

Public Employment Services – Facing the Challenge of Skill Shortages

Lugano, September 2024

About Bosnia and Herzegovina



Population: 3,531,159 permanent residents

Capital: Sarajevo

Area: 51,209 km²

Official Languages: Bosnian, Serbian, Croatian

Official Scripts: Latin alphabet, Cyrillic alphabet

Official Currency: Convertible Mark (KM)

Administrative-Territorial Organization of Bosnia and

Herzegovina:

Federation of Bosnia and Herzegovina

Republika Srpska

Brčko District of BiH.

The Federation of BiH is further divided into 10 cantons.



Transition and Specifics of BiH



1990s Transition

- From a socialist system to a market economy
- Privatisation of stateowned enterprises
- Reform of the banking sector
- Development of the private sector
- Shift from a one-party system to a democratic multi-party system

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1992-1995

War

- Halted transition
- Destroyed economy
- Outdated banking sector
- Displaced population
- Large number of social welfare recipients

1995 Dayton Peace Agreement

- Complex political system
- Political paralysis
- Governance complexity
- Unfinished transition

The Triple Paradox in the Labor Market



A large number of workers are leaving the country A large number of registered unemployed persons

High demand for workers, including foreign workers

Labor Market Situation in BiH - 2023



- In 2023, the labor market in Bosnia and Herzegovina continued to experience a decline in unemployment.
- The survey unemployment rate was 13.5%, with higher rates for women (18.2%) than for men (10.4%).
- Unemployment was highest among young people (aged 15-24), at 27.4%.
- The inactivity rate in the labor market: 51.6%, indicating that every second person in the labor market is neither seeking employment nor working.
- The qualification structure of the unemployed showed that the largest group consisted of skilled workers (31.4%), followed by unskilled workers (28.7%) and individuals with secondary education (28.2%). Among women, the highest percentage of unemployed had secondary education (31.5%).
- Significant structural imbalance manifested through a mismatch between labor supply and demand in terms of occupations, education, qualifications, and regional distribution.

Human Capital Development and Improving the situation - Key Challenges

EMPLOYERS

- Development of medium and long-term employment plans;
- expressing more precise needs for knowledge and skills;
- increasing wages despite high taxes;
- improving working conditions
- organizing on-the-job training and retraining.

PES

- Overcome the lack of material resources due to a large number of passive policies imposed on services;
- Increase human resources for the implementation of active employment policies, providing counseling, and supporting employers;
- Resolve the issue of slow processes due to bureaucracy and existing laws and regulations; Improve cooperation with employers;
- Enhance the use of information technology;
- Establish genuine collaboration and coordination with other labor market actors, educational institutions, and employers.

EDUCATION

- Align curricula and programs with labor market needs;
- increase the number of practical training hours,
- stop education in outdated and unnecessary knowledge and skills;
- introduce quality learning on entrepreneurship, digital technologies, the green economy, and more
- increase student mobility within the country and between countries..

Coordination and Future Steps



Growth and development of the Agency and other employment services

Human Capital
Development
through
activities that
enhance value,
knowledge,
and skills

Statistics
Digitalization
Protection of
workers' rights
Socio-economic
dialogue and
partnerships with
employers,
education, NGO
and other

Coordination and Future Steps



- Aligning with EU standards and principles.
- Collaboration with international organizations and institutions.
- Applying best practices from other post-conflict and post-transition countries.
- Suggestions for cooperation are welcome.



Thank you for your attention!

Labour and Employment Agency of Bosnia and Herzegovina Sarajevo, Djoke Mazalica 3.

kabinet@arz.gov.ba

ivan.barbalic@arz.gov.ba