

Making self-employment work better for the youth of Bosnia & Herzegovina

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1. Problem overview

Youth unemployment is ubiquitous in Bosnia and Herzegovina. Twenty-two per cent of youth (ILO, 2020) are not in employment, education, or training (NEET). There are, of course, differences in the demographic makeup of those on the unemployment register, with the less well-qualified, people with disabilities, and minorities being 'groups' that are generally worse off than others. The explanation is rooted in the formal education system's governance and associated financing decisions and the legal and policy environment that set the conditions for employers, the latter being far from encouraging for companies who may otherwise wish to invest in new high school and university graduates. The weight of employer contributions, including some almost regressive oddities, suppresses the appetite of companies to take on young people with limited or no experience. The depth of the structural unemployment problem is substantial, with vertical and horizontal mismatches aplenty. Despite the lengthy unemployment register, vacancies remain unfilled. And though the number of working-age citizens in unemployment before the pandemic had been slowly decreasing, the trend was halted during the pandemic, and labour markets have not as yet bounced back as quickly as the economy at large has.

The many public agencies at entity and sub-entity levels, as well as the abundance of donor-funded initiatives that seek to improve youth employment rates, are more often than not focused on employment and enterprise creation. Under the former, strategies spanning the spectrum from hiring and wage subsidies, scholarships, and paid-for re-training to private sector development interventions were commonly deployed. For the latter, the public sector would often subsidise business registration, whilst donors would typically cover the costs of any number of start-up boot camps and entrepreneurship grant schemes. While this incentive may seem rational initially, it ultimately proved to be a short-term solution that only temporarily increased the number of new ventures and reduced unemployment rates. This was primarily because grant schemes and subsidies were provided without adequate monitoring or professional support on effectively using or investing the funds. This is especially applicable for public sector subsidies, where most businesses receiving funds have a significant burn-through rate and become insolvent quickly. At the time, self-employment and the idea that young people could be encouraged to work as independent economic actors were not explored.

This brief case study documents the experiences of MarketMakers – a Swiss government-funded youth employment and job creation project – in its attempt to create and nurture a system that supports youth self-employment. Respecting the good will and efforts of all stakeholders involved in this narrative from its beginnings up until the present date, the case shines a light on the highs and lows, explains what has worked, what hasn't and why, and explores the adaptations, adjustments, and modest progress made. In doing so, the case seeks to provide ideas and learning for practitioners considering self-employment interventions elsewhere. It is written in December 2021, approximately 18 months before MarketMakers' intervention is due to end and therefore tells the story of ongoing intervention.

2. The opportunity

Towards the end of 2018, MarketMakers started exploring the potential for developing a new intervention whose aim would be to encourage and enable self-employment among young people. It began with the premise that most school- and university leavers took over six months on average to find their first (paid) job after leaving the formal education system. A sizeable minority would, unfortunately, enter into unemployment shortly after graduating and remain there for far longer than six months. The project began to imagine what alternatives may exist for young people in this often awkward transition between education and joining the labour market: might twelve months of freelancing be more rewarding than an unpaid 6-month internship, or far worse, slipping into becoming a long-term NEET? MarketMakers started to conceive an intervention to target education leavers with an alternative employment offer, mainly if job searches would remain fruitless over an extended period. The project was aware that self-employment or freelancing, specifically in the form of online or remotely-supplied services, was also one of the few opportunities available to young people across the country, potentially from the most miniature village to the biggest city. It seemed to have relatively low barriers to entry – namely, computer access, internet connectivity, and foreign language competence. Moreover, it was assumed (though unevidenced) that online freelancing could be less discriminatory and more meritocratic than employment and perhaps more suitable to work/life and family life balance in the long run. The more the concept was debated, the more sense it made. In 2017, the project commissioned an extensive survey of youth to understand their career ambitions and employment preferences better. It revealed, among other insights, that young people were more often than not willing to work, active job-seekers, willing to re-train and learn new things to take advantage of opportunities outside of their area of qualification, and were also more interested in modern, professional, technical and creative services industries. They also had a strong interest in starting and owning their own business (in the future/long term). At the same time, they were somewhat reluctant to relocate for work. All of which seemed compatible with the project's emerging concept.

At the time (and to this day), official government data, or even “unofficial” third-party data on the number of self-employed people operating (as freelancers) in the country did not exist, making it difficult to understand the size of the freelancer population, the growth trends for this type of worker, and the demographic characteristics of freelancers. However, different popular online news sources suggested that Bosnia & Herzegovina was among one of the most rapidly-expanding freelancing markets in the world, whilst neighbouring countries like Serbia (Payoneer, 2019) were increasingly featuring in the top 10 for growth in freelancer earnings. In mid-2018, the project used the “advanced search” option on Upwork (then and now in the top-3 global gig-matching platforms) in an attempt to estimate the number of ‘serious’ freelancers operating out of Bosnia & Herzegovina on the international market. Whilst there were 4,830 residents with an account, only 766 of those had shown any platform activity in the month until the search was performed, and many accounts had zero hours billed and zero dollars made. In total, 303 freelancers were identified who had billed more than 100 hours of work on the platform and 385 freelancers who had earned over US\$ 1,000 on the platform (Upwork, 2018) – suggesting that at least 300-400 residents were making their living or succeeding with using freelancing as a successful second income stream via this platform. As there are a great number of ‘general’ and ‘profession-specific’ gig-matching platforms in existence, and as freelancers often register on more than one platform, the total size of the Bosnian and Herzegovinian freelancer market cannot be measured with any accuracy using this, or similar, methods. Nevertheless, periodically performing the same measurement on Upwork (and other sites) would provide an estimation of the growth trend.

