

The City Strategy in the United Kingdom

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1. Brief assessment of the possible relevance of the UK Strategy to Latvia. Conformity with the policy and legislative system of Latvia

1.1. Policy framework in Latvia: employment policy and legislative aspects

The main responsibility regarding the facilitation of employment lies in the responsibility of central power. The priorities stated by the Ministry of Welfare for 2009 are activities in order to increase professional qualification and working capacity (training at the employer, self-employment, subsidized work places and paid temporary work).¹

According to the law 'On Local Governments' the competence for local governments regarding the employment is: 'to facilitate entrepreneurial activity within the relevant administrative territory, and to be concerned about reducing unemployment'. Every year municipalities have to elaborate Local Employment Plan. Some are more successive in the employment sphere, e.g., a good example is municipality of Liepaja, which has established municipal institution 'Employment Projects' operating with good results.

There is a problem with unemployment in regions. There are proportionally a lot of people in Latvia still living in countryside and in country estates. The main reasons for the high unemployment rate in regions are the following: insufficiently developed entrepreneurship, low number of self-employed persons and poorly developed infrastructure. Self-employed persons form a rather small part of the total number of employed persons in Latvia.²

During the last months the level of unemployment in Latvia has risen sharply. If comparing with the data in May 2008, the level of registered unemployment in Latvia in May 2009 has increased by 6.5% or 74,382 people. In May 2009 there were 126,595 unemployed (in May 2008 – 52,213). There is a tendency that the unemployment level is increasing in all the European Union member states since June 2008.

The projection for 2009 is that the level of unemployment will increase, as well as there will increase long-term unemployment and unemployment among less qualified workers.

¹ Unemployment: tendencies and solutions. *Press conference, 28.01.2009*. Ministry of Welfare of the Republic of Latvia.

² Latvian National Development Plan. 2007-2013. Ministry of Regional Development and Local Government of the Republic of Latvia. Riga, 2006. P. 42.

Table 1
The level of registered unemployment in Latvia, %*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec
2006	7.5	7.5	7.4	7.3	7.0	7.0	6.9	6.9	6.8	6.6	6.6	6.5
2007	6.5	6.5	6.3	6.1	5.9	5.8	5.7	5.4	5.1	4.9	4.8	4.9
2008	5.0	5.0	4.9	4.8	4.8	4.9	5.1	5.2	5.3	5.6	6.1	7.0
2009	8.3	9.5	10.7	11.0	11.3							

* Data from the State Employment Agency.

Source: Report on the Unemployment Situation in the State – May 2009. Ministry of Welfare of the Republic of Latvia: <http://www.lm.gov.lv/text/435>. P. 1.

The data at the end of May 2009 state, that among the unemployed there are also many having higher education (15,335), as well as professional (48,503) and secondary education (36,083). Only small part of the unemployed have primary (22,812) and lower than primary education (2,438).³

As a response to the economic crisis and the growing amount of persons unemployed, the government has adopted the amendments to the law “For Insurance in Case of Unemployment” prolonging the payment of unemployment benefit up to 9 months, which will come into force from 1 July 2009 (until now the period of payment depended on the length of insurance period of the unemployed and was from 4 to 9 months).

Regarding the child poverty and some measures for tackling it, from 2004 the State Employment Agency has been implementing the project in order to provide job opportunities during summer time for pupils during summer holidays, this project gained great responsiveness from the society. Children studying in primary, secondary, special or vocational schools had the opportunity to gain professional experience and learn new skills, working in different enterprises and receiving the salary with the state support. Unfortunately, this year due to the lack of funding the project is postponed.

1.2. Possible relevance of the UK strategy to Latvia

The aim of the City Strategy: ‘(..) to make more effective use of existing resources’⁴, as well as goals (e.g., to provide jobless people with the support they need to find and progress in work, tailor services in response to local needs, development of local partnerships⁵) are also important for Latvia; especially at the time of economic crisis, when the number of unemployed has reached such an amount. Likewise, the child poverty (which is mentioned, but not always directly present in the documents) is very important problem in Latvia, as 60% of children are living in households, representing two lowest quintiles. The results are not changing during the years, and the tendency is that the more children are in the family, the poorer it is. There are many one parent families, which are among people with restricted means.

³ Report on the Unemployment Situation in the State – May 2009. Ministry of Welfare of the Republic of Latvia: <http://www.lm.gov.lv/text/435>. P. 5.

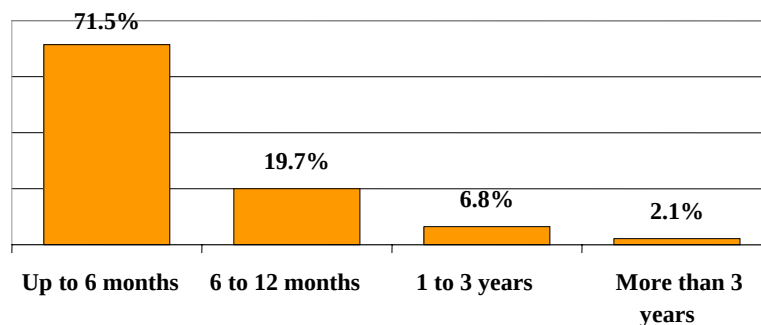
⁴ Green A. E., Hasluck C., Adam D. ‘The City Strategy Initiative.’ Host Country Report. Institute for Employment Research, University of Warwick, 2009. P. 4.

