

Chapter 10

Reform Process in BiH: For Youth and With(out) Youth?

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At the state level of Bosnia and Herzegovina (BiH) there is no single law regulating youth issues. Since the administrative structure of Bosnia and Herzegovina consists of two entities—the Federation of Bosnia and Herzegovina (FBiH), Republika Srpska (RS), and the Brčko District, there are legislative and other strategic documents regulating and defining various issues, including issues concerning the life, position and activities of youth. Pursuant to the Youth Law of the Federation of Bosnia and Herzegovina¹ and the Law on Youth Organizing of Republika Srpska,² youth are defined as persons between the ages of 15 and 30. The Brčko District currently has no legislation regulating youth issues.

There are 773,850 young people in Bosnia and Herzegovina, which accounts for 21.91 percent of the country's total population, according to the data from the Census of population and housing in Bosnia and Herzegovina from 2013.³ From that number, 51.3 percent of youth are male and 48.7 percent are female. The Census currently does not offer data for the educational structure, employment status, and other aspects for the youth population, as this data has not been disaggregated from the data of the general population. Given the fact that the last census in BiH was conducted in 1991, and that youth were defined as a discrete category of population only in 2004, pursuant to the Law on Youth Organizing of Republika Srpska,⁴ and taking into consideration that all data concerning the number of young people in the period from 1991 to 2013 are merely

¹ Youth Law of the Federation of Bosnia and Herzegovina, "Official Gazette FBiH", No. 36/10.

² Law on Youth Organizing of Republika Srpska, "Official Gazette of Republika Srpska", No. 98/04, 119/08 and 1/112.

³ Agency for Statistics of Bosnia and Herzegovina, *Popis stanovni_tva, doma_instava i stanova u Bosni i Hercegovini, 2013*, Juni 2016, <http://www.popis2013.ba/popis2013/doc/Popis2013-prvoIzdavanje.pdf>

⁴ Amendments were made in 2012 according to the Youth Law of the Federation of Bosnia and Herzegovina.

estimates, it is difficult to monitor specific trends. That is precisely why the currently available official youth statistics are so immensely important, because however limited they may be at the moment, they provide the groundwork for further strategic planning and making decisions impacting the position of youth.

Given the lack and limitations of official statistical data, several studies, analyses and surveys on youth, authored mostly by non-governmental organizations help us understand youth in Bosnia and Herzegovina—what their problems and needs are, their attitudes, desires and expectations. The three most comprehensive surveys on youth in BiH are “Youth Need a Youth Policy—Analysis of the Position of Youth and the Youth Sector in Bosnia and Herzegovina,” written in 2008 by the Commission for Coordination of Youth Issues in BiH and the German Society for International Cooperation (GIZ), and the analysis “Voices of Youth” created in 2012 by the United Nations Development Program (UNDP), and the “Analysis of the Position and Needs of Youth in the Federation of Bosnia and Herzegovina in 2013,” developed by the Institute for Youth Development KULT in cooperation with the Federal Ministry of Culture and Sports. The results of all three analyses reveal alarming data on the position of youth for the period between 2008 and 2012.

The study presented in the document “Youth Need a Youth Policy—Analysis of the Position of Youth and the Youth Sector in Bosnia and Herzegovina”⁵ shows that in 2008, almost one in two young people leaving formal education remain at the level of a three-year secondary education, or less, and one in four leave education early, which is significantly higher than the average in most European countries. All of this results in youth poverty and social exclusion. Furthermore, one in four employed young people hold jobs that are completely different from what they were educated to do, which causes a significant deficit in the knowledge and skills needed to perform a particular job. One quarter of youth in the 16–24 age group live in households with an average income lower than 430 BAM⁶ i.e., 60 percent of the average income for the entire population (713 BAM). Only 7 percent of youth who live in low-income households receive some kind of welfare benefits. Data presented in the analysis “Voices of Youth”⁷

⁵ Commission for Coordination of Youth Issues in BiH and German Society for International Cooperation GIZ, *Mladi trebaju omladinsku politiku—Analiza položaja mladih i omladinskog sektora u Bosni i Hercegovini*, 2008, http://www.mladi.gov.ba/pdf/Analiza_mladi_-_za_web.pdf

⁶ The exchange rate in May 2017 is 1 US dollar = 1.79 BAM.

⁷ United Nations Development Programme, *Voices of Youth*, February 2012, http://www.undp.org/content/dam/unct/bih/PDFs/VoY%20BHS_web.pdf.

shows that 3 out of 4 youth are unemployed, most are not married, do not have children or their own housing. Youth are pessimistic about the future, and rate their living standard as mediocre. They do not possess the skills needed to respond to the demands of a labor market exposed to modern technological trends. All these negative indicators are even more detrimental to vulnerable categories of youth.

The “Analysis of the Position and Needs of Youth in the Federation of Bosnia and Herzegovina for 2013”⁸ shows that one third of youth leave education early, mostly due to financial reasons, while 88 percent of youth are not receiving any type of financial assistance. scholarship. When it comes to healthcare, only 40 percent of youth underwent a physical exam in the last 12 months, and half of this percentage of youth had a physical as part of a particular formal procedure, not as a regular check-up. Roughly 7 percent of respondents do not have health insurance, or are not aware that they are entitled to health insurance., and 23 percent of youth do not engage in recreational activities. In addition, 60 percent of youth cannot contribute to the household budget, and 23 percent live in households with an income lower than 1,000 BAM. Moreover, 29 percent of youth have no monthly income, 27 percent did not want to reply, and 16 percent have monthly incomes of up to 200 BAM. Only 5 percent have more than 1,000 BAM a month. 9 percent are married and 7 percent have children. 7 percent of youth have independent housing, 2 percent of which are tenants, while the remaining 5 percent are homeowners. One in two young people would like to launch their own business but need support; not only financial but also advisory and educational support. Although a substantial number of young people do not believe that their position will improve, there are still youth who managed to remain optimistic. A quarter of youth believe that their situation will improve somewhat, and 22 percent believe that there will be substantial improvement.

