmes offered by private institutions. Participation rates are very low, however. While the goal of the employment services is to move from passive to active employment measures, their main function remains the provision of passive measures. The percentage of registered unemployed people engaged in training is on the low side. Funds for adult education in Republika Srpska are provided for in the budget of the entity and its local authorities (as public funds) and also by adults, employers and other sources in accordance with the Adult Education Plan. According to adult education legislation, tuition fees are not charged to adults who wish to acquire basic education or first-job training²².

Own sources of financing are gaining in importance for vocational schools. The schools, as public institutions, may by law generate other income from the following: the provision of intellectual services and of training services for adults; the sale of school services and products; legacies, gifts, endowments, donations and grants; parent contributions; and rental of school premises²³. The accountancy system that has been put in place has increased transparency and accountability in spending both public budget allocations and own earnings. However, the system makes it impossible for a school to make immediate use of its own revenues; it also prevents savings made over and above the legally allowed level (10% of the total school budget) to be reallocated to other uses. Furthermore, adequate financial resources do not accompany VET reforms and the resources earmarked for professional development of vocational teachers and school management are also insufficient²⁴.

There is an evident need to strengthen the links between policy decision making and budget preparation and allocation, especially bearing in mind that resources are stretched and have to be shared between several ambitious VET policy objectives. Discussion on VET financing has started as part of a number of donor-funded VET projects and will continue in some of the upcoming IPA programmes.

5.3 Active donor and NGO roles

Donor attitudes towards VET reform seems to be very positive and supportive. From 1998 to 2012 the VET reform process was supported by major donors, including the EU, through projects financed, since 2007, under the Programme of Community Aid to the Countries of Central and Eastern Europe (Phare), Community Assistance for Reconstruction, Development and Stability in the Balkans

²¹ Strategic Directions for Education Development in Bosnia and Herzegovina including the Implementation Plan 2008–2015, Council of Ministers, 2008 Civil Affairs.

²² Strengthening capacity in Bosnia and Herzegovina for human resources development, EuropeAid/129633/C/SER/BA, Inception report, January 2012.

²³ Financing of vocational education and training in Bosnia and Herzegovina, 2006, Report EC VET 2 programme, available at: www.euvet4.ba.

²⁴ Institutional and capacity building of Bosnia and Herzegovina Education System, EU-ICBE project: Technical Assistance to Education Reform in Bosnia and Herzegovina, Final documents, February 2008.

(CARDS) and the IPA. The German GTZ has also been very active in this field. Significant capacity building and know-how has been delivered and donors active in the field of VET for young people and adults continue to meet on a monthly basis to agree on reform steps to be undertaken and to coordinate activities²⁵.

Several IPA projects have contributed or are contributing to the further development of education and training in BA. The VET Reform Project 2011–2012, which has supported institutional and capacity building in VET, development of the BQF and implementation of the VET Framework Law, will close in January 2013. The project titled IPA 2009 Strengthening of Human Resources Development Capacity in Bosnia and Herzegovina, which started in November 2011, has objectives that include enhancing the institutional, strategic and legal framework for adult education and improving educational statistics with a view to ensuring evidence-based education planning. The Twinning Project IPA 2009 Strengthening Institutional Capacity of the Agency for Pre-Primary, Primary and Secondary Education started in May 2012. A number of NGOs provide different types of training and retraining, mainly based on labour market demands and regional and local needs.

BA also has a very dynamic civil society sector. According to the BA body, Technical Assistance for Civil Society Organisations (TACSO, 2011), at the end of 2008, there were about 12 000 registered civil society organisations distributed across the country. Over half of all registered such bodies (51.1%) operate from smaller towns in largely rural municipalities. About one in six operate in the capital, Sarajevo, and a further 23% are located in the larger towns (Banja Luka, Mostar and Tuzla), while those operating in very rural areas are few in number (7.7%). Such an extensive network of civil society organisations could be useful in implementing various measures in the VET sector. More importantly, a recent call for proposals regarding the promotion of competitiveness is expected to pave the way for improved cooperation between the public sector and civil society organisations in the area of adult education and training²⁶.

5.4 Main challenges for the future

The gradual establishment of BA-level institutions is supportive of improvements in governance and efficiency. Ensuring mere basic governance is no longer sufficient, as all citizens aspire to sustained economic and social development in a competitive and promising economy. There is a long way to go in making social partners real partners in VET development in BA. Their involvement is crucial, however, in striking a good balance between labour market demand and VET supply in BA, particularly in relation to the development of adult education and training. However, as yet there is no formal cooperation network that will ensure an active role for social partners in VET and in the VET Council (planned but not yet operational). Without formal networks and active participation by social partners in decision making, progress with VET reforms may suffer.

Apart from giving social partners a concrete and formal role in VET development, it is also important to note that gaps in VET strategy coherence and comprehensiveness remain. VET system development, located as it is at the intersection between education and work, requires multi-level systems of relationships to be strengthened, including with ministries and employment services. VET policies, if they are to be successfully implemented, depend on a whole range of people and institutions. At the same time the impact of VET strategic decisions depends on how different partners organise the feedback process and how key stakeholders are involved in VET policy monitoring and evaluation.

