



WORLD BANK GROUP
Poverty & Equity

BOSNIA AND
HERZEGOVINA

PROMOTING WOMEN'S ACCESS TO ECONOMIC OPPORTUNITIES

Policy Note

Key Messages

Prospects for faster, more sustainable economic growth and higher living standards in Bosnia and Herzegovina rely on increasing employment opportunities for all. By maintaining the current structure of labor participation, Bosnia and Herzegovina is not capitalizing on its educated young population, as only 22.7 percent of 15–64-year-old women are actively contributing to the economy through employment.

Closing gender gaps in access to economic opportunities requires removing the existing barriers and disincentives to employment and entrepreneurship for women. These include: (i) improving access to assets and productive inputs, (ii) providing access to child- and eldercare, (iii) eliminating disincentives and barriers embedded in labor taxation and regulation, and (iv) increasing the employability of women through effective active labor market policies and adequate skills and training. Cross-cutting policies around social norms and discrimination, better access to information, and improved monitoring and evaluation systems are also important.

This Policy Note was produced in 2017 by the World Bank to summarize the relevant policy areas in tackling gender gaps in access to economic opportunities in Bosnia and Herzegovina. It was prepared by a World Bank team from the Poverty and Equity Global Practice unit that included Paola Buitrago, Maria E. Dávalos, Ana Maria Munoz Boudet, and Lourdes Rodriguez.

Context

Bosnia and Herzegovina has made progress in promoting equity between men and women, but gaps remain, particularly in access to economic opportunities. Observed gender gaps in employment (19 percentage points among 15–64-year-olds) are driven by gaps in labor force participation (23 percentage points in 2015), namely, the low participation rate of women, which, at 43 percent, is 19 percentage points lower than the European Union (EU) average. This gap persists throughout the life cycle (figure 1). Moreover, although labor force participation in Bosnia and Herzegovina (BiH) is low for both men and

women compared to regional averages in Europe and Central Asia (ECA), the gender gap is much larger (figure 2).¹ The labor market is also characterized by a high degree of informality at roughly one-third of total employment.²

Gaps are observed in entrepreneurship as well, as only 24.1 percent of firms have a woman as manager and only 9.3 percent include female participation in ownership,³ higher than the regional average in the case of female management but lower in the case of female ownership. Female-owned businesses on average are smaller in scale than those owned by men in terms of sales, costs, employees, and volume of

¹ World Bank, "World Development Indicators" (database), 2016, <https://data.worldbank.org/products/wdi>.

² World Bank (2016a).

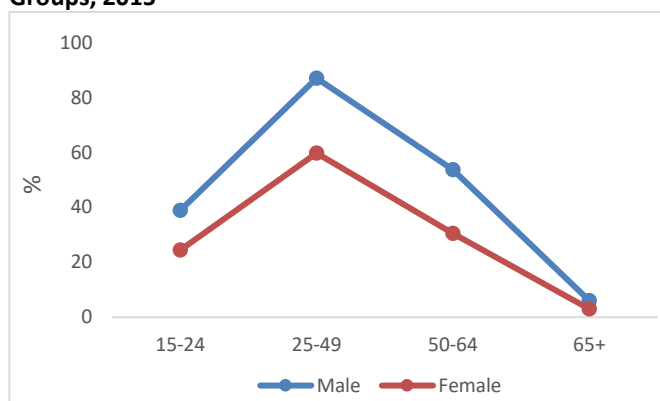
³ European Bank for Reconstruction and Development, Business Environment and Enterprise Performance Survey (BEEPS), 2013.

profits, but they are just as likely to be profitable as male businesses once women establish themselves as entrepreneurs.⁴

For those in the labor market, it is estimated that women earn 9 percent less than the average hourly wage of a male worker. Men generally earn more per hour than women across all levels of education and age groups, with a few exceptions, such as in the fields of agriculture and mining, real estate, and administrative services.⁵ What is more, unemployment rates are higher for women compared to men (31.3 versus 26.3 percent, respectively). Segregation in fields of study— young women tend to concentrate more on certain areas such as health, education, and humanities and arts) also influences women’s labor market prospects.

