



**IntegrAGE project**

**D1.4.1 Analysis template for country personas**

**„COUNTRY PERSONA“**

**CLUSTER D**

**Serbia, Bulgaria, Bosnia and Herzegovina**



## 1. DEMOGRAPHIC TRENDS (cc.2-3 pages)

- Ageing dynamics ( e.g.the proportion of 55+ people in the total population, life expectancy at birth)

Bosnia and Herzegovina is facing significant demographic changes that indicate an aging population. According to estimates from the Agency for Statistics of Bosnia and Herzegovina, the demographic trends show a high level of migration, an aging population, profound gender inequalities, and the country having the lowest fertility rate in the world. Forecasts suggest that by 2070 the population will decrease by 50%, with the demographic structure leaning towards an older population (making up over 40% of the total population). Key sectors for the country's socio-economic development, such as education, healthcare, and social protection, will face significant challenges, while the labor market will confront a shortage of qualified workers and professionals<sup>1</sup>.

Currently, **31% of the population consists of people over 55 years of age, with a life expectancy of 76 years for men and 82 years for women**<sup>2</sup>. The retirement age is 65, with the possibility of early retirement based on years of pension service or personal disability. However, early retirement also means lower pension income<sup>3</sup>.

The migration of younger and educated people to Western European countries is becoming very attractive due to the political, social, and economic challenges they face, as they hope for better living conditions. Estimates indicate that Bosnia and Herzegovina has the second largest diaspora in the world, with 34% of its citizens living outside the country<sup>4</sup>.

These trends bring several challenges that society and the economic system must address:

- Economic consequences**, as the growing number of elderly people increases pressure on the pension system and healthcare services. A shrinking working-age population may lead to labor shortages and require adjustments in economic policy.
  - Misalignment of public policies** regarding people over 55, considering at least three levels of decision-making (state, entity, and local levels).
  - Demographic changes**, with declining birth rates and increasing life expectancy, leading to an even higher percentage of elderly people in the future.
  - Increased demand for healthcare**, particularly in long-term care and chronic disease treatment.
  - Impact of migration**, as the emigration of young people further exacerbates the aging population problem, reducing the number of working-age individuals and increasing the dependency of the elderly on social benefits.
  - Policy response**, requiring effective strategies to address aging-related challenges, including pension system reform, improved elder care, and incentives for higher birth rates.
  - Social cohesion**, as an aging population may lead to increased social isolation among older individuals, necessitating support programs and social inclusion initiatives.
  - Cultural perceptions**, as societal attitudes toward aging influence the development of policies and services. Promoting a positive image of aging can contribute to a more inclusive society.
  - Regional disparities**, since rural areas are more severely affected by aging-related challenges due to limited access to healthcare, social services, and economic opportunities.

<sup>1</sup> Agencija za statistiku Bosne i Hercegovine (2023); Prezentacija analize stanja stanovništva i projekcija stanovništva za period 2020.- 2070. u Bosni i Hercegovini; <https://bhas.gov.ba/News/Read/42>

<sup>2</sup> InterAge: Indicators for Clusters

<sup>3</sup> Zakon o penzijskom i invalidskom osiguranju FBiH;

<https://www.fbihvlada.gov.ba/bosanski/zakoni/1998/zakoni/36%20b%20penzijsko%20i%20invalidsko%20osiguranje.htm>

<sup>4</sup>Petke, S, Petzke, J., Kalbe, S. Garcia Čaušević, S, Demografski razvoj u Bosni i Hercegovini (2023), KAS,

<https://www.kas.de/documents/252038/22168750/Demografski+razvoj+u+Bosni+i+Hercegovini.pdf/e4434ff7-efec-d8ce-afc9-1f5466b691de?version=1.0&t=1691157745904>

Bosnia and Herzegovina faces the need for a strategic approach to these challenges through reforms, the promotion of active aging, and the adaptation of the labor market to new demographic conditions.

Demographic changes, including population aging and increased life expectancy, pose challenges for economic and social development worldwide, including in Bosnia and Herzegovina. These changes require adjustments in public policies to ensure sustainable economic growth, social cohesion, and a good quality of life for the elderly population.

Due to rising life expectancy and declining birth rates, many countries are forced to encourage longer workforce participation<sup>5</sup>. This includes pension and healthcare system reforms, flexible working conditions, and the development of lifelong learning programs.

- **Main common challenges/problems**

Bosnia and Herzegovina faces a series of challenges related to demographic changes and the aging process:

- Burden on the pension system, as the growing number of elderly people and the shrinking workforce threaten its financial sustainability.
- Access to and quality of healthcare, as there are significant disparities in the availability of medical services, with rural areas particularly suffering from a lack of medical personnel and elderly care facilities.
- Social isolation and loneliness, which affect the mental and emotional well-being of older people, making initiatives for greater social inclusion necessary.
- Lack of long-term care options, as there is a limited number of nursing homes and support programs, making it difficult for families to care for elderly members.
- Youth emigration, which further disrupts demographic balance, increases the economic burden on the remaining population, and reduces financial contributions to social funds.
- Discrimination and negative stereotypes, as older individuals often face barriers in employment and social activities, leading to further exclusion.
- Economic inequality, as elderly people with low incomes have limited access to quality healthcare and social protection, making them even more vulnerable.
- Insufficient legal regulations, as existing policies may not fully address the diverse needs of the elderly population, requiring a comprehensive and sustainable long-term approach.

These challenges highlight the need for systemic reforms and coordinated efforts to improve the quality of life for the elderly population and ensure the stability of Bosnia and Herzegovina's economic and social system.

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<sup>5</sup>Obadić, A., Smolić, Š., (2007); Ekonomske i socijalne posljedice procesa starenja stanovništva; Prethodno priopćenje; UDK 314.8:331.5>(4), Izvor: <https://hrcak.srce.hr/file/59980>

## 2. RETIREMENT PATTERNS (cc.1-2 pages)

### • Official retirement age

The pension system in Bosnia and Herzegovina is regulated by entity laws (FBiH and RS). Contributions to entity pension insurance funds are made based on an individual's employment and the location of their employer. In the case of the Brčko District of Bosnia and Herzegovina (which administratively does not belong to either entity), employees in this part of the country can choose to contribute to the pension fund of either entity.

The right to an old-age pension is granted to individuals who reach the age of 65 and have at least 15 years of pension insurance contributions. A person who has not yet turned 65 can qualify for an old-age pension at 60 years of age with 40 years of pensionable service. In the Republic of Srpska entity, if a woman has not reached the age of 65, she can retire at 58 years of age with 35 years of service. On the other hand, in the Federation of Bosnia and Herzegovina entity, a person who has completed 40 years of insurance service is entitled to a pension regardless of age<sup>6</sup>.