There was also a seemingly increasing body of anecdotal evidence of young people, particularly those with foreign language skills, freelancing whilst studying at university and micro-enterprises registering having started their lives as freelancers on platforms like Fiverr and Upwork. Furthermore, a large-scale survey of youth conducted by the project revealed that 6% of the 1,800+ sample had worked on service or temporary and occasional works contracts. However, it should be said that these need not have been freelancers; they were most likely local ‘gigs’, and the sample was skewed slightly towards the university-educated demographic. A lot of this could be explained by the high degree of international community connectivity among the Bosnian and Herzegovinian population (many have close family members living, working, or studying abroad), the performance of the domestic economy (and it being a low-wage economy), but also the fact that full-time students were not permitted to be employed (even part-time) whilst registered to study. Growth trends elsewhere were also encouraging, as were statistics revealing that most freelancers globally were between 18-34 years old (the biggest category being 25-34 years old), suggesting applicability to MarketMakers’ target age group. These half-stories and hints about the size and potential of the freelancing market in Bosnia & Herzegovina were confidence-boosting for the project team. They helped to bust a few of the prevailing myths that such an intervention would not be feasible and be unlikely to stimulate significant growth in youth self-employment.

3. The diagnosis

Given the difficulties associated with understanding the market for freelancers when by nature they are highly atomised and distributed, somewhat ‘under the radar’, and having no specific ‘centre of gravity’ or ‘hub’, the intervention’s initial design was to be as much ‘hopeful’ and opportunity-led as it was to be systematically constraints-led or benefiting from the findings of a rigorous piece diagnostic work. The project interviewed key informants from the small number of co-working spaces and start-up support organisations (SSOs) – including managers and freelancers – around which the mature and commercially-successful freelancers were deemed likely to congregate. Two focus groups were conducted with Sarajevo-based freelancers to understand how young people got into freelancing, what challenges they faced, what they learned along the way, and how they made it work for them. The project team also snowballed using their personal and peer networks to augment or validate insights from previous activities. Though conscious that these methods would not generate findings representative of ‘the average Bosnian freelancer’ – given that the initial target group persona was a recently unemployed school- and university graduate with limited or no employment experience – the project asked the groups to also focus on how they got into self-employment and how they got started.

Insights tended to point towards the existing habits and norms concerning researching one’s career options and the quality of prevailing career-related advice and guidance for young people. Awareness of locally and globally under-supplied skills (and how to acquire them) was also weak, suggesting a sizeable skills gap, labour market research, and market intelligence issue. After clarifying what their self-employment services entailed, respondents expressed concerns about the challenges facing young, newly self-employed individuals in securing their first set of customers. Establishing a client base or a portfolio for future business development was cited as a key obstacle. There were also challenges on the nexus of job decency, formality, and legality of work performed. On the one hand, there was general confusion on how to be

formal and legal, with many suggesting there was no provision for them to pay their taxes and contributions. On the other hand, there were complaints that should taxes and contributions be paid following a declaration of income, then there would be no health insurance coverage or growth in one's pension account as there were only obligations on self-employed individuals and no rights that they could claim or receive in return. Through patterns developing in responses, hypotheses of the struggles likely to be encountered by the project's target group were built, and a list of problems to which the intervention should provide a solution was developed. The intervention would need to:

- (i) Address the prevailing norms of 'what constitutes a good career choice' and associated job-seeking behaviours – including parental, societal, and education system influences – that tend to be biased towards employment, particularly perceived 'safe' employment options within the public sector;
- (ii) Open the eyes of young people – and their parents – to the vast diversity of jobs, professions, and career/vocational niches that exist beyond 'traditional' disciplines and professions, including the professions and niches for which there is a significant under-supply of talent locally and globally amid rising demand for the associated skillsets;
- (iii) Inform young people that some high-demand skillsets can be quickly acquired, including through self-education or relatively low-cost (re)training courses and that success as a freelancer is skills-, not qualifications-, dependent;
- (iv) Draw attention to how existing hard skills, soft skills, or even interests and passions can be monetised through the appropriate sharpening and presentation of such skillsets and the development of a service offer;
- (v) Cut through the myriad of scattered online information, often supplied in journalistic pieces and different organisationally- or individually-run blogs/vlogs, to present a friction- and noise-free service that helps young people to clearly and quickly access and think through self-employment possibilities and first steps (e.g. including developing an offer, presenting the service, creating a portfolio/finding the first few clients, etc.);
- (vi) Present self-employment as a potential route to business ownership, which is a connection that young people interested in entrepreneurship and have the longer-term ambition for managing one's own business rarely make;
- (vii) Inform young people and their parents about the obligations and rights a self-employed individual has concerning social contributions, taxes on income, and publicly-provided benefits.

