

City Strategy for tackling unemployment and child poverty

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1. Bulgarian context

1.1 National Action Plan for social inclusion 2008-2010

Active inclusion of the people furthest from the labour market and fighting intergenerational transmission of poverty, and in particular combating child poverty, are the main components of the Bulgarian social inclusion policy. They are set with concrete measures and targets in Bulgarian National Action Plan for social inclusion 2008-2010. Ensuring opportunities for employment participation is one of the main preconditions for reducing poverty in the country. The data shows serious at-risk-of-poverty rate among the unemployed persons - 43.3 % in 2008. The children between 0-15 years of age are another group facing serious risk of poverty (17.1 %).

With a view to the relation between providing employment to the most vulnerable groups and breaking the intergenerational transmission of poverty we focus on certain at-risk groups such as: disadvantaged youths, persons in working age receiving social assistance, persons with low or no education and qualification, persons with outdated knowledge and skills, illiterate persons or persons with low literacy level, inactive or discouraged persons, long-term unemployed, vulnerable Roma, people with disabilities, vulnerable parents – single parents and socially vulnerable families, etc.

1.2 National Action Plan for employment

According to the Law on Employment Promotion (LEP) on the basis of the Minister of labour and social policy proposal annually the Council of Ministers adopts National Action Plan for employment (NAPE). It includes all programmes and measures to be financed during the respective year. The regional employment programmes regulated by the LEP are also part of the plan. NAPE is the main operational instrument for implementation of the employment policy in Bulgaria. It defines the activities, the measures and the programmes to be undertaken for implementation of the labour market policy, as well as the types and the amounts of the incentives for the participants in the measures for subsidised employment and training.

1.3 Regional employment programmes

Each year NAPE includes regional employment programmes proposed by the regional employment commissions. The regional employment programmes are specific instrument of the labour market policy which assists the local organisations and communities to tackle specific local problem related to the labour market, to increase labour supply and employment in the region, to train labour force in the municipality/district. Eligible for funding are all activities according to the

LEP and the Rules for its implementation, as a complex of measures and employment services including: promoting mobility; professional guidance and motivation; vocational training; provision of employment – both part time and full time (flexible forms of employment, rotation of job positions); probation; apprenticeship; promotion of territorial and professional mobility, etc. According to the selection criteria it is not allowed to duplicate LEP measures, to duplicate ongoing labour market programmes/projects and to include in the programmes only measures for training without provision of employment, probation or apprenticeship with concrete employers.

The regional programmes aim at dealing with local labour market problems. Higher rating is received by the programmes that encourage those unemployed persons, who are not registered at the Labour offices and do not seek for employment, to register and participate in employment. Beneficiaries of the programmes should be persons who at the beginning of the activities do not work and are not registered in the Labour offices because they think they can not find a job. As priority beneficiaries should be included persons dropping out of the social assistance system. In this regard the establishment of local public-private partnerships is promoted in order to identify the persons and to define and implement measures for their participation in the labour market in accordance to their individual skills and abilities.

The programmes should correspond to the regional, district and municipal development plans priorities. They can be proposed by the district and municipal administrations, the social partners and other legal entities and should be approved by the employment commission. The projects are evaluated by a committee at central level based on preliminary defined criteria for assessment of the social and economic environment of the place where the programme will be implemented, and for assessment of the objectives, the beneficiaries, the activities and the expected results from the implementation of the programme. Since the regional programmes are specific instrument for dealing with local problems higher value is attributed to the indicators of the social and economic environment such as average unemployment rate at the territorial unit where the programme will take place; relative share of the long-term unemployed from the total number of the unemployed in the municipality/municipalities; relative share of the unemployed youths of up to 29 years of age from the total number of the unemployed in the municipality/municipalities, etc.