### • Pension system: *Types of pensions (state, private, mixed), access to pensions, amount of pension benefits.*

Regarding the right to a pension, entity laws are to some extent harmonized. The following types of pensions are distinguished:

- Old-age pension,
- Disability pension,
- Family pension.

As previously mentioned, the right to an old-age pension is granted to an insured person who has reached 65 years of age and has at least 15 years of insurance service, or at least 20 years of pensionable service, or who has 40 years of insurance service regardless of age.

The right to a disability pension may be granted to individuals who:

- Have been classified as Category I disability, if the disability was caused by a work-related injury or occupational disease, regardless of the length of pensionable service;
- Have a disability caused by a non-work-related injury or illness, provided that before the onset of the disability, they had pensionable service covering at least one-third of the period between reaching 20 years of age and the date of disability onset;
- Have been classified as Category I disability before reaching 30 years of age, if the disability was caused by a non-work-related injury or illness, provided that before the onset of the disability, they had pensionable service covering at least one-third of their working life, but no less than one year of pensionable service;
- Individuals who are entitled to a disability pension and have obtained a higher or university degree have their working life calculated from 22 years of age (if they obtained a higher degree) or from 25 years of age (if they obtained a university degree)<sup>7</sup>.

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<sup>6</sup>Zakon o penzijskom i invalidskom osiguranju Republike Sprske (Službeni glasnik RS br:134/11, 82/13 и 103/15); Zakon o penzijskom i invalidskom osiguranju FBiH (Službene novine Federacije BiH, broj 13/18)

<sup>7</sup>Ibid

Regarding the disability pension, the right is determined based on the assessment of the Institute for the Assessment of Work Ability. A person who is declared permanently incapable of work by the Institute, based on facts and medical findings, may qualify for a disability pension.

The right to a family pension is granted to family members of a deceased insured person who, at the time of death, met the conditions for an old-age or disability pension, as well as to the family members of a deceased pension recipient<sup>8</sup>. Family members include:

- Spouse (widow or widower),
- Divorced spouse, if they were granted alimony by a final court ruling,
- Child, whether born in or out of wedlock, as well as an adopted child,
- Stepchild, if the deceased insured person or pension recipient was their provider,
- Grandchild without both parents, if the deceased insured person or pension recipient was their provider.

A widow has the right to a family pension if:

- She was at least 50 years old at the time of her husband's death,
- She was completely unable to work at the time of her husband's death, or if such incapacity occurred within one year after his death,
- She has one or more children entitled to a family pension and is fulfilling parental duties toward them.

To be eligible for pension insurance benefits, a person must meet one of the following conditions:

1. Be employed under an employment contract, or
2. Engage in self-employment, or
3. Perform religious service, or
4. Be engaged in agricultural activity.

Individuals who are not employed (either independently or by an employer) may contribute to voluntary pension and disability insurance. The condition for voluntary insurance contributions is that the person must be at least 15 years old and no older than 65. According to current regulations, the monthly amount for voluntary insurance contributions is 359,89 BAM (183,78 EUR)<sup>9</sup>.

According to the latest published data from February 2025, the average pension in the Federation of Bosnia and Herzegovina was 725,33 BAM (371,40 EUR), while in the Republic of Srpska, it was 630,09 BAM (323,00 EUR)<sup>10</sup>.

- **Main common challenges/problems**

Similar to other post-communist countries and Southeastern European nations, Bosnia and Herzegovina faces similar challenges in its pension system. One of the biggest issues is the unsustainability of the pension system, as the country is experiencing a decline in the working-age population and a growing number of retirees, which puts pressure on pension funds and raises concerns about the long-term stability of pension payments.

Additionally, a significant number of state-owned enterprises have failed to successfully transition to a market-based economy, leading to bankruptcies or poor financial performance. As a result, many

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<sup>8</sup>Ibid

<sup>9</sup>Službene novine FBiH broj 93/24

<sup>10</sup>Federalni zavod za PIO / MIO: <https://www.fzmiopio.ba/dokumenti-hr/statistika-hr/?lang=hr/#arhiva-statistike>; Fond PIO RS: <https://www.fondpiors.org/statisticki-bilteni/>

workers are not receiving mandatory tax and pension contributions. When these workers reach retirement age, entity governments often allocate funds collected from other taxpayers (private, civil, and public sectors) to cover unpaid contributions that have been neglected for 10 years or more. This approach addresses the social issues of state-owned enterprise workers. However, it is important to note that entity governments only support state-owned enterprises in this manner, while private and civil sector employees do not receive such aid.

Furthermore, low pension amounts pose a serious issue, as many retirees receive insufficient benefits, increasing the risk of poverty and reducing the quality of life for the elderly. Another key concern is the gradual increase in the retirement age, implemented annually in response to demographic changes. This may lead to public dissatisfaction and inequalities among different employment sectors. At the same time, access to healthcare remains a challenge for retirees, especially in rural areas, where healthcare services are limited, and the elderly population has increasing medical needs.

A lack of financial literacy is another major problem, as many citizens do not save enough for retirement, relying entirely on state pensions. Additionally, age discrimination in the labor market limits employment opportunities for older workers who wish to continue working or transition to new professional roles.

Finally, social isolation and regional disparities further worsen the position of retirees, particularly those in rural areas, where access to social, economic, and healthcare resources is limited. This can have a negative impact on their mental and physical well-being.

### 3. SOCIO-ECONOMIC SITUATION (cc.1-2 pages)

- **Income: average wages/pension and additional sources.**

The average monthly net salary per employee in the Federation of Bosnia and Herzegovina for January 2025 amounted to 1.546,00 BAM (791,60 EUR), representing a nominal increase of 8,3% and a real increase of 7,1% compared to the previous month (December 2024)<sup>11</sup>.

Additionally, in December 2024, the Government of the Federation of Bosnia and Herzegovina raised the minimum wage from 619,00 BAM (316,94 EUR) to 1.000,00 BAM (512,03 EUR)<sup>12</sup>, which contributed to the overall increase in the average salary within this entity.

On the other hand, in the Republic of Srpska, the average net salary in January 2025 was 1.434,00 BAM (734,25 EUR)<sup>13</sup>.

Data analysis shows that the highest increases in average monthly net salaries were recorded in the following sectors<sup>14</sup>:

- Accommodation, food preparation, and service (hospitality and tourism): +28,1%
- Arts, entertainment, and recreation: +20,6%
- Construction: +17,3%

The lowest pension in the Federation of Bosnia and Herzegovina was 573,53 BAM (293,66 EUR)<sup>15</sup>. The lowest pension in the Republic of Srpska entity was 509,94 BAM (261,10 EUR)<sup>16</sup>.