4. The vision and baseline

Before the end of 2018, MarketMakers had finalised its research, and the intervention concept note had been worked up into a fully-designed piloting phase intervention. The intervention was designed to assist young people in surmounting both concrete and abstract obstacles to self-employment. It would primarily focus on removing information asymmetries and alleviating challenges linked to comprehending burgeoning careers and desirable skills. This strategy involves directing young people towards avenues where they can acquire novel or refine existing proficiencies and explore ways to generate income. It also supplies comprehensive advice on how to initiate self-employment as a recent graduate. Given the very high rate of internet access (via computers and smartphones) among the target group and their natural behaviour to seek advice beyond one's parents and teachers via an internet search, the project opted to identify partners who had an interest in developing an online information and career guidance portal aimed at taking young people on a step-by-step journey that begins with their initial interest in self-employment and freelancing and continues towards improving their likelihood of success as a freelancer on the market.

In 2018, no such service – online or offline – existed. Educational institutions, public employment services, and the nation of parents – by and large – were not actively encouraging young people to consider their futures as prospective self-employed freelancers. However, government schemes did and continue to exist that enable the unemployed to register a sole proprietorship ("obrt") or a limited company in return for small-scale subsidies covering registration costs. To the best of the project team's understanding, private companies offering (re)training and various adult education services were not marketing their courses towards would-be freelancers. Elsewhere, the Association of Freelancers in Bosnia & Herzegovina ("*Udruženje Freelance u BiH/UFUBIH*") had recently registered (in late 2018). Nonetheless, their primary focus was to improve the rights existing freelancers receive from the state and advocate for more flexibility and understanding of this category of worker in a regulatory sense – complementary to, but reasonably different from, the project's mission.

5. The piloting phase: a needed function and a new service

Simple beginnings

The portal sought to be the first of its kind to both comprehensively present an array of low- and mid-complexity professions in high-demand service sub-sectors and provide practical guidance to young people on how they can enhance their skills for trading in these professions using various free/low-cost online self-education and remote learning resources. It would do so in the local language: Bosnian-Croatian-Montenegrin-Serbian (BCMS). The portal would also present video tutorials and downloadable step-by-step guides covering FAQs, for example, how to find customers in the crowded freelancer marketplace, prosper on gig-matching platforms, participate in the formal economy and declare one's earnings for paying contributions/taxes. The portal was to be accompanied by different in-person mobilisation activities and events, showcasing both freelancing and young freelancers as role models whilst promoting the portal simultaneously.

The project team commenced partner selection with this 'blueprint' for intervention in hand, yet presented themselves publicly as flexible and open-minded to counterproposals should partners offer a vision that sat better with their organisational objectives. The primary issue with which MarketMakers had to contend was that few organisations would have both the *ability* (knowledge, human resources, financial resources) and the *motivation* to invest in promoting self-employment and freelancing. By nature, self-employment was a relatively solitary pursuit that would not clearly benefit many categories of stakeholders. This was even more the case as the sole intent of the portal and the intervention was to lower the entry barriers to self-employment to such a level that 'market entry' would be near to costless besides computer and internet access. In late 2018, MarketMakers could not identify enough partnership options to make the process competitive and decided to pursue an unusual partnership option – and a more direct route – with a not-for-profit youth- or student-based association/organisation with good networks into the key target group. This decision necessitated a scaling back of the portal's design and a reduction in the dynamism and the intensity (or burden) of ownership, updates, and maintenance. If the portal was to be owned and run by volunteers, it was paramount that it would be straightforward to update and maintain and require only minimal financial input to sustain.

Two to three different organisations were sounded-out and considered before the project team settled on and advanced discussions with the Bosnian and Herzegovinian chapter of the international youth-run non-governmental organisation AIESEC. The President of AIESEC BiH was convinced – and convinced the project – that the portal and all related offline activities could be easily integrated into AIESEC's annual cycle of activities, events and sub-national chapter get-togethers and communications. With AIESEC's deep interest in supporting opportunities for students, entry-level career-boosting activities, and local career fair organisation, MarketMakers were satisfied that there was a strong coherence with their partner organisation's objectives and that it would be youth-owned and operated. A consultant, who was also a freelance UX/UI designer, was hired by the project to collaborate with AIESEC BiH's local committee to revise both the specification for the portal – to be as burden-free to AIESEC's volunteers to update – and also to coordinate and edit the production of the first generation of the portal's content. The content was drafted by a team selected by the AIESEC local committee, whose time was partially compensated by the project in recognition that producing the initial content – the majority of which would be static/constant – was a far more significant time investment than the quarterly edits/updates would be as per the partnership agreement. Meanwhile, great care was taken to plan for how AIESEC volunteers (who changed periodically) could be selected, organised, informed and ultimately implement updates to the portal, as were other aspects of continuity planning. A few months later, a prototype www.freelancing.ba portal was ready in the beta version. Plans began to firm up for how to mobilise a movement for self-employment across BiH colleges and universities, using AIESEC BiH and their sub-national chapters as entry points and their annual multi-city "Youth Speak" forums as launchpads for showcasing successful young freelancers as 'champions', introducing the portal's features, and promoting its use.

