



Peer Review on “Social Activation and Participation”

Peer Country Comments Paper - Bulgaria

Applying a comprehensive approach to support disadvantaged groups in and outside of the labour market

Online, 25-26 February 2021

DG Employment, Social Affairs and Inclusion

Written by Asya Ilieva, chief expert, Social Inclusion Directorate, and Andrey Obretenov, senior expert, Labour Market Policy and Labour mobility Directorate, Ministry of Labour and Social Policy, Bulgaria

February 2021



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion

Unit C.1

Contact: Monika Chaba

E-mail: monika.chaba@ec.europa.eu

Web site: <https://ec.europa.eu/social/main.jsp?catId=1024&langId=en>

European Commission

B-1049 Brussels

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This document has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2021). For further information please consult:
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1 Introduction

This paper has been prepared for the Peer Review on "Social activation and Participation". It provides a comparative assessment of the policy example of the Host Country and the situation in Bulgaria. For information on the host country policy example, please refer to the Host Country Discussion Paper.

2 Situation in the peer country

A high share of persons who do not want to work – a key challenge to be addressed by various policy interventions and measures

Bulgaria is one of the countries where the risk of poverty or social exclusion for the population is above the average for EU. According to data from the survey "The European Union Statistics on Income and Living Conditions" (EU-SILC) in 2019 the share of people living at risk of poverty was 22,6% or 1,586 million. Among the factors increasing the risk of falling into the group of the poor is relatively low economic activity and participation in the labour market as well as low levels of labour remunerations. According to a person's economic status, in 2019 the risk of poverty was highest for the unemployed (58,9%), followed by pensioners (34,3%) and other economically inactive people (29,8%). At the same time, the inactive population is a particularly important resource, especially in the context of demographic ageing and the need for a flexible and adaptable workforce. Demographic ageing necessitates the rapid entry of people into employment. This requires efforts to identify and reach inactive people who are a 'reserve' for the workforce, from which the Bulgarian labour market cannot be deprived.

Although Bulgaria's labour market has experienced strong employment growth over the past years, serious challenges remain, and there is a scope for further labour market improvements, as not all groups of society benefited from the positive labour market developments. More than half of the unemployed were long term-unemployed (unemployed for 12 months or more) in 2019, and 26,8% of the working age population (aged from 15 to 64 years) were inactive. This corresponds to nearly 1.2 million individuals of working age who were neither employed nor actively looking for employment.

Moreover, under the impact of the crisis caused by COVID-19 in 2020, the long-term trend of employment growth and decreasing unemployment has been interrupted. The employment rate started to decrease on an annual basis since the first quarter of 2020. In the third quarter of 2020 the employment rate for the age group 20-64 years was 74.6%, decreasing by 1.7 percentage points (p.p.) compared to the third quarter of 2019. Unemployment has started to increase on an annual basis since the second quarter of 2020 for the first time since 2013. In the third quarter of 2020, the unemployment rate increased on an annual basis by 1.1 percentage points and reached 4.8% compared to the EU-27 average of 7.5%.

The unemployment rate has risen in all age groups. The unemployment rate for young people aged 15-24 years was 13.2% in the third quarter of 2020, compared to the EU-27 average of 18.3%. The rate of young people neither in employment, nor in education and training (NEET) aged 15-24 years has been steadily declining since 2014, but remains higher than the EU average. (13.7% compared to the EU-27 average of 10.1% in 2019).

The number of the long-term unemployed has continued to decline both as a number and as a relative share of the labour force. The long-term unemployment rate decreased by 0.1 p.p. to 2.2% in the third quarter of 2020 compared to the EU-27 average for the same period of 2.4%. Their share of all unemployed remained high – 44.7% compared to the EU-27 average of 32.6%.