The Largest Problem of Youth in Bosnia and Herzegovina: Unemployment

Unfortunately, unemployment is the first thought that comes to mind when one mentions the youth in Bosnia and Herzegovina. Unemployment is a problem faced by the general population as well, but is particularly

⁸ Institute for Youth Development KULT, *Survey on the Position and Needs of Youth in the Federation of BiH 2013*, 2014, http://mladi.org/index.php?option=com_phocadownload&view=category&download=455%3Asurvey&id=69%3Apublic_inst&Itemid=562&lang=ba.

severe for the youth population. According to the Labor Force Survey⁹, the 2015 unemployment rate was 27.7 percent, while in 2014 and 2013 the rate was 27.5 percent. In 2015, the employment rate was 31.9 percent, in 2014 it was 31.7 percent, and in 2013 the employment rate was 31.6 percent. Therefore, the situation remained unchanged in the last three years observed. The Labor Force Survey does not recognize youth as a population category between 15 and 30 years of age, but provides data for the 15-24 age group. The unemployment rate for this category in 2015 was 62.3 percent, in 2014 it was 62.7 percent and in 2013 it was 59.1 percent. Looking a few years back shows a continuous increase of youth unemployment rate, which was 63.1 percent in 2012, 57.9 percent in 2011, 57.5 percent¹⁰ in 2010, 48.7 percent in 2009 and 47.5 percent¹¹ in 2008. According to preliminary data of the Labor Force Survey, published in July 2016¹², the unemployment rate of the general population was 25.4 percent. This is a decrease compared to the 2013-2015 period. The youth unemployment rate was 54.3 percent, which shows a decrease compared to 2015, but still the highest compared to all observed age categories. On the other hand, youth employment rates are very low compared to other age categories; 12.1 percent in 2015, 10.9 percent in 2014 and 11.6 percent in 2013. Comparing these percentages to indicators from other countries in Europe and the world paints an even clearer picture about the gravity of the problem. This is confirmed by the World Bank data¹³, calculated according to the International Labor Organization methodology, which shows that the 57.2 percent youth unemployment rate in Bosnia and Herzegovina in 2014 is the highest among the Western Balkans countries—50.2 percent in Macedonia, 49.5 percent in Serbia, 39.5 percent in Montenegro and 29.2 percent in Albania. Furthermore, the youth unemployment rate in BiH is the second highest among a total of 219 countries observed, second only to Spain whose unemployment rate was 57.9 percent, and followed by Greece with a 53.9 percent unemployment rate. The average youth unemployment rate for the 15-24 age group in the 28

⁹ Agency for Statistics of Bosnia and Herzegovina, *Labour Force Survey 2015—Final Results*, 2015, http://www.bhas.ba/ankete/ARS_2015_BiH.pdf.

¹⁰ Agency for Statistics of Bosnia and Herzegovina, *Labour Force Survey 2012—Final Results*, 2012, http://www.bhas.ba/ankete/lfs_bh.pdf.

¹¹ Agency for Statistics of Bosnia and Herzegovina, *Labour Force Survey 2010—Final Results*, 2010, http://www.bhas.ba/ankete/lfs_2010_001_01-bh.pdf.

¹² Agency for Statistics of Bosnia and Herzegovina, *Labour Force Survey 2016—Preliminary Results*, July 2016, http://www.bhas.ba/ankete/LFS_saopcenje%20BOS.pdf.

¹³ The World Bank, <http://data.worldbank.org/indicator/SL.UEM.1524.ZS>, accessed on September 21, 2016.

European Union member states was 22.2 percent in 2014, which is 2.8 times lower than Bosnia and Herzegovina's 62.7 percent¹⁴ rate. Data on youth unemployment in Bosnia and Herzegovina can be analyzed in more detail and from different aspects, but due to limitations in scope and the different focus of this paper, only a few data points were presented to facilitate the general understanding of the problem.

Unemployment causes multiple negative consequences for the state and society, which are difficult to measure precisely in terms of expenses—as they primarily constitute the loss of revenue that unemployed persons would generate if employed, long-term loss of high-quality human resources due to unused skills and abilities becoming obsolete, poverty caused by low and limited in time unemployment benefits, decrease in revenues generated for the state through direct and indirect taxes, increase in crime rates, compromised mental and physical health of the unemployed, etc.¹⁵ Gerard, Valsamis and Van der Beken¹⁶ list three different costs of unemployment—costs for the individual, the government and the society. For the individual, unemployment can impact the standard of living, harm their mental and physical health and lower their life expectancy. The negative consequences on the society are reflected through an increase in crime rates and divorce, a marked difference in population income and a decrease in total consumption, etc. The costs of unemployment for the government are easier to measure and they concern the increase in public intervention for the purpose of encouraging employment and combatting unemployment, the potential loss of revenues generated for the state through taxes and salary contributions for the unemployed, additional administrative expenses in employment agencies, expenses for unemployment benefits given to the unemployed and the government's loss of indirect taxes caused by the fall in purchasing power of unemployed persons.