<sup>11</sup>Saopćenje Federalnog zavoda za statistiku, Broj 8.1.1; <https://fzs.ba/wp-content/uploads/2025/03/8.1.1.pdf>

<sup>12</sup>Odluka o iznosu najniže plaže za 2025. godinu; <https://fbihvlada.gov.ba/bs/1057-odluka-o-iznosu-najnize-place-za-2025-godinu>

<sup>13</sup>Republički zavod za statistiku RS, Mjesečni pokazatelj; <https://www.rzs.rs.ba/>

<sup>14</sup>Ibid

<sup>15</sup>Statistički bilten Fond PIO / MIO F BiH; <https://www.fzmiopio.ba/dokumenti-hr/statistika-hr/?lang=hr/#arhiva-statistike>

<sup>16</sup>Statistički bilten Fond PIO RS; <https://www.fondpiors.org/statisticki-bilteni/statisticki-bilteni-2025/>

- **Living costs: *Expenses on housing, healthcare, and basic needs.***

According to analyses for the first month (January) of 2025, in the Federation of Bosnia and Herzegovina entity, consumer prices increased by an average of 1.1% compared to the previous month (December 2024).

**Price increases by consumption categories (Federation of BiH entity)**

Prices rose in the following categories<sup>17</sup>:

- Food and non-alcoholic beverages: +2,1%
- Transport: +1,1%
- Housing, water, electricity, gas, and other fuels & Other goods and services: +0,8%
- Alcoholic beverages and tobacco: +0,6%
- Health & Restaurants and hotels: +0,2%
- Furniture, household appliances, and home maintenance & Recreation and culture: +0,1%

**Price increases by consumption categories (Republic of Srpska entity)**

In the Republic of Srpska entity, the total consumer price index in January 2025 was 1.6% higher compared to December 2024<sup>18</sup>.

Price increases were recorded in the following categories:

- Health: +4,5%
- Housing: +2,5%
- Food and non-alcoholic beverages: +2,1%
- Restaurants and hotels: +2,0%
- Furniture and household equipment: +1,5%
- Alcoholic beverages and tobacco & Transport: +0,9%
- Other goods and services: +0,5%
- Recreation and culture: +0,4%
- Education: +0,3%

The Communication category remained unchanged, while the Clothing and footwear index decreased by 3,7%.

According to the Agency for Statistics of Bosnia and Herzegovina<sup>19</sup>, on average, BiH residents allocate:

- 30,3% of their income to food and beverages
- 69,7% to non-food goods (tobacco, housing, transport, communications, etc.)

- **Poverty: *Poverty rate among 55+.***

According to data from the State Agency for Statistics, 13,6% of households in Bosnia and Herzegovina are classified as poor, with the household head aged between 56 and 65 years<sup>20</sup>.

The main indicators of relative poverty show that a poor household has a median monthly income of less than 526.51 BAM (269.59 EUR) for living expenses.

<sup>17</sup> Indeks potrošačkih cijena Januar 2025 godine; <https://fzs.ba/wp-content/uploads/2025/02/7.1.1.1.pdf>

<sup>18</sup> [https://rzs.rs.ba/front/article/6940/?left\\_mi=None&add=None](https://rzs.rs.ba/front/article/6940/?left_mi=None&add=None)

<sup>19</sup> Anketa o potrošnji domaćinstva 2021/22, od 31.12.2024. godine, [https://bhas.gov.ba/data/Publikacije/Bilteni/2024/CIS\\_01\\_2022\\_Y1\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2024/CIS_01_2022_Y1_1_BS.pdf)

<sup>20</sup> Ibid

The data also reveals that 25% of individuals aged 55-64 in Bosnia and Herzegovina are at risk of poverty<sup>21</sup>. According to estimates, 2,2% of the population in Bosnia and Herzegovina is multidimensionally poor, while an additional 4,1% is classified as vulnerable to multidimensional poverty<sup>22</sup>.

The risk of poverty for individuals over 55 in Bosnia and Herzegovina is a significant issue, as people in this age group make up part of the population most exposed to the risk of poverty. According to data from various sources, such as the Agency for Statistics of Bosnia and Herzegovina (BHAS) and the European Commission, individuals in this age group often rely exclusively on wages and pensions, which are not high enough to ensure a dignified life.

- **Main common challenges/problems**

The main challenges/problems related to the socio-economic situation in Bosnia and Herzegovina are:

- Economic inequality – Bosnia and Herzegovina experiences significant disparity in the distribution of wealth and income, leading to social tensions and limiting opportunities for socially vulnerable groups.
- Emigration – The departure of the population, particularly qualified workers and young people in search of better opportunities abroad, results in a loss of talent and worsens demographic challenges.
- Informal employment – A significant portion of the workforce in Bosnia and Herzegovina works in the informal sector, without paying taxes and contributions. This limits access to social protection, healthcare, and other benefits, contributing to economic insecurity.
- High tax and contribution rates on wages – Especially in the Federation of Bosnia and Herzegovina, high taxes and contributions present a significant burden on businesses, increasing costs and leaving little room for growth and higher employment.
- Corruption and governance problems – Corruption and inefficiencies in governance can undermine public trust and slow down economic development, negatively affecting investments and public services.
- Overburdened healthcare system – The healthcare system in Bosnia and Herzegovina faces limited funding, insufficient capacity, and a shortage of workforce, which affects access to and the quality of healthcare.
- Aging population – Demographic changes in the form of an aging population present economic challenges, increasing dependence on social services and pensions.
- Mismatch between education and skills and labor market needs – There is often a disconnect between the skills provided by the education system and the needs of the labor market, leading to unemployment and underemployment.

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<sup>21</sup> Obradović, N., Jusić, M., Oruč, N., (2019), ESPN Thematic Report on In-work poverty; The European Social Policy Network (ESPN); ESPN\_BA\_TR1\_2018-19%20on%20in-work%20poverty\_final.pdf

<sup>22</sup> UNDP (2023); Briefing note for countries on the 2023 Multidimensional Poverty Index; <https://hdr.undp.org/sites/default/files/Country-Profiles/MPI/BIH.pdf>

#### 4. LEVEL OF AGE MANAGEMENT (cc.1-2 pages)

- **Implementation of strategies and the existence of key documents at the national level / presence at the company and NGO levels.**

The strategic approach to the elderly population in Bosnia and Herzegovina partially meets the needs of this group, particularly in terms of employment and lifelong learning. The overall legal and strategic framework is directed towards the entities and lower levels of government. Bosnia and Herzegovina is a signatory to all major international agreements and treaties that regulate issues concerning the elderly, the most important of which are the Madrid International Plan of Action on Ageing (MIPAA) and the revised European Social Charter. In this regard, the country has committed to developing policies, strategies, and action plans aimed at enabling healthy and active aging of the population.