Along with the increase of the unemployment, the share of economically inactive population has increased. In the third quarter of 2020, the economically inactive persons aged 15-64 years were 1 182,7 thousand, by 29,1 thousand more compared to the same period of 2019 according to the Labour Force Survey. Of those, 23% did not want to work due to personal or family reasons. The data highlight the need to address challenges related to the work-life balance and the access to quality and affordable care services which could facilitate the reconciliation of family care and employment.

Inactivity in Bulgaria is not restricted to one homogenous group of people, but concerns different population groups who are not necessarily in need of the same labour market policies, such as people living in rural areas, ethnic minorities, people with disabilities and young people neither in employment, nor in education and training. These groups vary greatly in terms of their characteristics and the barriers they face, related to work experience, health, personal life, level of education and training, family care responsibilities, existence of discrimination because of age, gender, disability, etc.

121,5 thousand persons (by 10,7 thousand more compared to third quarter of 2019) are persons who want to work, but are not looking for job by various reasons including: discouraged (58,6 thousand), personal or family reasons (15,6 thousand); illness, disability (1,1 thousand); in school, training (4,5 thousand).

3 Assessment of the policy measure

Providing complex support and integrated services to vulnerable groups

Given the broad heterogeneity of the inactive population and the multiple barriers they face both in a national and European context, we fully agree that there is the need of a thorough and deep understanding of these barriers in order to design and implement appropriate and well-targeted intervention policies. In this context, the measures implemented in Bulgaria are focused on providing various types of support and activation- and employment-related activities, improving work-life balance, promotion of social entrepreneurship, provision of affordable and quality services (educational, social, etc.), as well as applying of an individual approach when providing support.

One of the key priorities of the Bulgarian government is increasing the participation in the labour market and reducing the number of inactive people of working age by activating and training for the acquisition of knowledge, skills and competencies required by employers. In pursuance of this priority, activating policies are being implemented in accordance with the individual needs of both the economically inactive persons and the persons from disadvantaged groups on the labour market.

The integration of the long-term unemployed in the labour market is becoming an increasingly important issue, especially in the context of the negative demographic trends and the reduction of the labour force.

The **Job Integration Agreements** with the long-term unemployed are an important tool to support their successful employment and prevent their social exclusion and marginalisation. The agreement is a written document – part of the individual action plan, which is signed by the long-term unemployed person and the labour mediator. The agreement includes proposals of the labour office directed to the long-term unemployed person for use of particular mediation services and for referral to services, provided by other institutions (in the field of health, education and social assistance) in order to overcome individual obstacles for labour market integration and to determine the responsibilities for the long-term unemployed person, related to the process of job searching.

Bulgaria has a large share of long-term unemployed among the unemployed NEETs 15-29 years. In order to address this serious challenge, a National Plan for implementing the European Youth Guarantee has been developed and is being implemented. The plan contains measures and initiatives, both for activating and reaching young people and for their successful employment.

The Bulgarian Ministry of Labour and Social Policy is implementing the National programme '**Activation of Inactive Persons**' whose main objective is to improve the integration of the inactive population in Bulgaria into the labour market. It is part of the National Employment Action Plan of Bulgaria and is subsidized by the national budget for Active Labour Market Policy (ALMP). Aimed at improving the access to employment services and promoting registration with the Labour Offices, the Programme includes a number of activities for strengthening the social integration of inactive people:

- **Individual and group psychological consulting, psychological research for diagnostics of the individual characteristics of unemployed** is provided by the psychologists who work in the Labour Offices under the National Program 'Activation of Inactive Persons'. For the persons at risk of long-term unemployment participation in motivational activities for an active behaviour on the labour market or job search atelier is provided. These activities support the unemployed who have difficulties in finding a job to improve their job search skills, their skills for presentation to an employer, employability skills and etc. A very important part in the group psychological consulting is the positive influence of the group - increasing the activity for job search, cooperation, support, and encouragement.
- **Case managers provide specialised services, including the examination of the persons' needs and personal potential for professional development.** Their leading responsibility is to identify the main barriers to employment and social integration and determine an appropriate set of services in order to overcome the identified barriers regarding the institutions, which provide the services, the conditions for access to these services and the actions to be undertaken by these persons in order to receive the services. The case managers work as mediators between the persons and the institutions, which provide the appropriate social, health, educational or other services, supplementing the mediation services, provided by the Labour Offices.
- **Activation of economically inactive persons, including identifying, motivating and encouraging them to register with the National Employment Agency** is provided by the Roma mediators, working at the Labour Offices and the youth mediators, hired by the municipalities. They work on the local level in municipalities with a high number of inactive youth and with a high number of inactive persons of Roma origin. The main responsibilities of the youth and Roma mediators include identification of inactive people in the municipality and their motivation to register with the Labour Offices by improving their awareness for the available opportunities and employment services provided by the Labour Offices.

The project 'Face to Face Services' in Employment and Social Assistance Centres (ESACs) provides complex support and integrated services to vulnerable groups under the Operational Programme 'Human Resources Development'. *Information about the project and its implementation is presented in Annex 2 as an example of relevant practice.*

Considering the identified challenges and factors affecting the share of unemployed and inactive persons, it is essential to facilitate access to the labour market and promote the career development of parents and carers of dependent family members. This includes the implementation of comprehensive measures, including those aimed at facilitating access to childcare services and improving their quality, promoting

flexible working and teleworking, etc. A good example is **the project 'Parents in employment'** which is being implemented by the Employment Agency. The project is aimed at ensuring better reconciliation of work and life of parents with young children by providing opportunities for childcare. The Project's activities include providing mediation for unemployed parents with children; providing care for children aged 0-5 years (including) who do not attend nurseries, child-care facilities and preschool groups for children of employed and unemployed parents (care is allowed up to 8 hours a day); providing care for children aged 0-12 years who attend nurseries and child-care facilities, as well as a school, for unemployed and busy parents with three or more children, including single parents (care is allowed up to 4 hours a day), etc.

Entrepreneurship development, including social entrepreneurship has an important role in creating sustainable jobs, including for disadvantaged groups in the labour market. Providing opportunities for development of self-employment, social enterprises, and entrepreneurial skills, makes an important contribution not only to job creation, but also to reducing the risk of poverty and social exclusion. The key target groups are young people, women, the elderly and people with disabilities, who continue to face the challenges of the labour market. Since May 2019, Bulgaria has been implementing the Enterprises of the Social and Solidarity Economy Act, which creates the regulatory framework for the development of a sector with a social focus and positive social added value in terms of employment and living standards of vulnerable groups. By developing the overall policy framework in this area, two-year action plans on social economy are being developed and implemented. A certificate of the trademark 'Product of a social enterprise' has been registered. Through a special platform the Bulgarian social entrepreneurs will be able to connect with companies from other countries in the European Union that deal with the social economy to exchange good practices.

As in the case of Belgium, **the fight against child poverty is an important dimension of the overall efforts to support and promote the inclusion of vulnerable groups in the society.** This is mainly due to the fact that poverty and social exclusion among children may have extremely negative effects in the future, such as a higher risk of exclusion from the labour market and lower incomes. In this context, investing in early childhood development is a key tool for providing opportunities for the best start in life for every child, promoting their full personal development and breaking the circle of transmission of poverty and social exclusion between generations. Therefore, the main focus of the implemented policies and measures is on applying a comprehensive and integrated approach to early childhood care, risk prevention and early intervention, including early disability intervention, better coverage and improving children's readiness for inclusion in educational system, promoting responsible parenting, etc.

Preventing and reducing early school leaving is another important priority taking into consideration the strong influence of the educational level on motivation, the employment status, as well as on the awareness of both the rights and responsibilities of citizens. In the Bulgarian context integrated measures and active interaction between different institutions in the field of education are applied in accordance with the individual needs of children and students. Such an example is the mechanism for joint work of the institutions for coverage and inclusion in the educational system of children and students of compulsory preschool and school age.

