



EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Social protection and inclusion policy responses to the COVID-19 crisis

## Bosnia and Herzegovina

Nikolina Obradović



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate D — Social Rights and Inclusion  
Unit D.2 — Social Protection

*Contact:* Giulia Pagliani

E-mail: [Giulia.PAGLIANI@ec.europa.eu](mailto:Giulia.PAGLIANI@ec.europa.eu)

*European Commission  
B-1049 Brussels*

**European Social Policy Network (ESPN)**

**ESPN Thematic Report:  
Social protection and inclusion  
policy responses to the  
COVID-19 crisis**

**Bosnia and Herzegovina**

**2021**

*Nikolina Obradović*

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see:

<http://ec.europa.eu/socialmain.jsp?catId=1135&langId=en>

## LEGAL NOTICE

The information and views set out in this document are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein. More information on the European Union is available on the Internet (<http://www.europa.eu>).

Manuscript completed in July 2021

The European Commission is not liable for any consequence stemming from the reuse of this publication. Luxembourg: Publications Office of the European Union, 2021

© European Union, 2021



The reuse policy of European Commission documents is implemented by the Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Except otherwise noted, the reuse of this document is authorised under a Creative Commons Attribution 4.0 International (CC-BY 4.0) licence (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated.

For any use or reproduction of elements that are not owned by the European Union, permission may need to be sought directly from the respective rightholders.

## CONTENTS

SUMMARY .....	4
1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT .....	5
1.1 Epidemiological situation .....	5
1.2 Economic and (un)employment situation .....	10
1.3 Poverty, inequality and social exclusion situation .....	13
2 SOCIAL PROTECTION AND INCLUSION MEASURES IN RESPONSE TO THE PANDEMIC .....	14
2.1 Measures related to unemployment benefits .....	14
2.1.1 Federation of Bosnia and Herzegovina .....	14
2.2 Measures of job protection provided through support to employers, employees and the self-employed.....	16
2.2.1 Measures to protect jobs in the Federation of Bosnia and Herzegovina .....	16
2.2.2 Measures to protect jobs in Republika Srpska.....	18
2.2.3 Measure to protect jobs in Brčko District.....	21
2.3 Measures related to sickness benefits and sick pay .....	23
2.3.1 Federation of Bosnia and Herzegovina .....	23
2.4 Measures related to health insurance .....	23
2.4.1 Federation of Bosnia and Herzegovina .....	24
2.4.2 Republika Srpska.....	24
2.4.3 Brčko District .....	25
2.5 Measures related to minimum income schemes and other forms of social assistance. ....	25
2.5.1 Brčko District measure .....	25
2.6 Measures related to housing support.....	26
2.6.1 <i>Odluka o privremenim mjerama koje banka primjenjuje za ublažavanje negativnih ekonomskih posljedica uzrokovanih virusnim oboljenjem COVID-19 (Decision on the temporary measures that a bank implements to mitigate the negative economic consequences of COVID-19)</i> .....	26
2.7 Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19 .....	27
2.8 Other important temporary social protection/inclusion measures adopted in the context of the pandemic, which do not fall in any of the categories listed in the previous sections.....	27
2.8.1 Emergency response package in the Federation of Bosnia and Herzegovina under the Emergency COVID-19 Project .....	27
2.8.2 Emergency response package in the Republika Srpska under the Emergency COVID-19 Project .....	28
3 SOCIAL PROTECTION AND INCLUSION RESPONSES TO THE CRISIS: OVERALL ASSESSMENT AND POSSIBLE GAPS .....	30
3.1 Expected cost of social protection and inclusion measures .....	30
3.2 Impact on the social protection system and on social inclusion policies.....	31
3.3 Remaining gaps in the social protection system and social inclusion policies .....	31
3.4 Debates and recommendations .....	33
REFERENCES .....	35

## Summary

Between Monday, 3 February 2020 and Sunday, 18 April 2021, the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Bosnia and Herzegovina, it was 5,936. The total number of deaths per 100,000 people was 151 for the EU-27 versus 250 in Bosnia and Herzegovina.

The country's response to the COVID-19 crisis was organised at the level of the two entities (Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS)) and Brčko District, as well as at lower levels of government, in accordance with the country's decentralised constitutional competencies for social protection and social inclusion policies. The measures enacted were limited in scope and coverage. In both entities, the focus was on employment protection through short-term wage subsidies that were implemented in two waves. The initial measures covered the lockdown period from approximately March to May/June 2020, and as the crisis persisted into the autumn and winter, both entities passed measures targeted at certain industries that were adversely affected. The employment protection measures were not coordinated, and the eligibility, duration and amount of the wage subsidies provided varied between the different levels of government. At best, the subsidy covered the minimum gross wage. Due to eligibility criteria, many registered companies adversely affected by the crisis did not qualify for the aid. Also, workers and companies operating in the informal economy were not eligible either for government employment protection measures or for any other government measures.

The financial position of social insurance funds (which largely depend on the performance of the labour market) was strained even before the crisis, and neither entity passed any new social insurance measures in response to the COVID-19 crisis. However, the employment subsidies provided indirect assistance and contributed to maintaining the financial stability of the social insurance funds.

The public healthcare systems received substantial government aid to help the systems deal with the crisis. Unlike RS, the FBiH and most cantons failed to ensure universal health insurance coverage for COVID-19 related treatments after July 2020. This raises concerns that the most vulnerable population in the FBiH were not always guaranteed basic healthcare, as their access to healthcare treatment depended on decisions taken by individual health institutions or cantonal and local authorities.

Social inclusion policies in both entities were poorly developed even before the pandemic, and many people in need have been falling through the cracks in the system. During the crisis, the means-tested social assistance schemes in both entities remained unchanged, and in FBiH the available aggregate data indicate a fall in the number of beneficiaries compared to the previous year. Hence, the needs of those at greatest risk and of the most vulnerable were not considered, and these people were fully exposed to the effects of the crisis. They were not only the traditionally poor, but also the 'new poor', including people who lost their jobs in the informal economy, newly unemployed people whose unemployment assistance benefit is low and of limited duration, families with children who lost their income, etc. Moreover, the entity governments failed to regulate leave for parents working in the private sector whose children could not attend school or pre-school due to COVID-19.

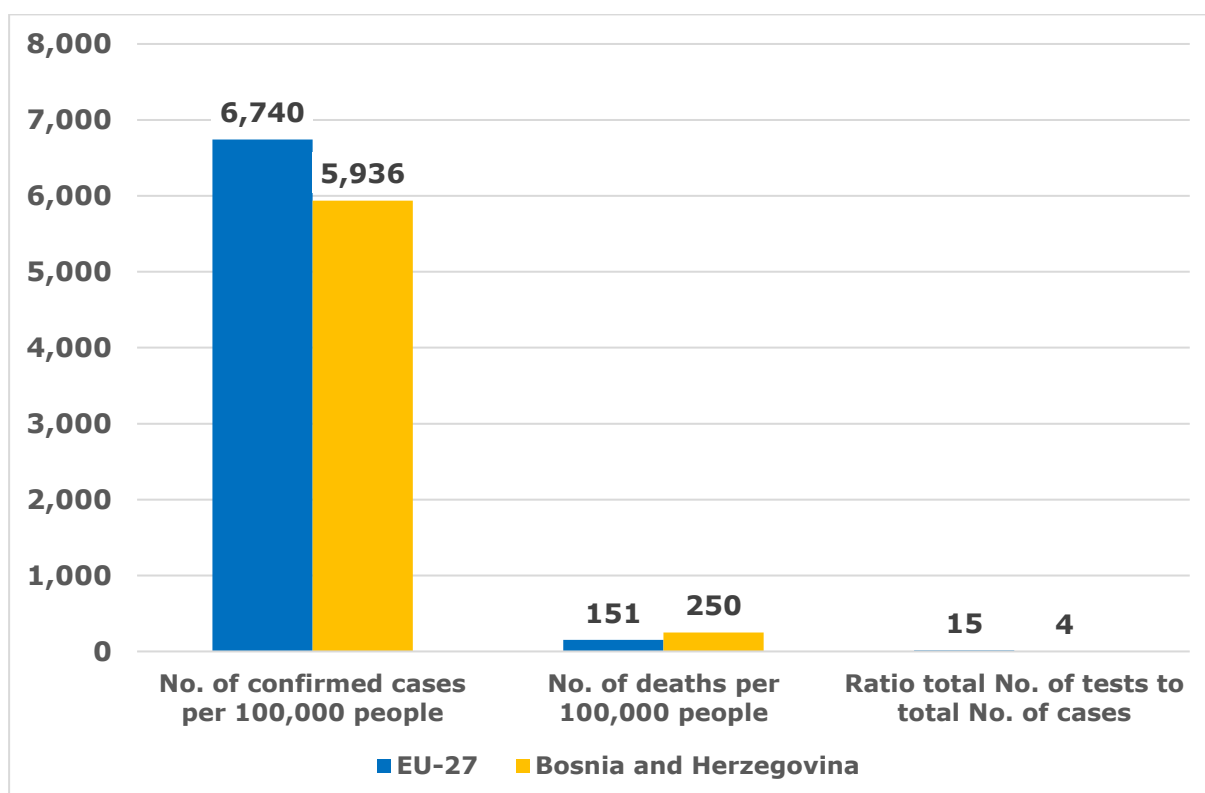
The crisis revealed weaknesses that need to be addressed through reform measures. The governments' expenditure on means-tested social assistance (which in 2018 was a mere 0.5% of GDP or 2.6% of all social protection expenditure) should be increased in order to assist those most in need. The reform is particularly necessary in the FBiH, where expenditure on means-tested social benefits should be made less dependent on the budget oscillations of the local governments. Furthermore, companies and workers operating in the unregistered economy should be offered financial support. The aid should be used to assist their transition into the legitimate realm. This would strengthen the future base for taxation and extend social insurance coverage to the most vulnerable in the labour market.

# 1 TRENDS OF THE PANDEMIC AND SOCIAL AND ECONOMIC IMPACT<sup>1</sup>

## 1.1 Epidemiological situation

During the 63 weeks considered for these three indicators (from Monday 3 February 2020 to Sunday 18 April 2021), the total number of confirmed COVID-19 cases per 100,000 people was 6,740 for the EU-27 as a whole; in Bosnia and Herzegovina, it was 5,936. The total number of deaths per 100,000 people was 151 for the EU-27 versus 250 in Bosnia and Herzegovina. The ratio of the total number of COVID-19 tests conducted to the total number of confirmed cases was 15.3 for the EU-27 and 4.4 for Bosnia and Herzegovina.

**Figure 1: Total number of COVID-19 cases and deaths per 100,000 people & ratio of total number of COVID-19 tests to total number of cases, 3 February 2020 to 18 April 2021 (EU-27 and Bosnia and Herzegovina)**

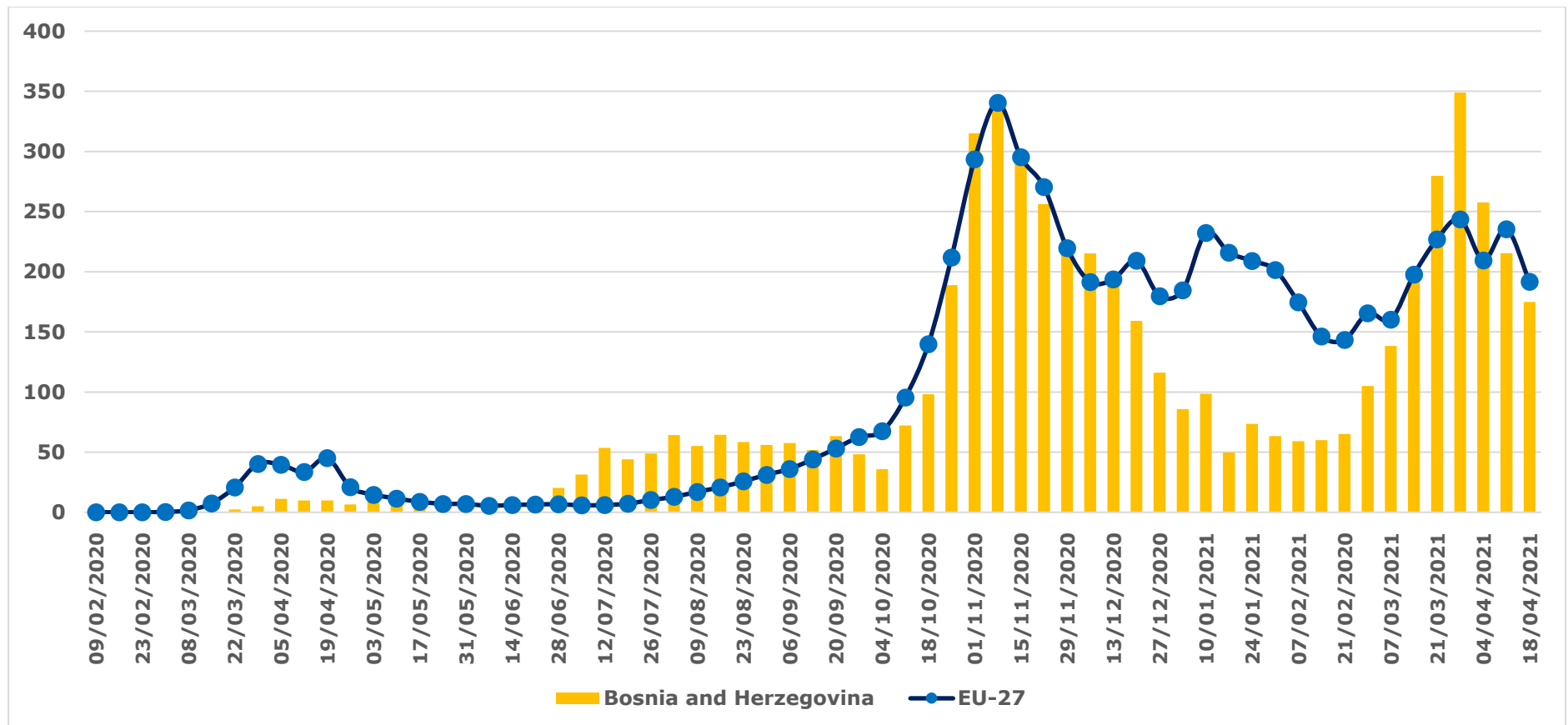


Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021

<sup>1</sup> Except if otherwise specified, the indicators presented in Sections 1.1 and 1.2 were calculated by the ESPN Network Core Team on the basis of data coming from two data sources: Our World in Data (OWID: <https://ourworldindata.org/coronavirus-source-data>) and the statistical office of the European Union (Eurostat: <https://ec.europa.eu/eurostat>). These indicators were calculated for all the 35 ESPN countries for which data were available. All of them are presented in Annex B of the following report: Isabel Baptista, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021), *Social protection and inclusion policy responses to the COVID-19 crisis. An analysis of policies in 35 countries*, European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union. This report also provides additional explanations on the data sources used and the calculation of the indicators. In addition, Annex B of the report provides the country results related to all ESPN countries included in the two international data sources used (see Tables B1.1, B2.1 and B3.1 for Figure 1, Table B1.2 for Figure 2, Table B2.2 for Figure 3, Table B3.2 for Figure 4, Tables B4.1, B4.2 and B4.3 for Figure 5, Table B5 for Figure 6, Tables B6.1-3 for Figures 7a-c, and Tables B7.1-3 for Figures 8a-c). The full report and its various annexes can be downloaded [here](#).

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of confirmed COVID-19 cases per 100,000 people reached 191.8 for the EU-27. In Bosnia and Herzegovina, it was 174.9.