Last, but not least, the VET policy process is developing along the lines of the qualifications framework. Core common curricula across different levels of education are being reformed,

²⁵ For a comprehensive overview of donors active in VET and ongoing projects, see the Ministry of Finance and Treasury of Bosnia and Herzegovina database at: <http://db.donormapping.ba/default.aspx>

²⁶ Call for applicants, August 2012, Promoting competitiveness through higher employment capacity of human resources, EU delegation in Bosnia and Herzegovina.

entrepreneurship and entrepreneurial learning are being introduced across different levels of education and a comprehensive adult education and training system is in development. As a potential EU candidate, Bosnia and Herzegovina has been invited to consider the priorities set out in the Europe 2020 strategy and to adapt the main challenges to its own context. The EU enlargement policy also supports the Europe 2020 strategy by extending the internal market and enhancing cooperation in areas where cross-border cooperation is a key objective. The Europe 2020 agenda also offers the enlargement countries an important inspiration for reforms (see the European Commission's IPA Multi-annual Indicative Planning Document 2011–2013 for Bosnia and Herzegovina). Therefore, it could be useful for the country to continue considering education and training sector instruments and tools that are available at the EU level.

ANNEXES

Annex 1. Governance matrix

Elements or functions within a VET system	Authority	Competences	Resources	Accountability
	Who are the actors legally in charge of this function? Have roles ²⁷ and responsibilities been adequately defined?	Do actors have the technical competences or what is needed to fulfil this function?	Do actors have adequate financial and human resources or what is needed to fulfil this function?	In which way are the actors in charge made accountable for the work done?
Policies and legislation				
Defining national VET and employment policies	<p>All responsible ministries of education (Ministry of education and Culture RS and 10 cantonal ministries with Federal Ministry of Education and Science and Ministry of Civil Affairs as coordination ministry). The roles are clearly defined by the Constitution in terms of roles and responsibilities.</p> <p>Employment policy is the responsibility of respective ministries for labour and employment and with MoCA as coordinating ministry.</p> <p>Ministry of Civil Affairs' Department of Labour, Employment, Social Protection and Pensions</p> <p>Responsibilities: preparation and enforcement of regulations; duties and tasks that are within the competence of Bosnia and Herzegovina and relate to determining the basic principles of coordination of activities, harmonization of plans of entity authorities and defining a strategy at the international level in the field of labour, employment, social protection and pensions, and in particular, preparation and coordination with the relevant entity authorities related to drawing up drafts bilateral agreements on social security; monitoring the implementation of the ratified ILO Conventions and submitting the reports on their implementation; etc. (definition of responsibilities taken from www.mcp.gov).</p>	<p>The ministries are adequately staffed.</p> <p>MoCA due to its role in EU integration has opportunity for continuous training and education in issues relevant for EU priorities.</p>	<p>Lump sum for education in average is adequate but it is not adequately allocated particularly in Federation of BA.</p>	

²⁷ Actors could have decision-making, advisory or executive roles.

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Monitoring national VET and employment policies	MoCA, Education sector has responsibility with other education authorities for monitoring VET policy implementation and progress in that respect. For employment it is responsibility of Employment sector within MoCA and other relevant institutions in that field. Entity Agencies for Employment are responsible for implementation of active labour market policy measures.	There is need for introducing different tools for monitoring and in that aspect some training is to be provided.		By its mandate.
Legislation for VET (both initial and continuing)	MoCA has responsibility to follow up implementation of Framework Law for VET and inform CoM and Parliamentary Assembly about respective issue and progress made. The education authorities (Ministry of Education and Culture in RS and cantonal ministries in Federation BA have decision-making roles.	All ministries and partners involved in this process have technical competences to fulfil this role.	This issue does not require specific budget for responsible ministries.	They do.
Qualifications and curricula				
National, sectoral or regional skill or training needs analyses	VET Department in the Agency for Education, with responsible education authorities and in cooperation with social partners (tripartite councils). VET Agency has advisory role.	They do have competent staff.	No separate budget for TNA. There is no TNA at BA level.	They do.
Designing a list of occupations	VET Department in the Agency initiates list of qualifications either new or revised in cooperation with responsible education and employment authorities in respective fields.	Agency staff is in process of training for doing this job. More competent people involved in the process are required.	The Agency has been supported by EU project and other international organization (GIZ).	
Definition or revision of standards/ qualifications	VET agency with responsible education authorities and employment sector. VET Agency has advisory role towards education authorities and in obligatory consultation with labour and employment sector.	They are all in process of continuous training (EU VET IV).	Public budget is to be used but with support of donors' funds.	
Development or revision of curricula (all kinds)	VET Agency initiates revision and is responsible for common core curricula but in general education authorities are responsible for curricula. In the revision or development process pedagogical institutes take part as expert institutions.	Teachers have been in the process of training for several years (around 3,000 teachers trained) and VET Agency staff are currently supported by EU VET project (2012).	Public budget is not sufficient for training. Donors' funds have been used for training.	

Elements or functions within a VET system	Authority	Competence	Resources	Accountability
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Teachers and trainers				
Pre-service training and induction of vocational teachers	Universities for teachers' education. Vocational teachers do not have specific training during their university education. They are usually trained in the process of their work through seminars and workshops.	Reform of pre-service teacher training is needed and it is planned through EU project (IPA 2011 and IPA 2012).	Public funds are not sufficient. In future this field is to be supported by Community programmes.	
Recruitment of teachers	Responsible ministries of education through public announcement.	They have enough competence for the work they do.	There is disproportion between numbers of teachers available in cities and rural areas. Due to constant decrease of school children there are more than enough teachers.	
In-service training of vocational teachers	Pedagogical institutions and EU projects.	Pedagogical institutes do not have competent staff for education of vocational teachers. They also need additional training to be able to train teachers in specific fields.	There is money within their regular budgets allocated for training. Probably this is not sufficient.	
Teacher appraisal and career development	Pedagogical institutes in cooperation with teacher universities and responsible ministries of education.			