1.4 Institutional framework for partnership at local level

Temporary or permanent employment commissions are being established with a decision of the regional development councils and with decision of the district development councils. The employment commission to the district development council includes representatives of the district administration and the municipalities in the district; representatives of the territorial subdivisions of Employment Agency, ministries and other state authorities; representatives of the district structures of the nationally represented social partners (employers' organisations and trade unions); representatives of sector and branch organisations; representatives of non-profit legal entities in the district with activity related to employment and vocational training issues; representatives of the district directorates for social assistance and other territorial structures.

Another important structure based on the principle of partnership at local level is the Council for cooperation to the Employment Agency subdivisions. It conducts direct monitoring and control on the employment policy implementation. The Council for cooperation consists of 9 members – one representative from the Employment Agency subdivision, one from the territorial structure of the Ministry of Education and Science, one from the municipality and three representatives from the

employers' and employees' representative organisations. The Council for cooperation can invite representatives of other non-profit legal entities to its meetings.

Despite the established mechanisms for active involvement of the local level in the employment policy the main actors remain the subdivisions of the Employment Agency at regional and municipal level. We can also add the structures of the Agency for Social Assistance since they work in cooperation with Employment Agency on the practical implementation of the measures for individual support of the most vulnerable groups on the labour market.

1.5 Some new measures

Along with the more traditional measures such as the incentives for employers and the programmes for integration of vulnerable groups into the labour market already established as successful in the recent years new approaches are applied such as: labour fairs, specialised Roma labour fairs, Roma mediators, one-stop-shop service, promotion of social economy, applying active approach in social assistance, etc.

High importance for the development of local partnership is attributed to the Activation of Inactive Persons National Programme. Main objective of the Programme is undertaking actions for increase labour supply to inactive and discouraged persons through individual and group work with them in non-formal environment. One of the components of the programme is promotion and development of local cooperation on employment issues. The purpose is to test never before applied informal approach for dealing with problems of the local labour markets. The local organisations as the most familiar with the situation in the municipalities - representatives of the state authorities, of the social partners, NGOs, representatives of the business, the civil society, join their efforts via mutual agreement on the problematic fields, the actions needed for tackling them, the responsibilities and the opportunities for improving the labour market situation.

1.6 Funding

Labour market policy is funded mainly by the state budget. The leading place among the additional sources is for the European Social Fund. Human Resources Development Operational Programme aims at promoting local activity in the implementation of employment and training measures, as well as development of local partnerships, including public-private partnerships. The funding by municipal budgets and private sector is very limited.

2. Relevance of the City Strategy to Bulgaria and potential transferability of this experience

2.1 Relevance

In the context of the City Strategy the Bulgarian legislation allows for development of decentralised local employment policy. The main issue is related to the practical utilisation of these opportunities. It leads to the conclusion that the Bulgarian labour market policy is centralised, i.e. although in partnership, the strategic documents are being formulated at central level and the main responsibility for implementation of the measures is for the institutions (at central and local level) of the executive authorities. To a certain extent the local partners are being involved in the implementation but their participation is rather limited. The initiation for partnership is mainly expressed in different project activities with temporary nature in most of the cases.

The experience of the City Strategy would have positive impact mostly on establishing culture of partnership and dialogue at local level. Another valuable dimension is the opportunity for formulation of local policy on the basis of evaluation of the local needs. All this could lead to development of real local labour market policy and taking the respective responsibility by the local actors for achieving the needed results for the corresponding region.

We see the relevance in the following main dimensions:

- Setting concrete local targets;
- Establishing capacity and commitment at local level both for formulation and implementation of policy;
- Active participation of all interested stakeholders and effective coordination;
- Developing and applying good mechanisms for reporting, evaluation, monitoring and analysis as well as opportunities for flexible management of emerging problems in relation to policy implementation at local level;
- Taking responsibility for the local development by all partners.