If we look at Bosnia and Herzegovina, in 2015, for instance, the funds allocated for the material and social security of unemployed persons, which include financial aid for the unemployed, obligatory health insurance, and retirement and disability insurance for persons with up to three years

¹⁴ Eurostat, Enlargement countries—labour market statistics, http://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_labour_market_statistics#Further_Eurostat_information, accessed on September 21, 2016.

¹⁵ Horst Feldmann, "Economic Freedom and Unemployment", in James Gwartney Joshua Hall and Robert Lawson, *Economic Freedom of the World: 2010 Annual Report*, (Canada: Fraser Institute, 2010).

¹⁶ Maarten Gerard, Daphné Valsamis and Wim Van der Beken, *Why invest in employment? A study on the cost of unemployment*, (Brussels: Idea Consult, 2012).

short of retirement age, amounted to 75.525.438,00 BAM¹⁷ in FBiH, 16.997.546,61 BAM¹⁸ in RS, and 1.119.211,00 BAM¹⁹ in Brčko District. This amounts to a total of 93,642,195.61 BAM in costs the government had in 2015 for a certain number of unemployed persons with access to these rights. Analysis of a non-governmental organization Centers of Civic Initiatives²⁰ shows that entity employment bureaus spent a total of 89,400,000 BAM in the 2013–15 period (FBiH: 60,200,000 BAM and RS: 29,200,000 BAM) for active employment policies through independent programs, which is 30 million BAM annually, on average. This means that the costs for active employments policy measures, combined with unemployment benefits costs amount to 120 million BAM annually, without including other, previously listed and described, costs. Therefore, the state is at a multiple loss due to unemployment of all age categories. When it comes to youth, this loss is amplified by an additional, albeit hard to measure, factor which concerns untapped capacities, innovation and proactive attitudes new generations can offer.

Unemployment as the Cause Behind Youth Leaving BiH

One of the consequences of unemployment plaguing Bosnia and Herzegovina, year after year, is the emigration of youth and other citizens to European Union member states, as well as beyond the European continent. Unfortunately, there is no centralized and unified source of data that would enable us to track this indicator at the annual level, or to monitor this trend.

One of the official sources is the Agency for Identification Documents, Registers and Data Exchange (IDDEEA), which monitors the number of cancelled permanent or temporary residence registrations in Bosnia and

¹⁷ Federal Employment Bureau, *Izveštaj o radu Federalnog zavoda za zapošljavanje za 2015. godinu*, March 2016, http://www.parlamentfbih.gov.ba/dom_naroda/bos/parlament/propisi/El_materijali_2016/Izvestaj%20o%20radu%20FZZZ%20za%202015.pdf.

¹⁸ Public Institution Employment Institute of Republika Srpska, *Izveštaj o radu JU Zavoda za zapošljavanje Republike Srpske za 2015. godinu*, February 2016, http://www.zzzrs.net/dokumenti/izvjestaj_o_radu_2015.pdf.

¹⁹ Employment Institute of Brčko District BiH, *Izveštaj o radu za 2015. godinu*, July 2016, www.zzzbrcko.org/dokumenti/IZVJE%20C5%A0TAJ%20O%20RADU%20ZAVODA%20ZA%202015.%20GOD.P.doc.

²⁰ Centers for Civic Initiatives, *Reformska agenda i aktivne politike zapošljavanja u Bosni i Hercegovini—Da li vlade i zavodi zavode ili zapošljavaju nezaposlene?*, August 2016, www.posaonarodu.ba/files/download/50/posao_narodu_policy_brief_engpdf.

Herzegovina for the purpose of emigrating into foreign countries, amounting to 3,948²¹ in 2015. However, since the cancellation of residence is not required by law, a large number of persons leaving the country for employment or education elsewhere do not cancel their residence registration. Similar limitations are present in the data of the Agency for Labor and Employment, which records annual data on BiH citizens employed outside of BiH, but only for countries that signed employment agreements with Bosnia and Herzegovina. In 2015, there were 3,301²² such individuals. However, this number is certainly higher because it does not include all the persons who found employment abroad by contacting employers directly, through employment mediation agencies, and in other ways.

The World Bank data is particularly valuable given the lack of domestic statistical data on emigration, and shows a 44.5 percent emigration rate in 2013, relative to the entire population of BiH, which ranks BiH as 16th out of a total of 214 observed countries and territories. Compared to countries in the region, Bosnia and Herzegovina is at the top spot when it comes to this indicator as well, since the rates for Serbia, Croatia and Albania are 18 percent, 20.9 percent and 43.6 percent, respectively.²³ According to data of the Union for Sustainable Return and Integration, more than 80,000 persons emigrated from BiH, evidenced by research conducted in local communities.²⁴

One particularly worrying trend in Bosnia and Herzegovina is the emigration of citizens with university degrees, who leave in search of better opportunities—the so-called brain drain. This is also particularly characteristic of the youth population in BiH. Although theory and practice indicate that brain drain can have a positive effect, apart from the negative effect on the country citizens emigrated from, whether or not this applies to Bosnia and Herzegovina is debatable. According to World Bank data, the emigration rate for highly educated individuals in BiH is 23.9 percent, 11.1 percent of which are medical experts, which is one of the highest rates in the world.²⁵ According to the World Economic Forum data, BiH placed

²¹ Ministry of Security, Sector of Immigration, *Bosnia and Herzegovina Migration Profile for the year 2015*, April 2016.