Overcoming teething problems

Within less than half a year, it had become clear that MarketMakers had overestimated the capabilities of AIESEC BiH to manage the portal, and there was a real risk of the intervention stagnating. Organisational interest, coherence with AIESEC's organisational vision, and the personal incentives of student volunteers involved to gain practical 'work experience' were not adequately compensating. There were two concerns. Firstly, there were long-running unresolved problems with the portal's functionality. Several minor bugs and oversights about the UX/UI were not corrected over many months – itself rooted in AIESEC's difficulties in managing the underperforming contracted supplier (the portal developer). Secondly, communication had become sporadic, with episodes of long delays and pushed-back deadlines becoming the norm. Initially, this was linked to the annual rotation of the AIESEC BiH presidency and board and the associated decision-

making and signatory powers but unfortunately did not improve over time. The project became concerned that the bare minimum was being done to maintain momentum and worried about the portal services' sustainability. Cognisant of the portal's traction (it had already been launched and promoted) as well as its role as the central pillar of the intervention – around which other intervention activity streams would be built – the project initiated discussions with AIESEC BiH to revise partnership terms and request their agreement to a transfer in ownership. MarketMakers began the search for an organisation better equipped and motivated to professionally project manage the portal and routinely promote self-employment to the younger demographic.

It would be nearly twelve months of 'treading water' between the portal's first official launch with AIESEC BiH and the new portal owner taking up their responsibilities in full, presenting MarketMakers with valuable lessons in both partner selection and partner relationship management. The partnership with AIESEC BiH ended in a mutually-acceptable and amicable manner, with all other terms of the partnership fulfilled. To this day, AIESEC BiH's role in creating the portal's first version is acknowledged on the portal's homepage. The new portal owners, the IT company, Got Solution, assumed their role in full in mid-2020, finding the concept of promoting self-employment and re-education complementary to their existing portfolio of products and services. Not only did they deem it highly compatible with their current and future plans to invest in developing new online training and re-training offers in the region under their new business unit "Q Station", but also a great way of engaging young people more generally with the breadth of different IT and IT-enabled professions. The project was fortuitous in identifying an organisation with a strong incentive to maintain the portal and its mission. Still, it should have equally been the one with the in-house capacities to maintain and upgrade the portal's functionality, ensure that content remained fresh, with experience in engaging and mobilising the younger demographic, and also well-networked in the freelancing community. Learning from previous experiences, MarketMakers worked closely with Got Solution to ensure the portal would be the direct responsibility of a part-time Community Manager tasked with refreshing content, responding to enquiries, and coordinating various interactive outreach activities. The Community Manager would also ensure synergy with other Got Solution products and services to further institutionalise the portal as part of the company's public offer. Moreover, MarketMakers and Got Solution worked together to test a new behavioural nudge – trialling the use of awarding low-cost massive open online course (MOOC) offers to encourage engagement with the portal, motivate learning behaviours, and induce new skill uptake. In a short space of time, Got Solution's sophisticated and comprehensive programme of self-employment, self-education, and re-skilling promotion via the portal – using mainly an eight-part interactive webinar series – was beginning to attract footfall and spark the interest and level of youth interaction originally foreseen when the intervention launched (see *Box 1*, below).

Box 1: Freelancing.ba overview statistics (up to 31st December 2020, inclusive only of the first five webinars)

- Mean social media promotional reach per webinar: ~205,000 people
- Mean webinar live attendance: ~740 people

6. Experimentations with movement- and system-building

With the portal now in safe hands and momentum building, the project team began to explore complementary system-building endeavours that would positively interact with the portal and further support young people on their journeys into self-employment. This led to a number of "half ideas" and an internal debate as to whether (a) there was a demand for these ideas and, relatedly, (b) whether the project considered the ideas to be most relevant as one-time-only activities or as possible 'permanent' services. At the time, it was deemed that the financial and non-financial costs associated with thorough research of the ideas to understand better their utility and market demand were similar to simply trying them out. So the intervention grew further through action research (see *Box 2* below).