**Figure 2: Weekly evolution - Number of confirmed COVID-19 cases per 100,000 people from 3 February 2020 to 18 April 2021 (EU-27 and Bosnia and Herzegovina)**

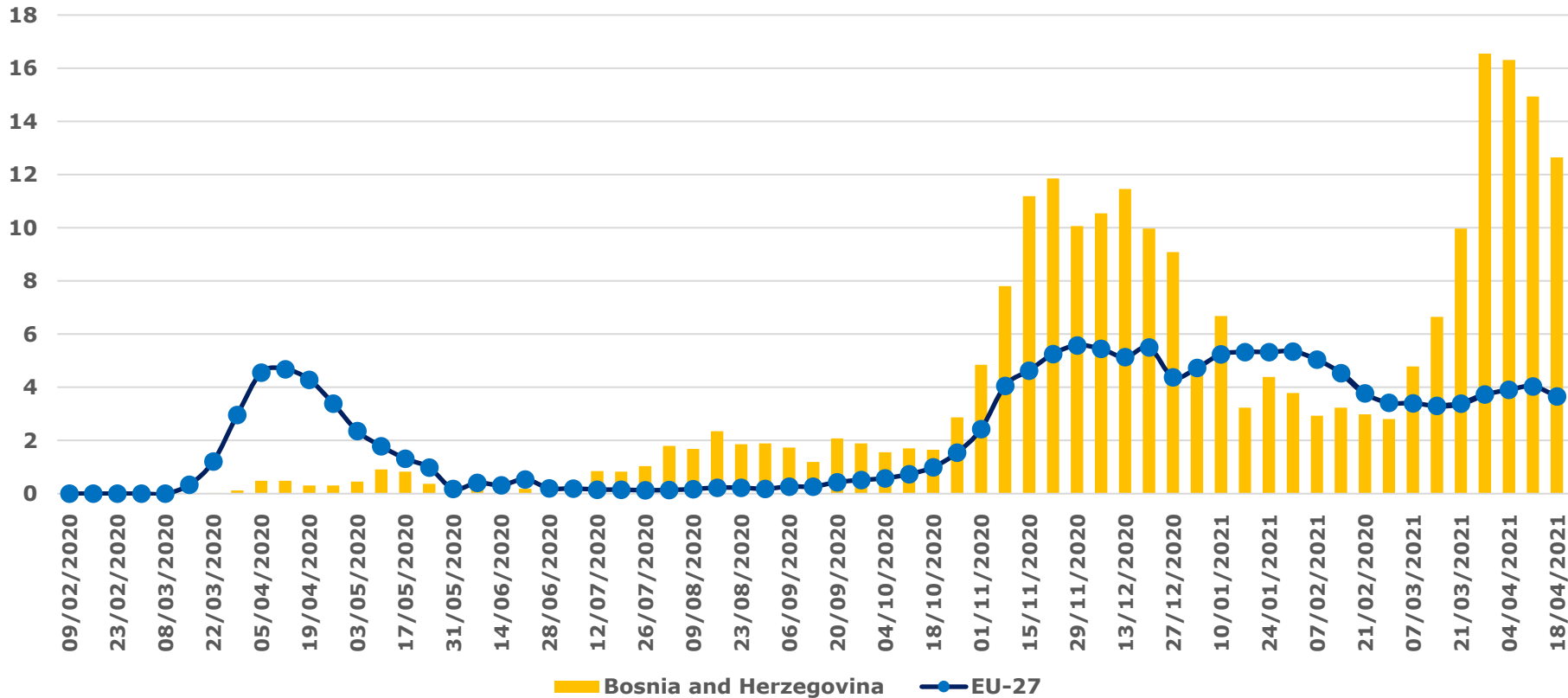


Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.



In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 deaths per 100,000 people reached 3.66 for the EU-27 as a whole. In Bosnia and Herzegovina, it was 12.65.

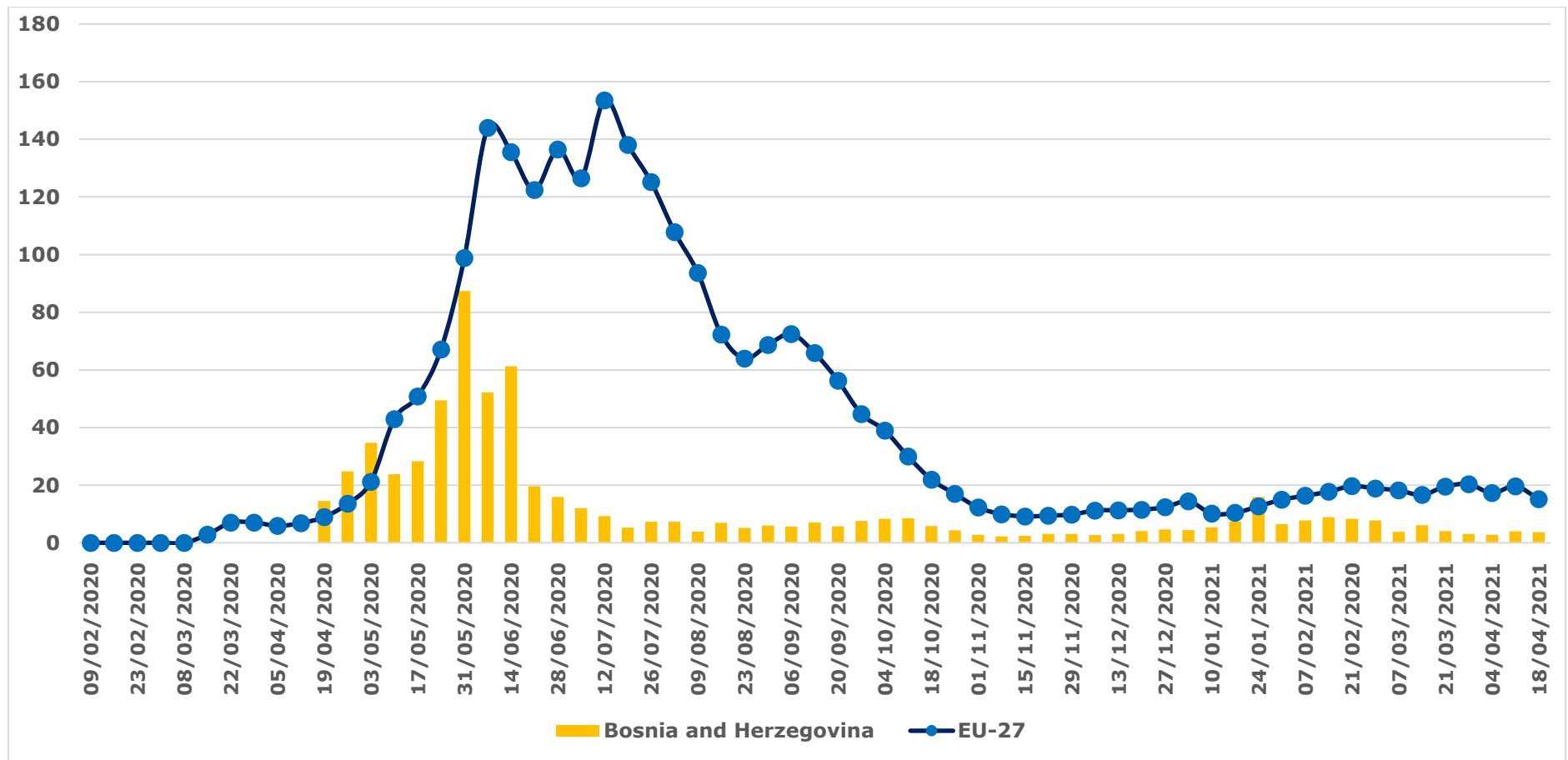
**Figure 3: Weekly evolution - Number of COVID-19 deaths per 100,000 people, 3 February 2020 to 18 April 2021 (EU-27 and Bosnia and Herzegovina)**



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021.

In the last week of observations (from Monday 12 April 2021 to Sunday 18 April 2021), the number of COVID-19 tests per new confirmed COVID-19 cases was 15.2 for the EU-27. In Bosnia and Herzegovina, it was 3.7.

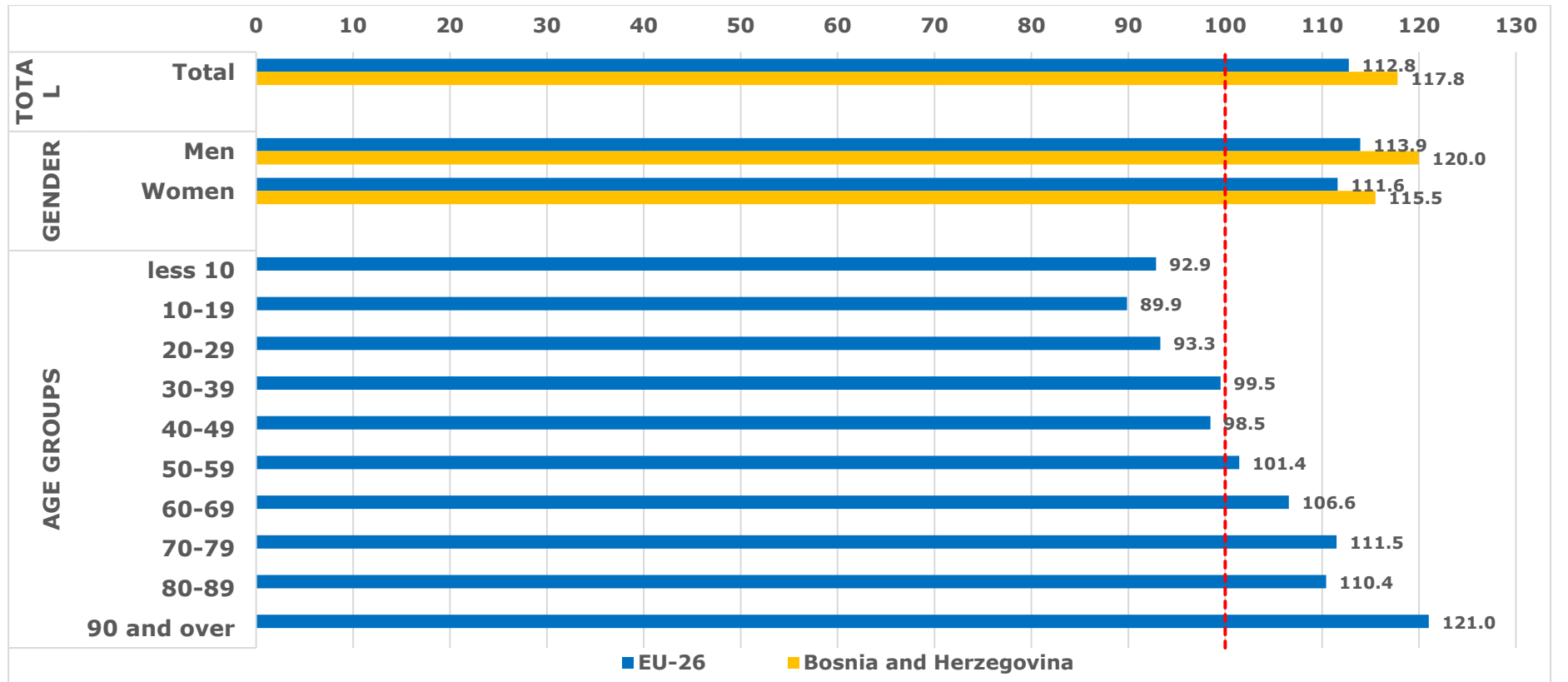
**Figure 4: Weekly evolution - Number of COVID-19 tests per new confirmed COVID-19 case, 3 February 2020 to 18 April 2021 (EU-27 and Bosnia and Herzegovina)**



Source: Our World in Data (OWID) online database on COVID-19 - downloaded 26 April 2021. Full quote for these testing data: Hasell, J., Mathieu, E., Beltekian, D. et al. (2020). "A cross-country database of COVID-19 testing". *Sci Data* 7, 345 (2020) (<https://www.nature.com/articles/s41597-020-00688-8>).

The excess mortality ratio for 2020 is the total number of deaths (without distinction of causes) in the year 2020 expressed as a percentage of the previous 4-year (2016-2019) annual average of the total number of deaths. For the EU-26 average (no data for Ireland), the ratio of the total population is 112.8% while it is 117.8% in Bosnia and Herzegovina. For the EU-26, it is 113.9% for men and 111.6% for women. In Bosnia and Herzegovina, these gendered ratios are 120.0% and 115.5% respectively. Excess mortality is higher among older age groups. For those aged 90 years and more it reaches 121.0% for EU-26 and it is not available for Bosnia and Herzegovina.

**Figure 5: Excess mortality - Total number of all deaths in 2020 as percentage of the 2016-2019 annual average (including gender and age breakdowns (EU-26 and Bosnia and Herzegovina))**

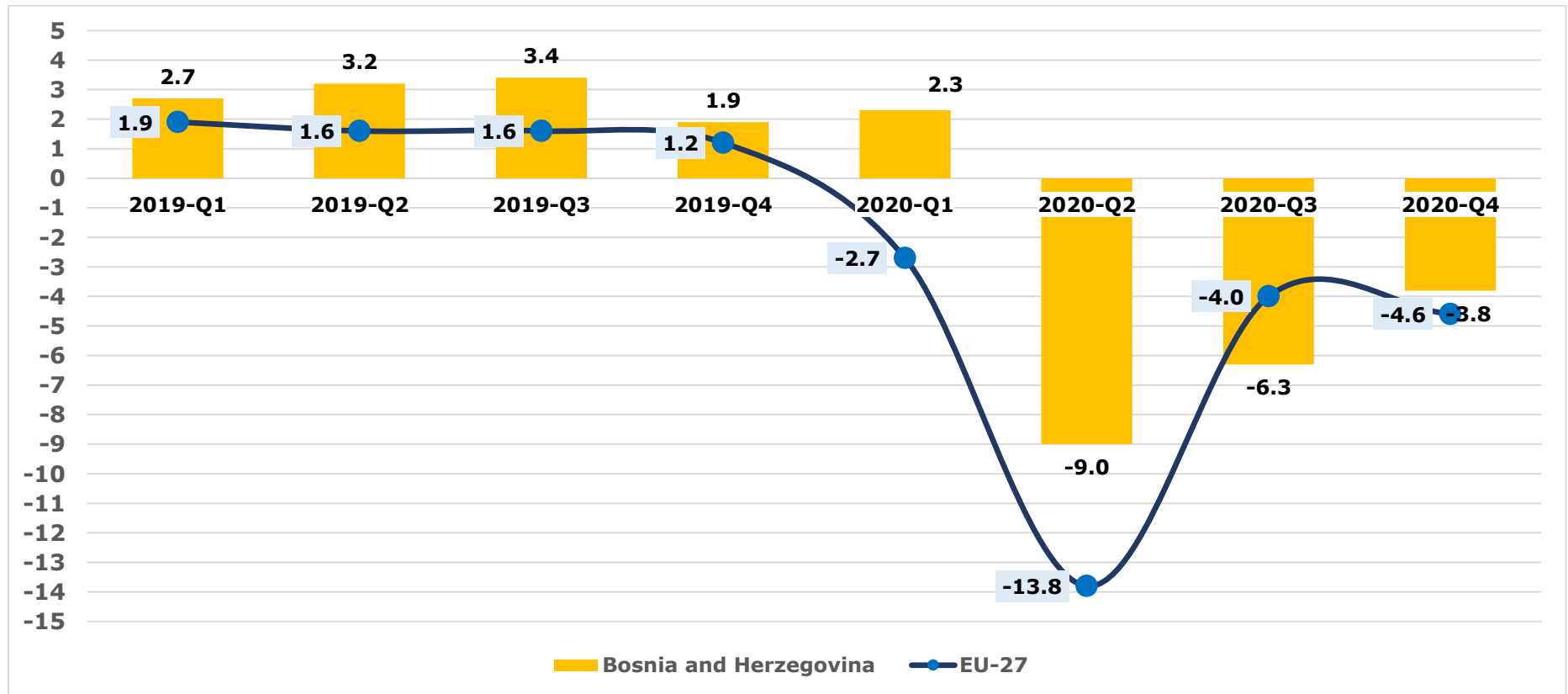


Source: Eurostat - indicator [DEMO\_R\_MWK\_10\_\_custom\_560457] Deaths by week, sex and 10-year age groups - downloaded 26 April 2021. For Bosnia and Herzegovina: Agency for statistics of Bosnia and Herzegovina (data received upon request on 19 April 2021).