²² *Ibid.*

²³ World Bank Group, *Migration and Remittances Factbook 2016, third edition.*

²⁴ Union for Sustainable Return and Integration, <http://www.uzopibih.com.ba/2016-04-14.html>, accessed on August 20, 2016.

²⁵ World Bank Technical Assistance Project P123211, *Overview of the Research and Innovation Sector in the Western Balkans*, October 2013.

as 136th out of 140 countries in terms of its capacity to retain talent in 2015, and 137 in terms of its capacity to attract talent.²⁶ In 2013, BiH placed as 143rd and 144th, respectively, out of a total of 148 countries.²⁷ The measurement methodology was somewhat different before 2013, and these two indicators were presented as one indicator called “brain drain”; therefore, in 2011, BiH was ranked 126th out of a total of 142 observed countries.²⁸ This data is easy to interpret and bears witness to the continued gravity of the brain drain problem in BiH.

UNDP’s “National Human Development Report 2002” indicates that 92,000 youth left BiH between 1991 and 2001.²⁹ Data provided by the Institute for Youth Development KULT shows that 150,000 young people left BiH between the end of the war and 2013. In the survey conducted by the Institute, 60 percent of youth in F BiH said that they want to leave BiH to find employment abroad, in more promising and economically stronger countries. The reasons listed for leaving include corruption, unemployment, low standard of living and an unpromising future. As many as 37 percent of youth would move abroad permanently if given the opportunity, and 9 percent have already taken concrete steps towards leaving the country. This survey also revealed that more than half of BiH youth had neighbors who left the country in the last 7 years, 45 percent of youth have a member of their extended family who left the country, and 26 percent have a member of their immediate family who left the country in the last 7 years.³⁰

Similar data was yielded by the “Voices of Youth” survey conducted within the 2012 UN Youth Employability and Retention program.³¹ 53.3 percent of young respondents stated that they would definitely leave BiH to pursue their studies, if given the opportunity. This percentage is higher than the 46 percent from 2008. 65.6 percent of respondents would leave the country for temporary work, which is an increase of almost 10 percent from the 55.1 percent in 2008, and 52.3 percent (compared to 46 percent

²⁶ Schwab, K., *The Global Competitiveness Report 2015-2016*, (Geneva: World Economic Forum, 2015).

²⁷ Schwab, K., *The Global Competitiveness Report 2013-2014*, (Geneva: World Economic Forum, 2013).

²⁸ Schwab, K., *The Global Competitiveness Report 2015-2016*, (Geneva: World Economic Forum, 2011).

²⁹ United Nations Development Program, *National Human Development Report Bosnia and Herzegovina 2002*, 2002.

³⁰ Institute for Youth Development KULT, *op.cit.*

³¹ United Nations Development Program, *op.cit.*

in 2008) would leave to live in another country, and 41 percent (34.1 percent in 2008) for marriage. A little over one third of respondents (38.1 percent compared to 36.9 percent in 2008) would move abroad for a longer period (or permanently) 42.9 percent (compared to 29.8 percent in 2008) would move abroad for a longer period, but not permanently. It is quite concerning that only a little less than one fifth of the respondents (18.9 percent, compared to 20.3 percent in 2008), stated that they would not leave BiH for a longer period or permanently, i.e. the fact that most youth would actually like to leave this country is cause for concern.

This data is not new, since the first survey on youth emigration in the post-war period was conducted by the UNDP, followed by a report in 2000, called “National Human Development Report on Youth”. The report stated that 62 percent of youth would leave Bosnia and Herzegovina if given the opportunity.³² Therefore, as early as 2000, the government, society and the public were sent a clear and alarming signal about this problem by the youth themselves. We can note that after about 10 years the aspirations of youth in BiH have remained nearly identical, with many having acted on their aspirations in the meantime and left the country. This is partly a consequence of the difficult economic situation in the country, as well as a reflection of the government’s inadequate treatment of this problem. This begs the question: how is it possible that we are allowing for a continuous mass exodus of a highly-qualified workforce that should be treated as the key potential for the development of any country? In the case of Bosnia and Herzegovina, a developing country, a country engaged in reform processes, a country whose economy, education system and science are struggling to survive, a country that needs individuals with above-average capacities and achievements who are capable of shouldering the weight of these processes, addressing this issue becomes even more paramount.

Research shows that the most common factors affecting brain drain are connected with the socioeconomic and political situation in the country, such as political instability, high unemployment rates and war, violation of human rights and workers’ rights, lack of academic freedom and poor management decisions.³³ On the other hand, countries that offer solid

³² United Nations Development Program and Independent Bureau for Humanitarian Issues, *Human Development Report Bosnia and Herzegovina 2000 Youth*, 2000.

³³ Sara Nikolić, Borića Mraović and Emina Čosić, *Brain Gain: Kako vratiti, zadržati i dovesti stručnjake u BiH?*, (Sarajevo: Association Alumni of the Center for Interdisciplinary Post-graduate Studies (ACIPS), 2010), <http://grupa484.org.rs/wp-content/uploads/2012/09/Brain-Gain-Kako-vratiti-zadržati-i-dovesti-strucnjake-u-BiH-ACIPS-2010.pdf>.

income, employment and opportunities for professional development and networking, and, ultimately, a positive social, economic and political environment, attract highly qualified migrants.³⁴ Numerous statistical data testify to the unfavorable and discouraging socioeconomic and political environment, employment opportunities and career progress in BiH, which clearly points to the direction that the government and the society should take.