Among ethnic minorities, gender gaps exist even in outcomes for which the country has, on average, achieved some measure of equality, such as education. For instance, one survey reveals that Roma women have around 3.9 years of education, one-third that of non-Roma women. Similarly, unemployment among Roma women is estimated to be twice as high as among Roma men and also higher than among the non-Roma population.⁶

Figure 1. Labor Force Participation by Gender and Age Groups, 2015



Source: Authors, using BiH Labour Force Survey (LFS), 2015.

Of particular concern is the high rate of BiH’s young people aged 15–29 who are not in employment,

education, or training (NEET) (27.7 percent, roughly twice the EU average). This labor market detachment, more prevalent among women, delays or prevents the accumulation of valuable on-the-job skills. Since these “scarring effects” from unemployment and periods of inactivity often translate into lower productivity and human capital accumulation later in life, women can find their upward economic mobility prospects substantially impaired, which in turn affects the country’s future economic growth potential. In fact, for BiH, differences in labor market activity rates between men and women amount to potential economic losses in gross income per capita of roughly 16 percent.⁷

Addressing the Challenges to Gender Equality

Closing gender gaps in access to economic opportunities requires removing the barriers and disincentives to employment and entrepreneurship that women face. A number of steps are needed to ensure progress in this area, including improved access to assets and inputs, better access to child- and eldercare, fairer labor taxation and regulation policies, and enhanced labor market skills and training.

Access to Productive Inputs

The lack of access to productive inputs such as land or credit constrains women’s economic opportunities, particularly as entrepreneurs.

Recent data reveal that women’s participation in property ownership is very low in BiH. Only 26.8 percent of property owners—i.e., with property registered in their name—are women, compared to 73.1 percent who are men. This situation has been relatively constant over the past decade, as between 2003 and 2013, approximately 70 percent of men have owned property, a period during which ownership among women increased by only 3 percentage points.⁸

⁴ World Bank (2011).

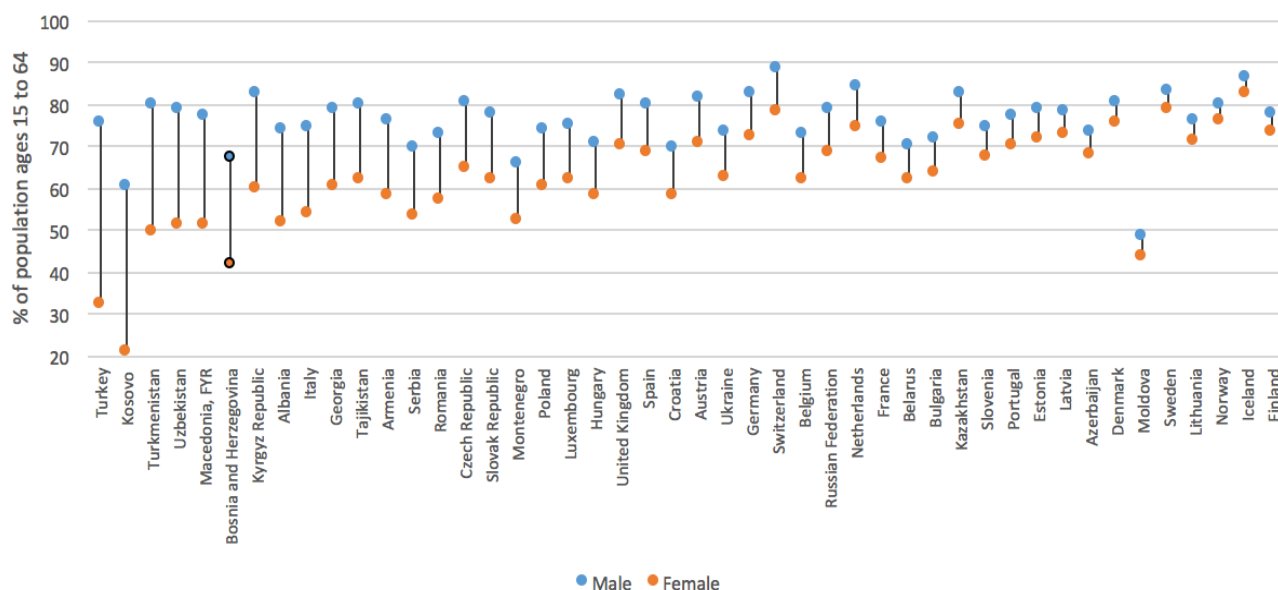
⁵ World Bank et al. 2015.