However, the practical implementation does not align with the guidelines and obligations that have been adopted. The Federation of Bosnia and Herzegovina, specifically the Ministry of Labor and Social Policy, with the support of the United Nations Population Fund (UNFPA) and the Embassy of Switzerland in Bosnia and Herzegovina, has developed the Strategy for Improving the Status of Older Persons in the Federation of Bosnia and Herzegovina for the period 2018–2027. The key objectives of this strategy focus on addressing the following issues<sup>23</sup>:

- poverty,
- health services,
- housing and living conditions,
- aging in rural and economically disadvantaged areas,
- social protection,
- lifelong learning,
- active participation of older persons in the community,
- violence prevention,
- neglect and abuse of older persons by relatives or other community members,
- societal attitudes towards the elderly,
- intergenerational solidarity.

At the local level, the only city that has adopted a Strategy for the Elderly is the City of Tuzla, making it the first local community to have an official strategic document addressing this issue. This strategy is based on five strategic goals<sup>24</sup>:

1. Ensure a supportive and stimulating social environment for the active inclusion of elderly individuals.
2. Improve the sensitized approach of city services and institutions in Tuzla in providing services to the elderly.
3. Strengthen capacities for delivering social protection services, healthcare, and various programs supporting independent living at home, as well as institutional care for vulnerable elderly populations.
4. Facilitate transportation and mobility for elderly individuals.
5. Enhance safety and protection for the elderly from physical, psychological, and financial abuse, as well as marginalization.

<sup>23</sup> UNICEF (2020); Strategija socijalnog uključivanja Federacije Bosne i Hercegovine za period 2021-2027. godina; <https://www.unicef.org/bih/media/6491/file/Strategija%20socijalnog%20uklju%C4%8Divanja%20Federacije%20Bosne%20i%20Hercegovine%20za%20period%202021-2027..pdf>

<sup>24</sup> Grad Tuzla (2020), Strategija za osobe treće životne dobi 2020 – 2026; <https://grad.tuzla.ba/wp-content/uploads/2016/11/Strategija-za-osobe-trece-zivotne-dobi-Tuzla-2020-20262.pdf>

Bosnia and Herzegovina prepared its first Initial Report on the implementation of the Madrid International Plan of Action on Ageing in 2017<sup>25</sup>, highlighting key issues faced by the elderly population, such as low monthly incomes, increased living costs, high morbidity rates from cardiovascular and malignant diseases, as well as related mortality rates, high prevalence of sensory and physical disabilities, and neurological and mental disorders.

The report emphasizes the need for the adoption of strategic frameworks at the entity level, as well as in the Brčko District of Bosnia and Herzegovina, with the following strategic goals:

- Reducing the poverty rate among the elderly;
- Improving the health of elderly individuals;
- Enhancing access to public institutions and transportation for all elderly persons;
- Improving the provision of social services;
- Increasing awareness among elderly individuals about social services and their rights;
- Raising awareness among relatives about the need to care for elderly family members;
- Reducing violence against elderly individuals;
- Promoting active participation of elderly persons in social, cultural, and sports activities within local communities;
- Systematically including elderly individuals in lifelong learning programs.

Furthermore, the report highlights the need for the development of a framework strategic document to improve the position of elderly individuals at the national level in Bosnia and Herzegovina, which is a necessary prerequisite for applying for currently available European Union funds.

In addition to the mentioned strategies, the entities and the Brčko District of Bosnia and Herzegovina have adopted employment strategies. The common elements of all employment strategies in Bosnia and Herzegovina, as well as the main directions of action, are:

- Increasing employment through labor force activation, with a focus on developing employment programs for disadvantaged groups in the labor market and implementing programs for the employment of hard-to-employ individuals and women;
- Enhancing knowledge and skills in the labor market through retraining/upskilling for occupations in demand;
- Implementing institutional and legal labor market reforms to support employment programs and services, emphasizing the development of local employment partnerships to create innovative labor market measures.

The legal framework regulating employment, social protection, education, and systemic care for individuals over the age of 55 is defined by multiple laws at the entity level, including:

- The Labor Law;
- The Law on Professional Rehabilitation of Persons with Disabilities;
- The Law on Social Protection;
- The Law on Health Protection;
- The Law on Health Insurance;
- The Family Law;

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<sup>25</sup> Ministarstvo za ljudska prava BiH; [www.mhrr.gov.ba /PDF/ LjudskaPrava /Prvi%20Izvještaj%20BiH%20o%20provedbi % 2 0 Madridskog 20akcionog%20plana%20za%20starenje.pdf](http://www.mhrr.gov.ba/PDF/LjudskaPrava/Prvi%20Izvještaj%20BiH%20o%20provedbi%20Madridskog%20akcionog%20plana%20za%20starenje.pdf)

- The Law on the Basics of Social Protection, Protection of Civilian War Victims, and Protection of Families with Children;
- The Law on Pension and Disability Insurance;
- The Law on Adult Education.

Despite the development of strategic and legal documents, no concrete results or measures have been achieved concerning workers over 55 years of age, and almost all strategies have been developed as a result of support from domestic and international non-governmental organizations.

- **Policies: *Programs to support the employment of older workers.***

Regarding employment programs for older workers, the entity employment services implement active employment programs, including the employment of hard-to-employ categories, women over 50 years of age, and self-employment initiatives. Depending on the program and project, the monthly financial support provided to employers who hire individuals under these programs ranges from 550,00 BAM - 840,00 BAM (281,57 EUR – 430,04 EUR).

In addition to this support, employment agencies conduct retraining and upskilling policies annually for all interested individuals, including those over 55 years of age. Furthermore, the Fund for Professional Rehabilitation of Persons with Disabilities regularly implements professional rehabilitation programs through part-time secondary education, higher vocational education, and the acquisition of additional qualifications via training, professional exams, workshops, and courses<sup>26</sup>.