⁵ Vranken J. ‘The City Strategy in the United Kingdom.’ Discussion Paper. University of Antwerp, 2009. P.11.

The City Strategy has been started to implement in 2006, choosing as direct target groups the so-called *hard to help groups* (people who are most disadvantaged in the labour market). Now the economic context has changed, it has already been mentioned in the Host Country Report, that City Strategy activities could turn from supporting the long-term unemployed to the short-term unemployed. This is very important target group at the moment in Latvia, evident by the data in the Table 2: the number of unemployed of up to 6 months is 3.5 times higher than the number of unemployed from 6 to 12 months and 10 times higher than the number of long-term unemployed (longer than 1 year).

Table 2

The proportion of unemployed according to the length of unemployment (30 May, 2009)



Source: Report on the Unemployment Situation in the State – May 2009. Ministry of Welfare of the Republic of Latvia: <http://www.lm.gov.lv/text/435>. P. 3.

There are still some projects funded by the European Social Fund and monitored by the State Employment Agency with the aim to find permanent job places for long-term unemployed, people at the preretirement age, and persons after returning from serving the sentence in jail, but these were more topical previous years, when the level of unemployment was relatively low. Now the main priority group for helping to find employment are those, who have recently lost their jobs.

2. Brief assessment of similarities and differences of the UK policy with the experience of Latvia

Similarities:

- The problems intended to be solved by the City Strategy are also important to Latvia, as well as the goals set are of great importance, especially the emphasis on the cooperation among local partners. Likewise, the topical issue is participation of the hardest to help, as well as active citizenship.

Differences:

- In Latvia problems regarding the involvement of stakeholders of different levels and data sharing on individual level are also topical. But in the employment sphere we have good cooperation examples among the State Employment Agency and local governments. For example, the State Employment Agency consults with local governments on how to use the available funding. Likewise, there are established Public Councils at the State Employment

Agency's branches, where different stakeholders are making decisions according to the tendencies, commonly deciding on the possible projects and funding, etc.

- In Latvia the involvement of voluntary and community sector is quite good. We have several very good examples of the involvement of NGOs in the facilitation of employment, e.g., NGO Association "Apeirons", unifying handicapped persons, their relatives and friends. They have implemented several projects in the employment sphere, elaborated data base, where employer can meet with the possible employee – disabled person. They have also published handbooks for employers about the specific issues regarding different disabilities with the aim that employers are more informed and are not so sceptical in relation to employment of people with disabilities.

3. Brief assessment of the potential transferability of the policy to Latvia. Likely conditions for its application

The activities implemented in the framework of the City Strategy are already taking place also in Latvia. Still we could take valuable notice of the lessons learned by the Pathfinders. We agree with the expert Mr. Jan Vranken, that to us the main relevance of the City Strategy is identifying the obstacles met trying to transfer responsibilities from the central to local power. In Latvia there is the same problem, that more responsibilities have been delegated to the local level often without the financial means to carry them out.⁶

4. Key issues and main questions proposed for debate

1. **Difficulty of translating strategic decisions into actions.** It would be interesting to find out about the experience in other countries, why it is very often, that strategic decisions are difficult to transform into real actions. In Latvia this is a problem - there are elaborated many good strategies, which are not practically working. Where is the problem and reason why really brilliant strategies are not implemented: does it depend only on the available financial resources, or the problem lies in the 'author/-s' – who, which institutions have elaborated them? Do the elaborators listen to the opinion of 'the users' of the strategy to be elaborated, or is it elaborated solely by some expert/-s and is based on their point of view? Does the problem lies only in the quality of the strategy?
2. **Difficulties of data sharing.** There is a problem of data sharing among municipal and state institutions. E.g., if the social worker has to make a decision regarding the allocation of some benefit, there is no one data base containing all the necessary information regarding the person. State institutions have several data base, which are not connected into one common network, and municipalities have complicated access to these data base (difficult procedures, difficult access, and bureaucracy).
3. **How the UK/other states are solving the problem of unemployment of two very sensitive groups: children from children's homes (which are not continuing their education after leaving children's homes) and persons after returning from serving the sentence in jail (in**

⁶ Vranken J. 'The City Strategy in the United Kingdom.' Discussion Paper. University of Antwerp, 2009. P.8.

Latvia only in some prisons there are possibilities to work, there are no implemented any rehabilitation activities)?

References

1. Green A. E., Hasluck C., Adam D. 'The City Strategy Initiative.' Host Country Report. Institute for Employment Research, University of Warwick, 2009. P. 4.
2. Latvian National Development Plan. 2007-2013. Ministry of Regional Development and Local Government of the Republic of Latvia. Riga, 2006.
3. Report on the Unemployment Situation in the State – May 2009. Ministry of Welfare of the Republic of Latvia: <http://www.lm.gov.lv/text/435>.
4. Unemployment: tendencies and solutions. *Press conference, 28.01.2009*. Ministry of Welfare of the Republic of Latvia.
5. Vranken J. 'The City Strategy in the United Kingdom.' Discussion Paper. University of Antwerp, 2009.