⁶ UNDP, World Bank, and EC (2011).

⁷ Cuberes and Teignier (2015).

⁸ FAO and World Bank (2014).

Figure 2. Labor force participation rate (population ages 15-64)



Sources: World Bank, “World Development Indicators 2015” (World Bank, Washington, DC: 2016); data for Kosovo from 2014 LFS.

Although the civil code protects women’s right to property ownership in BiH, prevailing discriminatory traditions and social norms undermine this and other basic rights, especially for women in rural areas. Moreover, women often lack information about their rights and the services to use for guidance and information. Even when women do legally own land, it is often regarded as family property and thus not appropriate for women to have the right to administer it.⁹

Women therefore face obstacles not only in using land or other property to develop a business but also in accessing financial markets due to the absence of collateral. In practice, women frequently have difficulty obtaining credit because they do not own property to serve as security; even when they receive loans, they are usually smaller than those taken out by men.¹⁰

In terms of access to finance, more men than women have an account at a financial institution (58.8 compared to 47.1 percent). Although gender gaps are small in the share of men and women who attempt to borrow money to start, operate, and/or expand a farm or a business in BiH, such loans are very low for both sexes (2.7 percent for men and 2 percent for women). In fact, the most widespread source of business capital for both women and men is personal savings, followed by inheritance, with very low usage of bank credit.¹¹ A forthcoming World Bank survey of male- and female-owned micro and small enterprises in BiH will provide a more detailed assessment of the financing gap and its relation to gender in BiH, with relevance also to other countries in the region.

Access to Child- and Eldercare

Another fundamental barrier to women’s economic participation is the usually competing demand on their

⁹ Organisation for Economic Co-operation and Development (OECD) Social Institutions and Gender Index (SIGI), <http://www.genderindex.org/country/bosnia-and-herzegovina>.

¹⁰ World Bank et al. (2015), using data from Mi-Bospo and IFC (2008).

¹¹ World Bank, “The Global Findex Database,” 2014, <http://www.worldbank.org/en/programs/globalindex>.

time to care for family members. This generates a vicious circle of low labor market attachment and prominence of the care provider role that leads to women's increased economic vulnerability and other gender-based inequalities. Low enrollment rates in preschool education in BiH reflect limited working time for parents, particularly women. The latest data available show that the gross enrollment rate for pre-primary children (aged 3–6) is 17 percent.¹²

Three critical messages emerge from a recent World Bank assessment of the supply of and demand for formal child- and eldercare in BiH:

1. **Childcare:** The relatively low utilization of formal childcare services is driven by the **limited availability of affordable services**. Evidence shows that there is an unfulfilled demand for formal childcare services, predominantly from parents who see a benefit for their child's development and from mothers who are already working or willing to work but who have little or no informal childcare support. Although BiH looks relatively progressive in terms of social perceptions of childcare, work, and motherhood, norms tend to contribute to negative views about the use of childcare centers.

2. **Eldercare:** The supply of eldercare is characterized by the **lack of day-based services and the limited number and expense of residential care centers**. Social norms are a strong deterrent to the use of residential eldercare, suggesting that the use of daycare centers and home-based formats—if they were available—would be more compatible with prevailing standards.

3. **Quality is important to the potential users of formal care services.** With regard to childcare services in BiH, the biggest challenge appears to be ensuring quality standards, particularly in the areas of human resources, materials, and curriculum; for eldercare, the main challenge is in the human resources component (staff training and qualifications).

The rising demand for formal care services and relatively progressive views about their use in BiH provide an opportunity for the development of a formal care industry that could increase labor force participation and productivity.

Labor Taxation and Regulations

Labor taxation and regulations also affect women's incentives to work and firms' incentives to hire them.¹³

The structure of labor taxation, in combination with the design of social benefits, can lead to disincentives to work. In neighboring countries in South East Europe where there are available data, part-time/low-wage earners face higher effective tax rates than average wage earners.¹⁴ As women are more likely to be overrepresented in these groups, this could result in disincentives among women to seek work or among employers to hire them. This analysis is not available for BiH, but it would clearly be a worthwhile topic to explore.