- **Work environment: *Workplace adaptations, flexible working conditions.***

- According to the Labor Law in Bosnia and Herzegovina (at all levels), a mandatory 40-hour workweek is required, with the possibility of redistributing working hours in accordance with the specifics of the job and the employer's needs.
- The new draft Labor Law of the Federation of Bosnia and Herzegovina entity, introduces the possibility of remote work, which partially addresses the need for workplace adjustments for individuals over 55 years old but does not offer systematic solutions for facilitating the employment of this population.
- Employers have the right to organize working hours according to business needs, while still respecting contractual obligations, workers' rights to daily and weekly rest, breaks during shifts, and other work-related benefits.
- There are no specific regulations governing working conditions for older workers, and workplace adaptations remain solely at the discretion of employers, which can pose a barrier to the active inclusion of older individuals in the labor market.

- **Main common challenges/problems**

Although Bosnia and Herzegovina formally recognizes the need for policies that support active aging and improve the living conditions of older persons, significant obstacles hinder their implementation in practice. The challenges affecting the improvement of the status of older persons can be categorized into several key areas:

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<sup>26</sup> Fond za profesionalnu rehabilitaciju osoba sa invaliditetom FBiH (2025); <https://fond.ba/wp-content/uploads/2025/02/Tekst-JP-Programi-02-2025.pdf>

### 1. Lack of coordination and alignment at all government levels

- Various strategic documents exist at the entity and local levels, but there is no unified framework at the state level.
- The implementation of strategies and action plans depends on entity, cantonal, and municipal institutions, leading to inconsistent solutions.
- There are no clear guidelines for workplace adaptation for individuals over 55, although the new Labor Law of the Federation of Bosnia and Herzegovina introduces a legal framework for "remote work" for the first time, which could serve as a potential solution for some job positions.

### 2. Poverty and financial insecurity

- Older persons, particularly in rural and economically underdeveloped areas, often live in difficult conditions due to low incomes and high living costs.
- There are not enough targeted programs to reduce poverty among the elderly, especially for those who have not acquired pension rights.

### 3. Inadequate health and social services

- High morbidity among persons over 55, caused by chronic diseases such as cardiovascular and malignant diseases, is not sufficiently addressed by the healthcare system.
- Preventive medical check-ups organized by employers are irregular and non-mandatory, as confirmed in stakeholder meetings.

### 4. Limited opportunities for lifelong learning and employment

- Although retraining and additional qualification programs exist, older persons rarely participate due to a lack of adequately tailored educational opportunities.

### 5. Insufficient Intergenerational Solidarity

- There is a lack of institutional and social initiatives promoting the active participation of older persons in the community.
- There are no sufficient programs that connect older and younger generations for knowledge transfer and mutual support.
- Despite existing strategies and legal frameworks, implementing concrete measures and support programs for the elderly remains a key challenge. Strengthening institutional capacities, improving financial support, and increasing the involvement of local communities are essential to ensuring dignified living conditions and promoting active aging.

## 5. LABOR MARKET CONDITIONS (cc.1-2 pages)

### • Employment Rate for Older Adults (% aged 55+)

According to labor market research in Bosnia and Herzegovina<sup>27</sup>, individuals over the age of 55 are classified as a hard-to-employ category, which employers are generally reluctant to hire, especially if they lack specific skills required for the job. This target group is often viewed as homogeneous in terms of skills and is frequently grouped with migrants, women from rural areas, persons with disabilities, victims of violence, and similar vulnerable populations.

The same research indicates that 63.9% of employers believe that this target group is not prepared for acquiring new knowledge and lacks communication skills in foreign languages, entrepreneurial and self-initiative abilities, as well as digital competencies.

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<sup>27</sup>Agencija za rad i zapošljavanje Bosne i Hercegovine; (2023.); Istraživanje tržišta rada u Bosni i Hercegovini; <https://www.arz.gov.ba/Dokumenti/Fajlovi/Istrazivanje%20trzišta%20rada%202022-2023.pdf>

Individuals over the age of 50 account for 32% of the workforce<sup>28</sup>, representing one-third of the total labor force. A slightly smaller percentage—27.1%—of individuals in this age group are employed. One of the biggest challenges for employing individuals over 55, besides their limited adaptability to new market conditions, relates to health risks and maintaining overall well-being.

- **Unemployment: Unemployment rate of 55+**

According to data from the Agency for Statistics of Bosnia and Herzegovina<sup>29</sup>, the registered unemployment of individuals over the age of 50 in Bosnia and Herzegovina in January 2025 amounted to 129.987 persons, or 40,16% of the total number of unemployed. In terms of gender structure, the number of unemployed men was 60.023, while the number of unemployed women was 69.964.

- **Educational background of 55+ at risk of being / becoming unemployed**

Data from official institutions<sup>30</sup> indicate that individuals with lower levels of education are at risk of unemployment. This is also confirmed by the data from the Employment Bureau (Federation of Bosnia and Herzegovina entity). According to this data, the structure of unemployed individuals over the age of 55, based on their educational background, was as follows:

(Age)	QUALIFICATION <sup>31</sup>								
	TOTAL	University degree (EQF 6, 7 or 8)	Higher vocational education (EQF 5)	Secondary vocational education (EQF 3 or 4)	Lower vocational education (EQF 2)	High skilled worker	Skilled worker	Semi-skilled worker	Unskilled Worker
55-59	32.446	590	202	5.427	34	41	10.294	560	15.298
60+	36.020	482	261	7.022	66	92	13.007	784	14.306

These data clearly show that individuals with lower levels of education are the most vulnerable group in the labor market in later life. This highlights the need for policies that enable additional retraining and lifelong learning to improve employment opportunities for older workers, especially those with lower educational attainment.

- *Sectors with high and low representation of older workers.*

Although precise data on the sectoral representation of employed persons over the age of 55 are not available, data from the Agency for Statistics of Bosnia and Herzegovina<sup>32</sup> indicate that the highest number of employed persons is in the sectors of manufacturing, wholesale and retail trade, repair of motor vehicles and motorcycles, as well as public administration, compulsory social security, and defense. It is assumed that individuals over the age of 55 are significantly represented in these sectors, as many of these industries do not require a high level of technical education but rather emphasize experience and work discipline, which are advantages of older workers. Additionally, the public administration and social security sector

<sup>28</sup> Agencija za statistiku Bosne i Hercegovine, Anketa o radnoj snazi 2023; [https://bhas.gov.ba/data/Publikacije/Saopštenja/2024/LAB\\_00\\_2023\\_Y1\\_1\\_HR.pdf](https://bhas.gov.ba/data/Publikacije/Saopštenja/2024/LAB_00_2023_Y1_1_HR.pdf)

<sup>29</sup> Agencija za statistiku BiH (2025); Registrovana nezaposlenost, januar 2025. godine; [https://bhas.gov.ba/data/Publikacije/Saopštenja/2025/LAB\\_03\\_2025\\_01\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Saopštenja/2025/LAB_03_2025_01_1_BS.pdf)

<sup>30</sup> Ibid

<sup>31</sup> <https://europass.europa.eu/en/description-eight-eqf-levels>

<sup>32</sup> Agencija za statistiku Bosne i Hercegovine (mart 2025); Saopćenje; Zaposleni po djelatnostima, januar 2025. godine; [https://bhas.gov.ba/data/Publikacije/Saopštenja/2025/LAB\\_02\\_2025\\_01\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Saopštenja/2025/LAB_02_2025_01_1_BS.pdf)

provides stable jobs, often with benefits such as pension insurance and healthcare coverage, which are particularly important for older individuals.