Elements or functions within a VET system	Authority	Competences	Resources	Accountability
	Who are the actors legally in charge of this function? Have roles and responsibilities been adequately defined?	Do actors have the technical competences or what is needed to fulfil this function?	Do actors have adequate financial and human resources or what is needed to fulfil this function?	In which way are the actors in charge made accountable for the work done?
VET providers				
Network of providers of initial VET and continuing VET	There is no official network of VET providers. There are vocational schools for initial VET education and for pre-qualification and further training. There are some companies which organise training for their workers and trainings are certified. Also some NGOs are connected with either vocational schools or companies and they provide training with international support.	Providers have competent staff or hire qualified trainers from universities in the respective fields.	Initial VET training at schools is planned within ministries' budget (cantonal budgets in Federation and a budget of the Ministry of Education and Culture RS and Department for education of GBD.	
Planning VET programmes and student numbers	This issue is under the responsibility of the Ministry of Education and Culture RS, cantonal ministries for education in Federation and Department for education of GBD.	Staff of the ministries is experienced and competent.	Programmes should be planned according the needs of labour markets. Still there is not everywhere close synergy between education and labour markets. But there are good examples in RS and in some cantons in the Federation that for certain professions VET students are supported by scholarships from companies.	
Planning budgets for vocational schools	Planning the budget is under the responsibility of the Government of RS, Federation and cantonal ministries for education and GBD and local communities in BA.			
Dealing with school expenses (managing school budgets)	School management is responsible for budgets and management is accountable to the Steering Committee and responsible ministries. Some vocational schools have their own money through their profitable activities and they then invest their profit in school infrastructure or similar.			

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Learning materials and equipment				
Learning materials	Education ministries are responsible. They also provide their learning materials through different projects funded by local communities or other sources.		Ministries' budget but it is also possible to use budgets of local communities or other available resources (donors, companies, NGOs, governmental organisations etc.)	
Workshop equipment	School funders and schools themselves. Some equipment has been donated by projects or NGOs.		Ministries budget but it is also possible to use budgets of local communities or other available resources (donors, companies, NGOs, governmental organisations etc.)	
Practical learning sites				
Liaison with employers	Most of vocational schools liaise with the labour market. FBA Employment Institute, BA Agency for Labour and Employment, RS Employment Institute, BD Employment Service, Employment Bureau of the cantons.			
Practical training places within companies	Some vocational schools have training within companies but this is not obligatory. Vocational schools also have their own equipment and facilities and provide practical training at their premises. FBA Employment Institute, BA Agency for Labour and Employment, RS Employment Institute, BD Employment Service, Employment Bureau of the cantons. Responsibilities: support in organising job fairs, co-financing of training, additional training, retraining, active job-seeking training (CV and cover letter writing, interview with employers) through information, advisory and training centres, entrepreneurship programmes etc.		Vocational schools also have legal opportunity to make profit out of their products (farms, restaurants etc.)	
Apprenticeships	Practice is done within companies. FBA Employment Institute, BA Agency for Labour and Employment, RS Employment Institute, BD Employment Service, Employment Bureau of the cantons. Responsibilities: co-financing of apprenticeships etc.			

Elements or functions within a VET system	Authority	Competence	Resources	Accountability
	Who are the actors legally in charge of this function? Have roles and responsibilities been adequately defined?	Do actors have the technical competences or what is needed to fulfil this function?	Do actors have adequate financial and human resources or what is needed to fulfil this function?	In which way are the actors in charge made accountable for the work done?
Assessment and certification				
Assessment of students' skills	Schools are responsible for the assessment of students' skills.			
Issuing certificates	Vocational schools, by mandate, issue diploma for regular studies as well as for adult education or pre-qualification and upgrading. If the practice is done in companies, certificates are issued by the persons responsible for skills training. Companies issue certificates for their workers according to their needs. Currently there are also some centres registered for adult education and NGOs providing certificates.			
Monitoring and impact				
Monitoring the quality of VET provision				
School-to-work transition surveys or tracer studies for graduates				
Research and innovation				
Research and innovation, incl. the transfer of innovations from pilot to system level	There is a lack of research in VET. In a segment of innovation there are examples of good practice and innovators are linked through their Association at BA level.			
Donor coordination				
Efficient coordination of donors in VET				

Annex 2. Torino Process indicators – Bosnia and Herzegovina

1. Population, 2006–11

Population	2006	2007	2008	2009	2010	2011
Total (World Bank data) ^a	3,781,588	3,779,034	3,774,164	3,767,683	3,760,149	3,752,228
Total (Eurostat data) ^b	3,842,650	3,844,017	3,843,846	3,843,998	3,844,046	3,843,183 ^p
Annual population growth (%) (World Bank data) ^c	0	-0.1	-0.1	-0.2	-0.2	-0.21

Notes: (a) The values shown are mid-year estimates; (b) Population as of 1 January; (p) provisional data (Eurostat website 8 May 2012); (c) The values shown are exponential rates of growth of mid-year population from year t-1 to t

Sources: Total population – World Bank, see <http://data.worldbank.org/indicator/SP.POP.TOTL> (last accessed 16 August 2012); Eurostat, see <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00027&plugin=1> (last accessed 8 May 2012); Population growth – World Bank, see <http://data.worldbank.org/indicator/SP.POP.GROW> (last accessed 16 August 2012)

Population by age group (estimates)	2010
0-14	14.7
15-24	13.4
25-54	43.9
55-64	11.8
65+	16.2

Source: ETF calculation on United Nations Population Division data, *World Population Prospects: The 2010 Revision*

2. Dependency rates, 2006–11

Dependency rates	2006	2007	2008	2009	2010	2011
Total (0-14 and 65+) ^a	43	42	42	41	41	40.66
Young (0-14) ^b	23	23	22	22	21	20.7
Old (65+) ^c	19	20	20	20	20	19.96

Notes: (a) The values shown are the ratios of dependent people – people younger than 15 or older than 64 – to the working-age population – people aged 15-64. (b) The values shown are the ratios of younger dependent people – people younger than 15 – to the working-age population – people aged 15-64. (c) The values shown are the ratios of older dependent people – people older than 64 – to the working-age population – people aged 15-64.