Box 2: System-building experiments

Characteristics	Follow-up #1: Local/regional gig-matching platform	Follow-up #2: “How to succeed as a new freelancer” open access ‘how to’ videos and ‘bolt-on training module.’	Follow-up #3: Motivational documentary
Design			
<i>General description of the idea</i>	Testing the demand for a local/regional gig-matching platform that would appeal to most prospective domestic (one day: regional) service buyers whilst allowing young freelancers to develop their portfolios and sharpen their hard and soft skills in the local/regional marketplace.	Developing “how to” themed educational materials for marketing to (<i>open access videos</i>) – and evoking a competitive response from (<i>bolt-on training module</i>) – providers of training and re-training services countrywide.	Producing motivational and engaging interview-style AV content that spotlights ‘ <i>the average young person</i> ’ monetising their hard skills, soft skills, talents and interests.
<i>Rationale behind the idea</i>	To understand the prospective size of the local/regional market with respect to buying freelancer services. Furthermore, with most BiH accounts on the biggest global gig-matching platforms having zero hours billed and zero payments received, it was believed that ‘newcomers’ could benefit from sharpening their skills, competitive advantage, and customer service through gaining a local/regional portfolio/track record first.	To maximise the likelihood that young people pursuing professional development through training or those undertaking re-skilling to change professions are aware and equipped that their newfound knowledge could be deployed by freelancing (as an alternative to seeking employment).	To showcase both the diversity and the shallow barriers to entry, inspiring young people through the narratives of those that had recently started alongside those with experience, those based out of smaller towns and bigger cities, young women and young men.
<i>Market ambition: one-off action or permanent service?</i>	Possible permanent service. Market demand among both buyers and freelancers was to be tested through a real-life experiment. Lessons would be learned and decisions made as to the service’s prospective relevance and importance at a later date.	Possible permanent service. The partner would test the market demand for the so-called ‘bolt-on’ module between cost recovery and commercial pricing. If successful, the notion was to promote the concept across different providers. Meanwhile, the open access material was intended to gently inspire both other providers and an audience of prospective young freelancers with high-quality AV material with ‘how to’ content developed and delivered by experienced freelancers.	One-off action. Only a small market exists for domestically- produced documentaries, and the topic needs more commercial angles for production houses to take it seriously as a prospective series or recurring theme.

Implementation			
<i>How was the idea executed?</i>	In partnership with the Centre for Education and Research (“Nahla”), a specialist adult education non-profit organisation, a local gig-matching platform for the creative professions – based on a cost-recovery business model – was launched at www.beecreative.ba .	In partnership with one of the project's partners from another intervention, HUBL, an IT-focused training and re-training provider – who are well-networked with experienced IT and creative industry freelancers – developed the course curricula for the 'bolt-on' module and piloted it within their existing HUBL courses. The taster videos were shared with freelancing.ba .	Competitive procurement of services among the journalist and production house community resulted in a team of freelancers winning the tender. They produced a ~30-minute documentary spotlighting several freelancer narratives, intertwining tips and tricks with motivating personal stories. After some delay, the documentary was broadcast on N1 twice – in September 2021 and again in October 2021.
<i>Challenges and learning-on-the-go</i>	The platform has succeeded in piquing interest on the seller side, with several thousand profiles created by local freelancers with varying degrees of experience. However, Nahla encountered difficulties in dealing with the software developers who created the platform and have been unable to resolve several user-experience glitches over a sustained period. They have also been less successful in mobilising the buyer side, partly due to challenges with the intermediation of gigs and features not yet present or automated/integrated within the platform's regular functioning.	At the time of writing, the bolt-on module had been piloted only within HUBL's course offering. There has been minimal publicity beyond HUBL, so competitive responses or collaborations between HUBL and other training/education providers are not yet expected. The open access material is hosted on the freelancing.ba YouTube channel. However, it has limited views due to the lack of specific promotion. It is also disconnected from the main freelancing.ba pages.	Major channels were not willing and able to pay for content of this nature but were willing to air broadcast-ready content for free. This said, most channels periodically re-broadcast popular content, indicating to the project team the high potential for repeat plays for a one-time-only investment.
<i>Project team reactions and corrections</i>	As was the case with freelancing.ba itself, it is likely that the principal partner for the beecreative.ba platform will be unable to allocate resources towards its correction and re-launch. In such a case, the project team should investigate one of four options: i) identifying a new partner to collaborate with Nahla, ii) a transfer of ownership, iii) getting behind a competing response to beecreative.ba taking on board lessons learned, iv) a complete withdrawal from supporting local/regional gig-matching services. Discussions between the project team and Nahla have concluded, and it was agreed that the project's support would end, but Nahla will be part of the Freelancing Alliance.	There is recognition that the bolt-on module piloted by HUBL applies to many other training providers and those leaving formal education. The project team is exploring different options for expediting the response to the pilot and is in discussions with HUBL at the time of writing.	Given the small investment, the team were satisfied that repeat exposure of the same (quality) product was a reasonable “Plan B” if broadcasters and production houses were not interested in the topic long-term. Nevertheless, to make the most of the production process, each narrative was edited into derivative products for recycling on social media platforms, and non-exclusivity was sought.

