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Migration management and its linkages with economic, social and environmental policies to the benefit of stability and security in the region

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Written Contribution to Session II: Interstate co-operation for Temporary Labor Migration

Migration Management on the Labor Market in Bosnia and Herzegovina

INTRODUCTION

Bosnia and Herzegovina is at the beginning of the EU integration process, with specific commitments deriving from the Stabilization and Association Agreement, which Bosnia and Herzegovina signed in 2008. When it comes to issues related to labor market and social policy, there too Bosnia and Herzegovina will have to take measures and adopt EU-compliant legislation.

Any profound reforms on the labor market will show their real results only in the long term. Bosnia and Herzegovina has recently introduced some reform measures (for example, through the project *Employment Policy Reform and Establishment of a Labor Information System*). The real impact of these measures cannot be entirely determined at this stage.

Bosnia and Herzegovina's inclusion into the Euro-Atlantic integration represents a unique way of balancing supply and demand of labor in the demographic, regional and economic sense. Increased co-operation among countries in the region will certainly also contribute to the more efficient functioning of the different labor markets in Bosnia and Herzegovina and the neighboring countries.

FEATURES OF THE LABOR MARKET IN BOSNIA AND HERZEGOVINA

1. The labor legislation in Bosnia and Herzegovina is in the competency of the entities (the Federation of Bosnia and Herzegovina, Republika Srpska, and Brčko District of Bosnia and Herzegovina). The current legislation is in conformity with the conventions of the International Labor Organization (ILO) and is rather liberal, if compared with that of developed market economies;
2. The actual unemployment rate is much less than the recorded unemployment rate;
3. Labor force mobility and flexibility is low;
4. Grey economy labor market is prevalent;
5. Opening of new jobs and distribution of existing jobs is low;
6. The private sector is much more dynamic in terms of opening of new jobs.

EMPLOYMENT STATISTICS IN BOSNIA AND HERZEGOVINA

According to data from the Agency for Statistics of Bosnia and Herzegovina, in July 2008, the number of the persons employed in legal entities in the country was 705,239, of which 276,304 were women. The registered unemployment rate for the month of July of 2008 was 40.9%, which is lower by 0.1 percentage point than the one in June of that year, while the polling rate of unemployment, which was conducted in August of 2008, was significantly less than the registered one. It amounted to 23.4% at the level of Bosnia and Herzegovina.

UNEMPLOYMENT STATISTICS IN BOSNIA AND HERZEGOVINA

According to the data supplied by the Employment Institutes and Services in Bosnia and Herzegovina, records indicate that there were 484,653 registered unemployed persons as of August 31, 2008, which is a reduction of 0.77% or 3780 persons, as compared to July 31, 2008. Broken down by entities and Brčko District, the unemployment statistics are as follows: Federation of BiH: 338,111 persons, Republika Srpska: 133,827 persons, Brčko District: 12,715 persons¹.

EMPLOYMENT OF THE BOSNIA AND HERZEGOVINA NATIONALS IN OTHER COUNTRIES

Upon the initiative of the Ministry of Civil Affairs of Bosnia and Herzegovina, which has a coordinating role when it comes to labor and employment matters at the international level, the Presidency of Bosnia and Herzegovina passed the decision to initiate the process of negotiations to conclude the Agreement between the Council of Ministers of BiH and the Government of Croatia on temporary employment of Bosnia and Herzegovina's nationals in the Republic of Croatia, as well as with the Republic of Montenegro, the State of Qatar, the Republic of Slovenia, and the Republic of Serbia.

To date, Bosnia and Herzegovina has signed several such agreements, including those with the Republic of Slovenia (a Protocol on Mutual Co-operation), the Republic of Montenegro (a Protocol on Mutual Co-operation) and the Republic of Croatia (an Agreement on Co-operation). All such agreements serve to encourage labor mobility, contribute to higher employment rates for Bosnian nationals in the neighboring countries, control of the labor market and reduction of the grey economy employment. In addition, they secure reliable (legal) mechanisms for the protection of Bosnian nationals, temporarily employed in other countries, and most importantly prevent discrimination against the BiH citizens working abroad. All agreements signed to date also provide for enhanced capacity of employment services in countries concerned, support services to employers and unemployed job seekers.