## 1.2 Economic and (un)employment situation

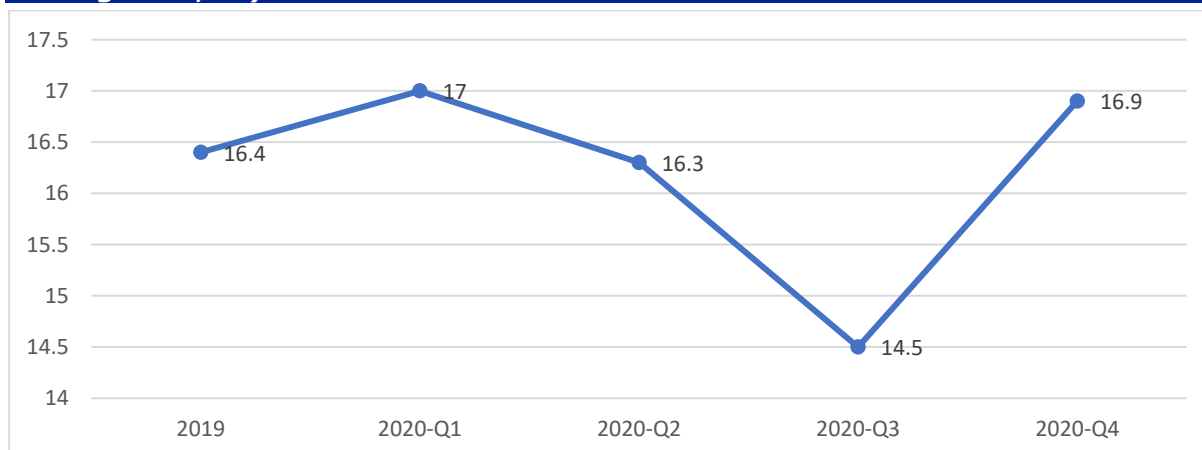
In the EU-27, GDP in the fourth quarter (2020-Q4) of 2020 fell by 4.6% compared to the fourth quarter of 2019 (2019-Q4). In Bosnia and Herzegovina, the decrease was 3.8% for the same period.

**Figure 6: Gross domestic product at market prices, chain-linked volumes prices adjusted, percentage changes in quarter compared with same quarter in previous year (2019-2020, EU-27 and Bosnia and Herzegovina, %)**



Source: Eurostat -GDP and main components (output, expenditure and income) - indicator [NAMQ\_10\_GDP\_\_custom\_507806] - downloaded 26 April 2021.

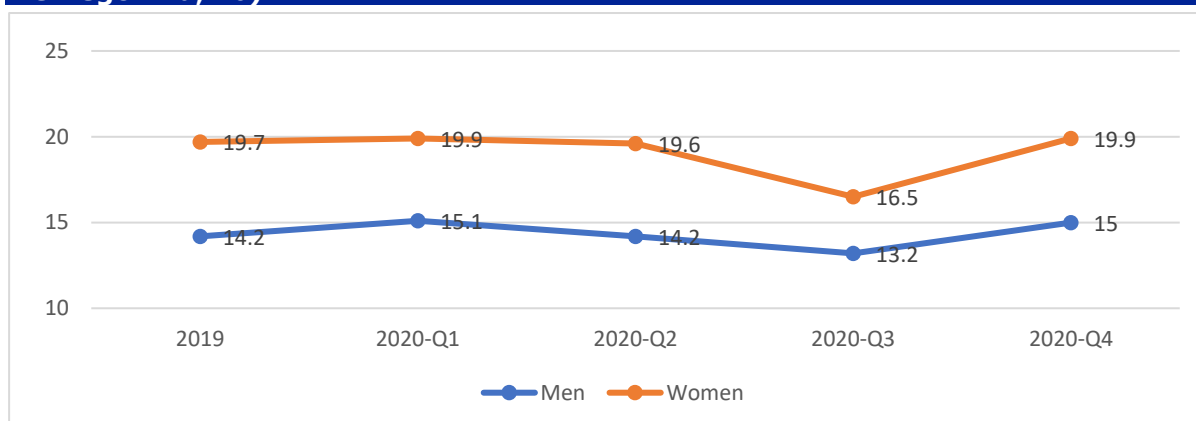
**Figure 7a: Non-seasonally adjusted unemployment rate, total population aged 15–64 (annual data for 2019 and quarterly data for 2020, Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15–65 reached 7.4%, while in Bosnia and Herzegovina it was 16.9%.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

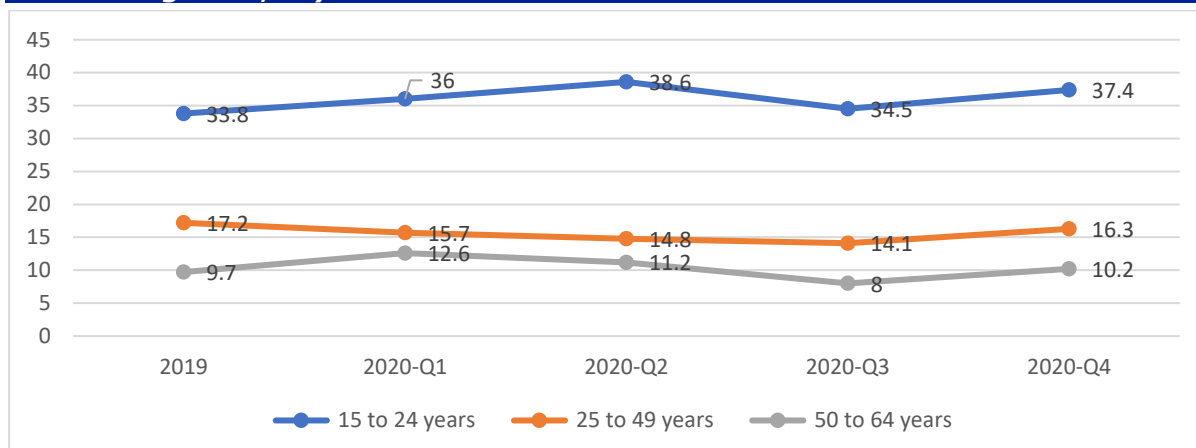
**Figure 7b: Non-seasonally adjusted unemployment rates, total population aged 15–64, by gender (annual data for 2019 and quarterly data for 2020, Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 for people aged 15–64 reached 7.1% for men and 7.7% for women. In Bosnia and Herzegovina, in the same quarter, the unemployment rate for people aged 15–64 reached 15% for men and 19.9% for women.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

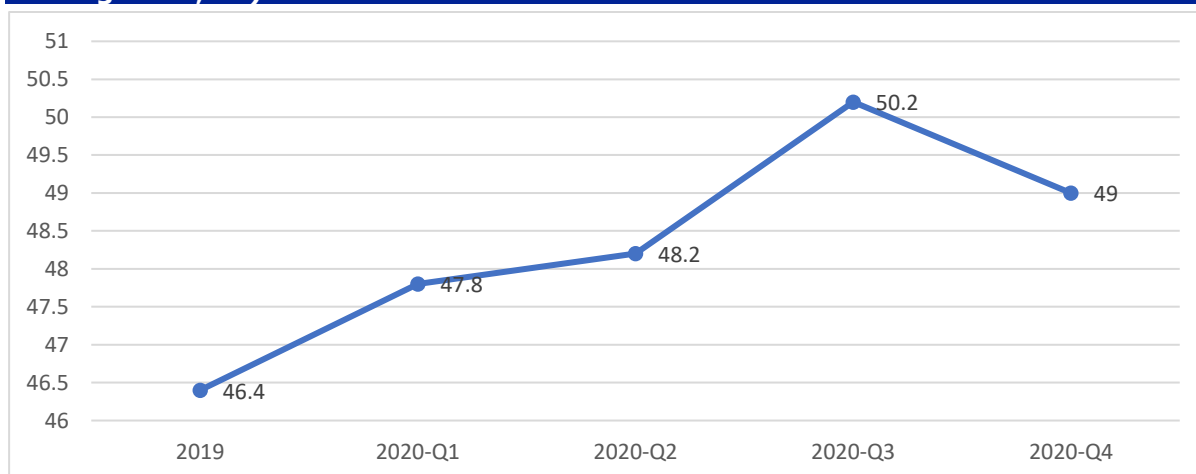
**Figure 7c: Non-seasonally adjusted unemployment rate, total population aged 15–64, by age group (annual data for 2019 and quarterly data for 2020, Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the unemployment rate in the EU-27 reached 16.9% for the age group 15–24. In Bosnia and Herzegovina, in the same quarter, the unemployment rate for the age group 15–24 reached 37.4%.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

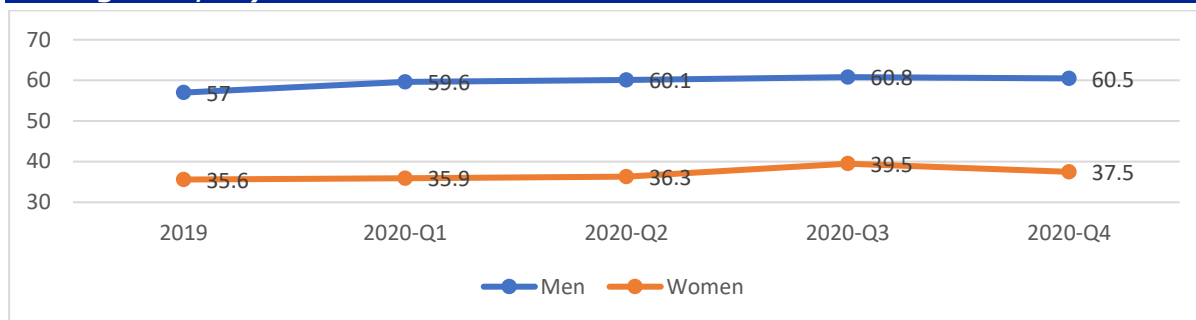
**Figure 8a: Non-seasonally adjusted employment rate, total population aged 15–64 (annual data for 2019 and quarterly data for 2020, EU-27 and Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the employment rate for people aged 16–64 in the EU-27 reached 67.9%. In Bosnia and Herzegovina, in the same quarter, the employment rate for people aged 16–64 was 49%.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

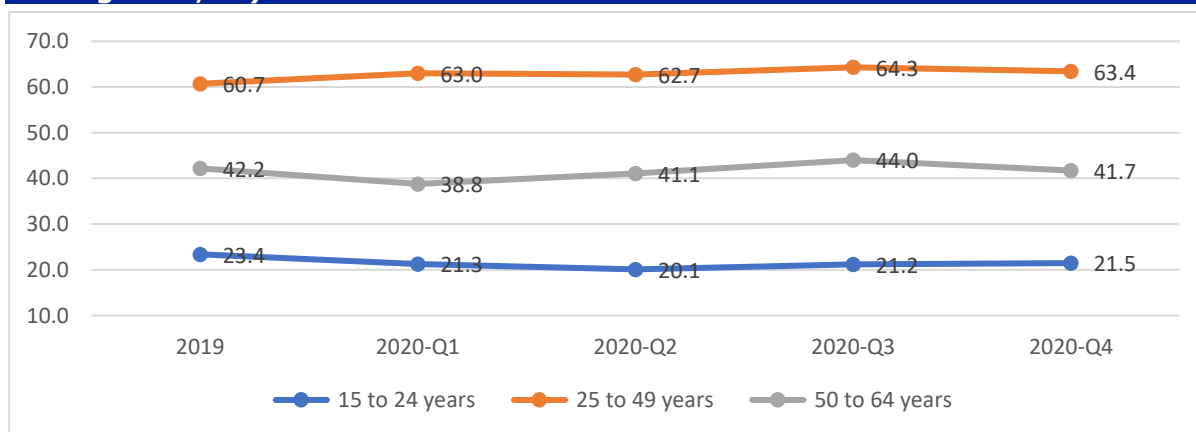
**Figure 8b: Non-seasonally adjusted employment rate, total population aged 15–64, by gender (annual data for 2019 and quarterly data for 2020, Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 reached 73.0% for men and 62.8% for women. In Bosnia and Herzegovina, in the same quarter, the employment rate reached 60.5% for men and 37.5% for women.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

**Figure 8c: Non-seasonally adjusted employment rate, total population aged 15–64, by age group (annual data for 2019 and quarterly data for 2020, Bosnia and Herzegovina, %)**



Note: In the fourth quarter of 2020 (2020-Q4), the employment rate in the EU-27 reached 31.1% for the age group 15–24. In Bosnia and Herzegovina, in the same quarter, the employment rate for the age group 15–24 was 21.5%.

Source: Agency for Statistics of Bosnia and Herzegovina (2019, 2020b, 2020c, 2021a, 2021b). Labour Force Survey (LFS) annual data for 2019, and quarterly data for 2020.

### 1.3 Poverty, inequality and social exclusion situation

There is no information from national sources regarding the impact of the COVID-19 pandemic on poverty, inequality and social inclusion.

## 2 Social protection and inclusion measures in response to the pandemic<sup>2</sup>

This section provides a brief description of the main measures related to social protection and social inclusion that have been put in place to help mitigate the financial and social distress produced by the economic downturn caused by the pandemic. It is based on readily available data and evidence. For each measure, it provides the following:

- a) Short description of the measure.
- b) Category: Is it a flat benefit, a conditional benefit, both a flat and a conditional benefit, or neither a flat nor a conditional benefit?
- c) Timing: When did the measure start/end? Has it been extended?
- d) Depending on the category:
  - Amount and duration (for flat measures);
  - Range (minimum-maximum), duration and conditionality (thresholds) (for conditional measures).

If the measure is neither flat nor conditional, this is 'Not applicable'.

- e) Targeted population: What is/are the target(s), i.e. the parts of the population/labour force/sectors targeted by the measure? If data and evidence are readily available, estimated number of people targeted and/or applicants.
- f) Beneficiaries: What is the number of recipients of the measure (if relevant and available)?
- g) Novelty: Was the measure new or an already existing one that was adapted?

### 2.1 Measures related to unemployment benefits

#### 2.1.1 Federation of Bosnia and Herzegovina

##### 2.1.1.1 FBiH Public Employment Institute measure related to unemployment assistance benefits

- a) Short description of the measure: The FBiH Public Employment Institute (PEI) has relaxed the eligibility conditions for beneficiaries with unpaid social insurance contributions. This was made public in April 2020 (FBiH PEI, 23 April 2020). The FBiH Law on employment mediation and social security for the unemployed stipulates that a newly unemployed claimant must have at least 8 months of paid social insurance contributions in order to receive unemployment assistance benefit. The eligibility criteria disqualify all laid-off workers whose employers did not pay their social insurance contributions. In the April 2020 statement, the FBiH PEI announced that all newly unemployed persons, including those with unpaid contributions, would be eligible for the unemployment benefit. The FBiH PEI called on all unemployed persons whose application for unemployment assistance was rejected by the cantonal public employment services (PES) to raise the case with the FBiH PEI, as the second-level organ, which would rule that the unemployed person has the right to unemployment benefits, irrespective of unpaid contributions (*ibid.*).
- b) Category: Conditional benefit.
- c) Timing: Ongoing implementation. The measure was made public in April 2020.
- d) Range, duration and conditionality: The level of unemployment assistance amounts to 40% of the average net salary paid in the FBiH (based on the latest statistics). The

---

<sup>2</sup> The temporary measures mentioned in this report refer to the situation as of 15 April 2021. Their duration may have been extended since then.