Where Are the Youth in the Reform Agenda?

The “Reform Agenda for Bosnia and Herzegovina 2015–18” is a document reflecting BiH’s strategic commitment to overcome the difficult socio-economic situation in the country, and meet all the conditions for becoming an EU member state. As stated in the document, the government recognized “an urgent need to initiate the process of rehabilitating and modernizing the economy with a view to: fostering sustainable, efficient, socially just and steady economic growth; creating new jobs; increasing and more-appropriately targeting social assistance; and creating a favorable and just social environment.”³⁵ Government representatives emphasize in their public statements that this is a set of medium-term priorities intended to galvanize comprehensive structural reforms in the areas of labor legislation, public administration, employment policies in the public sector, business environment and competitiveness, restructuring of public companies, social welfare, the health sector and the rule of law, in order to sustain macroeconomic stability and encourage growth and competitiveness.

The Reform Agenda was adopted in July 2015 by the Council of Ministers of Bosnia and Herzegovina, the Government of the Federation of Bosnia and Herzegovina and the Government of Republika Srpska, and in November 2015 by the Government of Brčko District. This is another fact that government representatives often emphasize during their media appearances—there is finally one harmonized document at the level of Bosnia and Herzegovina, and a common commitment on all government levels to making progress. It can be noted that this emphasis is somewhat understandable, having in mind the complex political and administrative system in Bosnia and Herzegovina, which frequently hindered the process

³⁴ Nikolić, Mraović and Ćosić, *op.cit.*

³⁵ Reform Agenda for Bosnia and Herzegovina 2015–2018, p. 1, <http://europa.ba/wp-content/uploads/2015/09/Reform-Agenda-BiH.pdf>.

of joint strategic decision making and activities. That is why expectations from the Reform Agenda are much higher than from any strategies, plans, programs, decisions and similar documents developed thus far, although their importance is unquestionable. Furthermore, the numerous negative economic and social indicators in BiH make it abundantly clear that the Reform Agenda is inevitable and bound to be implemented dynamically. The adoption of the Reform Agenda was followed by the development of Action Plans for the implementation of the Reform Agenda by the aforementioned levels of governments, and cantonal authorities in the Federation of BiH have accepted this same obligation. The Reform Agenda includes the implementation of a set of reforms in six key sectors: public finance, taxes and fiscal sustainability; business environment and competitiveness; labor market; social protection and pension system reform; the rule of law and good management; public administration reform. Action Plans by the Council of Ministers of BiH, Federation of BiH and the Government of RS for the implementation of the Reform Agenda contain a total of 172 measures, 33 of which belong to the Action Plan of the Council of Ministers, 61 to the Government of FBiH and 78 to the RS Government.

In the context of youth and the Reform Agenda, it is important to note that the development and adoption of the Reform Agenda was preceded by the publication of a document titled “Compact for Growth”, which certainly influenced the content of the Reform Agenda. This Compact was published in 2014, at the initiative of the Office of the EU Special Representative in Bosnia and Herzegovina, and comprises a set of recommendation borne out of the Forum for Prosperity and Employment held at the end of May 2014. This Compact defined employment and youth employment as one of the 6 proposed reform areas, stating that “Bosnia and Herzegovina needs to enact a set of labour market reforms to increase job creation, including by revitalizing the process of collective bargaining, reducing the disincentives for hiring and, in particular, promoting inclusion of the young population in the workforce.”³⁶ Therefore, the labor market is the area wherein the Reform Agenda laid out measures directly targeting youth.

More specifically, the Action Plan of the Government of the Federation of Bosnia and Herzegovina³⁷ contains a measure for adopting and imple-

³⁶ Compact for Growth and Jobs in Bosnia and Herzegovina, http://europa.ba/wp-content/uploads/2015/05/delegacijaEU_2014090816171626eng.pdf.

³⁷ Government of the Federation of Bosnia and Herzegovina, *Ažurirani akcioni plan za realizaciju Reformske agende Federacije Bosne i Hercegovine*, December 2015, http://www.fbihvlada.gov.ba/pdf/Akcioni%20plan_azurirani.pdf.

menting a Directive on Incentivizing Employment. The Directive is aimed at stimulating first employment and self-employment of youth without work experience, with subsidized expenses concerning the relevant salary contributions, which the government of FBiH will fund with 50 million BAM. This measure, as such, is an active employment measure. Pursuant to the Directive adopted in December 2015, in February 2016 a Request for Applications was published for submitting requests for subsidizing first employment and self-employment. The funds for first employment are used by employees from the private sector, engaged in activities that are not related to trade, the hospitality sector or organizers of games of chance, employing unemployed persons in the 15-30 age range without work experience in the profession they were educated for. The beneficiaries of self-employment funds are unemployed persons over the age of 18, who registered their own business after the Directive came into force. The subsidy is paid to the employer for the purpose of a reimbursement in the amount of a minimum salary in FBiH, salary contributions corresponding to the minimum salary in FBiH and income tax for the newly employed, or the self-employed. The subsidies are given for the first year of the unemployed person's pensionable service, with the proviso that the employer is required to keep the person employed for the following year without subsidies, i.e. while complying with the obligation to pay the employee's salary and contributions. This provides youth with their first two years of work experience. It is particularly important for youth, having in mind the difficulty of finding their first job in Bosnia and Herzegovina, which often leads to long-term unemployment, late start to careers, career discontinuity, social exclusion, etc. The implementation of the Directive actually encourages employers to hire, and offers support to new businesses immediately upon launching. At the time of writing this paper, according to the data available on the website of the Federal Employment Institute, 1,763 employers and 2,255 individuals with new businesses applied to the Request for Applications.³⁸ In public statements, representatives of the Government of FBiH state that there are approximately 7,200 potential new employees, since some employers applied to receive subsidies for multiple employees. Those who applied are expected to sign contracts in the upcoming period.