The provision of quality social services that meet the individual needs of persons are another key instrument for supporting and promoting the social inclusion of people from vulnerable groups. They provide support for the acquisition of social skills, empowerment to deal with various life situations. These functions are performed by providing a variety of activities: counselling, therapeutic, including occupational therapy, rehabilitation, training, etc. It is important to note that social services are based on social work, an individual approach and individual needs assessment. Social work is aimed at supporting individuals, families, groups or communities to improve

their quality of life by developing their skills to use their own capabilities and the capabilities of the community in order to meet their needs.

In Bulgaria, a **Social Services Act (SSA)** was recently adopted and put into force since 01.07.2020, which aims to improve the mechanisms for planning, financing, control and monitoring of services, as well as to improve their quality, efficiency and sustainability. The SSA defines social services as activities to support individuals in prevention and/or overcoming of social exclusion, exercising rights and improving the quality of life. The Act regulates the following services for supporting persons in acquisition of various social skills and competencies, in order to promote independence and full inclusion in the community: information and counselling; advocacy and mediation; therapy; training for acquiring skills; support for acquiring occupational skills for people with permanent disabilities.

4 Assessment of success factors and transferability

A high degree of specialisation in providing services to disadvantaged groups

The project 'Face to Face Services' in Employment and Social Assistance Centres (ESACs) proved to be especially successful in providing complex support and integrated services to vulnerable groups. The established ESACs over the years have not only expanded their territorial scope, but also played an important role in the pilot implementation of new and improved mediation services. In addition to the reported quantitative indicators, the achieved greater satisfaction of the clients of the centers is visible, due to their successful realisation on the labour market and consequently their material independence, as well as improved living standard of the target groups.

Regarding the implementation of **the project 'Parents in employment'** there is an increased interest in participating in the project both from parents and unemployed persons wishing to take care of the children of approved parents. The situation caused by COVID-19 has also contributed to this increased interest as the crisis has forced most parents to return to work in order to improve their financial status, taking advantage of the opportunities under the project to hire a babysitter for their children who are not admitted to nurseries and kindergartens. According to the latest data provided, a total of 9,775 applications have been submitted by parents since the start of the project, and 7,871 unemployed people have expressed a desire to be included in the project as babysitters.

A key factor for developing and implementing effective policies for supporting vulnerable groups is identifying the different profiles of these groups and the specific barriers they meet. We fully agree that needs should be known in order to design and implement appropriate and well-targeted intervention policies. Such an approach is very important especially in the case of identified serious challenges and a high share of disadvantaged groups, including on the labour market. In the Bulgarian case the high share of those who do not want to work and the various reasons for their unwillingness to work require additional efforts in various policy areas not only in the employment services field.

As mentioned in the Belgian host paper, cooperation is one of the key factors for success. Based on our experience, the interinstitutional cooperation is a very important factor for providing quality support to disadvantaged groups, including to unemployed and inactive people. A good example is the National Framework Agreement which was signed in 2019 between the Ministry of Labour and Social Policy, the Ministry of Education and Science, the Ministry of Health and the National Association of Municipalities in the Republic of Bulgaria. It envisages the inclusion of the above-mentioned institutions in the implementation of the **Job Integration Agreements**, signed with the long-term unemployed persons. The National

Framework Agreement envisages the provision of the services and measures for the long-term unemployed to be realised on a local level through the local/regional structures of the institutions, which will sign the agreement.

Another relevant example from the Bulgarian context which could be considered as a success factor is the high degree of specialisation in providing services to disadvantaged groups. For example, in Bulgaria different mediators are involved to work with the different target groups, including Roma mediators for Roma, youth mediators for NEETs, and case managers for the economically inactive and the long-term unemployed.

5 Questions

- Reaching out to individuals is one of the main important steps in the processes of activating and engaging individuals. In this regard, what are the difficulties that Belgium faces in reaching those who are far from the labour market?
- Could you please specify the interventions and measures applied for combating child poverty in Belgium as part of the policies for promoting social activation and participation? What are the specific target groups of children regarding the participation in social programmes for their integration?