Sources: World Bank, see <http://data.worldbank.org/indicator/SP.POP.DPND>; <http://data.worldbank.org/indicator/SP.POP.DPND.YG> and <http://data.worldbank.org/indicator/SP.POP.DPND.OL> (last accessed 17 August 2012)

3. Educational attainment of population (15+) by gender, 2011

Education level	2011		
	Total	Male	Female
Total	100.0	100.0	100.0
Primary education and less	43.2	32.2	53.5
Secondary school	48.0	57.7	38.9
Higher education	8.8	10.1	7.6

Note: Higher education: college, university, masters and doctoral degrees.

Source: Agency for Statistics, Labour Force Survey 2011

4. Illiteracy/literacy rates by gender, 2010

Adult (15+) literacy rate	2010
Total	97.9
Male	99.4
Female	96.5

Source: UNESCO Institute for Statistics (estimation)

5. GDP growth rate, 2006–11

Annual GDP growth (%)	2006	2007	2008	2009	2010	2011
Total	6.2	6.8	5.4	-2.9	0.8	1.7

Note: The values shown are the annual percentage growth rates of GDP at market prices based on constant local currency.

Source: World Bank, see <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG> (last accessed 16 August 2012)

6. GDP per capita, 2006–11

GDP per capita PPP (current international USD)	2006	2007	2008	2009	2010	2011
Total	7,086	7,877	8,649	8,537	8,750	9,089

Notes: The values shown are the GDP per capita based on purchasing power parity (PPP).

Source: World Bank, see <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD> (last accessed 17 August 2012)

7. Employment by sector compared to GDP by sector

Employment by main sector, 2006–11 (%)

People in employment (15+) by economic activity (NACE Rev 1.1)	2006			2007			2008		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	100	100	100	100	100	100	100	100	100
Agriculture	20.5	19.8	22	19.8	19	21.3	20.6	19.6	22.3
Industry	30.8	37.7	17.8	32.6	40.2	18.1	32.5	40.2	18.5
Services	48.7	42.6	60.2	47.6	40.8	60.6	47	40.2	59.2
People in employment (15+) by economic activity (NACE Rev 1.1)	2009			2010			2011		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total	100	100	100	100	100	100	100	100	100
Agriculture	21.2	18.6	25.8	19.7	17.9	22.8	19.6	18.8	20.9
Industry	31.5	40.4	16.4	31	39.5	16.4	28.9	36.3	16.3
Services	47.3	41.1	57.9	49.3	42.6	60.8	51.5	44.8	62.8

Source: Agency for Statistics – 2011: Labour Force Survey 2011; 2008-10: Labour Force Survey 2010; 2006-07: Labour Force Survey 2007

GDP by main sector, 2006–11 (%)

Value added (% GDP)	2006	2007	2008	2009	2010	2011
Agriculture	10.4	8.8	7.9	7.8	7.6	8.7
Industry	24.7	28.6	29.6	28.3	28.0	26.2
Services	64.9	62.6	62.4	63.9	64.4	65.1

Note: The origin of value added is determined by the International Standard Industrial Classification (ISIC), revision 3. Agriculture corresponds to ISIC divisions 1-5; industry corresponds to ISIC divisions 10-45; services correspond to ISIC divisions 50-99. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs.

Source: World Bank – Agriculture, see <http://data.worldbank.org/indicator/NV.AGR.TOTL.ZS> (last accessed 20 August 2012); Industry, see <http://data.worldbank.org/indicator/NV.IND.TOTL.ZS> (last accessed 20 August 2012); Services, see <http://data.worldbank.org/indicator/NV.SRV.TETC.ZS> (last accessed 20 August 2012)

8. Competitiveness Index, 2010–12

	GCI 2011–12		GCI 2010–11	
	Rank	Score	Rank	Change
Global Competitiveness Index	100	4	102	2

Source: World Economic Forum, see http://www3.weforum.org/docs/WEF_GCR_GCI_Rankings_2011-12.xlsx (last accessed 6 December 2011)

9. Activity rates by gender, 2006–11

Activity rate (15+)	2006	2007	2008	2009	2010	2011
Total	43.1	43.9	43.9	43.6	44.6	44.0
Male	56.2	57.7	57.1	56.2	56.7	55.9
Female	30.8	31.0	31.6	31.9	33.2	32.8
Activity rate (15-64)	2006	2007	2008	2009	2010	2011
Total	51.30	52.20	53.50	53.20	54.02	53.80
Male	65.50	67.00	67.70	67.00	67.10	66.30
Female	37.40	37.80	39.50	39.70	41.10	41.20

Note: National data = Eurostat data, see

http://epp.eurostat.ec.europa.eu/portal/page/portal/candidate_and_potential_candidate_countries/data/database# (last accessed 10 May 2012)