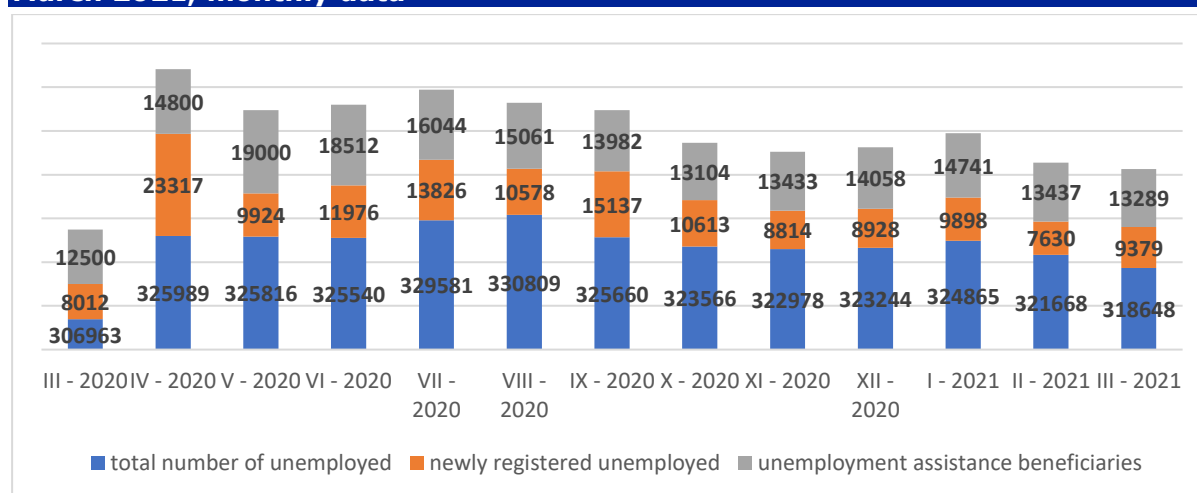


duration of receipt of the benefit depends on the beneficiary's insurance record, but it can vary from 3 to 24 months.

- e) Targeted population: Recently unemployed persons who were in registered employment (and therefore insured in the event of unemployment), but whose social insurance contributions have not been paid by their employers.
- f) Beneficiaries: During 2020, the FBiH PEI (14 January 2021) processed 200 complaints from unemployed persons whose applications for unemployment assistance had been rejected by the cantonal PES because of unpaid contributions. All complaints were resolved in favour of the unemployed (ibid.).

As can be observed from Figure 9, in March 2020, the FBiH had 306,963 registered unemployed, which by the end of the year had increased by 5.3% to 323,244. The highest increase in registered unemployment was recorded in April 2020, during lockdown: a 6.2% increase, compared to March 2020. The increase in the number of newly unemployed was reflected in the increase in unemployment assistance beneficiaries 1 month later, in May, when unemployment assistance was received by 5.8% of unemployed persons. Although the number of newly registered unemployed was recorded every month, the number and share of unemployment assistance beneficiaries has gradually decreased, indicating the temporary nature of these benefits. In December 2020, only 4.3% of the total number of registered received unemployment assistance benefit. In January 2021, registered unemployment increased, but resumed its downward trend in February and March 2021. Nevertheless, compared to the pre-crisis level, unemployment remains high.

**Figure 9: Total number of unemployed, newly registered unemployed, and unemployment assistance beneficiaries in the FBiH entity, from March 2020 to March 2021, monthly data**



Source: FBiH PEI, Statistics (accessed on 8 May 2021).

- g) Novelty: This position of FBiH PEI is aligned with earlier rulings of the FBiH Supreme Court, stating that an unemployed person has the right to unemployment benefits irrespective of unpaid contributions (FBiH Supreme Court Rulings, 07 March 2007). However, this decision by the FBiH Supreme Court has not been respected by all cantonal PES offices.

## 2.2 Measures of job protection provided through support to employers, employees and the self-employed<sup>3</sup>

### 2.2.1 Measures to protect jobs in the Federation of Bosnia and Herzegovina

#### 2.2.1.1 *Zakon o ublažavanju negativnih ekonomskih posljedica u Federaciji Bosne i Hercegovine* (Law on alleviation of the negative economic consequences in the Federation of Bosnia and Herzegovina)

- a) Short description of the measure: This law was passed in May and published in the Official Gazette of BiH, No. 28/20. Colloquially nicknamed 'Corona Law', it envisaged a set of measures to stabilise the economy, including wage subsidies for employees (including the self-employed).
- b) Category: Flat benefit.
- c) Timing: The law was in force from 6 May until the end of July 2020 (60 days after the end of the state of emergency, which was declared by the FBiH Government on 31 May 2020).
- d) Amount and duration: Wage subsidies for employee social security contributions (based on minimum salary) amounting to 244.85 convertible marks (KM) (EUR 125) a month for the period of the state of emergency, plus 1 month thereafter, i.e. April, May and June 2020.
- e) Targeted population: Only registered companies (including the self-employed) were eligible, provided that during the lockdown they suffered at least a 20% fall in turnover (compared to the same period in 2019) and had no tax arrears after February 2020. Subsidies could be received only for registered employees whose contracts envisaged the payment of payroll social contributions.
- f) Beneficiaries: The number of supported business entities and supported employees for each month is presented in Table 1. Subsidies for April and May 2020 were received by 29.7% and 25.35%, respectively, of all business entities registered in the FBiH. The April figure of supported employees includes some 15,644 self-employed (48.15% of all registered self-employed in the FBiH). For May salaries, 12,903 self-employed or 39.55% of all registered self-employed received subsidies. Subsidies for June were received by 4,583 businesses, which is 16.49% of all registered businesses in the FBiH, and by 9,759 self-employed (FBiH Government, 10 September 2020).

**Table 1: Beneficiaries of FBiH Government wage subsidies in April, May and June 2020**

Measure	Month	Number of supported business entities	Number of supported employees (incl. self-employed)
Law on alleviation of the negative economic consequences of the coronavirus	April	8,243	134,261
	May	7,031	116,220
	June	4,583	68,520

Source: FBiH Government (2020).

As a result of complaints and delayed processing, some subsidies were paid at later dates. The FBiH prime minister asserted in a recent public statement that the measures targeted more than 390,000 employees (Klix.ba, 17 January 2021). The wage subsidies were also distributed by cantons (for more information, see Kahrović, 2020),

<sup>3</sup> The temporary measures mentioned in this report refer to the situation as of 15 April 2021. Their duration may have been extended since then.

where each canton had its benefits and eligibility criteria for companies registered on its territory. The FBiH Government and its cantons did not coordinate the measures, and there are no publicly available aggregate data on employment subsidies in the FBiH. It is likely that companies that received aid at the FBiH Government level also received aid from their canton.

According to media sources, many companies applied, but only a small number fulfilled the eligibility criteria relating to a fall in turnover of at least 20% compared to the same month in 2019, and no tax arrears (Klix.ba, 3 September 2020). Although during 2020 most businesses incurred substantial losses, this was not a 'sufficient' fall in turnover, because their turnover during 2019 was probably underreported (for tax evasion purposes). Furthermore, some companies could not fulfil the second requirement of no tax arrears, which left them without government aid. According to the FBiH trade unions, the law provided support only to one group of employers, while some 40,000 employers expressed dissatisfaction with the implementation of the law (Klix.ba, 24 November 2020). Some badly hit sectors (such as small trade and shops) were not directly supported. The president of the FBiH trade union organisation claims that the FBiH Government, by offering subsidies that covered only social insurance contributions based on minimum salaries, gave employers an incentive to pay a minimum amount of net salary (ibid.).

- g) Novelty: This was a temporary and ad hoc measure to protect employment and ameliorate the financial losses that companies incurred during the state of emergency (declared from mid-March to the end of May 2020) and for 1 month thereafter.

#### **2.2.1.2 Uredba o interventnim mjerama za podršku ugroženim sektorima privrede Federacije BiH u okolnostima pandemije COVID-19 (Decree on intervention measures for affected industries in the Federation of BiH during the COVID-19 pandemic)**

- a) Short description of the measure: The decree was adopted by the FBiH Government in October 2020 and published in the Official Gazette of the FBiH, No. 74/20. Eligible sectors include the hospitality industry, the transport sector, agriculture, food processing and the export industry. The government aid was intended for payment of gross minimum salaries and other business costs for the period 1 July to 31 December 2020. The eligibility criteria did not apply to state-owned companies in aviation, rail transport and public post offices. The aid for state-owned companies was determined by the decree, and those companies received aid directly through the responsible ministries, while companies in private ownership had to respond to public calls.
- b) Category: Flat benefit.
- c) Timing: Decree entered into force on 16 October 2020. Responsible ministries were tasked with publishing calls for private-sector companies under their responsibility. Public calls had to be kept open for 21 days.
- d) Amount and duration: The gross minimum wage for the period 1 July to 31 December 2020.
- e) Targeted population: Only (private) companies that had suffered a fall of at least 40% in taxable turnover during the period from 1 April to 10 September 2020 (compared to the same period in 2019) were eligible for government aid. Eligible companies could not have tax arrears after 30 June 2020. Companies that benefited from these funds were not allowed to discharge employees before the end of the year. Additional specific conditions were applied for each industry.
- f) Beneficiaries: Only partial information about the number of employees whose salaries were funded through this measure is available. According to information from the FBiH Ministry of Environment and Tourism, the government subsidies reached 3,277 employees in sectors under the jurisdiction of that ministry (FBiH Government, 6 May 2021). The FBiH Ministry of Agriculture, Water Management and Forestry reported that

637 employees from 31 companies were supported by it, thereby receiving subsidies in the amount of the gross minimum wage for the last 6 months of 2020 (ibid.).

- g) Novelty: This was a temporary and ad hoc measure to protect employment and support eligible companies in the hospitality industry, the transport sector, agriculture, food processing and export-oriented industries.

## 2.2.2 Measures to protect jobs in Republika Srpska

### 2.2.2.1 Уредба са законском снагом о пореским мјерама за ублажаване економских последица насталих усљед болести COVID-19 изазване вирусом SARS-COV-2 (Decree on tax measures to ameliorate the economic consequences of the COVID-19 virus)

- a) Short description of the measure: The decree envisaged a set of tax measures and wage subsidies for registered business entities (including the self-employed) whose work was negatively affected by the lockdown. It was published on 10 April 2020 in the RS Official Gazette No. 35/2020. The decree was amended on 14 May 2020 to include wage subsidies for May. The changes were published in the RS Official Gazette No. 46/20. The wage subsidies based on the minimum wage for March and the gross minimum wage for April and May 2020 for employees and the self-employed were paid out by the RS Solidarity Fund.
- b) Category: Flat benefit.
- c) Timing: Applications for the government subsidies had to be submitted to the RS tax authority by 11 May 2020 for March salaries and by 10 June 2020 for April salaries; for May salaries, applications could be submitted for a short time from 2 June 2020.
- d) Amount and duration: March subsidies covered the minimum net wage of KM 520 (EUR 266.60), while the wage subsidies for April and May 2020 covered the gross minimum wage, i.e. employee payroll contributions, based on minimum salary and a net minimum salary of KM 520 (EUR 266.60). The first wage subsidies were paid in May 2020 for March salaries. The claims were processed by the RS tax authority. The RS Solidarity Fund payments were made directly to employers, and minimum net salaries of KM 520 (EUR 266.60) to employees.
- e) Targeted population: Registered business entities prohibited from working during the lockdown period and business entities that stopped working due to the crisis (because of lost markets, lack of production supplies or similar). Subsidies could be received only for registered employees whose contract envisages the payment of payroll social contributions.
- f) Beneficiaries: March 2020 subsidies were received by 11,427 business entities (including the self-employed), but there is no information on the number of supported employees; April 2020 subsidies were paid to 11,311 business entities (including the self-employed) and covered 43,160 employees; subsidies for May 2020 were received by 5,646 business entities (including the self-employed) and covered 18,248 employees.<sup>4</sup>
- g) Novelty: This was a temporary and ad hoc measure to protect employment and support businesses that were negatively affected by the lockdown and the economic crisis caused by the pandemic.

### 2.2.2.2 Уредба о додјели средстава пословним субјектима и предузетницима ради санирања последица пандемије вируса Корона за април 2020. године (Decree on subsidies to business entities and entrepreneurs to ameliorate the consequences of the COVID-19 pandemic for April 2020)

---

<sup>4</sup> The RS Tax Authority, <https://poreskaupravors.org/korona/#> (accessed on 4 January 2020).

- a) Short description of the measure: The decree was published in the RS Official Gazette, No. 54/20 on 5 June 2020. It covered subsidies for business entities, including the self-employed, who were partially affected by the lockdown – i.e. did not stop working, but had reduced business activity due to the pandemic. The subsidy covered the minimum gross wage for April 2020 for business entities whose employees could not perform their jobs as specified in their contracts during April. The funds were approved for an amount corresponding to the fall in the company's revenue.
- b) Category: Flat benefit.
- c) Timing: The applications had to be submitted and the approval procedure completed within 60 days, starting from the day the decree was published.
- d) Amount and duration: The subsidy covered the minimum gross wage for April 2020.
- e) Targeted population: Companies were eligible if they did not reduce the workforce by more than 40% (companies that employed fewer than 10 employees) or by more than 10% (companies that employed 10 or more employees) during the period between 29 February and 30 April 2020. Subsidies could be received only for registered employees whose contracts envisaged the payment of payroll social contributions.
- f) Beneficiaries: Wage subsidies were received by 3,429 business entities (including the self-employed) and covered 21,072 employees.<sup>5</sup>
- g) Novelty: This was a temporary and ad hoc measure to protect employment. It supplemented a measure enacted earlier, by offering somewhat relaxed eligibility criteria in order to assist an additional number of business entities.

**2.2.2.3 Уредба о поступку додјеле средстава привредним субјектима у области међународног превоза лица у друмском саобраћају и пружању аеродромских услуга за санирање финансијског губитка због последица пандемије вируса Корона (Decree on the procedure for distributing funds to business entities in international road transport and airport services to help with financial losses caused by the pandemic)**

- a) Short description of the measure: The decree was published in the RS Official Gazette, No. 98/20, on 5 October 2020. It stipulated aid for adversely affected business entities in transport and airport services. The decree envisaged minimum gross wage subsidies for June and July 2020 for employees of eligible business entities and self-employed people in those industries. The funds were distributed through the RS Compensation Fund.
- b) Category: Flat benefit.
- c) Timing: The applications had to be submitted within 30 days of the decree entering into force.
- d) Amount and duration: Subsidies covered minimum gross wages for June and July 2020.
- e) Targeted population: Business entities registered in the RS that, by 31 August 2020, had not reduced the number of employees by more than 15%, compared to 29 February 2020. Workers on a short-term contract, workers who had retired and workers whose contract had been terminated at their own request or by mutual agreement between the employer and the employee were not taken into consideration when assessing a company's eligibility. Subsidies could be received only for registered employees whose contract envisaged the payment of payroll social contributions.
- f) Beneficiaries: The subsidies were received by 60 companies in international road transport and airport services, and covered 570 employees (RS Ministry of Transport and Connections, 26 January 2021).

