

The setting of national poverty targets Bulgaria

1. How are indicators chosen at national level to reflect the multi-dimensional nature of poverty and how do these relate to the EU indicators?

In particular, what attention is given to the overlap between indicators in identifying the target population at national level?

Prior to the approval of European target, the Ministry of Labour and Social Policy started to work on setting the national targets by establishing an interdepartmental work group for development of proposal regarding the indications for measurement of the national target for social inclusion and poverty reduction that Bulgaria will try to reach by 2020. The indicator at national level was chosen after collection of the available statistical information, analysis of its compatibility and comparison and the subsequent meetings and written consultations.

The relative share of people living at risk of poverty (measured with a poverty threshold of 60% of the median income) is the main indicator from the common statistical indicators for social inclusion and poverty measured with an uniform methodology for all EU countries. It was chosen as the most appropriate indicator for measurement of the Bulgarian national target for social inclusion and poverty reduction. Its main advantages are:

- 1) relatively easy to calculate;
- 2) provides comparison with all EU Member States;
- 3) based on regular study.

All of the above makes it reliable indicator for measurement of the progress of the poverty reduction policies.

On June 10, 2010 the proposal was presented and on June 28, 2010 it was approved by the National council on social inclusion to the Council of Ministers. The proposal was consistent with the proposals of the Social Protection Committee and the conclusions subsequently adopted by the European Council.

2. How is (are) the national poverty target(s) defined?

How are the main stakeholders (including people experiencing poverty) involved in this process?

The Bulgarian target is developed as one common target which is reduction of the overall number of persons living in poverty and 4 specific sub-targets for specific groups at risk. The targets are objective and consistent with the possibilities for securing their realization.

The national poverty target of Bulgaria is to reduce the number of people living in poverty by 260 thousand, or 16% of the poor people in 2008. It consists of four sub-targets:

- To reduce the number of children aged 0 – 18, living in poverty, by 78 thousand (30% of the national goal and 25% of the number of poor children in 2008);
- To reduce the number of people aged 65 and more, living in poverty, by 52 thousand (20% of the national goal and 10% of the number of poor elderly people in 2008);
- To reduce the number of unemployed individuals aged 18 – 64, living in poverty, by 78 thousand (30% of the national goal and 25% of the number of poor unemployed individuals aged 18 – 64 in 2008);
- To reduce the number of employed individuals aged 18 – 64, living in poverty, by 52 thousand (20% of the national goal and 22% of the number of poor employed individuals aged 18 – 64 in 2008).

In 2009 Bulgaria established National council on social inclusion issues to the Council of Ministers. The council is presided by the Minister of Labour and Social Policy and includes **deputy ministers from all involved ministries** (Ministry of Education, Youth and Science; Ministry of Health; Ministry of Finance; Ministry of Interior; Ministry of Regional Development and Public Works, etc.) as well as **the chairpersons of all involved institutions, representatives of the National Association of the Municipalities in the Republic of Bulgaria, representatives of the social partners, representatives of the organisations members of the European networks, the chairpersons of NGOs with proven experience in the field of social inclusion and representative of the Bulgarian Academy of Sciences.** The council is the body for coordination, cooperation and consultation in the development, implementation, monitoring and assessment of the state policy in the field of social inclusion. In June the Council discussed the proposal for national targets for encouraging the social inclusion and poverty reduction. Members of the council provided both written and oral comments that were taken into consideration. On June 10, 2010 the proposal was presented and on June 28, 2010 it was approved by the National council on social inclusion to the Council of Ministers.

In the frames of the EY-2010 the Ministry of Labour and Social Policy conducted a series of local initiatives such as **Round tables on the issues of poverty and social exclusion, Local meetings of people living in poverty and social exclusion, Public debates on the issues of poverty and social exclusion and Information days.** These initiatives were new for Bulgaria and provided the people with the opportunity to meet with governmental officials and discuss their problems, the current policies in the field of social inclusion, to present their ideas for combating poverty and social exclusion and to receive information about their rights. For the local initiatives the Ministry worked in close cooperation with EAPN – Bulgaria and representatives of various NGOs. Lots of interesting ideas were generated that were later taken into consideration when developing the policies in the field of social inclusion.

3. Were particular groups identified as the focus of national targets (e.g. children, working poor,...) and why were these chosen?

The setting of the specific sub-targets is based on the data from the European Union Statistics on Income and Living Conditions (EU-SILC) 2008 and on the prioritisation of the target groups from a political point of view.

In 2008 the level of poverty in Bulgaria was 21.4%, or about 1.63 million people were poor. By age groups, the risk of poverty was highest for children up to the age of 18 (26%) and for the population above active age (34%). For the population aged between 18 and 64 the risk of poverty was 17%.

According to the economic status, the risk of poverty was highest for the unemployed (55%), the pensioners (32%) and the other economically inactive people (24%). Working poor people are 7.2% of the people employed.

In the structure of poor people about 27% are these above active age, 20% are children below the age of 18 and 53% are people in active age.

Therefore in the profile of the poor dominate the people depending on social transfers – children, unemployed, people with disabilities, pensioners and to a smaller degree people actively participating on the labour market and receiving income from employment. Due to that the priority efforts should be targeted at the following groups:

- Children up to 18 years;
- Elderly people (including pensioners) above the age of 65;
- Unemployed.

The setting of the working poor as specific target group in the Bulgarian national target is in close relation with combating intergenerational transmission of poverty and thus decreasing the at-risk-of-poverty rate among the children who are the main priority group of the policy for social inclusion and poverty reduction.

4. What are the main policy measures for reaching the poverty targets (e.g. is it jobs, welfare payments, better services, targeted programmes,...)?

Are the poverty targets linked to the other targets in Europe 2020?

The following policy measures for reaching the poverty target are included in the National Reform Programme of Bulgaria:

- Drafting of a new Child Act – The law will be centred on children's rights. It will introduce an integrated system for guarantying children's rights. The Law will integrate all issues related both to children and families. It will improve the structure and the working methods of child and family support system and we'll improve the coordination mechanisms. The law will focus on preventive measures and support for good and responsible parenting. Special attention will be given to children with special needs as well.
- Bringing together of the legal norms in the field of social economy in a single statutory instrument;
- Developing of a National concept paper for active life of elderly people;

- Development and introducing of a mechanism for determining the amount of the minimum wage, taking into account its economic and social functions;
- Support for providing modern social housing for accommodating vulnerable, minority and socially disadvantaged groups and other disadvantaged groups;
- Impact assessment of the policies and legislation related to material support for vulnerable groups;
- Investments in integrated services for early child development (for children ages 0 – 7) – In the second half of 2010 Bulgaria started the implementation of Social Inclusion Project at the amount of 40 million EURO. The project will be completed at the end of 2013. The services will be provided by the municipalities. The first group of beneficiaries includes 63 municipalities.

The main services are:

1. Formation and development of parenting skills;
2. Family counselling and support;
3. Early intervention of disabilities;
4. Health consultation for children;
5. Integration of children into kindergartens and preparatory groups/classes – work with children, parents, providing transport and etc.;
6. Crèches and kindergartens fee reduction;
7. Screening of training and school readiness;
8. Individual pedagogical support for children with disabilities;
9. Additional preparation for equal start at school;
10. Child Minders;
11. Family centres.

Under the project there will be trainings for crèches and kindergartens staff, municipal staff, professionals involved in early child development. After completion of the first stage of the project it is planned to use ESF funding for further development of early childhood services.

- Deinstitutionalisation of childcare (network of social services in the community, programmes for children leaving specialised institutions, foster care, etc.) – It is inevitable that children living in institutions are at highest risk of social exclusion and poverty. Therefore in 2010 Bulgaria better focused a deinstitutionalization of child care process. The main elements are:
 - Abolishing the institutional care in the next 15 years;
 - Developing community based services;
 - Further developing foster care;
 - Programmes for youths from institutions for social integration after leaving the child care system.

The deinstitutionalization of child care is financed by different EU funds – ESF, ERDF and European Agricultural Fund for Rural Development.

The projects for deinstitutionalization are as follows:

- “Project for deinstitutionalization of the children from the homes for children with disabilities”;
 - “Project for deinstitutionalization of the children from the homes for medico-social care for children”;
 - “Project for deinstitutionalization of the children from the homes for children deprived from parental care”;
 - “Project for development of foster care”;
 - “Project for career development of social workers”.
- Support for families with children;
 - Providing material support, appropriate forms of employment, qualification and retraining, and accessible environment for people with disabilities;
 - Development of the social economy – establishing of new and support for existing enterprises in the field of social economy;
 - Increasing the adequacy of pensions;
 - Creating a network of long-term care services;
 - Construction of social housing, including for the most vulnerable representatives of the Roma community – with the support of European Regional Development Fund;
 - Establishing integrated social, healthcare and educational services for homeless people;
 - Survey of homelessness, development of a statistical database on homelessness and its dimensions, and development of an overall strategy for fight against homelessness.

With the setting of specific sub-target a **connection is made with the employment rate target** which is to reach a level of employment among the people aged 20 – 64 of 76% by 2020 and the objectives set under this goal. Employment promotion will contribute to the reduction of the level of poverty both among the unemployed and the employed people and among the children and the elderly people as members of their families. There is a very strong focus on **employment opportunities for parents** with children. The role of ESF is very important for implementation of measures for employment, training, reconciliation of family and professional life and etc. Some of the programmes in this regard are:

- “Back to Work” under OP HRD – unemployed people are included in training of key skills for baby-sitters and child-minders and are employed in families of working parents;
- Subsidised employment in the private sector for integration in the labour market of young people, long-term unemployed, and mothers of children aged up to 5, etc.;
- Programmes “New Employment Opportunities” and “Career Start”;

- “Development” Scheme, “I can” and “I can more” schemes under OP HRD;
- “Social assistant” and “Personal assistant” under OP HRD.

