

PERSPECTIVE OF PENSION REFORMS IN BOSNIA AND HERZEGOVINA

Summary

Pension system in Bosnia and Herzegovina, with two sub-systems organised on entity level, operates in unfavorable macroeconomic conditions, which is being reflected through low number of contributors and high rate of incoming pensioners, to which contributes low effective pensionable age. This is reflected in very low pension benefits of regular pensioners. Bosnia and Herzegovina is the only country in the region and a rare transitional country that has not reformed and diversified its pension system. The question of pension system reform has emerged recently as the problem of financing of current level of pension benefits becomes more obvious and acute, and policy creators are looking for possible solutions. Federation B&H Government so far adopted two documents of Strategy of Pension System Reform in Federation B&H, while institutions of Republika Srpska have adopted Strategy of Pension System Reform in Republika Srpska in May this year. Both entity Strategy documents envisage aggravations of current pension system problems in the future and propose introduction of different models of privately managed funded pension schemes. The aim of this article is to analyse feasibility and perspectives of proposed pension system reforms in the context of Bosnia and Herzegovina.

Key words: *pension reform, pension system, funded pension scheme, voluntary pension insurance.*