Following the aforementioned system- and momentum-building investments, amid the webinar series and a peak in outreach activities led by freelancing.ba, MarketMakers was also beginning to recognise the importance of publicly promoting self-employment, more generally, as a viable alternative to employment. Myths remained to be busted, and the impression was that parents of young would-be freelancers would still need to be convinced. Several different communications pieces were commissioned to slowly “flood” the media, showcasing young freelancers – both women and men – who had already made the leap into independent economic activity and succeeded. It started with a weekly series that told the captivating stories of around ten young freelancers via the viral news and information site for young people, hocu.ba, under the title “*hoću da budem freelancer*” (“*I want to be a freelancer*”). Indeed, the site’s coverage of freelancing had begun to increase throughout 2020 and continued beyond the campaign. Project partners also gained exposure in mainstream online media, such as klix.ba, the country’s most-read news and information site. MarketMakers repeated the trick the following year with the famous women’s lifestyle magazine bonjour.ba, ensuring that young women were equally well-exposed to the topic. This ran into “*Freelancing Wednesday*” – a month-long campaign that drew together all aforementioned intervention partners to generate fresh, informative content to be promoted simultaneously across their social media channels. This would serve as the introduction to the “*Homework Format*” – a new youth engagement tactic conceived together with partners to build young people’s confidence, improve their skills, develop their portfolios, and help them to take a significant step towards securing their first (paying) clients as new freelancers.

7. Results

Measuring the social impact of an intervention designed to support young people’s entry into self-employment is not a straightforward affair. With no ‘official’ status for freelancers in the categorisation of economic activity in the Bosnian & Herzegovinian system and, relatedly, no (comprehensive) data collection operations taking place, the project needed to adopt an alternative and multi-pronged approach to measuring the social impact generated by project-supported outputs.

The principal results measurement activities conducted regarding freelancing.ba have drawn from three sources: an independently commissioned survey of freelancer activity among the younger demographic, two evidence reports from freelancing.ba owners – Got Solution and a ‘before-and-after’ snapshot of active Bosnian and Herzegovinian registered accounts on top-3 global gig-matching platform, Upwork.

Independently commissioned survey

Conducted with a sample of 417 young women and men in March 2021 by regional research firm, Valicon, the survey sought to understand the freelancing-relevant activities of 19 to 29-year-olds, and more specifically, information sources that they have accessed and made use of in the course of their entry into self-employment and their successes after that. Given the representativeness of the sample size (95% confidence interval, 5% confidence level), the findings were then applied to an estimated total population of 583,560 young adults (19 to 30 years) not in full-time education drawn from B&H Agency for Statistics census (2013) and higher education data (2021). The most significant findings are summarised in *Box 3* below.

Box 3: Social impact (up to 31st May 2021, unless otherwise stated)

- The survey finds a relatively high prevalence of freelancing activity within this demographic, with an estimated 15.6% (n=65/417) of the population stating freelancing as their primary source of income or a means of supplementing their income.
- A sizeable minority of freelancers within this demographic have only recently begun their freelancing activities, with 35.4% starting within the last 18 months (n=23/65) and 26.2% (n=17/65) starting within the last 12 months – overlapping significantly with the ramping-up of partner activity.
- Based on an assessment of what could be termed an ‘in-depth’ user of the portal – not only using the freelancing.ba site (n=7/23), but using its webinars, downloading its resources (n=3/23), or both – estimated ~4,200 young women and men within this demographic are estimated to have benefitted from the freelancing.ba service co-created by the project’s investment (calculating: $3/417 \times 583,560 = 4,198$). Though it requires repeated investigation, two of the three new freelancers more intensively using the portal’s services state freelancing as their primary income source.
- Analysis of the survey data finds a statistically significant correlation between being a new, young freelancer and utilisation of the portal’s services. The service either influenced and supported young people’s recent entry into freelance economic activity or has shaped their practices and performance as new freelancers since their entry, though the balance between the two is not possible to conclude from the data.
- Notwithstanding this, the majority of young, freelancing newcomers had not yet made proper use of the portal despite a healthy number (n=16/23) having heard of it – suggesting reasonable scope for the portal’s owners to adjust how they go about converting target group awareness (which is high) into target group engagement (which could be higher).

Whilst the research confirms that social impact can be attributed to project-supported outputs to some degree, further research is required – for example, sampling directly from the ~5,700 people with registered freelancing.ba account – to better understand the significance or strength of the contribution of freelancing.ba services to young people’s entry into freelancing and their generation of freelancing income.

Partner evidence reports

As the owner of freelancing.ba, Got Solution also collects data on the portal’s activity and usage to support their decision-making and provide periodic updates to MarketMakers. At the time of writing, Got Solution provided two progress and performance reports, with key metrics summarising its increased use and activity included in *Box 4* below.

Box 4: Freelancing.ba overview statistics (cumulative)

Metric	Up to 31 st December 2020	Up to 31 st May 2021
Unique portal visitors	~16,900	~20,500
Facebook page likes	~2,650	<i>Not measured</i>
No. of users with a registered account	~2,570	~5,700
Registration manual views (downloads)	N/A	~2,850 (~1,900)
Freelancing guide views (downloads)	N/A	~540 (~330)

Gig-matching platform validation

Given the high number of multi-profession and profession-specific gig-matching platforms, both global and regional, their differences in search-related functionality, that many freelancers will have a presence on more than one platform, and the fact that there are no means to attribute or connect their activation into freelancing to the project’s efforts, the passive measurement of the growth in the number of suppliers from Bosnia & Herzegovina (and preferably metrics proxying performance) across different platforms is not a reliable indicator

for assessing the project's social impact. Nevertheless, it can be valuable to track the growth in Bosnian & Herzegovinian suppliers on the better-known and most-used gig-matching platforms over time to contextualise the popularity of self-employment in the country. *Box 5*, below, provides such a snapshot, using two metrics that can be useful to estimate the growth in 'successful' freelancers who presumably count freelancing as their primary – or at least, a significant – source of income.