As an **education** is crucial not only for child development but also for better life opportunities in the NRP there are measures for reducing school drop-outs such as:

- Additional training for children with learning difficulties (in small groups, individual programmes, etc.);
- Full day forms of training for children in 1-4 grade;
- Improving the qualification of educational professionals.

The ESF funding will be used for these measures as well. The achieving of the **targets in the field of education** (National target 4) will also contribute to the reduction of the poverty in the country.

In the area of **healthcare** strong focus is put on:

- Immunizations and regular examinations;
- Prophylaxis;
- Education, health culture;
- Training of health professionals.

The successful reduction of the poverty in the country is strongly dependent both on the achieving of the objectives of the policies specified above (in accordance with IGs 7, 8, 9 and 10), the implementation of successful initiatives at national level under the European flagship initiatives “European platform against poverty and social exclusion”, “An agenda for new skills and jobs” and “Youth on the move”, and on the economic growth and development of the country.

5. What are the challenges for the national poverty targets of the economic recession and the public fiscal crisis?

Bulgaria is among the EU Member States in which the risk of poverty of the population is above the EU average. In 2009 the level of poverty in Bulgaria was 21.8%¹ (up with 0.4% compared to 2008), or about 1.657 million people were poor. By age groups, the risk of poverty is highest for children up to the age of 18 – 24.9% (down 0.6%) and for the population above active age – 39.3% (up 5.5%). For the population aged between 18 and 64 the risk of poverty is 16.4% (down 0.6%). According to the economic status, the risk of poverty is highest for the unemployed – 52.2% (down by 2.8%), the pensioners 36.5% (up 4.5%) and the other economically inactive people – 24%. Working poor people are 7.4% of the people employed, which inevitably has an impact on the level of poverty among children. In the structure of poor people about 27% are these above active age, 20% are children below the age of 18 and 53% are people in active age.

¹ EU-SILC 2009.

Some of the key challenges include the limited efficiency of Bulgarian transfers compared to EU transfers (26.4% of the population is at risk of poverty before the transfers compared to 21.8% after transfers while the EU27 average is 25.1% before 16.3% after), the intergenerational transmission of poverty, the issue of housing and the modernization of the social protection system.

6. What procedures are in place to monitor and review progress on the national targets?

Bulgaria has a developed and well functioning mechanism for monitoring of the progress in achieving the goals and implementing the reforms in the National Reform Programme. The reporting on the progress under the NRP is done quarterly and is regulated in Decision No. 416 of the Council of Ministers dated 18 June 2007². It is coordinated within Working Group 31 “Europe 2020” at the Council for European Affairs. On the basis of the contribution of each of the participants in the group the Ministry of Finance (“Economic and Financial Policy” Directorate) prepares quarterly reports in the name of the national co-ordinator for the “Europe 2020” Strategy, the Deputy Prime Minister and Minister of Finance Simeon Djankov, which are put forward for discussion and approval by the Council of Ministers.

The National Statistics Institute (NSI) of Bulgaria will include in the National Strategic Programme the regular provision of official statistical information about the indicators measuring the progress of the implementation of the goals and reforms defined in the National Reform Programme. The information will be published in the Internet site of the NSI and will be used as the basis for the preparation of the quarterly and annual reports of the National Coordinator for the “Europe 2020” Strategy. Through its representatives in Working Group 31 “Europe 2020” at the Council for European Affairs, NSI will also continue providing methodological assistance for the development, producing and dissemination of statistical information to the institutions involved in the mechanism for monitoring the progress, in compliance with the principles of the European Statistics Code of Practice.

7. How are the national poverty targets linked to the EU target (to reduce by 2020 the number at risk of poverty by 20 million), for example in terms of indicators, target groups, policy measures?

How can the EU support the achievement of the national poverty targets?

The contribution of Bulgaria to the achieving of the European target to promote social inclusion, in particular by reducing poverty, is assessed at 2.5%. This figure corresponds to a reduction of the total number of materially deprived people³ by 504 thousand (13%), but under the assumption of an annual real growth in GDP per capita by 1.25% during the period 2010 – 2020. The forecast

² Decision No. 416 of the Council of Ministers dated 18 June 2007 for defining the mechanism of reporting on the implementation of the measures and actions set out in the National Reform Programme (2007 – 2009) and in the Summary of Challenges, Policies and Governance – National Reform Programme of the Republic of Bulgaria (2007 – 2009) (CoM Decision No. 416 of 2007). Its updating is forthcoming.

³ The number of people deprived of at least 4 of a total of 9 important goods and services.

also corresponds to the share of poor and socially excluded people in Bulgaria in the total number of the poor and socially excluded people in the EU – 2.4%.

The various structure funds of the EU (ESF, ERDF and European Agricultural Fund for Rural Development) are being used as sources for funding of the measures set in the National Reform Programme thus contributing for the achieving of the targets set.