2.2 Some main similarities and differences

Similar programmes have been implemented in Bulgaria but no real success is achieved in establishing partnership at local level. The main understanding is that the state is obliged to provide (incl. all the resources) this policy. An example for that is already completed Tackling Poverty Programme. Its main objective was to promote employment in the 13 poorest municipalities for tackling the negative consequences related to poverty by inclusion of unemployed persons in literacy and vocational trainings, as well as by ensuring subsidised employment and self-employment. Although the quantified indicators of the programme were achieved, it cannot be said that there was a local partnership development.

Undoubtedly there are certain similarities in the background forcing such a programme. In Bulgaria there are regional disparities both in relation to unemployment, activity and employment rates, and in relation to the concentration of certain vulnerable groups in some regions. The main similarity is the existence of opportunity for regional programmes as they can be at both regional and municipal level i.e. devolution of responsibility for the local policy with respective support for its implementation by the state. The prioritising the groups not registered at the labour offices and not seeking for a job is also a similarity with the British experience. Participation in such activities is voluntary and based on the principle of local initiative. Other similarities could be found in prioritising the local employment problems, no admission of duplication of activities, etc. Although negative, but very serious similarity, is the missing link between the regional employment programmes with other sectors such as social services, healthcare, housing assistance, and etc.

The differences are mainly in:

- Funding – in Bulgaria it is almost entirely by the state budget;
- The range of the partners is more limited;
- Higher focus is put on measures for training and qualification than on measures for providing real employment;
- The participation of NGOs and people living in poverty in implementation of local employment policy is limited (In relation to that one of the measures in NAP inclusion 2008-2010 is establishing partnerships for assigning the provision of services for the vulnerable groups on the labour market on a contract basis to NGOs in exchange for the corresponding funding);
- The evaluation of the results at local level is missing and when it is done the evaluation is rather purely statistical than qualitative.

2.3 Potential transferability of the City Strategy to the Bulgarian practice

The answer of the question if one practice is directly transferable from one country to another is not simple. In this particular case the City Strategy in its entirety cannot be applied in Bulgaria. It could be applied partially. The applicability is related to the partnership model and in particular to the measures for its establishment at regional (district) and/or municipal levels. In order to be successful such a model in Bulgaria the administrative structure is to be respected. In this way the existing already partnership channels could be used better. Since currently there are regional employment programmes in Bulgaria they could be complemented with criteria for coordination and link with other policies at local level. What actually provoked our interest in this Peer Review is the relation between tackling unemployment and fight against child poverty and in this particular area we need to further develop our policy and institutional framework.

The main dimension of the City Strategy which would be applicable in Bulgarian conditions is the channels for establishment of operational and results oriented partnerships at local level. As a main element of this dimension we consider the participation of business and private sector at local level because according to the Bulgarian legislation the administrative structures are obliged to participate and for them there is no question of motivation.

3. Key questions

One of the main issues to be considered by this Peer Review is if these local strategies would have bigger success if one more integrated approach is applied and if they provide more multidimensional scope of services for the vulnerable groups. It is provoked by the fact that the employment taken alone does not solve all the problems poor persons have.

The following more concrete questions are also at the centre of our attention:

1. How this strategy is related to other policies at local level such as social services?
2. Since the strategy is introduced as part of the active inclusion strategy, which has another two components, what is the vision for implementation of complex and integrated policy for active inclusion at local level?
3. Would it be appropriate to conclude that more decentralised employment policy provides higher motivation for participation of different stakeholders?
4. How the labour market policy is related to social assistance? Is social assistance adapted in a way to promote active seeking of jobs and active behaviour of the persons in working age who receive social assistance benefits?
5. How the role of the complementary services is evaluated with a view to reach the dedicated entirely to employment increase targets?
6. Is it possible to generalise the profile of the strategy beneficiaries on the basis of the available data (out of the criteria the persons to be recipients of certain social benefits)?
7. What is the role of child care in the strategies as the issue of reducing child poverty is highlighted? Are there any concrete objectives in this direction? What is the role of family services?
8. How the education institutions are involved in the initiative?
9. What is the place of City Strategy in the frame of the overall policy agenda for combating poverty and social exclusion?