Source: Agency for Statistics – 2011: Labour Force Survey 2011; 2008-10: Labour Force Survey 2010; 2006-07: Labour Force Survey 2007

10. Employment rates by gender, 2006–11

Employment rate (15+)	2006	2007	2008	2009	2010	2011
Total	29.7	31.2	33.6	33.1	32.5	31.9
Male	39.9	42.3	44.9	43.2	42.2	41.3
Female	20.0	20.8	23.1	23.7	23.3	23.0
Employment rate (15-64)	2006	2007	2008	2009	2010	2011
Total	35.0	36.8	40.7	40.1	39.0	38.7
Male	46.1	48.7	52.9	51.2	49.6	48.7
Female	24.0	25.0	28.7	29.3	28.6	28.7

Source: Agency for Statistics – 2011: Labour Force Survey 2011; 2008-10: Labour Force Survey 2010; 2006-07: Labour Force Survey 2007

11. Unemployed rates by gender, 2006–11

Unemployment rate (15+)	2006	2007	2008	2009	2010	2011
Total	31.1	29.0	23.4	24.1	27.2	27.6
Male	28.9	26.7	21.4	23.1	25.6	26.1
Female	34.9	32.9	26.8	25.6	29.9	29.9
Unemployment rate (15-64)	2006	2007	2008	2009	2010	2011
Total	31.8	29.6	24.0	24.5	27.7	28.0
Male	29.5	27.3	21.9	23.5	26.1	26.5
Female	35.7	33.7	27.4	26.2	30.4	30.5

Source: Agency for Statistics – 2011: Labour Force Survey 2011; 2008-10: Labour Force Survey 2010; 2006-07: Labour Force Survey 2007

12. Youth (15-24) unemployment rates by gender, 2006–11

Youth unemployment rate (15-24)	2006	2007	2008	2009	2010	2011
Total	62.3	58.4	47.5	48.7	57.5	57.9
Male	60.2	55.6	44.8	46.4	55.1	56.4
Female	65.7	63.1	52.3	52.7	61.3	60.5

Source: Agency for Statistics – 2011: Labour Force Survey 2011; 2008-10: Labour Force Survey 2010; 2006-07: Labour Force Survey 2007

13. Changes in employment by type and gender, 2011

Distribution of employment by professional status (15+)	2011		
	Total	Male	Female
Total	100	100	100
Employee	75	75	74
Self-employed	20	23	15
Unpaid family worker	5	2	10

Source: Agency for Statistics, Labour Force Survey 2011

14. Total number of VET students compared to total number of students at ISCED 2, 3A-C, 4, 5A (&5B) by gender

Total enrolment by education level, programme and gender (beginning of school year 2011/12)

	Total	Male	Female
Basic schools¹	316,685	162,613	154,072
ISCED 1 (I-IV and I-V grade)	166,499	85,510	80,989
ISCED 2 (V-VIII and VI-IX grade)	150,186	77,103	73,083
Secondary education	163,417	82,811	80,606
ISCED 3 – General ²	45,237	17,388	27,849
ISCED 3 – VET ³	118,180	65,423	52,757
Tertiary education ⁴	104,386	46,754	57,632

Notes: (1) Regular basic school and basic schools for children with disabilities; (2) Grammar schools, art schools, religious schools, secondary schools for children with disabilities; (3) Technical schools and vocational schools; (4) Higher education, university and religious faculties.

Source: Agency for Statistics, Education Statistics, Year VII No 1, 31 May 2012

15. Employment rates (15+) by education level, 2006–11 (%)

Education level	2007	2008	2009	2010	2011
Primary education and less	15.4	17.1	16.3	15.4	14.9
Secondary school	42.5	45.7	44.1	42.5	41.4
Higher education	67	65.7	66.8	61	63.1

Source: Agency for Statistics – 2011: Labour Force Survey 2011 (own calculation); 2009: Labour Force Survey 2009 (own calculation)

16. Unemployment rates (15+) by education level, 2007–11 (%)

Education level	2007	2008	2009	2010	2011
Primary education and less	31	24	25.9	28.2	29.2
Secondary school	31.3	25.4	26	29.2	29.9
Higher education	10.6	10	10.2	15.6	15.5

Source: Agency for Statistics – 2011: Labour Force Survey 2011 (own calculation); 2009: Labour Force Survey 2009 (own calculation)

17. Participation in VET by field of study, 2010/11 (%)

Field of study	ISCED 3 – VET	ISCED 5 – VET
Education	–	11.6
Humanities and art	3.0	8.3
Social sciences, business and law	23.1	39.4
Science, mathematics and computing	1.9	7.8
Engineering, manufacturing and construction	34.9	10.5
Agriculture and veterinary	8.5	4.0
Health and welfare	10.6	13.4
Services	14.1	4.5
Unspecified	4.0	0.3

Notes: No VET programmes at ISCED 2 level. No available data for ISCED 4.