- Career development: *Opportunities for retraining and education.*

Although there are retraining and upskilling programs that can help individuals aged 55+ find new job opportunities, older individuals rarely participate in these programs. The main reason for this is the lack of tailored education that meets their specific needs and life experience. Many of these programs are not flexible enough or are not designed to fully address the challenges faced by older workers, such as technological changes or the need for new skills in a rapidly evolving labor market. Additionally, a large number of older workers are reluctant to change established habits, which makes them less willing to engage in retraining programs.

According to available data<sup>33</sup>, only 4% of adults participate in lifelong learning (LLL), indicating that adult education and professional development, especially for those over 55, still face significant challenges. Moreover, as much as 21% of job seekers belong to the 55+ age group, meaning that a large number of individuals from this demographic are present in the labor market but have limited employment opportunities due to a lack of adequate skills and education.

- **Main common challenges/problems**

People over the age of 55 face numerous challenges in the labor market, making the employment of this population a significant issue. According to labor market research in Bosnia and Herzegovina, individuals over 55 are often categorized as "hard-to-employ," and employers are generally reluctant to hire them, especially if they lack the specific skills required for the job. This target group is often viewed as homogeneous in terms of skills, despite including migrants, women from rural areas, people with disabilities, victims of violence, and other vulnerable groups. Furthermore, 63.9% of employers believe that individuals over 55 are not willing to acquire new knowledge and that they lack key skills such as foreign language communication, entrepreneurial abilities, self-initiative, and digital competencies.

Based on educational structure data, individuals over 55 with lower levels of education represent the most vulnerable group in the labor market. These individuals struggle to compete for jobs as many lack the necessary skills required in modern industries. This data clearly highlights the need for policies that facilitate additional retraining and lifelong learning to improve employment opportunities for older workers, especially those with lower levels of education. Although a significant number of older workers are employed in sectors such as manufacturing, trade, and public administration, these industries often do not require a high level of technical education but instead emphasize experience and work discipline. However, these sectors face challenges such as rapid technological advancements and evolving labor market demands, which can hinder the professional development of older workers. To reduce the challenges faced by individuals over 55, it is essential to ensure easier access to education and retraining programs tailored to their needs and specific circumstances. This includes introducing flexible education systems and programs that will help older workers acquire the skills needed to adapt to new labor market conditions, enabling them to remain competitive. Additionally, changing the habits of individuals

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<sup>33</sup> InterAge: Indicators for Clusters

over 55 and raising awareness of the importance of lifelong learning are crucial steps in this process.

## 6. HEALTH CARE (cc.1-2 pages)

- **Access to health care: availability and affordability of medical services.**

The healthcare system in Bosnia and Herzegovina falls under the jurisdiction of the entities (the Federation of Bosnia and Herzegovina and the Republic of Srpska) and the Brčko District of Bosnia and Herzegovina. Given this organizational structure, it is important to note that the financing, management, organization, and provision of healthcare services are the responsibilities of the entities and the Brčko District. Within the Entity Federation of Bosnia and Herzegovina, there are 10 ministries of health, making the healthcare system in this entity fully decentralized to lower levels of government (cantons). In contrast, in the Entity Republic of Srpska and the Brčko District of Bosnia and Herzegovina, the healthcare system is centralized.

The healthcare system is funded through salary contributions paid by both employers and employees. The current average contribution rate for healthcare financing is 16.50% of the gross salary. In the future, there is a possibility of reducing this rate, but no concrete measures have been implemented yet. Under the mandatory health insurance system, beneficiaries are entitled to primary healthcare services. For unemployed individuals, their primary health insurance is funded by the Employment Services, provided they are registered in the employment records.

The right to mandatory health insurance applies to individuals who are employed and other individuals engaged in specific activities. Additionally, family members of the insured person (spouse, dependent children, dependent parents, and other close family members who are unable to live independently or are financially supported by the insured person)<sup>34</sup> are also entitled to mandatory health insurance. This system is based on the principles of mutuality and solidarity among the insured.

It is important to emphasize that in Bosnia and Herzegovina, the procurement of medications for certain types of illnesses is not covered by mandatory health insurance. Each year, a list of medications is published, indicating which medicines are provided free of charge and which require co-financing or full payment. Furthermore, some cantons within the Federation of Bosnia and Herzegovina impose additional participation fees for healthcare system funding.

- **Quality: The standard of medical care provided**

According to data from 2021<sup>35</sup>, there were an average of 1,192 residents per medical doctor in primary healthcare, highlighting the significant burden on public healthcare institutions. On the other hand, there are also private healthcare institutions that provide primary, secondary, and tertiary healthcare services. In most cases, these services are not covered by public funding; however, certain agreements exist between private healthcare institutions and the Health Insurance Fund, regulating the payment of specific services such as cardiology and ophthalmology examinations and procedures.

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<sup>34</sup> Federalno ministarstvo zdravstva; Zakon o zdravstvenom osiguranju ("Službene novine Federacije BiH", br. 30/97, 7/02, 70/08, 48/11, 36/18 i 61/22)

<sup>35</sup> Zavod za javno zdravstvo Federacije Bosne i Hercegovine, Zdravstveno stanje stanovništva 2021; <https://www.zzjzfbih.ba/wp-content/uploads/2023/04/Zdravstveno-stanje-stanovništva-bosanski.pdf>

According to data from 2022<sup>36</sup>, healthcare expenditure accounted for more than 8% of Bosnia and Herzegovina's Gross Domestic Product (GDP). In the vast majority of cases, healthcare is funded through mandatory health insurance, while voluntary insurance accounts for only about 1% of total financing. The quality of healthcare in Bosnia and Herzegovina faces numerous challenges, including unequal access to healthcare services, variations in service quality across different regions, and financial sustainability of the system. Although healthcare is formally based on the principles of solidarity, comprehensiveness, continuity, efficiency, accessibility, and holistic care, it is evident that access to healthcare services, as well as their quality, is not uniform across the entire country.