According to the data from the Employment Institute and Employment Services in Bosnia and Herzegovina, the employers in the Republic of Slovenia employed 1436 persons from Bosnia and Herzegovina by the end of December of 2007. In addition, by 1 October 2008, the Agency for

¹ All figures reflected reported data as of 31 August 2008.

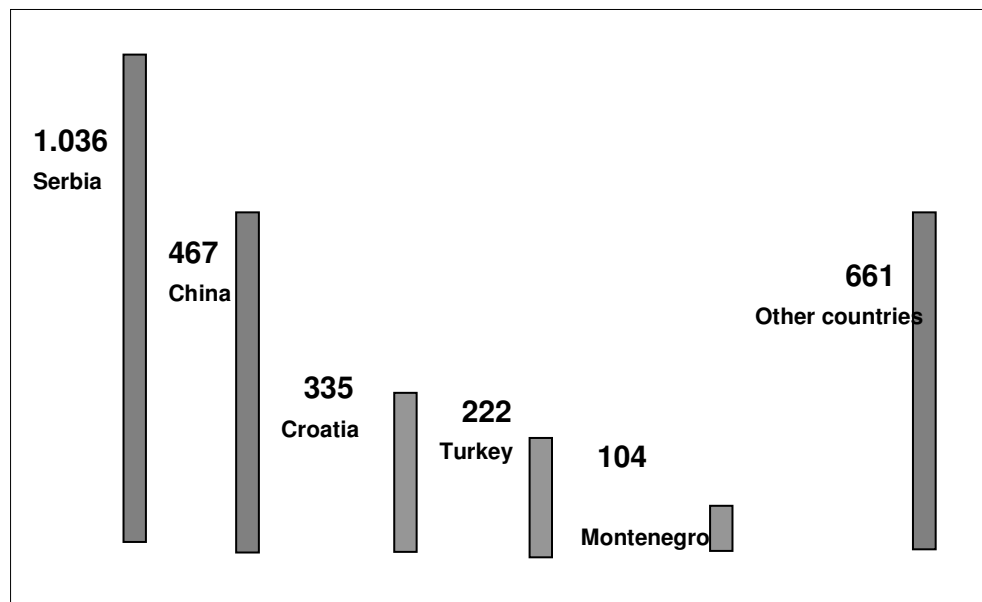
Labor and Employment of Bosnia and Herzegovina received from companies from the Republic of Slovenia, Croatia and Montenegro a total of 68 requests for employment of 1336 new workers from Bosnia and Herzegovina.

LEGAL FRAMEWORK FOR EMPLOYMENT OF FOREIGN NATIONALS IN BOSNIA AND HERZEGOVINA

The residence of foreign nationals in Bosnia and Herzegovina is regulated by a single piece of legislation, the *Law on Movement and Residence of Foreign Nationals and Asylum*, passed in 2003. As at May 2008, this Law was amended, thus determining a quota when it comes to the issuance of work permits in Bosnia and Herzegovina for the coming period. That translates to, for 2009, the proposed quota of 2570 work permits. Of this number, 825 work permits should be issued for new employment, while 1745 work permits would include the extension of previously issued permits.

