

Tackling Youth Unemployment: Evidence from Job Clubs in Bosnia and Herzegovina

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Abstract

This paper examines the impact of job clubs on employment probability in Bosnia and Herzegovina, a country facing severe unemployment challenges. Assessing a decade-long job club program targeting youth employment enhancement, this study employs an instrumental variable approach to mitigate potential selection bias. The results show an increase of employment probability by 13.6 percentage points. This research contributes to the limited literature on active labor market policies tailored to youth in developing countries, emphasizing the importance of job search assistance policies. Additionally, it acknowledges that the observed results might be influenced by high rates of undeclared work in the country.

Keywords: job club, employment, active labor market policy, staggered rollout