Moreover, certain regulations disproportionately affect women's employment, including in such areas as flexible work arrangements and family leave provisions. In BiH, only about 3 percent of workers are employed part-time, which is significantly lower than the EU average of 20 percent.¹⁵

The design of family leave provisions, especially maternity leave, could also increase employers' disincentives to hire women. There is no international standard for the design of family leave policies, with different approaches based on length, portion paid and unpaid, level of wage replacement, and source of funding. The length of paid maternity leave in BiH—the main paid leave available for parents—is high (365 calendar days) compared to both global and regional averages (more than double the global average and the second highest in the ECA region) and to averages in countries with similar income levels. When adjusting the length of maternity leave by wage replacement (at 60 percent in BiH), it remains high compared to the

¹² UNICEF, "Monitoring the Situation of Children and Women" (database), 2016, <https://data.unicef.org/country/bih>.

¹³ Arias et al. (2014).

¹⁴ Ibid.

¹⁵ ILO, "Key Indicators of the Labour Market (KILM)" (database), <http://www.ilo.org/ilostat>; Labour Force Survey (LFS), 2015.

region.¹⁶ Nevertheless, since the government fully bears this direct cost of family leave through its budget, employers have fewer hiring disincentives than if they were required to pay family leave directly to mothers or fathers. Employers likely bear indirect costs, however, including the time and financial resources invested in hiring and training staff to replace women on maternity leave.

BiH's family leave program faces two central challenges. One is the country's territorial heterogeneity in financing mechanisms; the other is the difficulty in implementing the program's provisions, as women are not able to go back to their jobs after a year-long maternity leave and there is currently no arrangement that enables them to work half of the full-time schedule.¹⁷

Policy Options to Promote Women's Access to Economic Opportunities

Available options to tackle the kinds of inequalities outlined above include: (i) improving access to assets and productive inputs, (ii) providing access to child- and eldercare and promoting investment in the care economy, (iii) removing the disincentives and barriers embedded in labor taxation laws and regulations, and (iv) increasing the employability of women through effective active labor market policies that target the unemployed and the inactive and provide adequate skills and training.

Institutions for gender equality. The Law on Gender Equality in BiH and the National Gender Action Plan covering 2013–2017 protect and promote measures for the realization of gender equality in all areas of social life and work in both the public and private spheres. There are, however, improvements that can be made to the national machinery for gender equality, particularly a needed increase in coordination between the relevant agencies and ministries.¹⁸

Beyond setting up the institutional framework, there are several policy areas outlined below that are relevant to strengthening efforts to achieve women's equal access to economic opportunities. They do not represent a comprehensive list but instead point to several issues on which it would be useful to focus.

Access to productive inputs. BiH's existing legal framework for access to land and property can be further improved. In addition to the need to harmonize the land registration systems throughout the country, a recent legal assessment¹⁹ provides a detailed review and puts forward recommendations on ways to close gender gaps in access to land. Policies therefore could include establishing the mechanisms to link land registry data with administrative and civil data, which include data on matrimonial status; amending the land registry laws to enable the non-registered spouse to register as co-owner of the property acquired during marriage without the consent of the spouse who is already registered; simplifying the land registration process for the non-registered spouse (mostly women); and raising awareness and monitoring gender-disaggregated data on property registration.

Addressing the current gender gaps in access to property will also improve women's access to finance and entrepreneurship, as they often lack the collateral to obtain credit. There are government-led programs in BiH aimed at providing grants or financing for entrepreneurship that benefit women, as well as programs that include business training. However, more remains to be done to expand these opportunities for women through increased financing, and there is also room to explore additional policies to promote women's access to credit.

Access to formal child- and eldercare. International evidence shows that the availability of affordable childcare is positively correlated to both female labor force participation and fertility.²⁰ At the same time, robust evidence in both developing and developed countries demonstrates that investing in early

¹⁶ World Bank, "Women, Business and the Law" (database), 2016, <http://wbl.worldbank.org>.

¹⁷ Vaša Prava BiH (2016).

¹⁸ CEDAW (2013).

¹⁹ GIZ and FAO (2016).