Box 5: Upwork statistics for B&H registered freelancers <i>(cumulative)</i>		
Metric	May 2018 (baseline)	February 2022
Freelancers with 100hrs+ billed	303	687
Freelancers with \$US1,000+ earnings	385	929

Retrieved using the platform's own publicly-available 'advanced search' features. Note that "total registered freelancers" was discounted due to too many inactive and/or zero-hours billed accounts.

Portal sustainability

After the portal's more troubled birth and the challenges encountered in the initial partnership with AIESEC BiH, there are now several reasons to be optimistic about the portal's future and its services' longevity. It belongs to a company with an excellent track record in making a success of products and services in their portfolio, with country-leading IT expertise, and with healthy finances. Indeed, the cost of maintaining the portal in its current form is relatively tiny and foreseeable investments can mostly be managed in-house. Whilst a great deal of content generated thus far can be recycled or modestly edited, the intensity of the portal's interactive outreach activities and the more costly and intellectual resource creation activities – without the cost-sharing of the project – is likely to drop somewhat in the upcoming period. However, no alarm bells are ringing that would lead the team to doubt Got Solution's continued interest and investment in bettering the portal's present incarnation; after all, the portal directly promotes learning and new skill acquisition, which generates a customer pipeline for the various IT and creative industry courses offered at Got Solution's company academy, Q-Station. At the same time, the portal brings the company into contact with thousands of young people interested in modern and entrepreneurial service sector careers, implicitly putting Got Solution at the centre of a new talent community from which they can recruit or to which they can contract out work. Moreover, the portal contributes towards the company's brand positioning and is entirely in keeping with its socially-responsible ethos. Notwithstanding this, there may well be a need in the months ahead to either establish a more direct link between freelancing.ba and the company's portfolio of other products and services or to transition freelancing.ba from being a cost centre for the business to a revenue centre, whilst keeping the portal free to the user. At the time of writing this case, exploratory discussions have begun for how Got Solution might more comprehensively institutionalise and adjust freelancing.ba to be better aligned with its other offerings.

Summary

Based on the findings above, and up until May 2021, freelancing.ba has already contributed towards over four thousand young people entering freelancing with increased knowledge and intuitively an increased chance of success. Indeed, the overall effect could be far more significant as the portal is also highly likely to have inspired and assisted those over the age of 30, in addition to those in full-time (tertiary-level) education. To estimate how many young people apportion freelancing.ba as having significantly contributed to their current status or performance as a freelancer, further research (before the project ends in May 2023) is required.

So too, will the project begin to understand better the impact that its complementary investments and activities may have had on the activation of young people into self-employment. As described in the sections above, many temporary or one-off communications and promotional activities across different partners have also been central to the intervention. Likely, these have also begun encouraging young people to investigate further and act upon self-employment options. Notwithstanding this, there are few resource-efficient means for projects such as MarketMakers to gauge the social impact linked to such activities as the attribution of behaviour changes and the

significance of the information source to these behaviour changes cannot easily be discerned (without repeated costly surveying) from an unknown/anonymous and greatly dispersed population.

8. Going deeper: intervention activities that target policy and regulatory frameworks

It had been known to the project for some time that information and knowledge-sharing services such as freelancing.ba, and the various multi-channel motivational communications set in motion by the project were only partial solutions. The “elephant in the room” remained the grossly disadvantageous policy and regulatory environment for independent economic activity. The project had side-stepped this sphere in the earlier days of its intervention. Still, shifting the dial to create a game-changing impact on young people’s entry into and excelling within self-employment would require a deeper level of operation and the purposeful engineering of a new set of collaborations, including with public sector stakeholders. Whilst the intervention had been and remains to this day more focused on the creation and provision of services to the freelancing and would-be freelancer population, the absence of an official and recognised status, but more specifically, that this left freelancers outside of the public benefits system (healthcare access, pension years), greatly suppressed the willingness of all but the most risk-loving citizens from considering more precarious gig-based work. Whilst it is possible for freelancers to declare one’s income voluntarily and to pay their tax contributions – indeed, it is illegal not to – there are no additional publicly-offered services bestowed on the individual for doing so. A young person would have to earn significant revenues from freelancing to pay their taxes and afford to maintain private health insurance and a private pension account to offset the absence of state benefits, which would be initially out-of-reach to the new freelancer finding their feet.