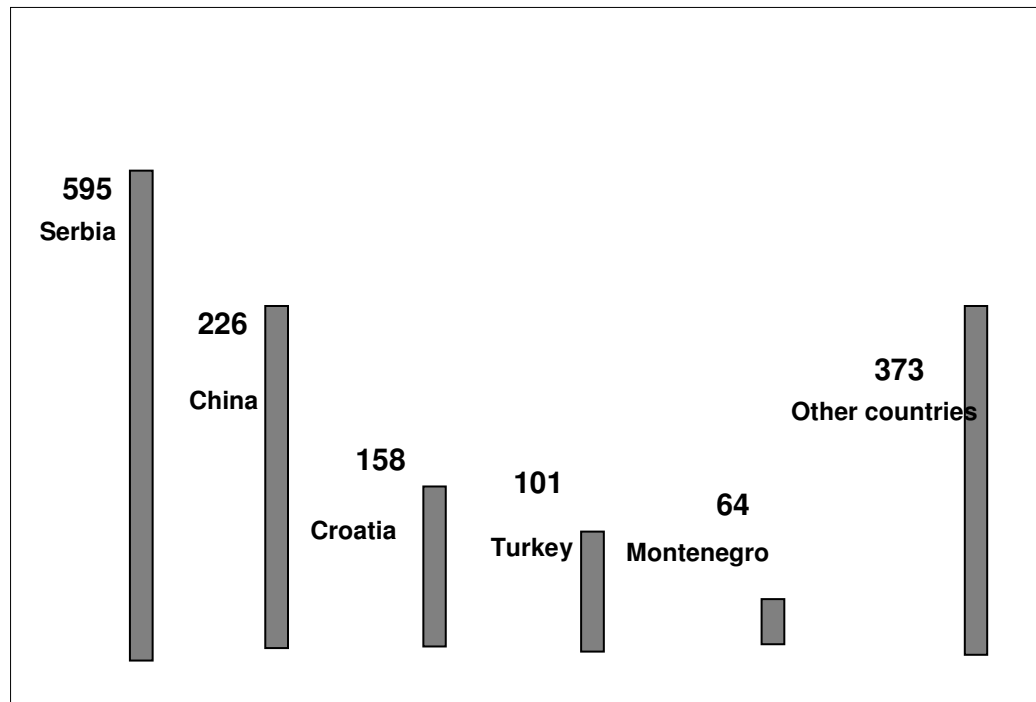
An overview of basic statistics in this field can be found below.

WORK PERMITS ISSUED TO FOREIGN NATIONALS IN BIH IN 2007, BY COUNTRIES OF ORIGIN



Source: Agency for Statistics of Bosnia and Herzegovina, 2007

WORK PERMITS ISSUED TO FOREIGN NATIONALS IN BIH IN THE FIRST HALF OF 2008, BY COUNTRIES OF ORIGIN



Source: Agency for Statistics of Bosnia and Herzegovina, 2007

WAY FORWARD

The BiH Ministry of Civil Affairs of BiH has envisaged to draft in 2009 a law² regulating the employment and work of foreign nationals and migrants in Bosnia and Herzegovina. This law would regulate the conditions under which foreign nationals in Bosnia and Herzegovina can be hired or can work, and it would prescribe the conditions for determining the annual number of work permits (quotas) for foreign nationals. The law will also be harmonized with the international labor standards and the related directives of the European Union.

This Ministry has also proposed the ratification of some 12 ILO conventions, namely the C 94 Labour Clauses (Public Contracts) Convention (1949), C 174 Prevention of Major Industrial Accidents Convention (1993), C 175 Part-Time Work Convention (1994), to name a few.³ It is expected that these conventions will be ratified by Bosnia and Herzegovina by the end of 2009.

² The Constitution of Bosnia and Herzegovina envisages that matters of labor and employment fall under the competence of the Entities and Brčko District, and not the state of Bosnia and Herzegovina. Both Entities and the District have separate legislation governing these matters.

³ Other conventions to be ratified in 2009 are: C 176 Safety and Health in Mines Convention, 1995, C 177 Home Work Convention, 1996, C 181 Private Employment Agencies Convention, 1997, C 183 Maternity Protection Convention, 2000, C 184 Safety and Health in Agriculture Convention, 2001, C 185 Seafarers' Identity Documents Convention (Revised), 2003, MLC Maritime Labour Convention, 2006, C 187 Promotional Framework for Occupational Safety and Health Convention, 2006, C 188 Work in Fishing Convention, 2007.

The present global financial and economic crisis will also have an important impact on the field of labor and related migration to and from Bosnia and Herzegovina. Preliminary statistics for the past quarter indicate that a significant number of BiH nationals has returned from some EU countries, where they were employed as temporary labor, due to reduction in overall demand.

There too, regional co-operation will play an important role and is the only way forward to alleviate the effects of a global crisis.