Source: Agency for Statistics, education statistics (data received)

18. Student–teacher ratios by education level and programme (VET and general education) (%)

Education level	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Pre-primary (ISCED 0)	13	14	15	14	14	14
Primary and lower secondary (ISCED 1+2)	16	16	15	14	14	13
Upper secondary (ISCED 3) – Total	14	14	13	13	12	13
First stage of tertiary (ISCED 5) – Total	13	12	13	12	12	12

Source: Agency for Statistics, education statistics (data received)

Annex 3. Vocational education and training data

Table A3.1 Students per occupational group – cantons, entities, Brčko District and Bosnia and Herzegovina overall, 2010/11

Canton/ occupational group	Una Sana	Posavina	Tuzla	Zenica-Doboj	Bosnia Podrinje	Central Bosnia	Herzegovina Neretva	Western Herzegovina	Sarajevo	Cantons Ten	Federation (= 10 cantons)	Republika Srpska	District Brčko	Total
Agriculture and food processing	451	81	1 218	499	106	138	197	173	641	77	3 581	2 703	496	6 780
Forestry and wood processing	275	0	327	368	0	198	0	0	209	77	1 454	1 233	0	2 687
Geology, mining and metallurgy	0	0	687	188	0	29	0	0	0	0	904	87	0	991
Mechanical engineering and metal processing	1 609	119	3 044	1 965	160	1 063	565	229	1 812	78	10 644	5 160	278	16 082
Electrical engineering	718	206	2 279	2 014	28	1 223	1 106	319	1 489	472	9 854	4 804	320	14 978
Chemistry, metalloids and graphical industry	179	0	463	40	76	41	117	0	480	18	1 414	605	0	2 019
Textile and leather processing	288	18	435	545	23	190	31	0	358	0	1 888	188	68	2 144
Geodesy and constructing	333	0	661	647	74	228	489	92	655	0	3 179	1 594	93	4 866
Traffic	680	0	1 292	987	171	678	549	135	662	87	5 241	2 620	0	7 861
Catering and tourism	667	91	686	529	22	697	729	24	540	238	4 223	3 446	203	7 872
Economy, law, administration and trading	1 418	427	3 646	2 764	105	2 308	1 876	1 229	1 470	540	15 783	9 378	891	
Health care	448	151	2 009	964	60	1 223	1 036	27	2 397	0	8 315	3 393	347	
Other businesses	220	85	485	828	22	420	244	187	562	69	3 122	989	176	
Total	7 286	1 178	17 232	12 338	847	8 436	6 939	2 415	11 275	1 656	69 602	36 200	2 872	

Notes: Data include students in secondary vocational schools, technical and other secondary schools (excluding gymnasia) but not art, religious or special schools.

Source: Agency for Pre-Primary, Primary and Secondary Education, VET Department (data collected directly from schools)

Table A3.2 Students per occupational group – cantons, entities, Brčko District and Bosnia and Herzegovina overall, 2011/12

Canton/ occupational group	Una Sana	Posavina	Tuzla	Zenica-Doboj	Bosnia Podrinje	Central Bosnia	Herzegovina Neretva	Western Herzegovina	Sarajevo	Canton Ten	Federation (= 10 cantons)	Republika Srpska	District Brčko	Total
Agriculture and food processing	521	129	1 435	616	108	143	225	150	695	46	4 068	2 978	543	7 589
Forestry and wood processing	324	0	78	483	0	256	0	0	358	35	1 534	1 299	0	2 833
Geology, mining and metallurgy	0	0	782	263	0	0	0	0	0	0	1 045	75	0	1 120
Mechanical engineering and metal processing	2 000	88	3 020	2 286	76	1 479	844	428	2 130	207	12 558	5 481	320	18 359
Electrical engineering	816	85	2 142	2 113	25	1 378	1 024	157	1 584	494	9 818	5 150	356	15 324
Chemistry, metalloids and graphical industry	184	0	532	145	19	31	124	0	560	16	1 611	678	0	2 289
Textile and leather processing	349	18	457	767	18	169	33	0	40	0	1 851	275	81	2 207
Geodesy and constructing	292	0	797	765	19	258	562	0	753	0	3 446	1 668	106	5 220
Traffic	793	0	1 433	1 173	18	740	605	163	663	0	5 588	2 562	52	8 202
Catering and tourism	732	88	779	748	31	721	712	0	552	286	4 649	3 640	301	8 590
Economy, law, administration and trading	1 644	150	3 668	2 998	89	2 373	1 829	1 050	1 541	585	15 927	9 819	832	26 578
Health care	535	110	2 294	978	0	1 037	1 090	0	1 596	34	7 674	3 493	366	11 533
Other businesses	228	14	494	825	70	460	220	178	548	58	3 095	929	187	4 211
Total	8 418	682	17 911	14 160	473	9 045	7 268	2 126	11 020	1 761	72 864	38 047	3 144	114 055

Notes: Data include students in secondary vocational schools, technical and other secondary schools (excluding gymnasia) but not art, religious or special schools. Of 207 public schools in total, data from 204 schools and two private schools from Republika Srpska are included.

Source: Agency for Pre-Primary, Primary and Secondary Education VET Department (data collected directly from schools).

Table A3.3 Students who successfully completed matura by cantons, entities, District Brčko and Bosnia and Herzegovina overall, 2010/11

Cantons, entities and district	Students who completed matura
Una-Sana	1 900
Posavina	234
Tuzla	4 738
Zenica-Doboj	4 329
Bosnia Podrinje	146
Central Bosnia	3 665
Herzegovina Neretva	3 378
Western Herzegovina	569
Sarajevo	3 020
Canton Ten	389
Federation (= 10 cantons)	22 368
Republika Srpska	11 573
Brčko District	716
Total	34 657

Notes: Data include students in secondary vocational schools, technical and other secondary schools (excluding gymnasia) but not art, religious or special schools. Of 207 public schools in total, data from 204 schools and two private schools from Republika Srpska are included.

Source: VET Department - Agency for Pre-Primary, Primary and Secondary Education (data collected directly from schools).