Finding the right entry point

Although cognizant of the need to intervene, the project was still determining its entry point. Previous (informal) contact with Ministry advisors had indicated a limited interest in regulatory reform that would promote freelancing, specifically and unfortunately, given the challenging context of the general discussions on ‘clamping down’ on informal economic activity (of which online and cross-border freelancers had come under the spotlight). Moreover, the significant differences in costs to an employer when comparing hiring (large) to engaging/sub-contracting (small) were being discussed publicly by the political elite as a cause of high unemployment in so much as increasing the costs of engagement was a ‘solution’ rather than lessening the costs of employment. So it was with as much chance as it was by design that MarketMakers’ open door into the policy and regulatory sphere arrived in the form of the Federation of Bosnia & Herzegovina (FBiH) proposed new *Law on Obrt* (translated as “crafts” and referring to craft “sole proprietorships”). The project team saw the proposed text for the new law as a significant improvement over the present law – more progressive, offering flexibility, removing ‘outdated’ or overly prescriptive limitations, and so on. The new law had been in the making for some time but had failed to be voted through in the federal parliament due to the competing interests (in favour of the status quo) held by politically well-connected stakeholders. With associated changes and further intervention, MarketMakers was aware that the new law could provide a greatly-improved environment for (more experienced) freelancers to consider registering a business entity, which, at the time, was considered to be the most politically-expedient point of entry. The project knew that passing and implementing the new law would benefit micro- and small businesses and the entire population. Importantly, it would also improve the entrepreneurial landscape and facilitate the creation of formal economy businesses.

With this in mind, the project took the unusual step of pausing its other activities to focus both human resource effort and small-scale financial support behind the FBiH Ministry of Development, Entrepreneurship and Crafts (known locally as “FMRPO”) own efforts to gain traction and broader support for the reform. MarketMakers commissioned a well-respected policy think tank and research institute, CPU, to deliver a user-friendly comparative analysis of the new law versus the old law and also to produce media-friendly overviews of the benefits of the reform for general public consumption, the latter of which would be circulated among news channels and online news and information portals, as well as on the social media platforms of supportive stakeholders. Fortuitously, CPU’s outputs arrived for use in time with the project’s employment of a new Head of Communications position, who was also able to utilise professional and peer networks to amplify the message’s

reach yet further, coordinated and timed to create a buzz in the run-up to the new law re-entering parliament for voting after three previous attempts were unsuccessful. The Ministry's effort and persistence were rewarded when the new law was voted through, and the stage was set for further conversations on related freelancer topics. In so doing, the project expanded its professional networks and, through joint action, forged a more meaningful and collaborative relationship with the Ministry.

Fostering a new alliance of common interest and purpose

MarketMakers seized the opportunity created by the recent law change and proceeded with its plan to form an informal alliance – a “working cluster” of organizations with a vested interest in obtaining official recognition for freelancing or individual economic activity. This initiative aims to secure benefits and rights of economic citizenship for freelancers in exchange for their tax contributions. The project team set about identifying allies that would join existing partners – Got Solution (freelancing.ba) and Nahla (beecreative.ba) – in expanding the nucleus of a new cluster-in-practice (but not official), or rather a group of organisations, that sought to coordinate to not only provide services to freelancers (both new and experienced) but also to develop and advocate for a more supportive environment for (new) self-employment generally. ProCredit Bank, MF Bank, and service providers with products directly targeting the freelancer community, such as tershouse, Virtuo, BOffice, FinEkspert, and a lawyer, agreed to join. At the time of writing, cluster companies and MarketMakers were reaching-out to other organisations who would stand to benefit, including recruitment and talent agencies.

Whilst the intervention had been, and remains to this day, more focused on the creation and provision of services to the freelancing and would-be freelancer population, it was necessary to begin to address the ‘elephant in the room’ – that freelancing will always be a less attractive career option to young people (also influenced by their parents) if it is not only ‘unrecognised’ by the authorities, but of course also unsupported or always suspected of informal economic activity. With this in mind, the informal alliance has been drawn together, principally to collaborate in utilising the findings of two interrelated pieces of research being financed by MarketMakers, and, subsequently, uniting to use all possible channels to ensure that the relevant public authorities fully explore the matter. The first piece of research reviews how different countries are accommodating individual economic activity/self-employment and freelancing into their legal, taxation, and insurance systems before presenting scenarios that are seen as most applicable to the starting situation in BiH. The second piece of research explores the possibility of working within the new FBiH Law on Trade and Craft Business (Zakon o Obrtu) and including freelancing as an occupation on the official registry of occupations and business activity. Such a move would confer an ability to define reasonable ‘special treatment’, exceptions, or additional regulatory features for freelancers who register as a ‘freelancer obrt’ without changing the law. The central aspect of the ‘special treatment’ would be the taxation which entails that freelancers who register a Sole Proprietorship (SP) would fall into a lower (and more suiting) tax bracket regarding social contributions. This would set a good platform for the alliance to advocate for specific provisions in rulebooks and bylaws, interpreting and applying the Law on Obrt for ‘freelancer obrts’ in a manner that is balanced, fair, and fit-for-purpose. Concerning the two pieces of research, the informal alliance will also count as a primary stakeholder and collaborator, the Association of Freelancers in Bosnia and Herzegovina (“*Udruženje Freelance u BiH/UFUBiH*”), seeking to optimise an approach across both bodies that presents the best chance for success.

Many thanks for your interest in this intervention.



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