It is important to note that this type of active employment policy measure is being implemented for the first time in the Federation of BiH, and

³⁸ Federal Employment Bureau, <http://www.fzzz.ba/projekti/uredba-subvencioniranje-zapoljanja-mladih-bez-radnog-iskustva-i-samozapoljavanja>, accessed on Spetember 21, 2016.

the entire BiH. This means there is a risk of failure and not achieving the desired effects. It is therefore important to continuously monitor the implementation of the Decision for the two years during which the Government of FBiH will be providing financial support to employers and entrepreneurs, and to extend this monitoring process beyond this period in order to measure its long-term effects. Long-term monitoring must not be neglected, having in mind the amount of funds allocated for implementing this measure, and the announcement by the Government of FBiH regarding the increase of funds over the following years with the aim of reaching as many unemployed persons as possible.

The labor market section of the Action Plan of the Government of Republika Srpska for the Implementation of the Reform Agenda³⁹ contains a measure called “Introducing support schemes for persons seeking first employment.” Since a more detailed elaboration could not be found, it is assumed that the intentions of the Government of Republika Srpska are similar to those of the Government of FBiH, in terms of addressing unemployment. The Action Plan states that the measure will be implemented during 2016. According to the results of the Independent Monitoring of Implementation and Efficiency of the Reform Agenda for Bosnia and Herzegovina 2015–18⁴⁰, conducted by the Centers of Civic Initiatives and published at the end of May 2016, this measure has not yet been implemented.

Other measures from the action plans for implementing the Reform Agenda should indirectly improve youth conditions for employment and the conditions for already employed youth, through a reform of the education system which is intended to align education with the labor market, as well as through improving the labor law draft, increasing the flexibility of working conditions, differential, efficiency-based calculation of salaries, separating obligatory health insurance from employment mediation, etc.

The government’s commitment to addressing youth issues is evidenced by the strategic documents, laws, plans, programs, and, even more specifically, through allocating budget funds for youth issues. Results of research conducted by the Agency for Local Development Initiatives in BiH⁴¹

³⁹ Government of Republika Srpska, *Akcioni plan Republike Srpske*, http://www.vladars.net/sr-SP-Cyrl/Documents/Akcioni_plan_Republike_Srpske_211215.pdf.

⁴⁰ Centers for Civic Initiatives, *Independent Monitoring of Implementation and Effectiveness of “Reform Agenda of Bosnia and Herzegovina for the period 2015-2018”—State of Nation, report 2*, May, 2016, www.posaanarodu.ba/files/download/48/state_of_nation_report_2pdf.

⁴¹ Agency for Local Development Initiatives, *Finansijsko lice politike u Bosni i Hercegovini*, September 2010, http://www.aldi.ba/files/ALDI%20Analiza2007_2010_FINAL.pdf.

show that in budgets of the institutions in of BiH, FBiH, Republika Srpska and all ten cantons in FBiH, in the 2007–10 period, 14 million BAM was allocated for improving the position of youth. In terms of total funds allocated for improving the position of youth, relative to the total budget, the highest amount of funds for improving the position of youth in the observed period was allocated in 2007, and comprised 0.10 percent of the total budget costs, and the lowest amount of funds was allocated in 2010, when it amounted to 0.03 percent of total budget costs. It is also important to note that funds allocated for youth decreased from 5.2 million BAM in 2006 to 2.2 million BAM in 2010, or by 58 percent.

According to data yielded by the analysis of the FBiH budget, conducted by the Institute for Youth Development KULT with a focus on youth, by using information available to the public on websites of relevant ministries, youth were allocated 1,714,000 BAM in 2015, which is 0.07 percent of the total FBiH Budget for 2015. For the sake of comparison, in 2014, 2,298,700 BAM was allocated from the FBiH Budget, which comprised 0.10 percent. The execution percentage for funds allocated for youth was around 99 percent in 2014 and 90 percent in 2015. The Report on the 2014 FBiH Budget execution does not offer disaggregated data for any category of the society, including youth. Youth, youth organizations, and organizations concerned with youth issues would find it very useful if the Report on FBiH Budget Execution recognized youth as a distinct category and provided data on funds allocated for youth. The allocated funds include scholarships for different youth categories, training young public servants, youth tourism, youth entrepreneurship, scholarships for training youth in old crafts, etc. The data showing budget funds allocations for youth prove that these funds are very scarce, and have been declining over the years.

How and to What Extent Are Youth Involved in Decision Making and Implementing Reform Processes in BiH?

As noted previously, the Youth Law of the Federation of Bosnia and Herzegovina, and the Law on Youth Organizing of Republika Srpska define the rights and obligations of youth in BiH. The fact that these laws exist is commendable, because their adoption in 2010 (FBiH) and 2004 (RS) provided youth with a legal framework defining their age and the various mechanisms for youth work, and obligated all levels of government to care for youth, while also providing them with precise ways of doing

so, and essentially regulating the area of youth organization through youth associations and their representative bodies, in addition to other issues.

The Guide to the Youth Law in FBiH states that this law guarantees youth participation in bodies representing youth, primarily youth councils at the local, cantonal and federal level. Through these bodies, youth will be able to participate in decision-making processes, creating youth policies and strategies and in other processes that concern them.⁴² Prior to the adoption of the Youth Law of FBiH, youth in this entity did not have their legal representatives, which prevented them from presenting their needs, problems and demands directly to government representatives. The Law stipulates the founding of youth councils at the local, cantonal and federal level. From 2010 to 2016, the implementation of the Law resulted in the founding of the Youth Council of the Federation of BiH in 2015, 6 cantonal councils and several local youth councils.

The key stage of the process of implementing the Law—the adoption of the Youth Strategy of FBiH—has not been implemented as of yet. The Strategy has been developed and is currently waiting to be adopted by the Government of the Federation of BiH. While the Youth Law of FBiH is the cornerstone for the development of a higher quality youth policy by the federal authorities, the adoption of the Youth Strategy would lay the groundwork for specific activities relevant to youth needs. Furthermore, the Law stipulates that “municipal, city and cantonal government authorities shall establish a youth committee as part of the municipal council as a permanent working body or of the cantonal assembly, which deals with youth issues as part of its competence, and includes representatives from the municipal or cantonal youth council.”⁴³ One of the obligations stipulated by the Law that has a satisfactory implementation dynamic is the training of youth officers. Another important stipulation of this Law is the founding of the Council for Youth of FBiH as an inter-ministerial working body, with 50 percent of its membership being representatives of the Youth Council of the Federation, which has not been implemented as yet.

The Law on Youth Organizing of Republika Srpska stipulates that the competent organs of RS, cities and municipalities are required to form special commissions for youth, by “selecting members of the commissions from the youth councils of Republika Srpska, cities or municipalities and

⁴² Jasmin Bešić and Rusmir Pobrić, *Vodič kroz Zakon o mladima Federacije Bosne i Hercegovine*, (Sarajevo: Institute for Youth Development KULT, 2011).

⁴³ Youth Law of the Federation of Bosnia and Herzegovina, *op.cit.*, p.12

representatives of the legislative branch of government in Republika Srpska, cities and municipalities.”⁴⁴ The Law stipulates the development of the Youth Policy of Republika Srpska, defined at the level of Republika Srpska, cities and municipalities for the short-term (annual) and medium-term (five years) youth policy period at the level of Republika Srpska, cities and municipalities. The Law stipulates that “the Youth Policy of Republika Srpska for the short-term is developed by the Government of Republika Srpska, as proposed by the Ministry of Education and Culture, with active participation of youth representatives.” The medium-term youth policy for Republika Srpska is passed by the National Assembly of Republika Srpska, and proposed by the Ministry of Education and Culture. The medium-term and short-term youth policy plan is developed for a city or municipality, by the city or municipal assembly and is proposed by the competent youth commission, with the participation of the municipal or city youth council. A certain number of the commission members are members of the Assembly, while the remaining members are representatives of youth organizations.”⁴⁵ Therefore, youth participation in planning and decision-making processes is guaranteed by Law. Thus far, the Youth Policy of Republika Srpska was adopted for the 2006–10, 2010–15 and 2016–20, complete with action plans. Furthermore, the Youth Council of Republika Srpska was formed as the umbrella youth organization in Republika Srpska, whose membership includes local and RS level youth organizations, so that their interests are represented in front of the institutions of Republika Srpska.

It is clear that youth participation in the process of strategic decision making on issues of interest to youth was secured in Republika Srpska much earlier than in the Federation of BiH. It is also evident that youth issues are more specifically addressed there, which is evidenced by the three adopted entity strategies, i.e., youth policies and the fact that the first youth policy was adopted within a year of the law being passed, compared to the Federation where this has still not been done, even after 6 years. Does this put youth in Republika Srpska in a better position than youth in the Federation of BiH? What about youth in Brčko District who do not have any kind legislation dedicated exclusively to their rights and obligations? It is hard to say, given the fact that many indicators, such as the brain drain indicators, can be tracked only at the state level, and considering the numerous factors affecting the measuring of the same indi-

⁴⁴ Law on Youth Organizing of Republika Srpska, *op.cit.*, p.6

⁴⁵ *Ibid.*, p. 3

cators in both entities, effectively hindering data comparability. It would certainly be interesting to research and measure quantitatively whether the passing of both laws improved the economic and social position of youth.

Youth are a significant part of the electorate in Bosnia and Herzegovina. During general elections in 2006, youth participated in the electorate with 20.11 percent, in 2010 with 20.13 percent and in 2014 with 17.18 percent. Youth turnout during general elections was 51.35 percent in 2006 (304,152 youth), 52 percent in 2010 (356,291 youth) and 51.64 percent in 2014 (319,464 youth).⁴⁶ This data shows that youth play an active part in the process of electing political representatives, which disproves the public opinion of youth as inactive and uninterested. The potential power of the youth vote is illustrated by the fact that the political party that won the elections had approximately 250,000 votes, while youth turnout was around 300,000 of a total of around 600,000 youth of voting age. An analysis of a survey on youth electorate turnout in BiH in 2014⁴⁷ showed that the majority of political parties who ran during the general elections held in 2014 did not have a specific program for youth. Out of a total of 65 political parties registered for the elections, only 14 parties had a chapter dedicated to youth within their official programs, whereas 51 political parties mentioned youth sporadically, or not at all. Youth are mostly accorded only a few sentences in parts of the programs dealing with education, and even less than that in segments elaborating on employment policies, and, very rarely, in issues of falling birth rates and housing issues. On the other hand, youth have the option of becoming active in political parties, which may lead to them making decisions on strategic issues by participating in councils at the local level, assemblies at the cantonal level, parliaments at the entity and state levels. The level of political participation of youth in BiH is still very unsatisfactory, which is illustrated by the fact that 8 percent of youth were members of political parties, or youth wings of political parties in 2008.⁴⁸ The data for 2012 are very similar; 9.1 percent of youth were members of political parties and 5.8 percent of youth were members of youth wings of political parties.⁴⁹

⁴⁶ Central Election Commission, *Izborni pokazatelji 2002-2014. godina*, February 2015, https://izbori.ba/Documents/2015/25052015/Izborni_Pokazatelji_2002-2014.pdf

⁴⁷ Šherzada Halimić, *Mladi i izbori—Analiza istraživanja o učešću mladih na izborima u BiH 2014*, (Sarajevo: Institute for Youth Development KULT, 2014).

⁴⁸ Commission for Coordination of Youth Issues in BiH and German Society for International Cooperation GIZ, *op.cit.*

⁴⁹ United Nations Development Programme, *op.cit.*

July of 2016 saw progress for youth in the Western Balkans as well as for the youth in Bosnia and Herzegovina. During the Western Balkans Leaders' Summit, held in Paris on July 4, the Regional Youth Cooperation Office (RYCO) was formally founded through an international agreement signed by the presidents of Albania, BiH, Montenegro, Macedonia, and Serbia. The Office will consist of representatives of the governments and the civil sector of these six countries. It is presumed that the civil sector will be represented by youth organizations and associations, i.e. youth. The primary function of the Office will be the implementation of exchange programs, with the aim of contributing to mobility, intercultural learning and reconciliation of youth in the region. The existence and membership structure of the Office sends an encouraging message about the official cooperation of the government and non-governmental sector for the benefit of youth, and the strengthening of the connection among countries in the region in their joint efforts to overcome challenges related to youth issues that are shared by all these countries. "Promoting youth employment and entrepreneurship by presenting models of good practices from the region, as well as encouraging mobility to gain work experience/vocational training and employment" are listed among the goals that inspired its founding, in the "Joint Declaration on the Establishment of the Regional Youth Cooperation Office in the Western Balkans,"⁵⁰ signed in August 2015, prior to the formal establishment of the Office.

Conclusion

Finally, it is important to consider once more what youth represent for society. Several authors⁵¹ say there are two approaches: treating youth as a resource, and treating them as a problem. The approach that treats youth as a resource entails seeing youth as representatives of the future, the source of innovation, the purveyors of dominant social values that are passed from generation to generation, and are actually a rare resource. Approaching youth as a problem entails a negative perception of youth as

⁵⁰ Joint Declaration on the Establishment of the Regional Youth Cooperation Office of the Western Balkans, Vienna Western Balkans Summit 2015, p. 3, https://rycoblog.files.wordpress.com/2015/12/annex_1_jointdeclaration_establishment-youth-cooperation-office-western-balkans-1.pdf

⁵¹ Vlasta Ilišin and Vedrana Spajić Vrkač, *Potrebe, problemi i potencijali mladih u Hrvatskoj*, (Zagreb: Ministry of Social Policy and Youth of the Republic of Croatia, 2015), www.mspm.hr/UserDocsImages/MLADI/potrebe-problemi-i-potencijali-mladih-u-Hrvatskoj-istrazivacki-izvjestaj.docx.

a population group in a delicate development stage, prone to deviant behavior, along with an obvious distrust towards youth and a negative view of their marginalized social status. It is difficult to state conclusively which of the two aforementioned applies to the status of youth in BiH. Youth comprise almost one fifth of the population in BiH. Research, analyses and studies point to their unfavorable economic and social position. Youth themselves are making this obvious, both with words, and by their actions of leaving the country to seek employment or education elsewhere. Whether or not they will come back is questionable, given the fact that the process of economic recovery is very slow. BiH has one of the highest rates of unemployment and brain drain in Europe and the world. Over the last few years, the government acknowledged youth rights by adopting a youth law, which is encouraging. On the other hand, in terms of budget funds for youth, the government is not showing a strong commitment to meeting their needs. Another encouraging development is the Reform Agenda and its action plans. However, it is still not clear whether unemployment—youth's biggest problem—will be solved and when. All that has been said thus far inspires several questions and thoughts. If the reform processes are being implemented to keep youth who want to leave the country, and to encourage youth who left to return, what happens if the reforms are not implemented completely? Or if they are not implemented quickly enough? Or if they are not implemented successfully, and do not yield the expected results? Can youth wait for dignity and happiness? Or is our youth leaving to other countries never to return again? What does this specifically mean for the present and future of Bosnia and Herzegovina? The situation is serious enough to compel the authorities and the society to ask these questions every day, and to be persistent in raising consciousness and the search for answers.