²⁰ Mateo Diaz and Rodriguez-Chamussy (2016).

childhood education has a significant impact on children's development and their long-term labor and income outcomes. Affordable childcare lessens women's home-care burden and also increases the opportunity cost of leaving the labor force.

Policy options for BiH to explore include: expanding publicly provided childcare centers; implementing public subsidies to private childcare provision and use; creating education and accreditation programs to prepare caregivers and care-entrepreneurs; developing a system and plan to increase the quality of services with attention to costs, particularly the provision of quality eldercare; and revising the legal framework to be adaptable to the demands and expectations of care. In addition, BiH in particular faces an aging population. As such, it is important that the country not only invest in childcare resources but also formal systems to support the elderly. Formalized daycare and at-home support for elderly Bosnians will facilitate more women's entry into the workforce. At the same time, the fiscal implications of the various approaches to promoting access to child- and eldercare and increased investments in the care economy also need to be considered. Seizing the opportunity to develop a formal care industry could increase female labor force participation, firm productivity, and jobs.²¹

Labor taxation and regulations. It is key to ensure that labor taxation policies and regulations do not explicitly or implicitly penalize women's access to jobs and that current provisions are fully implemented. Because implementation remains a challenge in BiH, areas to focus on include (i) further facilitating flexible work arrangements, such as part-time work, that allow women and men to combine work with family responsibilities; and (ii) ensuring that gender equality monitoring mechanisms are in place to enforce legal protection and avoid discrimination at work on the grounds of sex, gender, pregnancy, family, and marital status. Finally, increasing the length of paternity leave or giving additional incentives to fathers can help more evenly balance childcare responsibilities between men

and women and contribute to leveling the playing field in the labor market.

Active labor market policies and adequate skills and training. There is still room to increase the coverage, efficiency, and effectiveness of active labor market policies for men and women,²² not only for the unemployed but also for those who are inactive. One priority should be reinforcing the capacity of employment services to target the active labor market.

Moreover, finding a good job or succeeding as an entrepreneur will be possible only if women have the skills that can complement job creation in the economy. It is crucial to improve cooperation between the education system and labor market institutions. Relevant policy options beyond overall policies to improve the relevance and quality of education and training programs include vocational training for women with low education levels, apprenticeship programs in growing areas of the economy, and training in non-traditional sectors.

Data from the World Bank's STEP Employer survey²³ implemented in BiH are being analyzed to assess whether employers find gaps between women and men in technical and socio-emotional skills (e.g., learning computer skills, adapting to new tasks, working in difficult situations, providing reliability) and to shed light on other gender-related considerations when hiring.²⁴ Gender differences in employers' views would likely make it more difficult for women to find a (good) job or build on-the-job skills with the same success as their male counterparts.

Cross-cutting policies areas

Social norms and discrimination. Policies are needed to rebalance household and family responsibilities between men and women and to remove barriers for women stemming from prevailing social norms that limit their opportunities, even in cases where the legal framework is in place, as it is in BiH. Many discussions with government and nongovernment stakeholders

²¹ IFC (2017); Ilkcaracan, Kim, and Kaya (2015).

²² EC (2016).

²³ As part of the Skills Towards Employability and Productivity (STEP) Skills Measurement Program.

²⁴ Cojocararu (2017).

persistently point to the significant challenges in implementing current legislation, with social norms as an underlying driver.

Therefore, it is key to:

(i) Promote policies that foster co-responsibility between men and women, including promoting and monitoring the use of paternity benefits. Policy efforts to increase the availability of child- and eldercare will also help.

(ii) Provide public policy incentives that promote women's access to economic opportunities. This may include offering incentives to hire and train women in non-traditional sectors; increasing employer awareness when hiring through, for example, gender certification programs or behavioral interventions to address employers' gender biases in the hiring process; and providing information, training, and incentives for public servants and service providers working in relevant institutions (e.g., in cadaster offices with regard to women's property rights).

(iii) Influence aspirations and expectations through, for example: programs based on role models and mentoring; media interventions (e.g., television and radio campaigns), to expose people to information and role models; or the dissemination of information on increased job opportunities for women.