In the Federation of Bosnia and Herzegovina, the Agency for Quality and Accreditation in Healthcare (AKAZ) plays a key role in defining, measuring, monitoring, and improving clinical practice standards and service management. AKAZ collaborates with ministries of health, public health institutes, and other institutions to enhance the quality and safety of healthcare.

However, challenges such as the financial sustainability of the system, staff shortages, and inconsistencies in service delivery remain prevalent. Total healthcare expenditures in Bosnia and Herzegovina in 2021 amounted to 3.74 billion BAM, highlighting the need for more efficient resource management to ensure better healthcare quality for all citizens<sup>37</sup>.

- **Health insurance: Public vs. private insurance, coverage extent, co-pays.**

Private healthcare institutions are better equipped than public institutions. Private health insurance is voluntary and provides policyholders with faster access to healthcare services, a wider choice of doctors and hospitals, and additional services not covered by public insurance. The price of private insurance varies depending on factors such as age, health status, and the extent of coverage, with average monthly premiums ranging between 60,00 BAM (30,71 EUR) and 200,00 BAM (102,39 EUR). Public health insurance in Bosnia and Herzegovina provides basic healthcare coverage for the majority of the population, while private insurance offers additional benefits for those who can afford it. However, due to economic constraints, private insurance remains less prevalent in the overall healthcare system of the country.

## 7. WELL-BEING(cc.1-2 pages)

- **Physical well-being: Prevalence of chronic illnesses, physical activity levels, nutrition**

The physical well-being of the population is reflected in the prevalence of chronic diseases, levels of physical activity, and dietary habits. In Bosnia and Herzegovina, data indicates<sup>38</sup> significant challenges in these areas, requiring effective prevention and intervention strategies.

Cardiovascular diseases are the leading cause of mortality in Bosnia and Herzegovina, with a mortality rate of 522 per 100,000 inhabitants. Diabetes also represents a significant issue, with 68,754 cases of

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<sup>36</sup> Agencija za statistiku BiH (2024); Statistika nacionalnih zdravstvenih računa; [https://bhas.gov.ba/data/Publikacije/Saopštenja/2024/NHA\\_01\\_2022\\_Y1\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Saopštenja/2024/NHA_01_2022_Y1_1_BS.pdf)

<sup>37</sup> Ekonomski institut Sarajevo (2023), Fiskalna održivost sistema zdravstvene zaštite u Bosni i Hercegovini; <https://eis.ba/wp-content/uploads/2024/04/Fiskalna-odrzivost-sistema-zdravstvene-zastite-180424.pdf>

<sup>38</sup> Zavod za javno zdravstvo Federacije Bosne i Hercegovine, Zdravstveno stanje stanovništva 2021; <https://www.zzjzfbih.ba/wp-content/uploads/2023/04/Zdravstveno-stanje-stanovnistva-bosanski.pdf>

the disease registered in 2021. Chronic obstructive pulmonary diseases are also prevalent, with a higher number of cases among men than women in older populations.

Data shows that physical inactivity is a widespread problem. More than a third of the population (38.3%) falls into the category of physically inactive individuals, while an additional 4.3% are inactive due to illness or disability. The highest percentage of physically inactive people is found among the older population (65 and older), where the rate reaches 61.3%. The most active age group is from 18 to 24 years, after which the percentage of physically active individuals decreases<sup>39</sup>.

Unhealthy eating is a key risk factor for the development of chronic diseases. According to research, overweight and obesity are widespread. More than a third of the population has a body mass index (BMI) above normal, with 37.5% being overweight and 23.3% obese. Fruit and vegetable consumption is below the recommended standards—only 27.9% of adults consume vegetables daily, while 35.5% of adults consume fruit daily<sup>40</sup>.

The prevalence of chronic diseases, low physical activity levels, and inadequate nutrition present serious public health problems. Key recommendations include improving legislation on nutrition and physical activity, increased promotional campaigns, and interventions aimed at raising awareness and improving access to healthy choices.

- **Mental well-being: Stress levels, prevalence of mental health disorders, access to mental health services.**

The mental well-being of the population in Bosnia and Herzegovina faces numerous challenges, including a high prevalence of mental disorders, increasing levels of stress, and limited access to mental health services. When it comes to this segment of health, it can be said that the COVID-19 pandemic had a significant impact on the mental health of the population in Bosnia and Herzegovina, especially for individuals in vulnerable situations. There has been a noticeable increase in the number of people reporting anxiety and stress, and social stigma, along with a lack of trust in health institutions, have further worsened the situation. People with psychosocial difficulties have had difficulty accessing appropriate support services, while financial barriers have further reduced the likelihood of seeking help<sup>41</sup>.

The most common mental disorders include anxiety disorders, schizophrenia, reactions to severe stress, adjustment disorders, moderate depressive episodes, and post-traumatic stress disorder (PTSD). Data shows higher rates of anxiety disorders among women, while PTSD and schizophrenia are more prevalent in men<sup>42</sup>.

### **Access to mental health services**

In the entity Federation of Bosnia and Herzegovina, there are 65 mental health centers that provide mental health protection services, including psychotherapy, psychosocial support, and crisis interventions. In 2021, 61 doctors specialized in neuropsychiatry or psychiatry, 76 psychologists, and 45 social workers were engaged. Despite the increased number of visits to mental health centers, accessibility remains limited, and the gap between patient needs and actual services is significant<sup>43</sup>.

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<sup>39</sup> Ibid

<sup>40</sup> Ibid

<sup>41</sup> Ibid

<sup>42</sup> Ibid

<sup>43</sup> Ibid

The entity has a fundamental legal framework for mental health protection<sup>44</sup>. Key elements of the Law include:

- Definition of mental health protection: measures and activities aimed at promoting mental health, prevention, early detection of disorders, and the implementation of medical interventions in accordance with modern achievements in medical science and practice.
  - Principles of mental health protection: the laws are based on principles of accessibility, protection of dignity, respect for disorder diagnoses, efficiency, and solidarity.
  - Rights and duties of citizens: Citizens have the right to equal access to mental health protection services, respecting human dignity and integrity. They also have the obligation to care for their own mental health and not to harm the health of others.
  - Multisectoral cooperation: The need for cooperation between different sectors and institutions to improve the mental health of the population is emphasized.
- **Social well-being: Quality of social networks, community engagement, support systems**

The results of the research<sup>45</sup> on the use of information and communication technologies in households and individually in Bosnia and Herzegovina showed that 61,3% of households have access to a computer, while 38,7% of households do not have access to a computer. The presence of computers in households varies depending on the type of settlement, and it can be concluded that more households in urban areas have computers compared to households in rural areas. The gap in access to computers is visible in the structure of households by monthly income. Households with monthly incomes above 1.500,00 BAM (767,91 EUR) (79%) or incomes above 2.500,00 BAM (1.279,88 EUR) (89%) mostly have access to a computer, while only 33.4% of households with incomes up to 1.000,00 BAM (512,03 EUR) have access.