---

<sup>5</sup> *ibid.*

- g) Novelty: This was a temporary and ad hoc measure to protect employment in international road transport and airport services.

**2.2.2.4 Уредба о поступку додјеле средстава угоститељима који пружају услугу смјештаја, туристичким агенцијама и извођачима умјетности за санирање финансијског губитка због посљедица пандемија вируса Корона (Decree on the distribution of funds to the hospitality industry, tourist agencies and artists to ameliorate business losses caused by the coronavirus pandemic)**

- a) Short description of the measure: The decree was adopted by the RS Government on 3 December 2020 and published in the RS Official Gazette, No. 120/2020 on 7 December 2020. It stipulated wage subsidies for the payment of social insurance contributions and other wage taxes for full-time employees and self-employed persons working in the hospitality industry and tourist agencies, and for artists. The same decree was adopted again on 1 April 2021 and published in the RS Official Gazette, No. 29/2021.
- b) Category: Flat benefit.
- c) Timing: Applications had to be made by 20 December 2020 (under the December 2020 decree) and by 20 April 2021 (under the April decree).
- d) Amount and duration: Wage subsidies to cover the costs of payroll contributions and wage taxes based on the minimum wage for July, August and September of 2020. The decree from April 2021 stipulated the same benefits for the period October–December 2020.
- e) Targeted population: Those eligible were businesses (and the self-employed) that had not reduced the number of employees by more than 15% between 29 February and 31 August 2020, on condition that they had incurred a financial loss of at least 40% in the period July–September 2020, compared to the same period of 2019, and also on condition that the business entity did not have any tax arrears after 30 June 2020. Subsidies could be received only for registered full-time employees whose contract envisaged the payment of payroll social contributions, or the self-employed. The April 2021 decree stipulated the same eligibility conditions, but with altered dates. The number of employees on 30 November 2020 could not be more than 15% lower than on 29 February, and the financial loss in the period October–December 2020 had to be at least 40% compared to the same period the previous year. Also, obligations towards the RS tax authority had to have been settled by 30 September 2020.
- f) Beneficiaries: According to information received from the RS Ministry of Trade and Tourism (4 February 2021), 50 companies (including the self-employed) received the aid, which covered 555 employees. Based on the same December 2020 decree, the RS Ministry of Education and Culture (1 February 2021) provided subsidies for two business entities with five employees. At the time of writing, the responsible ministries were processing applications based on the April 2021 Decree.
- g) Novelty: This was a temporary and ad hoc measure to protect employment in those industries mentioned.

**2.2.2.5 Уредба о поступку додјеле средстава привредним субјектима у области превоза лица у друмском саобраћају за санирање финансијског губитка због посљедица пандемије вируса Корона (Decree on the procedure for the disbursement of funds to business entities in the road transport industry to mitigate financial losses caused by the coronavirus pandemic)**

- a) Short description of the measure: The decree was adopted on 13 January by the RS Government and published in the RS Official Gazette, No. 2/2021 on 15 January 2021. The measure included wage subsidies intended for business entities providing public

passenger transport and for bus stations. The subsidies covered social insurance contributions and wage taxes for the full-time employees of eligible business entities for the period 1 August to 31 December 2020.

- b) Category: Flat benefit.
- c) Timing: Applications had to be submitted to the ministry responsible within 30 days of the decree being published.
- d) Amount and duration: Social insurance contributions and wage taxes based on the minimum wage for full-time employees of eligible business entities for the period 1 August to 31 December 2020.
- e) Targeted population: Those eligible were companies registered in the RS that, by 31 July 2020, had not reduced the number of employees by more than 15% compared to 29 February 2020, and those that had seen a fall in revenue of at least 20% during the period January–November 2020 compared to the same period of 2019 and on 31 July 2020 had no tax arrears with regard to employee social insurance contributions. Subsidies could be received only for registered employees whose contracts envisaged the payment of payroll social contributions.
- f) Beneficiaries: The aid was distributed through the RS Compensation Fund to 105 business entities (there is no information on the number of supported employees) (RS Government, 22 March 2021).
- g) Novelty: This was a temporary and ad hoc measure to protect employment in the industry mentioned.

### **2.2.3 Measure to protect jobs in Brčko District**

#### **2.2.3.1 *Program mjera za sanaciju šteta u privrednim subjektima Brčko distrikta BiH nastalih ograničenjem rada zbog pandemije izazvane Korona virusom (Programme of measures to mitigate the damage caused to business entities in Brčko District by work restrictions due to the coronavirus pandemic)***

- a) Short description of the measure: The programme was adopted by Brčko District government on 31 March 2020 and was not published in the Official Gazette. It contained a set of measures, including wage subsidies, to help businesses (including the self-employed) whose work had been restricted by the government lockdown.
- b) Category: Conditional benefit.
- c) Timing: Public call was opened on 6 April 2020 and companies had 10 days to submit their applications.
- d) Range, duration and conditionality: The programme envisaged wage subsidies for March 2020, covering social insurance contributions and wage taxes in the amount of 30% of the gross minimum wage or the gross minimum wage (which amounts to KM 860 (EUR 441)).
- e) Targeted population: Business entities registered in Brčko District and business entities that had business units registered in Brčko District, whose business activity was restricted or prohibited by the government measures imposed. Those eligible were all business entities (including the self-employed), except public-sector companies, public institutions, banks and financial organisations, organisations registered in accordance with the Law on associations and foundations, business entities that had laid off at least one employee since March 2020, and companies with tax arrears related to social insurance contributions and wage taxes as of January 2020. Subsidies could be received only for registered employees whose contracts envisaged the payment of payroll social contributions.

- f) Beneficiaries: Subsidies were received by 2,219 business entities (including the self-employed) and covered 9,929 employees (Brčko District of BiH Government, 26 January 2021).
- g) Novelty: This was a temporary and ad hoc measure to protect employment in Brčko District.

**2.2.3.2 Zakon o ublažavanju negativnih ekonomskih posljedica izazvanih stanjem prirodne nesreće zbog COVID-19 u Brčko Distriktu Bosne i Hercegovine (Law on the alleviation of the negative economic consequences arising from the natural disaster due to COVID-19 in Brčko District of Bosnia and Herzegovina)**

- a) Short description of the measure: The law was published in the Brčko District Official Gazette, No. 17/2020 on 6 May 2020. It contained a set of measures, including wage subsidies for business entities affected by the pandemic. The wage subsidy covered a part of the gross wage (including pensions and disability contributions paid by the employer), but could not exceed the amount of the minimum gross wage. Depending on the availability of funding, the Brčko District government could decide to assist companies with part of the salary; but in that case, the subsidy could not be lower than 30% of the minimum gross wage. Subsidies could be claimed for April 2020 and every following month during the 'state of natural disaster' in the amount of the full minimum gross wage.
- b) Category: Conditional benefit.
- c) Timing: The law remains in force for 180 days after the day on which the natural disaster was declared to be at an end.
- d) Range, duration and conditionality: Wage subsidies for April 2020 covering social insurance contributions and wage taxes in the amount of 30% of the gross minimum wage or the gross minimum wage (which amounts to KM 860 (EUR 441)).
- e) Targeted population: Those eligible were companies registered in Brčko District and companies from BiH entities that had business units in Brčko District which (i) had no tax arrears after February 2020, (ii) had not reduced the number of employees after 1 March 2020 and in months for which they would like to claim the subsidies, and (iii) their revenue in April 2020 was at least 20% lower than in the same period of the previous year. Subsidies could be received only for registered employees whose contracts envisaged the payment of payroll social contributions.
- f) Beneficiaries: 1,584 business entities (including the self-employed) received wage subsidies covering 7,148 employees (Brčko District of BiH Government, 26 January 2021).

If we consider that in April 2020, Brčko District had 17,768 registered persons in employment (Agency for Statistics of BiH, 2020a), with some 4,500 employed in public-sector jobs (Parco.gov.ba, 3 September 2020), that leaves us with approximately 13,268 persons in private-sector jobs. Hence, the March 2020 subsidies covered almost 75% of employees in the private sector, while the April 2020 subsidies covered 54%.

- g) Novelty: This is the same as an earlier measure envisaged by the programme, but with extended duration.



## 2.3 Measures related to sickness benefits and sick pay

### 2.3.1 Federation of Bosnia and Herzegovina

#### 2.3.1.1 *Pravilnik o dopuni Pravilnika o listi profesionalnih bolesti (Rulebook on additions to the rulebook concerning the list of professional diseases)*

- a) Short description of the measure: On the initiative of the independent trade union of health-sector employees, the FBiH Ministry of Labour and Social Policy changed the Rulebook on Professional Diseases to add COVID-19 to the list of professional diseases. Additions to the rulebook were published in the FBiH Official Gazette 92/20 on 18 December 2020.
- b) Category: Conditional benefit.
- c) Timing: It has been effective since 18 December 2020.
- d) Range, duration and conditionality: In FBiH, sick leave of up to 42 days is financed by the employer; sick leave beyond 42 days is financed by the cantonal health insurance fund. The sick leave needs to be approved by a responsible medical doctor and can be paid for up to 12 months. An exception to this rule in the FBiH is when an employee is required to isolate at home due to infection or suspected infection. Article 57 of the Law on health insurance envisages that in such a case, salary compensation should be covered entirely by the responsible health insurance fund (the salary should be paid by the employer and refunded by the cantonal health insurance fund within 45 days). Sickness benefit in the FBiH is paid at the level of 80–100% of the employee's salary. In the event of a work injury or professional illness, the salary compensation is 100%. With changes to the rulebook, health professionals are granted better protection in the event that they need to take sick leave on account of COVID-19.
- e) Targeted population: Healthcare professionals (medical doctors, nurses)
- f) Beneficiaries: No information available. However, in some cantons the changes to the rulebook are somewhat diminished by changes to by-laws that regulate the implementation of sickness benefits. For instance, in March 2020 Zenica-Doboj Canton adopted a new rulebook on sickness benefit, stipulating that the salary refunded by the cantonal health insurance fund cannot be higher than the average net salary in the FBiH during the period January–September of the previous year (Information regarding consequences of COVID-19 pandemic, 2020: 3). Also, a new rulebook for sickness benefits from May 2020 in Sarajevo Canton limited salary compensation to a maximum of 80% of the average net salary in the FBiH published by the FBiH Institute for Statistics. These changes have affected the social insurance rights of persons with higher salaries, including health professionals whose salary compensation during sick leave is paid by these cantonal health insurance funds.
- g) Novelty: In case of COVID-19 infection or related illnesses, health professionals will be entitled to salary compensation of 100% of the employee's salary. These changes also affect healthcare professionals' rights to pensions and disability insurance benefits.

## 2.4 Measures related to health insurance

Health protection in both entities is organised along Bismarckian principles, i.e. based on health insurance contribution payments. However, due to delays in the payment of payroll contributions, the prevalence of unregistered work, and some people simply not being covered by any social assistance scheme and not being employed, considerable numbers are not covered by statutory health insurance. The two entities and Brčko District have passed measures to ensure that in the event of COVID-19 infection, those without health insurance receive healthcare treatment.

## 2.4.1 Federation of Bosnia and Herzegovina

### 2.4.1.1 *Zakon o ublažavanju negativnih ekonomskih posljedica u Federaciji Bosne i Hercegovine (Law on alleviation of the negative economic consequences in the Federation of Bosnia and Herzegovina)*

- a) Short description of the measure: Article 15 of the law stipulated that during, and for 1 month after, the state of natural disaster caused by the COVID-19 pandemic (i.e. March, April, May and June 2020), all citizens in the FBiH were granted statutory health insurance.
- b) Category: Neither flat nor conditional benefit.
- c) Timing: The law was adopted in May 2020, but it was applied retroactively from March until the end of July 2020.
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Targeted population: Persons without health insurance. Estimates of health insurance coverage gaps across cantons vary greatly, largely depending on the size and quality of registered employment (i.e. depending on whether social insurance is paid regularly or with delays) and on the social assistance regulation providing health insurance coverage for vulnerable groups. According to the latest available report (for 2017), the estimated health insurance coverage in Canton 10 is 59%, while in Sarajevo Canton and Bosnia-Podrinje Canton it is more than 100% (because health insurance in those cantons is also provided to internally displaced persons and refugees who do not reside in these cantons) (FBiH Health Insurance and Reinsurance Fund (2018: 10).
- f) Beneficiaries: There are no government reports on the number of people benefiting from this provision. The FBiH Government's information on the consequences of the COVID-19 pandemic (FBiH Government, 2021) presented to the FBiH parliament contained no information on implementation of this measure, nor any information concerning the health insurance of uninsured persons and their treatment during the pandemic.
- g) Novelty: The law introduced health insurance coverage for citizens of the FBiH without health insurance, thereby ensuring that persons without health insurance in the event of COVID-19 infection receive a healthcare treatment. The law did not mention who was to finance the healthcare costs of uninsured persons, which implies that the cost should be covered by the public health insurance funds in cantons.

## 2.4.2 Republika Srpska

### 2.4.2.1 *Uredba sa zakonskom snagom o dopunama Zakona o zdravstvenom osiguranju (Decree with legal enforcement on additions to the Law on health insurance)*

- a) Short description of the measure: The decree was published in the RS Official Gazette No. 44/20 on 8 May 2020. It amended the RS Law on health insurance to introduce universal statutory health insurance coverage in the event of COVID-19 infection. The insurance covers services provided by public healthcare providers (health centres, specialised consultative services, and hospital care) in the event of COVID-19 infection. The costs related to the treatment of persons without insurance will be covered from the entity budget.
- b) Category: Neither flat nor conditional benefit.
- c) Timing: From 13 March 2020 onwards.
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Targeted population: Persons without health insurance. Although the health insurance coverage in the RS was increased with amendments to the RS Law on health insurance

from 2019, the estimated health insurance coverage gap on 1 January 2020 was 19% (RS Health Insurance Fund, 12 January 2021).

- f) Beneficiaries: There is no information available on the number of persons without health insurance who were provided with COVID-19 related healthcare treatment. The total related costs from mid-March until the end of October 2020 amounted to KM 23,601,280 (EUR 12,103,220) and were covered by the RS Government (ibid.).
- g) Novelty: Changes to the law were passed in May 2020, but the measure was effective earlier, based on the decision of the RS Health Insurance Fund adopted on 13 March 2020, which was passed in accordance with the conclusion of the RS Headquarters for the extraordinary situation.

Also, the RS Health Insurance Fund extended a medical package of services for insured persons infected with COVID-19. From November 2020, all insured persons infected with COVID-19 have had the right to medical rehabilitation of up to 28 days, if prescribed by their family doctor (RS Health Insurance Fund, 1 January 2020)

### 2.4.3 Brčko District

#### 2.4.3.1 *Naredba* (Order)

- a) Short description of the measure: The Order was issued on 3 November 2020 and it concerns persons without health insurance residing in Brčko District. Public healthcare institutions of Brčko District were ordered to provide healthcare treatment to persons without health insurance who have been infected with COVID-19 or are suspected of having been infected. Their identity has to be determined on the basis of a personal identification document. The costs of their treatment is submitted to the government, which decides on how to cover the expenses from the budget.
- b) Category: Neither flat nor conditional benefit.
- c) Timing: From 3 November 2020 onwards.
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Targeted population: Persons without health insurance. There is no information about the health insurance coverage gap in Brčko District.
- f) Beneficiaries: There is no information on the number of persons without health insurance who have either been infected with COVID-19 or are suspected of having been infected and have therefore received healthcare treatment.
- g) Novelty: Statutory health insurance coverage in the event of COVID-19 infection for citizens of Brčko District without health insurance.

## 2.5 Measures related to minimum income schemes and other forms of social assistance

### 2.5.1 Brčko District measure

#### 2.5.1.1 *Zaključak o davanju suglasnosti na kriterije za dodjelu jednokratne novčane pomoći nezaposlenim licima* (Conclusion on approval of one-off assistance for unemployed persons)

- a) Short description of the measure: The conclusion was adopted in December 2020 and published in the Brčko District Official Gazette, No. 46/20 on 17 December 2020. The conclusion stipulated one-off financial assistance for each unemployed person registered as unemployed on 1 September 2020 at the Brčko District public employment service (PES). The assistance will be distributed by Brčko District PES.
- b) Category: Flat benefit.

- c) Timing: Applications for assistance had to be submitted by the end of 2020.
- d) Amount and duration: One-off assistance of KM 100 (EUR 51.20) for each unemployed person.
- e) Targeted population: 7,060 persons registered as jobseekers on 1 September 2020,<sup>6</sup> and other persons registered with the PES who are not actively seeking work.
- f) Beneficiaries: Altogether, 15,481 persons registered with the Brčko District PES (Infobrcko.com, 20 October 2020). The funds were distributed in November 2020.
- g) Novelty: One-off financial assistance for the unemployed in Brčko District, financed from Brčko District budget.

## 2.6 Measures related to housing support

### 2.6.1 *Odluka o privremenim mjerama koje banka primjenjuje za ublažavanje negativnih ekonomskih posljedica uzrokovanih virusnim oboljenjem COVID-19 (Decision on the temporary measures that a bank implements to mitigate the negative economic consequences of COVID-19)*

- a) Short description of the measure: At the end of March 2020, the FBiH Banking Agency and the RS Banking Agency adopted temporary measures to mitigate the negative economic consequences of COVID-19 (FBiH Official Gazette No. 22/20 and Official Gazette of the RS, No. 27/20). The measures included a repayment holiday (i.e. the deferral of payment of the principal and interest on the loan), the introduction of a grace period for repayment of the principal for a maximum of 6 months, and other measures aimed at facilitating settlement of the client's credit obligations (including housing credits (mortgages)). During the payment holiday, debt owners were not obliged to pay the principal and the interest for the approved period, and the banks could negotiate with their clients on how to reschedule obligations, considering the client's ability to repay.
- b) Category: Neither flat nor conditional benefit.
- c) Timing: The initial measures were in place until the end of the state of natural disaster (31 May 2020) in the FBiH and the situation of emergency (21 May 2020) in the RS. At the end of the summer, both entities extended implementation of these measures until the end of 2020. Again, the measures were extended in spring 2021, thereby giving the banking sector the chance to negotiate payment holidays until the end of June 2021 and mortgage payment deferrals until the end of 2021.
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Target population: These measures could be applied only to debtors whose creditworthiness had deteriorated as a result of the crisis caused by the pandemic.
- f) Beneficiaries: Based on the information from the RS Banking Agency (13 January 2021) that covers the period from 16 March to 30 November, banks in the RS renegotiated housing credits with 605 individual clients, worth KM 37.9 million (EUR 19,435,897). This was 5.52% of all housing credits on 30 September 2020 (ibid.). In the FBiH, banks renegotiated 2,640 housing credits worth KM 194 million (EUR 99,480,000). This was 8.1% of all housing credits on 30 November 2020 in the FBiH (FBiH Banking Agency, 18 January 2021).
- g) Novelty: This was a temporary and ad hoc measure implemented through secondary legislation. It contained several measures, including credit moratoriums, that could be applied by banks to preserve the stability and safety of the banking system.

---

<sup>6</sup> <https://www.zzzbrcko.org/index.php/statistika/statistika-2020>

## **2.7 Leave for parents whose children are unable to attend school or a pre-school service by reason of COVID-19**

In the wake of the imposition of a state of natural disaster, the lockdown measures and the closure of schools and kindergartens, the FBiH Government issued a recommendation to employers and employees to shorten the work time, organise shifts to prevent too many workers gathering together, and (where possible) arrange working from home. For employees with children below the age of 10, if both parents work, employers were encouraged to approve leave for one parent (FBiH Government, 16 March 2020). The recommendation was given within the public statement that followed an FBiH Government session.

A similar recommendation was issued by Brčko District Government on 15 March 2020. The government only called on public institutions to allow absence from work for employees with small children who were unable to attend kindergarten. Later on, the government instructed all public institutions, including health institutions, to allow employees with children aged up to 12 to use holiday leave (Official Gazette of Brčko District, No 15/20 and 21/20).

As the FBiH Government only issued a recommendation, it did not have to be respected by employers in the private sector. The FBiH Government recommendation was followed primarily by public institutions, whose work during the lockdown period was organised mostly from home and in accordance with the FBiH Government recommendations. Similarly, the Brčko District recommendations addressed only public-sector employers and did not apply to the private sector.

The RS Government did not have any measures with regard to leave for parents whose children could not attend school or pre-school, but the RS kept the kindergartens open. The initial lockdown measures introduced from 11 March 2020, which closed down the schools for an initial period of 21 days (subsequently extended until the end of the school year), did not apply to kindergartens. During the lockdown, 11 public and 13 private pre-school institutions (out of 174) remained open for 313 children (UNBH, August 2020).<sup>7</sup>

## **2.8 Other important temporary social protection/inclusion measures adopted in the context of the pandemic, which do not fall in any of the categories listed in the previous sections**

### **2.8.1 Emergency response package in the Federation of Bosnia and Herzegovina under the Emergency COVID-19 Project**

- a) Short description of the measure: Under the Emergency COVID-19 Project (sub-component 2.2), the FBiH Ministry of Labour and Social Policy, in cooperation with the 10 cantonal governments and Centres for Social Work, is responsible for the delivery of the emergency assistance project (FMLSP, 9 February 2021). The project will finance: (i) the cash transfers under the existing means-tested social assistance programme in cantons; (ii) temporary top-up cash benefits for persons with disabilities; (iii) in-kind assistance (basic care and hygiene products) will be provided to vulnerable people residing in specialised institutions. Visits by social workers from Centres for Social Work will be followed to ensure that vulnerable individuals have access to sanitary and medical goods and care (ibid.). Persons with disabilities (non-war persons with disabilities and civilian victims of war) already registered as recipients will receive six payments of cash assistance. Registration requirements for new beneficiaries of temporary cash assistance will be simplified to accelerate beneficiary buy-in to the

---

<sup>7</sup> At the beginning of the school year 2019/2020, some 13,138 children were enrolled in pre-school education; of these, 10,478 (80%) were children both of whose parents worked (RS Institute of Statistics, 2020a: 9). Thus, only 2.4% of those children initially enrolled in the school year 2019/2020 remained in pre-school education until the end of the school year. This shows that many parents were reluctant to send their children to kindergarten and worked out an alternative solution.

programme. Home visits will be conducted by social workers at a later date. It is envisaged that benefits payments will be made directly to the beneficiary's bank account (World Bank, 2020).

- b) Category: Neither flat nor conditional benefit.
- c) Timing: Credit was agreed in April 2020, but the funds become operational at the end of February 2021 (FBiH Government, 6 May 2021).
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Targeted population: Social assistance beneficiaries under the existing schemes, including recipients of means-tested social assistance, persons with disabilities (persons with 100% disability belonging to categories of non-war persons with disabilities, and civilian victims of war who are the recipients of carer's allowance), and the most vulnerable beneficiaries in institutions of social protection. The list of beneficiaries of the permanent social assistance benefits will be drawn from the Social Assistance Beneficiary Registry (SOTAC) and Centres for Social Work databases. Altogether, 41,000 beneficiaries (World Bank, 2020).
- f) Beneficiaries: Only in-kind assistance was distributed to persons living in institutions of social protection during 2020. According to the project document, only 29 persons residing in institutional care are expected to receive in-kind assistance (World Bank, 2020). The remaining financial aid for social assistance benefits planned under the project will be distributed in 2021.
- g) Novelty: Short-term increase in existing social assistance benefits, financed through World Bank credit.

### **2.8.2 Emergency response package in the Republika Srpska under the Emergency COVID-19 Project**

- a) Short description of the measure: Under the Emergency COVID-19 Project (sub-component 1.2), temporary social support and cash assistance is available to vulnerable households and individuals. Based on the project document, the RS Government plans to expand coverage of the targeted social assistance programme and increase access to social services. Notional allocation of assistance funding will be made available to municipalities, based on the target number of beneficiaries prepared by their Centres for Social Work. Also, persons with disabilities who receive benefits under the RS Law on social assistance, will be provided with one-off cash benefits, aligned with the provisions for one-off emergency cash benefits stipulated by the same law. One-off cash benefit will also be provided to eligible persons (elderly or persons with disabilities) living at home or in specialised institutions, who do not have any other source of income. In addition, social workers from Centres for Social Work and specialised care institutions will provide the essential social care services to the members of targeted groups who are in isolation and/or infected and who are residing in private homes or specialised institutions. The support for specialised institutions will also include the purchase and delivery of protective equipment and essential goods. The project will finance regular follow-up visits by social workers to homes and institutions, to ensure that beneficiaries receive their cash assistance and that they have access to food, sanitary and medical goods and care (World Bank, 2020).
- b) Category: Neither flat nor conditional benefit.
- c) Timing: Credit was agreed in April 2020, but its implementation will start in 2021.
- d) Amount and duration/Range, duration and conditionality: Not applicable.
- e) Targeted population: The project will support cash transfers to maintain benefit payments to existing beneficiaries (of a means-tested social assistance scheme, based on the RS Law on social assistance), and expand coverage and extend cash benefits to an additional number of new beneficiaries for 6 months. Altogether, 14,170 beneficiaries (World Bank, 2020).

- f) **Beneficiaries:** In January 2021, the RS Government adopted a decree specifying the beneficiaries, eligibility criteria and procedure for the disbursement of funds under BiH Emergency COVID-19 Project (RS Government, 21 January 2021), but the document has not been published in the Official Gazette.
- g) **Novelty:** The project will finance benefits and services stipulated under the existing legislation.

### 3 Social protection and inclusion responses to the crisis: overall assessment and possible gaps

This third section briefly considers three aspects: the expected cost of the social protection and inclusion measures put in place by the country (Section 3.1), the impact of these measures on the social protection system and on social inclusion policies (Section 3.2), and the possible remaining gaps in the social protection system and in social inclusion policies (Section 3.3). It concludes with a section (3.4) on debates and recommendations.

#### 3.1 Expected cost of social protection and inclusion measures

Although the crisis is not over, and only scraps of information on the cost of those measures we have looked at are currently available, it is evident that the largest share of entity government financing related to COVID-19 went on employment protection measures. In the FBiH, the first subsidies based on the law were distributed between July and September 2020: as well as providing partial relief on employee costs to mainly private businesses, they provided direct support to the social insurance funds and contributed to their stability. Hence, under the 'Corona Law', the FBiH Pension Fund received KM 50.1 million (approx. EUR 25.7 million); the FBiH Employment Institute got KM 1.3 million (EUR 666,600); cantonal PESs – KM 3 million (EUR 1.5 million); the FBiH Institute for Health Insurance and Reinsurance – KM 3.7 million (EUR 1,897,435); and cantonal health insurance funds – KM 31.7 million (EUR 16,256,410) (FBiH Government, 5 November 2020).

Under the FBiH Government Decree adopted on 16 October 2020, the government allocated KM 90 million (approx. EUR 46 million), but it is not known what amount of this funding the supported businesses used to pay salaries and the social insurance contributions of employees. These two FBiH Government measures amounted to KM 179,915,204 (EUR 92,264,207), which is 0.77% of FBiH 2019 GDP.<sup>8</sup> Overall, the subsidies cushioned a fall in the collection of social insurance contributions of 2.4 percentage points (FBiH Government, 2021: 110). Although the collection of social contributions varied from January to December, at the end of the year the total revenue collected in 2020 was just 0.7% down on 2019 (ibid.: 109). This relatively favourable outcome at the end of the year was a result of increased revenue collection in December.<sup>9</sup>

Based on information received from the responsible ministries, wage subsidies in the RS so far – at the time of writing – amount to KM 70,102,710 (EUR 35,950,108), which is 0.62% of the RS 2019 GDP.<sup>10</sup> As in the FBiH, the subsidies helped to maintain the revenue of social insurance funds. The RS Government reported a 1.3% decrease in social insurance contribution revenue during 2020, compared to 2019 (RS Government, 2020: 37).

In both entities, the budget support for healthcare was substantial,<sup>11</sup> but only the RS entity ensured financing for universal healthcare coverage with regard to COVID-19. The total costs incurred for this purpose from mid-March until the end of October 2020 were KM 23,601,280 (EUR 12,103,220) (RS Health Insurance Fund, 12 January 2021). The cost of healthcare for persons without health insurance in the FBiH is not known. The financing of health expenditure based on the FBiH Law on alleviation of the negative consequences of COVID-19 up until the end of July 2020 was the responsibility of cantonal health insurance

<sup>8</sup> According to Institute for Statistics of FBiH (2020), the FBiH GDP in 2019 was KM 23,179,128,000 (EUR 11,886,732,000).

<sup>9</sup> FBiH Government preliminary data for December 2020 show a substantial increase in the revenue collected, which is probably partly due to the payment of tax arrears (according to the FBiH Law on interest rate penalties applied on tax arrears, the interest rates are not applied if debts are settled by the end of 2020) (FBiH Government, 2021).

<sup>10</sup> According to RS Institute of Statistics (2020b), the RS GDP in 2019 was KM 11,251,324,000 (€5,769,910,000).

<sup>11</sup> According to the FBiH Minister of Finance (FBiH Government, 12 November 2020), the FBiH Government support for the health sector during the summer directly or indirectly amounted to KM 300 million (approx. EUR 154 million), which is 6.6% of the FBiH Government budget for 2020, yet it is not known for what purposes. Also, the health sector received support from lower levels of government, i.e. cantons and municipalities, which are the founders of most health institutions, as well as from foreign donors.



funds. The post-July 2020 financing is questionable and depends on how cantons implemented the FBiH Decision on basic healthcare rights from 2009.

The FBiH PEI measure targeted at newly unemployed whose social insurance contributions had not been paid by their employers incurred costs, but it is not known how much, as these benefits are financed by cantonal PESs. Nevertheless, it is known that the functioning of entity PESs has been greatly affected by the crisis. On the one hand, the collection of revenue has been adversely affected by a decline in registered employment and delays in the payment of contributions; on the other hand, an increase in registered unemployment has placed an additional strain on PES finances. Some cantonal PESs have been unable to meet the expenditure requirements to finance unemployment benefits stipulated in law, for which the FBiH provided grant support worth KM 20,410,000 (EUR 10,466,666) (FBiH PEI, 2020: 22).

With regard to social assistance expenditure and benefits planned under the World Bank project in response to the COVID-19 crisis, funding will amount to EUR 13,677 million, of which the RS will receive EUR 3,970 million and the FBiH EUR 9,707 million (World Bank, 2020). Most of these funds will be distributed in 2021.

### **3.2 Impact on the social protection system and on social inclusion policies**

Since most social policy measures enacted were of a temporary nature and did not entail any legislative changes that would affect the functioning of the social protection system, the impact of the measures on the social protection system and social inclusion policies will be negligible. In both entities and Brčko District, priority was given to employment protection measures. Through the employment subsidies to the private sector and adversely affected companies in state ownership, the governments provided indirect support for the functioning of the social insurance funds, which are the main pillars of the social protection systems in both entities. In general, the entity governments did not pass any measures that would affect the implementation of social insurance rights. The one exception is the amendment to the Rulebook on Professional Diseases in the FBiH – but that affects only healthcare professionals. Although this measure has wide implications for the social insurance rights of healthcare professionals in the FBiH, its impact with regard to sickness benefits in some cantons is diminished by changes to by-laws on sickness benefits that limit the amount of salary compensation. Considering the strained finances of the cantonal health insurance funds, these measures are likely to remain in place for some time.

Social assistance schemes in both entities remained unchanged. However, both entities in 2020 secured World Bank credit, which will be used to finance the existing schemes and a short-term increase in benefits of some categories in 2021. The credit document does not envisage any legislative changes, and these are not likely to be initiated by the governments either. Although the system of social protection and social inclusion policies will remain unchanged in terms of legislation and overall functioning, it is evident that the pandemic has stoked the pressure and additionally strained the finances of already weak social protection systems in the country.

### **3.3 Remaining gaps in the social protection system and social inclusion policies**

Significant gaps in the social protection and social inclusion policies of both entities existed even before the pandemic. Both entities' systems of social protection are built around systems of social insurance that benefit primarily persons in registered employment and their dependent family members. A recent study showed that 71% of consolidated government expenditure on social protection in the FBiH, and 85% in the RS, is financed through social insurance (Obradović and Jusić, 2019). However, due to generally low employment rates (ESPN, 2021) and the prevalence of unregistered work (Efendić and Williams, 2018), many people are excluded from the system of social insurance. The

remaining share of social protection expenditure concerns budget-financed social assistance benefits, where the largest share (more than two thirds) is directed towards different categories of war veterans. Only a small share of the population – according to some estimates, only 1.9% of the total population and 6.2% of the poorest quintile – benefits from the means-tested social assistance benefits (World Bank, 2020: 15). The RS changed the general law on social protection and the RS Law on child protection just a few months before the crisis, thereby introducing some new benefits for persons with disabilities and increasing their level of benefits. This measure contributed to an increase in social assistance expenditure in 2020 (RS Government, 2020: 38). Yet it is not known if the RS increased social assistance expenditure on means-tested social assistance, as one would expect during a crisis.

In the FBiH, the available aggregate data on means-tested social assistance benefits (Table 2) indicate a decrease in the number of means-tested social assistance beneficiaries and spending on exceptional social assistance and one-off social assistance in 2020, compared to the previous year. Thus, despite the crisis and the likely increase in the number of individuals requiring assistance, fewer means-tested social assistance benefits were paid out by local authorities and cantons. However, overall spending on means-tested social assistance benefits increased by 6.4% in 2020, compared to 2019. This indicates that some local authorities in the FBiH did increase the amount of social assistance benefits during the crisis. Nevertheless, the decline in the number of beneficiaries is probably due to the financial difficulties faced by most local authorities and cantons, which are responsible for financing these benefits.

**Table 2: Number of means-tested social assistance beneficiaries and corresponding costs in the FBiH for 2019 and 2020**

Year	Social benefits assistance		Exceptional social assistance		One-off social assistance		Total expenditure in KM on means-tested social assistance
	Number of beneficiaries	Total amount paid in KM	Number of beneficiaries	Total amount paid in KM	Number of beneficiaries	Total amount paid in KM	
2019	9,276	11,765,118	463	128,022	6,429	1,094,972	12,860,218
2020	8,768	12,625,439	373	101,294	5,790	1,060,516	13,686,056

Source: FBiH MLSP (13 January 2021), SOTAC database.

People working in the private sector were hit disproportionately hard by the crisis. The increase in unemployment was primarily driven by job losses in the private sector (FBiH Government, 2021). Considering the extent of the crisis, job protection measures for private-sector companies provided only a limited amount of benefit and were of limited coverage and duration. In the FBiH, the subsidies covered only minimum social insurance contributions for the period of the lockdown and for 1 month after. Through subsidies, the FBiH Government supported primarily a select group of employers and social insurance funds. As a result, the main brunt of the crisis was borne by businesses, and this was passed on to employees in the form of lower salaries and employment downsizing. Furthermore, the FBiH entity government's autumn measure privileged companies in state ownership: they did not have to meet the general eligibility criteria applied to private businesses. The major limiting factor for companies that applied for government wage subsidies was the difficulty in proving a fall in turnover compared to the same period in the previous year and the fact that they had no tax arrears. In the FBiH, companies in public ownership were exempt from these eligibility criteria and received subsidies despite their tax arrears.

Furthermore, companies operating in the grey economy were not eligible for government subsidies. According to various estimates covering the period 2014–2016, the unregistered economy produces approximately 25–35% of GDP, while estimated participation in undeclared work ranges between 10% and 25% of the labour force, or between 120,000

and 300,000 (Efendić and Williams, 2018). Hence, a considerable number of workers, including workers in unregistered companies, unregistered employees in registered companies, and employees in registered companies whose employers have tax arrears, were not eligible for government subsidies.

Despite the fact that FBiH has limited health insurance coverage, the entity government and most cantons failed to ensure universal health insurance coverage for COVID-19 beyond July 2020, after the provisions of the Law on alleviation of the negative consequences of COVID-19 expired. It appears that the issue of persons without health insurance is considered to be the sole responsibility of the cantons. In 2009, the FBiH parliament passed a Decision on basic healthcare rights, which stipulates universal health insurance coverage for infectious diseases. Implementation of this decision was supposed to be regulated by by-laws which were never developed. As a result, it was left to the cantons to decide whether to implement the decision, and to what extent. This raises concerns that healthcare protection in the FBiH during the pandemic was not accessible for the most vulnerable population, such as Roma, the unemployed or elderly persons not covered by a social assistance scheme, etc.

There have been no measures related to housing support for socially vulnerable groups in the wake of the crisis caused by the pandemic. Housing support schemes are primarily available only for war veteran categories, and internally displaced persons and refugees through the responsible ministries. Housing expenditure accounted for a mere 0.1% of social protection expenditure in 2018 (Agency for Statistics of BiH, 3 February 2021). The only housing-related support in the context of COVID-19 was provided through measures adopted by the entities' banking agencies. Their data suggest that a vast majority of housing credits in both entities are owned by individuals whose income has not been affected by the crisis.

Moreover, the FBiH and Brčko District governments did not have any measures for the employed parents of small children. Due to the closure of pre-school institutions and the introduction of online education in elementary schools during lockdown, and later on the reduced capacity of pre-school institutions (only 10 children per group allowed during the summer), workers in the private sector in the FBiH and Brčko District faced difficulty in finding a care solution for their children. Also, working from home in many sectors of the economy was not an option, as those jobs cannot be performed remotely. As a result, in the private sector, the parents of small children were likely to face employment furlough or contract termination. The lack of adequate measures to support families with children to reconcile their care and employment responsibilities was more likely to affect women's employment, given their generally weak position in the labour market (see ESPN, 2021) and the expectations placed on them with regard to care responsibilities.

Furthermore, the most vulnerable in society, such as the homeless, people living off social assistance and persons living in poverty who for some administrative reason do not meet the eligibility criteria for means-tested benefits, plus people who have lost their jobs (either registered or unregistered employment) and those whose income has fallen, were not provided with any assistance. Neither government introduced any new measures to alleviate child poverty or poverty in general. The poorest households do have neither savings nor borrowing options, while their usual coping strategies (such as informal and seasonal work) were not available during the pandemic and lockdown (Matković and Stubbs, 2020: 13). Although there are no poverty measurements for 2020, all the available indicators suggest that poverty and people's vulnerability to poverty in 2020 increased considerably.

### **3.4 Debates and recommendations**

There have been very little public debate about the adequacy of the social policy measures adopted to address the crisis caused by the pandemic. All levels of government have faced a significant drop in tax revenue, which has limited their scope for manoeuvre. Apart from the general support given to the health sector and measures to protecting employment, social policy and social inclusion measures have not been a priority.

According to the FBiH trade unions, the effects of the 'Corona Law' in the FBiH have been disastrous, as implementation of the law did not prevent job losses, while subsidies that covered only social insurance contributions based on minimum salaries provided employers with an incentive to pay minimum net salaries. They have called on the FBiH Government to provide subsidies for businesses that have not cut the number of their employees that are adequate to cover the full amount of social insurance contributions for salaries paid beyond the minimum amount (Klix.ba, 24 November 2020).

The FBiH Deputy House of Representatives called on the FBiH Government to initiate a dialogue with the social partners, with a view to drafting a new law urgently – by 15 February 2021 – to alleviate the negative consequences of the crisis. The FBiH Government (FBiH Government, 28 January 2021) did not support this initiative and reiterated its intention of implementing measures already planned under the FBiH budget for 2021, which includes support of KM 50 million (EUR 25.6 million) for employment programmes that would facilitate a rise in employment to pre-crisis levels, and provide grants to lower levels of government (*ibid.*). Similar active labour market measures are planned by the RS Government to the tune of KM 12,188,000 (EUR 6,250,256), for the employment of 2,882 unemployed people, to be implemented through the RS public employment service (RS Government, 21 January 2021).

The crisis revealed (and exacerbated) the systemic weaknesses in the entity systems of social protection. The existing policy response was uncoordinated and slow, while the needs of the most vulnerable social groups were altogether neglected. Social protection considerations of the general population during the crisis were not given sufficient weight in crisis governance bodies (Matković and Stubbs, 2020: 14).

The entity governments should use the crisis to initiate and justify reform of the budget-financed social assistance benefits, in order to ensure better coverage and targeting of vulnerable groups. The RS system of social assistance is more stable than that in the FBiH. Unlike in the FBiH, the cost of the means-tested social assistance scheme in the RS is shared equally by the entity and the local authorities, and the local authorities may guarantee additional rights. In the FBiH, the local authorities and/or cantons are solely responsible for defining benefits and eligibility criteria, and for financing the social assistance, without any help at the entity level. Although the amount of benefits provided and the eligibility criteria vary from canton to canton, a common feature of the benefits is their inadequate level and low coverage. The FBiH should use the crisis to introduce a uniform amount of social assistance benefit, while also extending the coverage and the level of benefits to at least a minimum absolute poverty threshold. With partial funding from the FBiH entity level, the means-tested social assistance financing would become stable and less prone to budget oscillations at lower levels of government.

Although support for the healthcare sector was a priority, the FBiH neglected the problem of persons without health insurance after July 2020. In order to ensure universal health insurance coverage in the event of infectious disease, the FBiH Ministry of Health should adopt secondary legislation to ensure uniform implementation of the FBiH Decision on basic healthcare rights from 2009 across cantons. This is a necessary public health measure to contain the infection, as well as a measure to ensure basic healthcare protection for the most vulnerable categories of the population.

Moreover, the crisis offers an opportunity for the governments to tackle undeclared work and reduce labour market informality, while also assisting the most vulnerable categories in the labour market, i.e. unregistered workers. Entity governments should offer support to unregistered companies and unregistered workers – on condition that they register their activity within a given period of time. The short-term support offered would help the government authorities to identify these businesses and assist their transition into the legitimate realm, thereby strengthening the future taxation base.

## References

- Agency for Statistics of BiH (2019). Anketa o radnoj snazi 2019 [Labour Force Survey 2019]. Thematic Bulletin, TB 10, Sarajevo. Accessed on 10 May 2021 at: [http://bhas.gov.ba/data/Publikacije/Bilteni/2019/LAB\\_00\\_2019\\_TB\\_0\\_BS.pdf](http://bhas.gov.ba/data/Publikacije/Bilteni/2019/LAB_00_2019_TB_0_BS.pdf)
- Agency for Statistics of BiH (2020a). Bilten, Statistički podaci Brčko Distrikta BiH [Bulletin, Statistical data for Brčko District of BiH]. Accessed on 7 February 2021 at: [http://www.bhas.gov.ba/data/Publikacije/Bilteni/2020/BRC\\_00\\_2020\\_B3\\_0\\_BS.pdf](http://www.bhas.gov.ba/data/Publikacije/Bilteni/2020/BRC_00_2020_B3_0_BS.pdf)
- Agency for Statistics of BiH (2020b). First release, Demography and social statistics, Number 1, Labour Force Survey, I quarter 2020. Accessed on 10 May 2021 at: [http://bhas.gov.ba/data/Publikacije/Saopštenja/2020/LAB\\_00\\_2020\\_Q1\\_0\\_BS.pdf](http://bhas.gov.ba/data/Publikacije/Saopštenja/2020/LAB_00_2020_Q1_0_BS.pdf)
- Agency for Statistics of BiH (2020c). First release, Demography and social statistics, Number 2, Labour Force Survey, II quarter 2020. Accessed on 10 May 2021 at: [http://bhas.gov.ba/data/Publikacije/Saopštenja/2020/LAB\\_00\\_2020\\_Q2\\_0\\_BS.pdf](http://bhas.gov.ba/data/Publikacije/Saopštenja/2020/LAB_00_2020_Q2_0_BS.pdf)
- Agency for Statistics of BiH (2021a). First release, Demography and social statistics, Number 3, Labour Force Survey, III quarter 2020. Accessed on 10 May 2021 at: [http://bhas.gov.ba/data/Publikacije/Saopštenja/2021/LAB\\_00\\_2020\\_Q3\\_1\\_BS.pdf](http://bhas.gov.ba/data/Publikacije/Saopštenja/2021/LAB_00_2020_Q3_1_BS.pdf)
- Agency for Statistics of BiH (2021b). First release, Demography and social statistics, Number 4, Labour Force Survey, IV quarter 2020. Accessed on 10 May 2021 at: [http://bhas.gov.ba/data/Publikacije/Saopštenja/2021/LAB\\_00\\_2020\\_Q4\\_1\\_BS.pdf](http://bhas.gov.ba/data/Publikacije/Saopštenja/2021/LAB_00_2020_Q4_1_BS.pdf)
- Agency for Statistics of BiH (3 February 2021). Bosnia and Herzegovina ESSPROS 2018 data. Data on file with the author.
- Agency for Statistics of BiH (19 April 2021). Data on file with the author.
- Baptista Isabel, Eric Marlier, Slavina Spasova, Ramón Peña-Casas, Boris Fronteddu, Dalila Ghailani, Sebastiano Sabato and Pietro Regazzoni (2021). *Social Protection and Inclusion Policy Responses to the COVID-19 Crisis: An analysis of policies in 35 countries*. European Social Policy Network (ESPN), Luxembourg: Publications Office of the European Union, <https://ec.europa.eu/social/main.jsp?langId=en&catId=1135>.
- Brčko District Government (31 March 2020). Program mjera za sanaciju šteta u privrednim subjektima Brčko distrikta BiH nastalih ograničenjem rada zbog pandemije izazvane korona virusom [Programme of measures to alleviate the damage to business entities caused by coronavirus restrictions]. Accessed on 22 June 2021 at: [http://www.vlada.bdcentral.net/data/dokumenti/Javni%20poziv%20privreda/2020-04-16-Javni\\_poziv\\_za\\_raspodjelu\\_novcanih\\_sredstava\\_sanacija\\_steta\\_privrednim\\_subjektima-Ba.pdf](http://www.vlada.bdcentral.net/data/dokumenti/Javni%20poziv%20privreda/2020-04-16-Javni_poziv_za_raspodjelu_novcanih_sredstava_sanacija_steta_privrednim_subjektima-Ba.pdf)
- Brčko District of BiH (06 May 2020; 27 October 2020). Law on alleviation of the negative economic consequences caused by the state of natural disaster of COVID-19 in Brčko District of BiH (Brčko District Official Gazette, No. 17/2020 and 40/2020).
- Brčko District of BiH (12 May 2020). Naredba o epidemiološkim mjerama za postepeno ublažavanje mjera – predškolske ustanove (vrtići) [Order concerning epidemiological measures on gradual relaxation of measures – pre-school institutions (kindergartens)]. Accessed on 22 December 2020 at: <http://www.vlada.bdcentral.net/Content/Read/naredbe-i-drugi-akti-covid-19>
- Brčko District of BiH (18 May 2020). Naredba o dopuni Naredbe [Order on addition to Order]. Accessed on 22 December 2020 at: <http://www.vlada.bdcentral.net/Content/Read/naredbe-i-drugi-akti-covid-19>
- Brčko District of BiH (3 November 2020). Naredba [Order]. Accessed on 22 December 2020 at: <http://www.vlada.bdcentral.net/Content/Read/naredbe-i-drugi-akti-covid-19>
- Brčko District of BiH (15 December 2020). Public call for assistance to business entities prohibited to work due to the pandemic [Javni poziv za pomoć privrednim subjektima kojima je zabranjen rad zbog pandemije]. Accessed on 8 January 2020 at:

<http://prsk.bdcentral.net/Publication/Read/javni-poziv-za-pomoc-privrednim-subjektima-kojima-je-zabranjen-rad-zbog-pandemije>

- Brčko District of BiH Government (26 January 2021). Information on file with the author.
- Efendić, Adnan and Williams, C. Colin (2018). Diagnostic report on undeclared work in Bosnia and Herzegovina. Draft. Regional Cooperation Council, Employment and Social Affairs Platform. Accessed on 12 January 2021 at: [https://www.academia.edu/39250178/Diagnostic\\_Report\\_on\\_undeclared\\_work\\_in\\_Bosnia\\_and\\_Herzegovina\\_draft\\_report](https://www.academia.edu/39250178/Diagnostic_Report_on_undeclared_work_in_Bosnia_and_Herzegovina_draft_report)
- European Social Policy Network (ESPN) (2021). COVID-19 impact on social protection and social inclusion policies – Statistical annex. Brussels: European Commission.
- FBiH Banking Agency (18 January 2021). Information on file with the author.
- FBiH Government (16 March 2020). 214. Sjednica Vlade Federacije BiH [The 214th FBiH Government Session]. Accessed on 20 December 2020 at: [http://www.fbihvlada.gov.ba/bosanski/sjednica\\_v2.php?sjed\\_id=838&col=sjed\\_saopcenje](http://www.fbihvlada.gov.ba/bosanski/sjednica_v2.php?sjed_id=838&col=sjed_saopcenje)
- FBiH Government (10 September 2020). Information on the consequences of the COVID-19 pandemic for the economy [Informacija Vlade FBiH vezano za posljedice djelovanja epidemije koronavirusa – COVID-19 na privredu, sa aspekta primjene Zakona o ublažavanju negativnih ekonomskih posljedica, pojedinih grana privrede, stanja zaposlenih te stanja u zdravstvu FBiH].
- FBiH Government (5 November 2020). 246. Sjednica Vlade Federacije BiH, Saopćenje o radu [242nd FBiH Government Session: Work Report]. Accessed on 12 December 2020 at: [http://www.fbihvlada.gov.ba/bosanski/sjednica\\_v2.php?sjed\\_id=892&col=sjed\\_saopcenje](http://www.fbihvlada.gov.ba/bosanski/sjednica_v2.php?sjed_id=892&col=sjed_saopcenje)
- FBiH Government (12 November 2020). Milićević: Proglašenje stanja prirodne nesreće uticalo bi na građane [Milićević: Declaring a state of natural disaster would affect the citizens]. Accessed on 12 January 2021 at: [http://www.fbihvlada.gov.ba/bosanski/aktuelno\\_v2.php?akt\\_id=8926](http://www.fbihvlada.gov.ba/bosanski/aktuelno_v2.php?akt_id=8926)
- FBiH Government (2021). Information on the consequences of the COVID-19 pandemic for the economy and healthcare in the FBiH [Informacija Vlade FBiH vezano za posljedice djelovanja epidemije Koronavirusa – COVID-19 na privredu i zdravstvo u Federaciji BiH].
- FBiH Government (28 January 2021). 253. Sjednica Vlade Federacije BiH, Izjašnjenje o zaključku Predstavničkog Doma Parlamenta FBiH [253rd FBiH Government Session: Response to the Conclusion adopted by the FBiH House of Representatives]. Accessed on 29 January 2021 at: [http://www.fbihvlada.gov.ba/bosanski/aktuelno\\_v2.php?akt\\_id=9071](http://www.fbihvlada.gov.ba/bosanski/aktuelno_v2.php?akt_id=9071)
- FBiH Government (6 May 2021). 265. Sjednica Vlade Federacije BiH; Saopćenje o radu [265th FBiH Government Session: Work Report]. Accessed on 8 May 2021 at: [http://www.fbihvlada.gov.ba/bosanski/sjednica\\_v2.php?sjed\\_id=938&col=sjed\\_saopcenje](http://www.fbihvlada.gov.ba/bosanski/sjednica_v2.php?sjed_id=938&col=sjed_saopcenje)
- FBiH Health Insurance and Reinsurance Fund (2018). Obračun sredstava u zdravstvu u Federaciji Bosne i Hercegovine za 2017. Godinu [Statement of healthcare funds in the Federation of Bosnia and Herzegovina]. Sarajevo, July.
- FBiH Ministry of Labour and Social Policy (FBiH FMLSP) (10 December 2020). U cilju veće zaštite zdravstvenih radnika Federalni minister Vesko Drljača dopunama Pravilnika svrstao COVID-19 u listu profesionalnih bolesti [With the aim of providing better protection for health workers, Federal Minister Vesko Drljača has added COVID-19 to the list of professional diseases]. Accessed on 20 December 2020 at: <http://fmrsp.gov.ba/?p=6429>

FBiH Ministry of Labour and Social Policy (FBiH MLSP) (13 January 2021). Information on file with the author.

FBiH Ministry of Labour and Social Policy (FBiH FMLSP) (9 February 2021). Information on file with the author.

FBiH Public Employment Institute (FBiH PEI) (23 April 2020). Lončar: Više od deset hiljada osoba zatražilo novčanu naknadu [Lončar: More than ten thousand persons applied for the unemployment support benefit]. Accessed on 18 September 2020 at: <http://www.fzzz.ba/archive?cnt=398>

FBiH Public Employment Institute (FBiH PEI) (October 2020). Financijski plan Federalnog zavoda za zapošljavanje za 2021. godinu i procjena plana za 2022 i 2023. godinu [Financial plan of FBiH Public Employment Institute for 2021 and estimate for 2022 and 2023]. Sarajevo.

FBiH Public Employment Institute (FBiH PEI) (14 January 2021). Information on file with the author.

FBiH Public Employment Institute, Statistics. Accessed on 8 May 2021 at: <http://fzzz.ba/statistics>

FBiH Supreme Court Rulings (7 March 2007). Ruling No. U-3488/01 and Ruling No. U-3477/01.

Infobrcko.com (20 October 2020). Brčko: do kraja godine 15,481 osoba sa biroa dobit će po 100 KM [Brčko: By the end of the year, 15,481 persons registered as unemployed will receive KM 100]. Accessed on 3 April 2021 at: <https://www.infobrcko.com/vijesti/item/27201-brcko-do-kraja-godine-15-481-osoba-sa-biroa-dobit-ce-po-100-km.html>

Information regarding consequences of COVID-19 pandemic (2020). Utjecaj epidemije COVID-19 na prihode i rashode Zavoda zdravstvenog osiguranja Zenicko-Dobojskog kantona za period January-Juni 2020. godine [Impact of the COVID-19 epidemic on the revenue and expenditure of the Health Insurance Fund of the Zenica-Doboj Canton in the period January–June 2020].

Institute for Statistics of FBiH (2020). First Release, Annual Gross Domestic Products for the Federation of BiH, 2019, Income Approach. Accessed on 5 April 2021 at: <http://fzs.ba/index.php/publikacije/saopcenjapriopcenja/nacionalni-racuni-bruto-domaci-proizvod/>

Kahrović, Ajdin (2020). Ekonomija u postpandemijskom vremenu: Prilike za razvoj lokalnog poduzetništva [Economics in post-pandemic times: Opportunities for development of local entrepreneurship]. Sarajevo: Friedrich-Ebert-Stiftung.

Klix.ba (3 September 2020). Realizacija korona-zakona: Od 488 miliona KM za subvencioniranje doprinosa utrošeno samo 18 posto [Implementation of the 'Corona Law': Of the KM 488 million for social insurance subsidies, only 18% has been used]. Accessed on 3 February 2021 at: <https://www.klix.ba/biznis/realizacija-korona-zakona-od-488-miliona-km-za-subvencioniranje-doprinos-a-utroseno-samo-18-posto/200902040>

Klix.ba (24 November 2020). Sindikat kritikovao Vladu FBiH, traže granske kolektivne ugovore i primjenu korona-zakona [The unions have criticised the FBiH Government, asking for branch collective agreements and implementation of the Corona Law]. Accessed on 29 January 2021 at: <https://www.klix.ba/vijesti/bih/sindikat-kritikovao-vladu-fbih-traze-granske-kolektivne-ugovore-i-primjenu-korona-zakona/201124063>

Klix.ba (17 January 2021). Novalić: Uхватili smo se u koštac s krizom, nastavljamo raditi na oporavku privrede [Novalić: We are keeping a grip on the crisis and continuing to work on economic recovery]. Accessed on 17 January 2021 at:

<https://www.klix.ba/biznis/novalic-uhvatili-smo-se-ukostac-s-krizom-nastavljamo-raditi-na-oporavku-privrede/210117014>

Matković, Gordana and Stubbs, Paul (2020). Social Protection in the Western Balkans, Responding to the COVID-19 Crisis. Friedrich-Ebert-Stiftung, Social Dimension Initiative.

Obradović, Nikolina and Jusić, Mirna (2019). ESPN Thematic Report on Financing social protection – Bosnia and Herzegovina, European Social Policy Network (ESPN). Brussels: European Commission.

Parco.gov.ba (3 September 2020). Brčko distrikt objavio imena 4.500 osoba zaposlenih u tijelima javne uprave [Brčko District has published the names of 4,500 public-sector employees]. Accessed on 7 February 2021 at: <https://parco.gov.ba/hr/2020/09/03/brcko-distrikt-objavio-imena-4-500-osoba-zaposlenih-u-tijelima-javne-uprave/>

RS Banking Agency (13 January 2021). Information on file with the author.

RS Government (2020). Economic Reform Programme of Republika Srpska for the period 2021–2023.

RS Government (08 May 2020). Уредба са законском снагом о допунама Закона о здравственом осигурању [Decree with legal power on additions to the Law on health insurance]. RS Official Gazette, No. 44/2020.

RS Government (10 April 2020; 14 May 2020). Уредба са законском снагом о пореским мјерама за ублажавање економских посљедица насталих услед болести COVID-19 изазване SARS-CoV-2 [Decree with legal enforcement on tax measures for the amelioration of economic consequences caused by COVID-19]. RS Official Gazette, No. 35/2020 and No. 46/2020.

RS Government (3 December 2020). Уредба о поступку додјеле средстава угоститељима који пружају услугу смјештаја, туристичким агенцијама и извођачима умјетности за санирање финансијског губитка због посљедица вируса Корона [Decree on the procedure for the disbursement of financial aid to the hospitality industry, tourist agencies and arts performers]. RS Official Gazette, No. 120/2020.

RS Government (21 January 2021). Одржана 105. сједница Владе Републике Српске [105th Session of the RS Government]. Accessed on 29 January 2021 at: <https://www.vladars.net/sr-SP-Cyrl/Vlada/media/vijesti/Pages/Splash.aspx>

RS Government (22 March 2021). Одржана 5. телефонска сједница УО Компензационог фонда [5th telephone session of the Compensation Fund Management Board]. Accessed on 8 May 2021 at: <https://www.vladars.net/sr-SP-Cyrl/Vlada/media/vijesti/Pages/kompenzacioni-fond-22032021.aspx>

RS Government (05 October 2020). Уредба о поступку додјеле средстава привредним субјектима у области међународног превоза лица у друмском саобраћају и пружању аеродромских услуга за санирање финансијског губитка због посљедица пандемије вируса корона [Decree on the procedure for distributing funds to business entities in international road transport and airport services for financial losses caused by the pandemic]. RS Official Gazette, No. 98/2020.

RS Government (15 January 2021). Уредба о поступку додјеле средстава привредним субјектима у области превоза лица у друмском саобраћају за санирање финансијског губитка због посљедица пандемије вируса Корона [Decree on procedure for distributing aid to business entities in transport industry]. RS Official Gazette, No. 2/2021.

RS Health Insurance Fund (12 January 2021). Information on file with the author.

RS Health Insurance Fund (1 January 2020). Почине примјена нових права осигураника [Implementation of new rights for the insured commences]. Accessed on 6 January 2021



at: <https://www.zdravstvo-srpske.org/novosti/pocinje-primjena-novih-prava-osiguranika.html>

RS Institute of Statistics (2020a). Preschool Education, School Years 2015/2016 – 2019/2020. Statistical Bulletin. Banja Luka. Accessed on 8 January 2021 at: [https://www.rzs.rs.ba/static/uploads/bilteni/obrazovanje/predskolsko\\_obrazovanje/Pr edskolsko Obrazovanje 2019 2020 WEB.pdf](https://www.rzs.rs.ba/static/uploads/bilteni/obrazovanje/predskolsko_obrazovanje/Pr edskolsko Obrazovanje 2019 2020 WEB.pdf)

RS Institute of Statistics (2020b). National Accounts Statistics, Gross Domestic Product for 2019, Income Approach. Accessed on 5 April 2021 at: [https://www.rzs.rs.ba/static/uploads/saopstenja/nacionalni\\_racuni/bdp\\_godisnji/dohodovni\\_pristup/2019/BDP\\_Dohodovni\\_Pristup\\_2019.pdf](https://www.rzs.rs.ba/static/uploads/saopstenja/nacionalni_racuni/bdp_godisnji/dohodovni_pristup/2019/BDP_Dohodovni_Pristup_2019.pdf)

RS Institute of Statistics (11 January 2021). Information on file with the author.

RS Ministry of Education and Culture (1 February 2021). Information on file with the author.

RS Ministry of Trade and Tourism (4 February 2021). Information on file with the author.

RS Ministry of Transport and Connections (26 January 2021). Information on file with the author.

United Nations Bosnia and Herzegovina (UNBH) (August 2020). Rapid situation and needs assessment – Education in Bosnia and Herzegovina, Phase II. Accessed on 5 January 2020 at: [https://bosniaherzegovina.un.org/sites/default/files/2020-10/UNICEF\\_UNESCO%20RNA%20%20Phase%20 final.pdf](https://bosniaherzegovina.un.org/sites/default/files/2020-10/UNICEF_UNESCO%20RNA%20%20Phase%20 final.pdf)

World Bank (2020). Bosnia and Herzegovina Emergency COVID-19 Project. Report No: PAD3856. Approved by the Board on April 2, 2020. Accessed on 22 December 2020 at: <http://documents1.worldbank.org/curated/en/724551589404211773/pdf/Bosnia-and-Herzegovina-Emergency-COVID-19-Project.pdf>

## **Getting in touch with the EU**

### **In person**

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

### **On the phone or by e-mail**

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

## **Finding information about the EU**

### **Online**

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

### **EU Publications**

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

### **EU law and related documents**

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

### **Open data from the EU**

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