Access to information. As part of efforts to increase the employability of the population, it is important to provide information to young men and women that could influence their schooling and school-to-work transition decisions (e.g., information on the labor market and returns to education), which can also be critical in shifting social norms that push women into certain fields of study or occupations. Evidence for the region emphasizes the importance of accessing information and networks that can facilitate the transition to the labor market.²⁵ This entails strengthening labor market information systems and career guidance services, including through public

employment offices. Beyond labor market-relevant information, providing training and information to women about, for example, their rights and the procedures involved in property registration and inheritance can help close the implementation gap.

Monitoring and evaluation. Improved monitoring and evaluation (M&E) systems are essential to closing gender gaps in access to economic opportunities, particularly as the core institutional and legislative frameworks for gender equality are already in place. M&E systems allow policy makers to identify areas where policy efforts should be increased or adjusted, as well as areas of progress. They also promote the availability and use of gender-disaggregated information in relevant administrative and survey data such as that from property registration and active labor market programs. A review of policies on access to economic opportunities in BiH reveals that there is considerable room to improve coordination across implementing stakeholders, which calls for increased efforts to document and monitor the landscape of interventions. Importantly, it also shows that few interventions are evaluated at the outcome level, thus limiting the advance of knowledge on what actually works to increase women's access to economic opportunities and how to better allocate resources.²⁶

How Can the World Bank Group Help?

Over the past several years, the World Bank has aimed at building an evidence base to inform the gender equality agenda in BiH, particularly with regard to gender gaps in access to economic opportunities. This has included a Gender Assessment²⁷ of the country; an analysis of the economic impact of gender gaps in the labor market;²⁸ an assessment of the demand for and supply of child- and eldercare in BiH²⁹; and a review of and consultations about potential policies to close the gender gaps.³⁰

²⁵ Arias et al (2014).

²⁶ "World Bank (2016c).

²⁷ World Bank et al. (2015).

²⁸ Cuberes and Teignier (2015).

²⁹ World Bank (2015).

³⁰ This was a policy review involving interviews with government and nongovernment stakeholders carried out by a consultant in fall 2016.

Based on this solid evidence, the World Bank is ready to continue to support the Government of BiH in addressing the challenges that impede women's equal access to economic opportunities, which can, as a result, lower the country's growth prospects.

References

Arias, Omar S., Carolina Sánchez-Páramo, María E. Dávalos, Indhira Santos, Erwin R. Tiongson, Carola Grun, Natasha de Andrade Falcão, Gady Saiovici, and Cesar A. Cancho. 2014. *Back to Work: Growing with Jobs in Europe and Central Asia*. Washington, DC: World Bank.

CEDAW (Committee on the Elimination of Discrimination against Women). 2013. "Concluding Observations on the Combined Fourth and Fifth Periodic Reports of Bosnia and Herzegovina." Committee on the Elimination of Discrimination against Women, New York.

Cojocar, Alexandru. 2017. "Jobs Diagnostic Kosovo." Jobs Series Issue 5. World Bank, Washington, DC.

Cuberes, David, and Marc Teignier. 2015. "How Costly are Labor Gender Gaps? Estimates for the Balkans and Turkey." World Bank Policy Research Working Paper 7319. World Bank, Washington, DC.

EC (European Commission). 2016. "Bosnia and Herzegovina 2016 Progress Report. Commission Staff Working Document." European Commission, Brussels.

FAO (Food and Agriculture Organization) and World Bank. 2014. "Land and Gender: Improving Data Availability and Use in the Western Balkans." FAO and World Bank, Rome and Washington, DC.

GIZ (German Technical Cooperation Agency) and FAO (Food and Agriculture Organization). 2016. "Country Profile and Legal Assessment Tool (LAT), Concerning Gender and Landrights, Bosnia and Herzegovina." GIZ and FAO, Bonn and Rome.

IFC (International Finance Corporation). 2017. "Tackling Childcare: The Business Case for Employer-Supported

Childcare." International Finance Corporation, Washington, DC.

İlkkaracan, İpek, Kijong Kim, and Tolga Kaya. 2015. "The Impact of Public Investment in Social Care Services on Employment, Gender Equality, and Poverty: The Turkish Case." Istanbul Technical University, Istanbul.

Mateo Díaz, Mercedes, and Lourdes Rodriguez-Chamussy. 2016. *Cashing in on Education: Women, Childcare, and Prosperity in Latin America and the Caribbean*. Latin American Development Forum. Washington, DC: World Bank.

