

JUST TRANSITION CASE STUDY

PUBLIC EMPLOYMENT SERVICES, BOSNIA AND HERZEGOVINA



Building institutional foundations for future labour market transitions

Programme: RECONOMY (HELVETAS / Sida)

Country: Bosnia and Herzegovina

Sector: Labour Market Systems / Public Employment

Market actors and partners: Federation BiH Public Employment Service

Intervention Period: 2023-2026

JT Dimensions: Skills Development, Social Inclusion, Sector Transition

CONTEXT AND JUST TRANSITION RELEVANCE

Bosnia and Herzegovina, like the rest of the Western Balkans, faces a labour market transition that will play out over the coming decade. **EU accession requirements, environmental regulation, and the decline of carbon-intensive industries** are reshaping where work exists. The green transition is expected to phase out jobs in coal mining and related energy production, require reskilling within existing jobs, and create new jobs in renewable energy and recycling. These shifts will be concentrated in specific regions and sectors, where local capacity to respond will determine whether transitions are smooth or socially costly.

Public Employment Services (PES) sit at the heart of any institutional response. They are also, across much of the

Western Balkans, **understaffed, working with outdated systems, and with weak working relationships with the private sector**. The recent closure of a large coke plant in Federation BiH (driven in part by EU environmental standards) put **more than 500 people** out of work, with further closures of a coal mine and another major facility anticipated in the same area. RECONOMY's intervention with the FBIH PES is not designed as a just transition intervention, but the capabilities it is building (labour market forecasting and analysis, digital service delivery, case management for vulnerable groups, and employer engagement with growth sectors) are **precisely the institutional infrastructure** needed when such shocks arrive.



JUST TRANSITION ACTIVITIES

RECONOMY's LMPIE intervention works with PES across Albania, Bosnia and Herzegovina, and Kosovo in partnership with the Swedish (Arbetsförmedlingen) and Lithuanian PES (2023-2026, ~USD 950,000). In Federation BiH, the work runs along three reinforcing streams. Many activities are still in implementation.

1. Digitalisation of PES service delivery

Modernising service delivery through tailored digital tools, including a **job-matching platform** operating on a matching algorithm, an **activity-reporting module** for jobseekers, and an **ICT/BPO job profiles platform and database** operating in BiH, with related sector activities planned regionally. Tools have been designed with accessibility features (enlarged displays, online courses, remote access) to widen reach to rural populations and people with disabilities.

2. Labour market forecasting and analysis

Strengthening methodology and analytical capacity, including the introduction of **occupational barometers**, skills surveys, and **questions on green jobs** in employer surveys. The strengthened methodology produced the FBiH labour market analysis report on 2024 data, identifying declining occupations and emerging demand, the kind of analysis that, applied to transition-exposed sectors, can give a PES advance sight of where shocks will land.

3. Case management for vulnerable groups

Introducing a **case management approach** for career counsellors working with vulnerable jobseekers (women, youth, long-term unemployed, persons with disabilities). Around 15 counsellors in BiH and 20 in Kosovo have been trained, drawing on Swedish and Lithuanian methodologies, with follow-up expert support planned. The approach mobilises social services, training, and financial support around a single jobseeker: the same coordinated response model needed for workers displaced by large-scale closures.





KEY RESULTS

~15

Career counsellors
trained in case
management (BiH)

1

Digital job-matching
tool deployed in
FBiH PES

1371

Jobseekers trained
through FBiH PES
(2025)

1

ICT/BPO job profiles
platform operating
in BiH

The intervention is mid-implementation, and most of the figures above are outputs rather than impact. The headline volumes such as jobseekers trained rest on the FBiH PES's overall employment policy, which draws on many sources beyond this intervention. The forward-looking value is clearer than the retrospective: the 2026 coke plant closure, and two further closures anticipated in the same area (a coal mine and another large facility), are the kind of shock these capabilities are designed to help a PES anticipate and respond to. The government's support package for affected workers is still being decided, making the next phase a live opportunity to apply them more deliberately.



ASSESSMENT OBSERVATION

By building relationships and capabilities in the PES as a broad public good, the intervention has created a potential strategic entry point for targeted just transition work. The impacts of industrial closures are not evenly distributed; they are concentrated in specific towns and regions, and the PES already works in exactly those places.

INSTITUTIONALIZATION AND SCALING

How the intervention works as a market systems intervention

Working on supporting functions, not transactions: Rather than directly intermediating job matches or training workers, RECONOMY is investing in the underlying capabilities of the institution that has the mandate and the reach, the PES.

Three reinforcing streams: digitalisation, forecasting, and case management address distinct supporting functions in parallel. The effect comes from the combination: better forecasting feeds better counselling, digital tools extend the reach of capable counsellors, case management builds the human layer data alone cannot replace.

Working with the existing market structure: PES-private recruitment relationships are weak across the region. The intervention strengthens PES capabilities while building structured employer engagement through the ICT/BPO association and platform, working with the institutional landscape rather than forcing a structure the system is not yet ready for.

The remaining question is sustainability: PES are public institutions, and the durability of new capability through political cycles, budget shifts, and staffing churn will determine whether these foundations hold. Initial steps have already been taken in this direction: the training of counsellors and the development of the Guidelines represent an initial move toward embedding the Case Management Approach into PES practices. Full institutionalization, however, will require integrating these practices into formal PES protocols and procedures, and establishing effective inter-institutional cooperation, ensuring that not only the skills of individual counsellors are sustained, but that the CMA methodology as a whole becomes part of how the institution operates

Activating dual-use capabilities for transition response

The strongest just transition story for this intervention is forward-looking. Three pathways are particularly promising. **Pre-emptive workforce mapping** in transition-exposed regions: with two further closures anticipated in the same FBiH area, there is an opportunity to evolve the labour market forecasting work from regional aggregate analysis to firm-level workforce profiling, mapping ages, skills, and likely transition pathways before workers are displaced. **Transition-specialised case management:** the case management methodology lends itself directly to displaced workers, who typically need coordinated access to retraining, social protection, and connections to specific growth sectors. **Sectoral connectors:** the ICT/BPO work demonstrates the value of structured connections between PES and growth sectors; similar connectors in renewable energy, circular economy, and sustainable tourism could create a broader portfolio of landing zones for displaced workers.

Regional scaling across the Western Balkans

Cross-country knowledge transfer is already underway through the Swedish–Lithuanian–Western Balkans partnership, and while the ICT/BPO platform itself remains in BiH for now, related sector activities are being planned regionally. Just transition challenges across the region are largely shared (coal regions, EU accession pressures,



similar demographic dynamics), and the **PES network**, with eventual EURES integration, could become regional infrastructure for managing transitions, not only individual jobseekers. The transferable core is a model of the PES as **the institutional anchor** for both inclusive everyday services and large-scale transition response.