Regarding internet access, the same research shows that 75,9% of households in Bosnia and Herzegovina have internet access, while about 24% of the population (mainly in rural areas) still does not have access to the internet. When observing monthly incomes, it can be concluded that households with monthly incomes above 1.000,00 BAM (512,03 EUR) (93.9%), 1.500,00 BAM (767,91 EUR) (98,3%), or incomes above 2.500,00 BAM (1.279,88 EUR) (99,9%) mostly have access to the internet, while the share of households with incomes up to 1.000,00 BAM (512,03 EUR) is 62,1%.

People over 55 years old frequently use the internet. Data shows that internet users aged 55 to 74 years old use the internet multiple times a day in 83,1% of cases<sup>46</sup>. This group of users largely uses the internet for phone calls, video calls (93,6%), sending online messages via Skype, Messenger, WhatsApp, Viber, etc. (84,5%), reading online newspapers and magazines (70,2%), and participating in social networks such as Facebook and Twitter (X) (70,6%).

The internet is frequently used for searching information about health (e.g., wounds, diseases, nutrition, improving health, etc.) (55,5%), finding information about products and services (75,7%), and a significant number of respondents used the internet for sending/receiving emails (49,8%).

Regarding online shopping, there is a continuous increase in this type of trade. Data shows that citizens of Bosnia and Herzegovina most often buy clothing, shoes, or accessories (e.g., bags, jewelry)

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<sup>44</sup> Prednacrt Zakona o zaštiti mentalnog zdravlja FBiH;  
<https://fmoh.gov.ba/uploads/files/Prednacrt%20zakona%20o%20zastiti%20mentalnog%20zdravlja-bos%20%20jezik.pdf>Zakon o zaštiti mentalnog zdravlja Republike Srpske, Službeni glasnik Republike Srpske broj: 67/20 od 22.07.2020

<sup>45</sup> Agencija za statistiku Bosne i Hercegovine (2022); Upotreba informaciono-komunikacionih tehnologija u Bosni i Hercegovini, 2022.; [https://bhas.gov.ba/data/Publikacije/Bilteni/2023/IKT\\_00\\_2022\\_TB\\_1\\_BS.pdf](https://bhas.gov.ba/data/Publikacije/Bilteni/2023/IKT_00_2022_TB_1_BS.pdf)

<sup>46</sup> Ibid

52,7%; furniture, household supplies 23,2%; computers, tablets, mobile phones, or accessories 18,1%; sports equipment (except sports clothing) 18%; food or drinks from the store or delivery of ready meals 16,7%; delivery from restaurants, fast food chains, and catering services 14,5%; consumer electronics (e.g., TVs, stereo equipment, cameras) or household appliances (e.g., washing machines) 13,8%<sup>47</sup>.

- **Economic well-being: Financial health, income stability, employment security, Job market conditions, social security systems, economic policies**

According to projections from the Central Bank of Bosnia and Herzegovina<sup>48</sup>, moderate economic growth is expected in 2025. The real GDP growth forecast for 2025 is 2,6%, while for 2026 it is 2,8%, although personal consumption is significantly slowing down due to demographic changes that considerably reduce the working-age population, thus reducing disposable income. Regarding inflation, the largest contribution to price growth over the next two years is expected from administrative costs, employers' fiscal contributions, and core inflation. This primarily concerns electricity and transportation prices. Further increases in electricity and transportation prices may lead to a chain of price hikes in services and goods of general consumption, which could result in revised inflation projections to higher rates. According to projections, the expected inflation rate could continue at rates of up to 2,0% by the end of the projection period in 2025.

When discussing the labor market and wages, the entity authorities in Bosnia and Herzegovina make decisions on the amount of minimum wages in the entities at the end of each fiscal year. In the Federation of Bosnia and Herzegovina entity, the prescribed minimum wage is currently 1.000,00 BAM (512,03 EUR)<sup>49</sup>, while in the Republic of Srpska entity, the minimum wage ranges from 900,00 BAM to 1.300,00 BAM (460,75 EUR - 665,54 EUR)<sup>50</sup> depending on the level of education. The consequences of these decisions include a linear increase in wages in other pay grades, which results in more difficult business operations, as there are no fiscal reforms to reduce tax burdens on wages, an increased inflation rate, and frequent layoffs. Official data shows that in January 2025, unemployment increased by 2.432 people (0,95%) in the Federation of BiH, by 432 people (0,81%) in Republic of Srpska entity, and by 60 people (0,58%) in the Brčko District of Bosnia and Herzegovina<sup>51</sup>.

Bosnia and Herzegovina is a complexly organized country. Employment and labor policies are regulated by three levels of government, namely the entities (Federation of Bosnia and Herzegovina and Republic of Srpska), and the Brčko District of Bosnia and Herzegovina. In this regard, each level of government adopts its own laws, policies, and employment strategies, which, with certain specificities relating to the economic potential and demographics, are mostly harmonized in key elements. However, the main difference lies in fiscal policy, which imposes different income taxes on workers in the entities, regardless of their age. In this context, it is important to note that income tax in the Republic of Srpska entity is lower than in the Federation of Bosnia and Herzegovina entity.

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<sup>47</sup> Ibid

<sup>48</sup> Centralna banka Bosne i Hercegovine (2024); Projekcije ekonomske aktivnosti i inflacije u srednjem roku; [https://www.cbbh.ba/data/dokumenti/pdf/Projekcije\\_ekonomske\\_aktivnosti\\_i\\_inflacije\\_u\\_srednjem\\_roku\\_HR.pdf](https://www.cbbh.ba/data/dokumenti/pdf/Projekcije_ekonomske_aktivnosti_i_inflacije_u_srednjem_roku_HR.pdf)

<sup>49</sup> <https://fbihvlada.gov.ba/bs/utvrdena-najniza-placa-za-2025-godinu-u-iznosu-od-1000-km>

<sup>50</sup> <https://unijauprs.org/vlada-republike-srpske-donijela-odluku-o-najnižoj-plati-u-republici-srpskoj-za-2025-godinu/>

<sup>51</sup> Agencija za rad i zapošljavanje Bosne i Hercegovine; <https://arz.gov.ba/statistika/mjesecni/default.aspx?id=8868&langTag=bs-BA>