6 List of references

National Statistical Institute - <https://www.nsi.bg/en>

National Employment Action Plan for 2021

Youth Guarantee in Bulgaria - <http://yg.mlsp.government.bg/>

National Implementation Plan for European Youth Guarantee (NIPEYG) 2014 – 2020

Monthly informations from the Employment Agency

Annex 1 Summary table

The main points covered by the paper are summarised below.

Situation in the peer country

- High rate of poverty or social exclusion;
- High rate of young people neither in employment, nor in education and training (NEET);
- Negative impact of the COVID-19 crisis on the labour market and economic activity;
- Inactivity in Bulgaria is not restricted to one homogenous group of people, but concerns different population groups;
- There is a need of better reconciliation of family care and employment.

Assessment of the policy measure

- Increasing the participation in the labour market and reducing the number of inactive people of working age is a key priority;
- A number of activities for promoting the social integration of inactive people are being implemented;
- Specific measures for activating and reaching young people and for their successful employment are being implemented;
- Additional efforts are needed to facilitate access to the labour market and promote the career development of parents and carers of dependent family members;
- In addition to activation measures, other types of support are being provided to disadvantaged groups (promoting social entrepreneurship, providing access to quality social services, etc.).

Assessment of success factors and transferability

- Identifying the different profiles of disadvantaged groups and the specific barriers they meet;
- Inter-institutional cooperation is a very important factor for providing quality support to disadvantaged groups;
- High degree of specialisation in providing services to disadvantaged groups.

Questions

- Reaching out to individuals is one of the main important steps in the processes of activating and engaging individuals. In this regard, what are the difficulties that Belgium faces in reaching those who are far from the labour market?
- Could you please specify the interventions and measures applied for combating child poverty in Belgium as part of the policies for promoting social activation and participation? What are the specific target groups of children regarding the participation in social programmes for their integration?

Annex 2 Example of relevant practice

Name of the practice:	'Face-to-Face' Employment and Social Assistance Centres (ESACs)" project
Year of implementation:	2015 – present
Coordinating authority:	The project is being implemented through a trilateral partnership between the Ministry of Labour and Social Policy (MLSP) – specific beneficiary and partners Employment Agency (EA) and Social Assistance Agency (SAA).
Objectives:	Provision of integrated services by joint teams from the Employment Agency and the Social Assistance Agency
Main activities:	Complex services are provided to the vulnerable groups on the labour market. The main services, according to persons' individual needs, include provision of information, counselling, referral and assistance, with the aim for transition from the passive receiving of social assistance towards sustainable employment for unemployed people, subject to social assistance.
Results so far:	Under the 'Face-to-Face' Employment and Social Assistance Centres (ESACs)" project, funded by the ESF through the Operational Programme 'Human Resources Development', were established and successfully operate Employment and Social Assistance Centres. They provide integrated services by joint teams from the Employment Agency and the Social Assistance Agency – complex administrative service is applied for the vulnerable groups on the labour market. The main services, according to persons' individual needs, are connected with provision of information, counselling, referral and assistance, with the aim for transition from the passive receiving of social benefits towards sustainable employment for the unemployed receiving social assistance. The project's implementation period was extended and the total number of ESAC teams reached 73. These have the functions of a mediator between the unemployed persons, their families and the institutions, which provide appropriate social, health, educational and other services. Mobile joint teams of employees from the Employment Agency and the Social Assistance Agency provide a complex integrated service to unemployed persons, subject of social assistance, at external reception-rooms of the ESACs. Furthermore, services are provided at a single point and the transport costs of the unemployed persons to the respective institution are reduced. The implementation of the new services in ESACs are expected to lead to diversification and improvement of the policies, measures and models for integrated assistance of the long-term unemployed persons and their families, subject of social assistance.



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