Table A3.4. Schools and students in secondary 3rd and 4th year education by cantons, entities, District Brčko and Bosnia and Herzegovina overall, 2011/12

Students	Schools	Schools*	Males 3rd year	Females 3rd year	Males 4th year	Females 4th year	Total
Una-Sana	14	14	2 169	1 065	2 566	2 618	8 418
Posavina	2	2	168	69	231	214	682
Tuzla	24	24	3 666	1633	6 048	6 564	17 911
Zenica-Doboj	20	20	3 866	1 835	4 624	3 835	14 160
Bosnia Podrinje	3	3	165	61	90	157	473
Central Bosnia	21	21	2 074	892	3 161	2 918	9 045
Herzegovina Neretva	20	20	1 283	550	2 825	2 610	7 268
Western Herzegovina	4	3	424	253	756	693	2 126
Sarajevo	21	19	1 921	904	4 568	3 627	11 020
Canton Ten	6	6	334	211	666	550	1 761
Federation (= 10 cantons)	135	132	16 070	7 473	25 535	23 786	72 864
Republika Srpska	69	69+2 private	6 416	2 432	14 151	15 048	38 047
District Brčko	3	3	618	263	1 055	1 208	3 144
Total	207	204+2 private	23 104	10 168	40 741	40 042	114 055

Notes: (*) Processed data. Data include students in secondary vocational schools, technical and other secondary schools (excluding gymnasia) but not art, religious or special schools. Of 207 public schools in total, data from 204 schools and two private schools from Republika Srpska are included.

Source: Agency for Pre-Primary, Primary and Secondary Education VET Department (data collected directly from schools).

Annex 4. Main conclusions from the 2012 Torino Process events in Bosnia and Herzegovina

Workshop ‘Curriculum reform in vocational education and training in Bosnia and Herzegovina: Review of progress in the framework of the Torino Process’, Banja Luka, 26 April 2012

The emphasis of the event was placed on the achievements by different institutions in relation to the broader VET reform framework and, in particular, on a review of progress with VET curricula. Attention was also paid to recent developments in VET reform, the role of different institutions in the VET reform process and key stakeholder engagement in the broader framework of policy dialogue.

An input-oriented approach is still used to develop curricula, although a number of modular curricula are being piloted as a model for the outcome-based approach. The work being done on the BQF is expected to be of value. The modular approach is being implemented for general subjects too, although content is based on theory rather than on students’ competences. Schools not included as VET pilot schools receive ready-made modular curricula without adequate teacher training. Although VET pilot schools have suitable equipment for implementation of the piloted curricula, vocational schools included later are only partially equipped. The biggest challenge is the additional workload for teachers in duplicated students’ record administration tasks: teachers keep records for students as required by the new modular curricula and also as required by legislation of Bosnia and Herzegovina to be able to award qualifications.

What are the key issues that remain to be addressed in VET reform in line with EU integration? And what is the role of social partners and of NGOs? Workshop participants acknowledged the need to link education and the economy in order to respond to labour market needs. Updating curricula according to new occupational standards is a core issue to be tackled by concerned actors. Key competences for lifelong learning should be included with specific skills in curricula in order to better prepare VET students for adult life and to meet working demands. VET curricula need to equip learners to avail of different opportunities within a lifelong learning perspective. Much more attention needs to be paid to connecting all the elements within lifelong learning policies. It is important to underline that ‘soft’ skills should also be acquired by adult learners. Any strategic platform for adult education and training should take this into consideration in order to harmonise curricula – even though participants were not quite convinced that this could be possible due to policy dialogue coordination gaps. Two EU initiatives were introduced in the debate for further discussion and learning in the light of these concerns: examples and approaches taken by other EU countries moving towards European Credit System for Vocational Education and Training (ECVET) and the EU framework of key competences for lifelong learning.

In summary, the debate posed the specific challenge of how to make VET more attractive. The participants identified the core issue hampering the achievement of relevant results in many policy areas (such as sound curricula, relevant qualifications, learning in the workplace etc.): the role of social partners in VET within a lifelong learning perspective. Indeed, the issue was heatedly discussed in terms of how to obtain efficient results from the tripartite council and how to connect employers (and unions) with vocational schools. Widely recognised was the need to work on improving social dialogue outcomes and to empower social partner organisations in the education and training policy cycle in the light of education, training and labour market challenges.

Workshop ‘Torino Process 2012: Kick-starting the baseline qualifications framework as a tool for European integration’, Sarajevo, 23 May 2012

Emphasis was placed on the BQF, an important new instrument for students and workers in terms of mobility inside and beyond Bosnia and Herzegovina. The EQF was introduced as a transparency and referencing tool for the country’s own BQF. Qualifications are a key component of the education system and the BQF will uphold quality in the education system. The key issue discussed was qualifications and what persons could do with their qualifications. Qualification has a new meaning, with the main focus on people’s skills and competences. Once what people can do with their skills and

competences is formally recognised, the qualification becomes a kind of passport, making it easier to change jobs and study programmes. There is evidence that many people do not work in jobs for which they have been trained.

The qualification design process is very important and, in this regard, there are number of questions that institutions and stakeholders need to consider and open for wider discussion. Who is developing the qualifications? Who is approving the qualifications? What is the role of sectoral organisations? How are sectors organised? Will sectors be involved in the development of qualifications?

Assessment of formal and non-formal learning is also important in terms of how people's skills can be recognised, as validation of such learning is very important. This is also linked with the issue of quality assurance for qualifications. Communications are also very important in terms of how to explain qualifications to people, how to inform them about qualifications and about the availability of different qualifications etc. This could open up opportunities and the image of the education system.

A key issue to keep in mind is to keep the focus on qualifications and not only on the framework, on people, on creating opportunities for people and on validation and recognition of prior learning, as otherwise change will not happen. Qualifications and frameworks are created and cannot be simply copied from another country; rather hard work and focused methods are needed. A number of projects are starting, some have been in place for some time, but all contribute to qualifications development. The task is much broader and much more complex, however, and should not be underestimated. Open discussions and dialogue among different stakeholders are necessary.

A qualifications framework represents a major reform of an education system and changes the way we think about education and training. Bosnia and Herzegovina may not need to establish new institutions for the management of its qualifications framework, but it does need to work out completely new education programmes for all levels of education and to make sure they are based on the philosophy of the EQF. The qualifications framework should be understood as a tool to link the education and labour market.

As for the higher education, the European system is undergoing major changes, launched by the Bologna Process. A key issue is moving the focus to the student and away from the instructor and also focusing on learning outcomes. Once learning outcomes are agreed a curriculum can be developed. Generic descriptors have been defined for all three cycles of higher education and a qualifications framework for higher education is being developed that takes into account five elements: degree, complexity, quality, profile and learning outcomes. A common methodology has been developed, including a definition of the process of self-certification for programmes and universities.

There is a need to move away from administrative reforms, towards more active reforms based on more consultation and more inclusion. Who can tell you what occupations are needed? Maybe vocational schools and teachers, probably not the education ministry. Frameworks cannot be copied from EU countries but must be developed through a real consultation process. The Rectors Conference, for instance, must be involved and should be given specific tasks. Recognition of prior learning is not yet a very familiar concept in the country and this will be one of the biggest challenges in the process.

It is important to think about comprehensiveness and not so much about complexity. While the instruments and methodologies are complex, much more important is comprehensive and careful planning. This is as much about consulting relevant institutions and people. An occupational standard for the agrifood sector is under development and can be considered a pilot from which lessons can be learned. Country stakeholders need to understand the process so as to ensure better adjustment and development of the other occupational standards.

Why are we developing occupational standards? Who is involved in the process? How can we ensure good organisation of the process? The most important thing is to understand the processes that are relevant to the development of qualifications. There are several alternative VET qualifications, but the

question is: which are relevant to the labour market of Bosnia and Herzegovina? It is necessary to think about teachers and vocational schools as the framework will affect teachers and the availability of good teachers. We need to think about how to ensure suitable preparation of teachers for the new qualifications.

Across the country there is a huge difference in qualifications. It seems that occupational standards are a good approach to getting rid of many different qualifications, but also to simplifying communication within the education system and within the labour market. These occupational standards will ensure a better quality labour force. But who needs to be involved? It is important to involve people with knowledge and understanding of different labour market sectors. With the development of occupational standards the responsibility for education and training quality will be taken away from teachers. As it is at present, the teachers are considered responsible for the good quality of education.

For the development of standards it is also important to include large private companies. There is a concern that the process is upside down – first curricula and then standards – and that maybe it should be the other way around. There is a need to ensure professional development in relation to those involved in the process. Qualification is evidence of what the student is able to do.

[Workshop 'Bosnia and Herzegovina 2012 Torino Process: Results of the review of progress in VET reform', Sarajevo, 8 November 2012](#)

The objective of this conference was to share and discuss preliminary findings for the 2012 Torino Process for Bosnia and Herzegovina. The review was the result of a participatory process leading to an evidence-based analysis of VET policies in Bosnia and Herzegovina. The aims of the workshop were to present the preliminary findings of the 2012 Bosnia and Herzegovina Torino Process review, to facilitate discussions among different stakeholders with the aim of reviewing findings and highlighting possible developments and next steps and, finally, to provide a platform for the discussion of some ways forward on how this evidence might influence key policy making in the VET sector in Bosnia and Herzegovina.

The main findings were as follows. There is a need for additional education and training of school professionals and officials in the education sector. Councils with representatives of the labour market and of the education sector should be established. To make sure that the education system responds to these needs there is a need for extensive dialogue between all stakeholders: employers, unions, schools, education agencies, pedagogical institutes, inspectorates and labour and education ministries.

It is important to ensure a unified approach to VET. There is a need for support in the form of legislation for adult learning and framework legislation for VET. There is also a need to increase the potential of all stakeholders to apply for EU funds; this can be organised through training for project application development, to be on the EU agenda in the future. The role of the ETF should be to support capacity strengthening for education and labour ministries in developing public policies. There is also a need to increase stakeholders' level of knowledge of Europe 2020.

ABBREVIATIONS AND ACRONYMS

BA	Bosnia and Herzegovina
BAM	Convertible mark (national currency)
BQF	Baseline Qualifications Framework
CARDS	Community Assistance for Reconstruction, Development and Stability in the Balkans
ECTS	European Credit Transfer and Accumulation System
ECVET	European Credit System for Vocational Education and Training
EQF	European Qualifications Framework
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
IPA	Instrument for Pre-Accession Assistance
ISCED	International Standard Classification of Education
NGO	Non-governmental organisation
Phare	Programme of Community Aid to the Countries of Central and Eastern Europe
SME	Small and medium-sized enterprise
TIMSS	Trends in International Mathematics and Science Study
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
Unicef	United Nations Children's Fund
VET	Vocational education and training
VETIS	Vocational Education and Training Information System

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CONTACT US

Further information can be found on the ETF website:

www.etf.europa.eu

For any additional information please contact:

European Training Foundation
Communication Department
Villa Gualino
Viale Settimio Severo 65
I – 10133 Turin

E info@etf.europa.eu
T +39 011 630 2222
F +39 011 630 2200

