

Bosnia and Herzegovina

Impact of the Emergency Demobilization and Reintegration Project (EDRP)

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Background

- **Bosnia and Herzegovina**
 - **Federation of Bosnia and Herzegovina (FBH)**
 - **Republika Srpska (RS)**

- **Project Implementation**
 - **Began in 1996**
 - **Completed in 1999**

Project Purpose

To assist in the reintegration of demobilized soldiers and displaced workers into the civilian workforce and to increase productivity through Active Labor Programs (ALPs).

Project Design

➤ **EDRP Components**

- **Labor Market Information Data Base**
- **Education and Retraining Services**
- **Counseling and Job Finding**
- **Management Assistance**

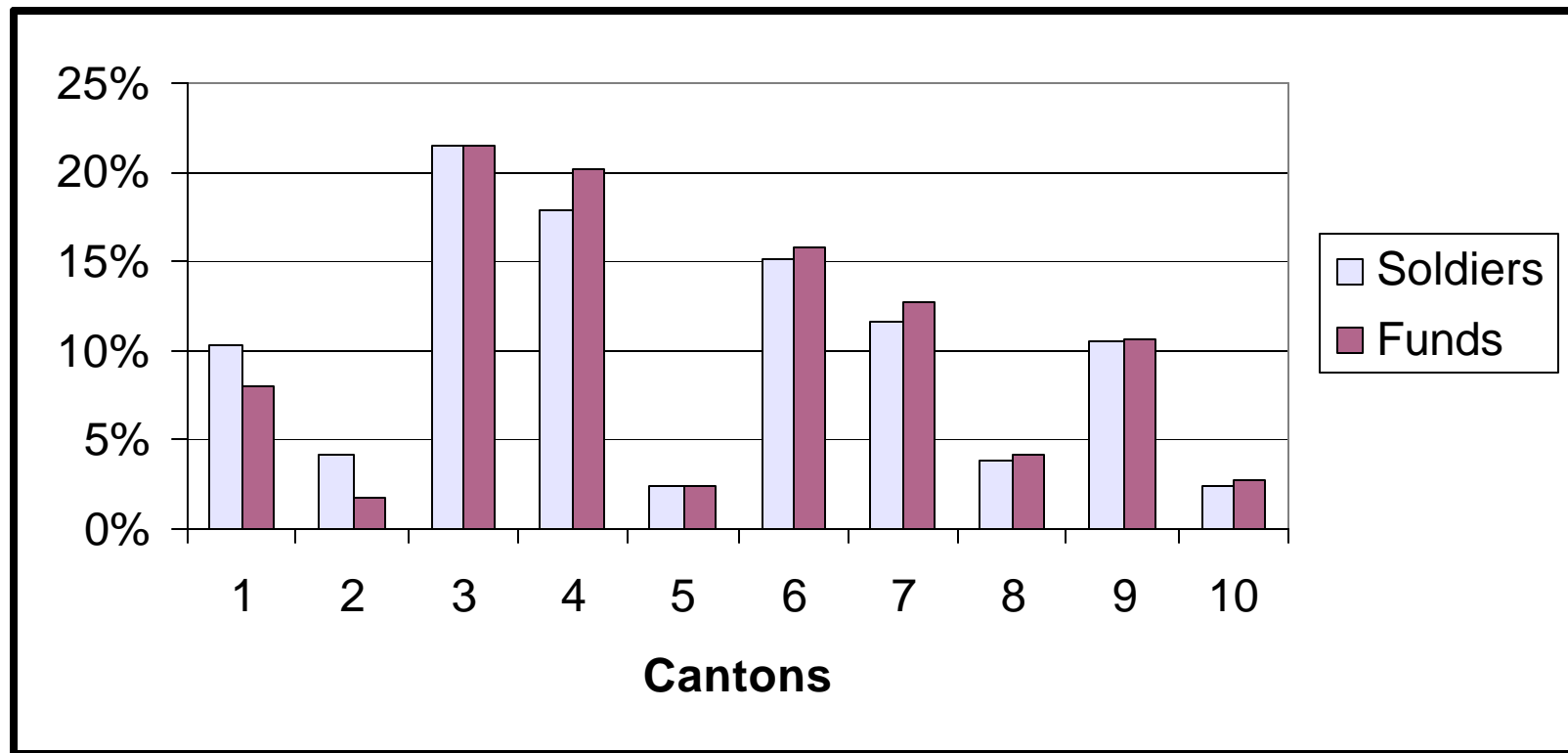
Financing

- **World Bank IDA credits (\$7.0 million)**
- **USAID SEED Grant (\$350K)**
- **Dutch Trust Fund (\$400K)**

Participation in Project Activities

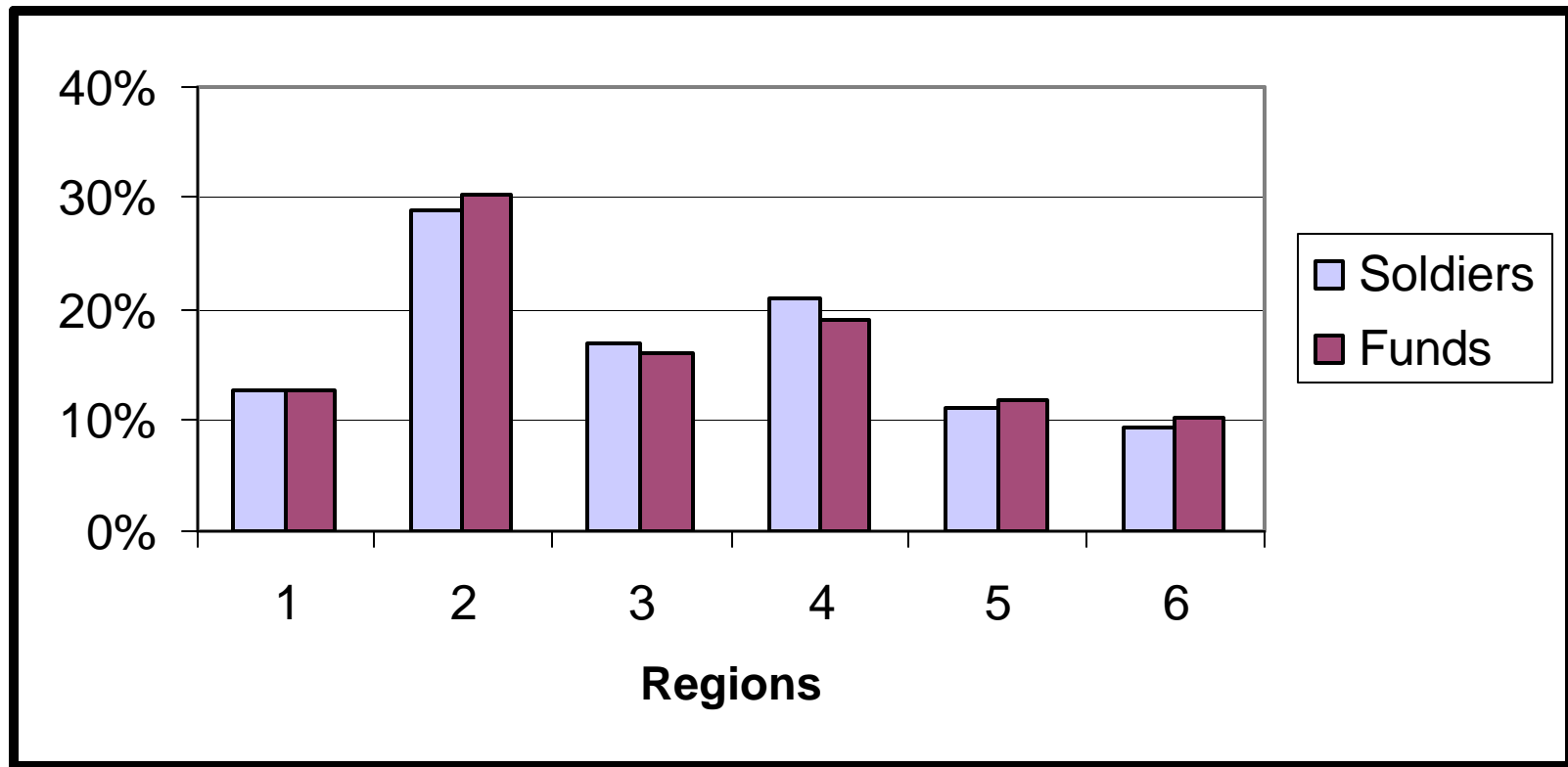
Type of Training	FBH		RS	
	Clients	Percent	Clients	Percent
OJT	13,568	79.5%	4,898	82.8%
Institutional Training	865	5.1%	334	5.7%
Counseling	2,643	15.4%	681	11.5%
Totals	17,076	100.0%	5,913	100.0%

Funds Allocation by Canton (FBH)



Funds Allocation by Region

(RS)



Participant Sample Selection

(PIU data)

- **Identified contracts from FBH and RS**
- **Grouped contracts by clients served (S,M,L)**
- **Selected representative sample of contracts**
- **Randomly selected program participants**
- **Grouped participants by municipality**

Comparison Sample Selection

(Employment Bureau data)

- **Selected Employment Bureau registrants who did not participate in EDRP**
- **Identified those who registered between January and June 1999**
- **Matched registrants based on sampling quota (e.g., gender, age, profession)**

Response Rate Analysis

	Participants	Comparison Group
Completed	51.2%	66.5%
Wrong Address	7.4%	4.8%
Moved Away	6.8%	3.5%
Refused/Busy	28.6%	18.5%
Other	6.0%	6.7%
COMPLETED INTERVIEWS	1,714	1,743

Sample Demographic Characteristics

➤ **Sample Similarities**

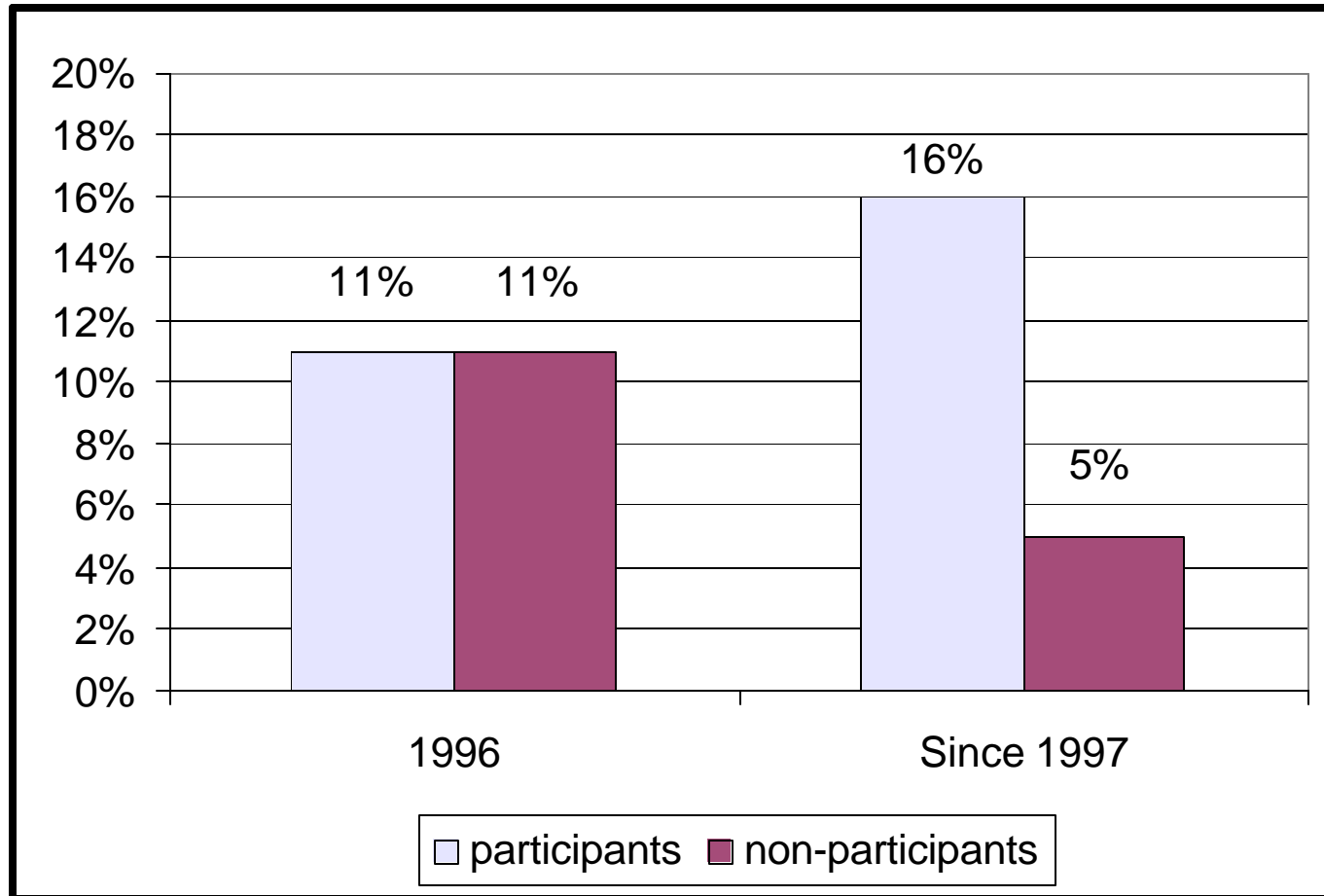
- **Age**
- **Gender**
- **Household size**
- **Military Service**

➤ **Sample Differences**

- **Education**
- **Number of HH members under 18 years old**

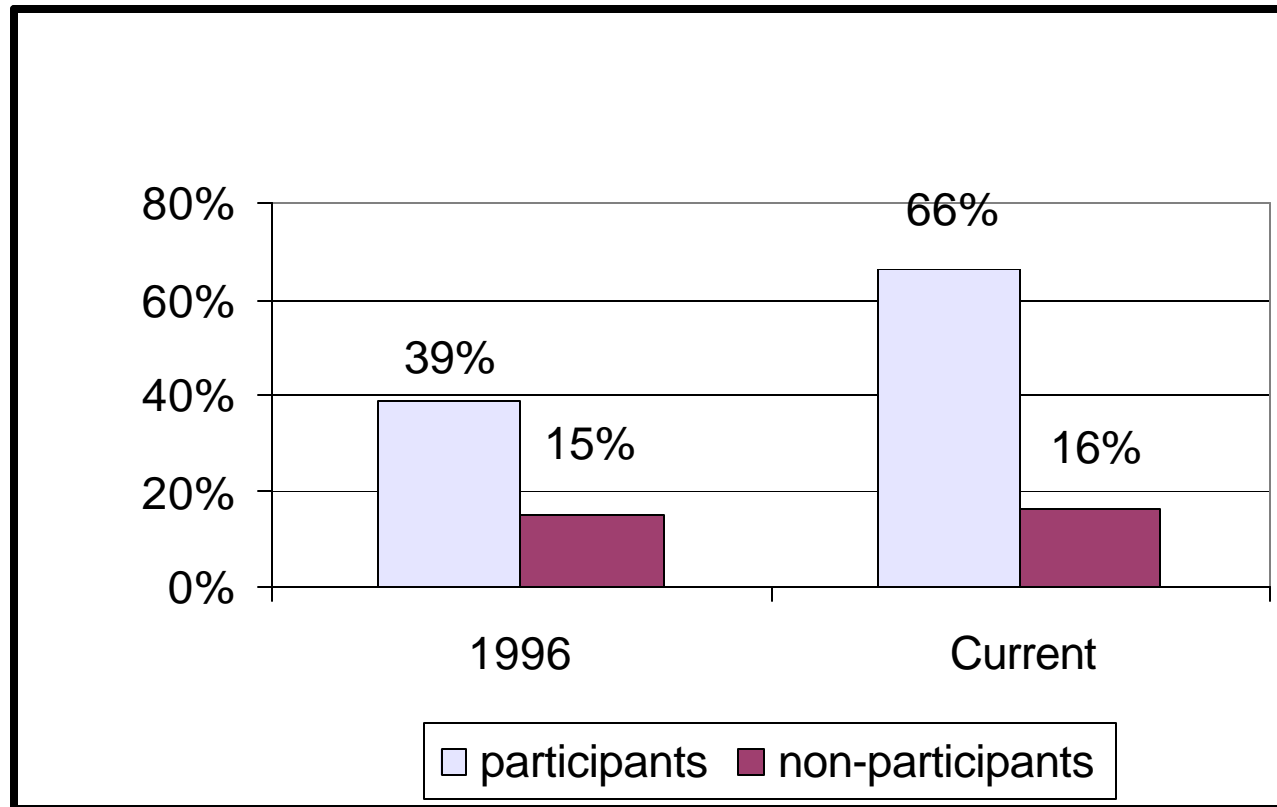
Training Participation

1996 and Since 1997



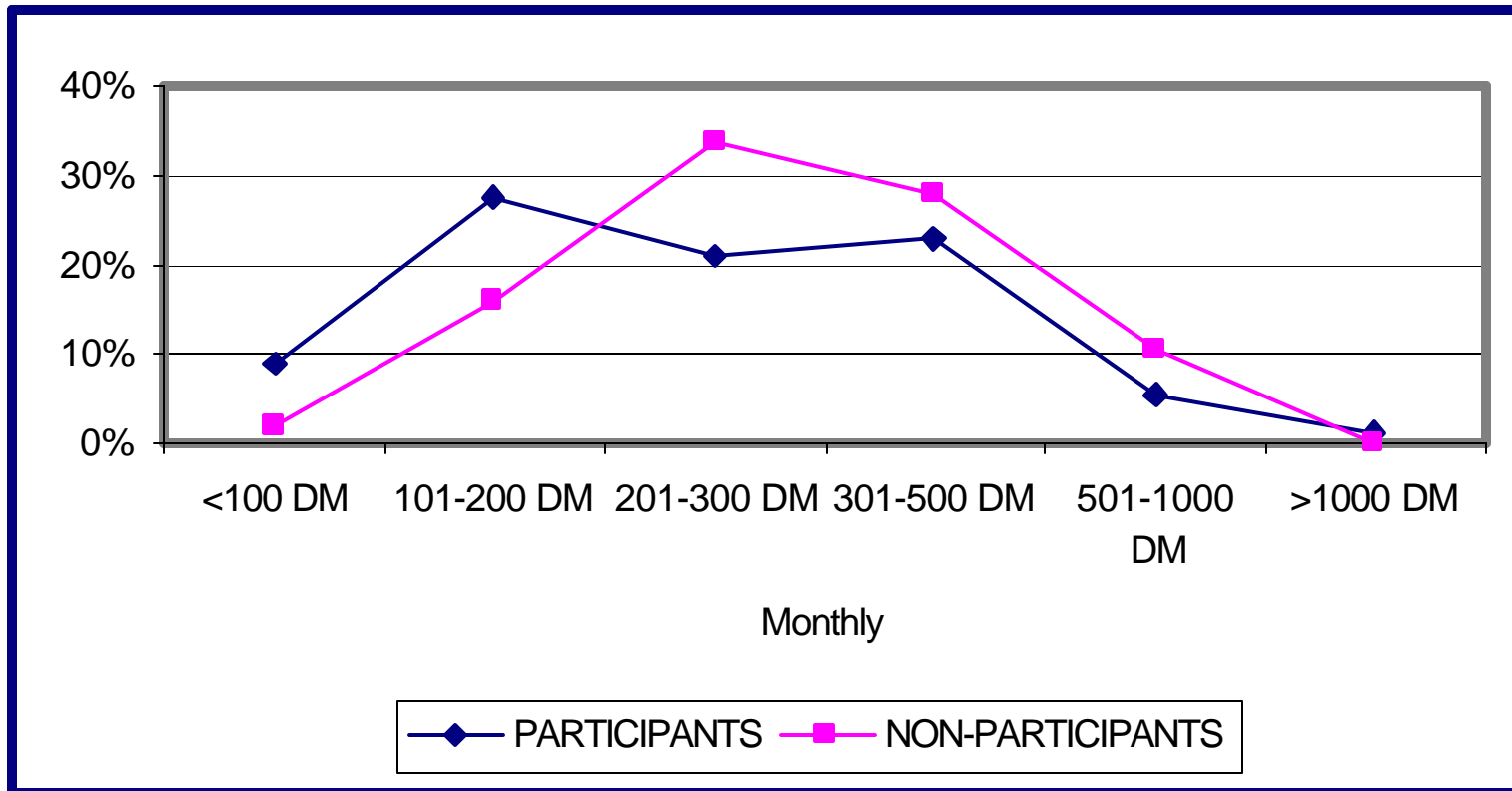
Employment Rates

1996 and Current



Earnings

Currently Employed



Impact Estimation Techniques

- **An unbiased measure of impact is provided by a simple difference in treatment and control group means.**
- **A more precise impact estimate can be obtained using multivariate regression techniques.**
- **In the multivariate regression we included a variable that captures program status (P=1 for participant group; P=0 for comparison group).**

Multivariate Regression

Included the following variables:

- **Age**
- **Gender**
- **Education**
- **Rural/urban municipality**
- **Family size**
- **Employment Status in 1996**
- **School Status in 1996**
- **Military service (1992-1995)**
- **Program Status**

Impact Results

Outcome	Participant Group	Comparison Group	Difference	Impact
Percent Currently Employed in any job	66%	16%	50% ***	43% ***
Percent Currently Employed in a wage & salary job	62%	11%	51% ***	45% ***
Percent Currently Self-employed	4%	5%	-1%	-2% **
Percent Ever Employed Since 1997	77%	36%	41% ***	34% ***
Number of Jobs Since 1997	1.15	0.67	0.48 ***	0.37***
Current Monthly Earnings	178 DM	51 DM	127 DM***	98DM***

Multiple Regression Results

Likelihood of Current Employment

- **More likely to be employed if:**
 - **EDRP participant**
 - **College educated**
 - **Lived in a large family (4 or more)**
 - **Lived in rural area**
 - **Military service**
- **Less likely to be employed if:**
 - **Over 40 years old**
 - **Unemployed in 1996**
- **No difference in employment status if:**
 - **Male or female**
 - **Student in 1996**

Statistically Significant Coefficients

Independent Variable	Likelihood of				Number of Jobs	Current Monthly Income
	Current Employment	Wage Employment	Self Employment	Employment Since 1997		
Gender - Female			—			
Age - Less than 25 years More than 40 years	—	—		—	—	—
Education - Primary or less College University	— + +		—		—	+ +
Family Size - 3 4 5 or more						
Rural/Urban - Rural	+	+			—	
Military Service (1992-1995) – yes	+	+	+	+	+	+
Prior Employment Status (1996) – Unemployed	—	—	—	—	—	—
Prior Student Status (1996) – Student					+	
Impact	+	+	—	+	+	+

Conclusions

- **EDRP had substantial success in improving participants' employment and earnings outcomes.**
- **Based on these results, we conclude that training and reintegration programs are effective in reintegrating demobilized soldiers into the economy.**
- **We believe that training and reintegration programs should be incorporated into future military demobilization efforts.**