MI-BOSPO and the International Finance Corporation (IFC). 2008. "Voices of Women Entrepreneurs in Bosnia and Herzegovina".

UNDP (United Nations Development Programme), World Bank, and EC (European Commission). 2011. "Roma Survey for Bosnia and Herzegovina." UNDP, New York.

Vaša Prava BiH. 2016. "Analysis of Labor Legislation in Bosnia and Herzegovina with Focus on Rights of Woman Employed in Service and Trade Sectors." Vaša Prava BiH (Legal Aid Network) and Canada Fund for Local Initiatives, Sarajevo.

World Bank. World Bank. 2011. *World Development Report 2012: Gender Equality and Development*. World Bank, Washington D.C.

World Bank. 2015. "Why Should We Care About Care? The Role of Childcare And Eldercare In Bosnia And Herzegovina." World Bank, Washington, DC. *

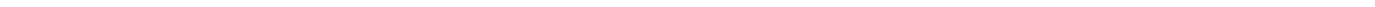
World Bank. 2016a. "Catching Up: Towards Higher Growth in the Western Balkans." World Bank, Washington, DC.

World Bank. 2016b. "Ten Messages about Youth Employment in South East Europe." South East Europe Regular Economic Report 9S, Special Topic. World Bank, Washington, DC.

World Bank. 2016c. "What Works for Women in the Western Balkans." World Bank, Washington, DC.*

World Bank, Agency for Statistics of BiH, FBiH Institute for Statistics, and RS Institutes for Statistics. 2015. "Bosnia and Herzegovina: Gender Disparities in Endowments, Access to Economic Opportunities and Agency." World Bank, Washington, DC.

** Studies financed by the Trust Fund Promoting Gender Equality in the Western Balkans of the World Bank Umbrella Facility for Gender Equality, funded by the Swiss Agency for Development and Cooperation.*



GENDER EQUALITY PAYS

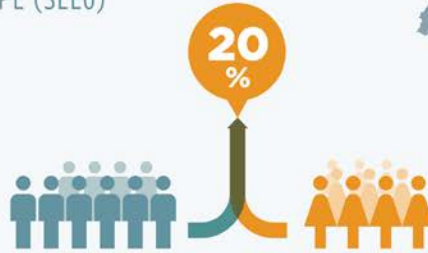
IN SOUTH EAST EUROPE (SEE6)

SEE6
Albania, Bosnia and Herzegovina
FYR Macedonia, Kosovo,
Montenegro and Serbia



Many women do not work in SEE6:

Only **4 out of 10 women** 15 years or older in SEE6 countries are working or searching for a job, compared to **6 out of 10 men**



20% increase to average income per capita

If SEE6 countries eliminate gender gaps in access to jobs. The economic cost of gender gaps in the labor market is high, and these countries cannot afford to miss out on higher economic growth



Labor taxation can result in disincentives to work or to hire formally

For example, in Serbia, the minimum social security contribution makes it too costly to formally work part-time... and women are disadvantaged as they are more likely to seek work flexibility in order to balance family and work responsibilities



Women tend to focus their studies on lower-paying social sciences

In most countries women remain under-represented in the higher-paying engineering and technology fields. For example, in Albania, only 30% of those pursuing a career in these fields are women



Women have less access to productive inputs

Access to financial services and property are important assets for entrepreneurs. In Montenegro, for example, only 26% of properties are owned by women, and in Bosnia and Herzegovina only 48% of women have a bank account in a formal institution compared to 67% for men



Labor regulations can limit women's access to jobs

For example, women face discrimination by employers in Kosovo as firms bear most of the financial costs of maternity provisions and maternity leave is also the main family leave available



Hard to find child care

For mothers who want to work, finding affordable, accessible and quality child care is hard across SEE6 countries



Women have a hard time balancing work and household responsibilities

"Women are overburdened, I simply don't have the time for that, I have to clean, cook, take care of the children, and when do I find time to do business?"
A woman from FYR Macedonia

Sources: World Bank Gender Statistics; National statistical offices; Cuberes and Teigner (2015); UNESCO Institute for Statistics, 2014; World Bank analysis



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP