

# **The Positive Experience of Bulgaria in Curbing Unemployment**

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# European Social Values

- ▶ Equality
- ▶ Justice
- ▶ Prevention of discrimination
- ▶ Free or cheap access to education
- ▶ Health service
- ▶ Other social services

# Basic Issues of the EU Social Model

- ▶ How to continue improving the living standards of the citizens of the European Union, while at the same time enhancing EU competitiveness in the conditions of global economy?
- ▶ How to combine economy, employment, and social policy so as to ensure sustainable economic development and, at the same time - achieve social cohesion?

# Bulgaria's New Social Policy Model

- ▶ **Passive social protection versus active social policy**
- ▶ Differentiated approach towards various groups of people
- ▶ Active policy of the labor market
- ▶ Decentralization of the governance
- ▶ Co-ordination of diverse policies – economic, fiscal and social.

# Our main goals

- ▶ To change the attitude of people towards labor
- ▶ To encourage them to take responsibility for their own future and the future of their children
- ▶ To support people with entrepreneurial spirit
- ▶ To provide social assistance to people in need

# “From Social Assistance to Employment”

- ▶ Creating job opportunities for long-term unemployed
- ▶ Re-building work habits, restoring self-confidence and self-respect
- ▶ Fostering flexibility and adaptability
- ▶ Providing various vocational training courses, upgrading workers' qualifications
- ▶ Providing training in a new professional field

# Breakdown of Allocated Funds

- ▶ Relative expenditure under the program - 100 units, comprised of:
  - ▶ 78 units for wages
  - ▶ 22 units for social security and health insurance.
- ▶ Saving expenditure amounting to 32 units for social benefits.
- ▶ 22 units - contributed to the pension and health care system, reducing the deficit in them.
- ▶ Net expenditure for the program - only 46 units.

# What effects did we achieve?

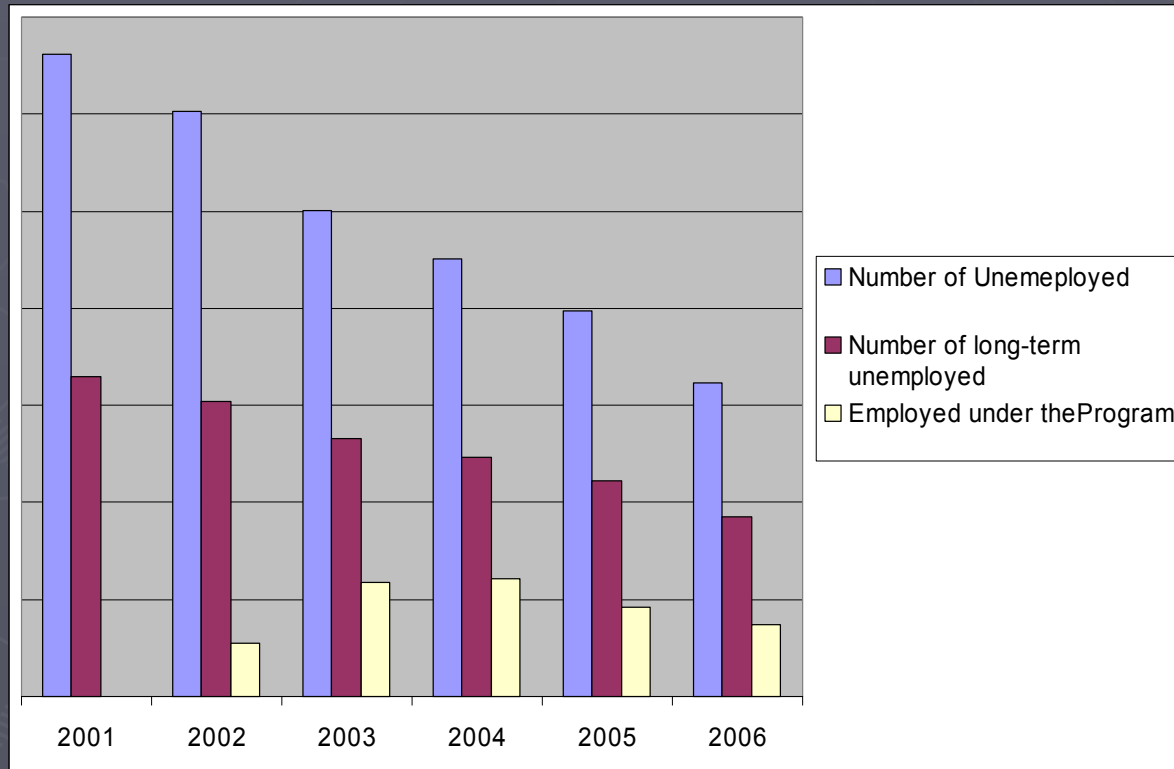
- ▶ Increase of employment (more jobs);
- ▶ Development of the work force potential and enhancement of its flexibility;
- ▶ Opportunity for training and improving qualifications;
- ▶ Social inclusion of people from risk groups on the labor market;
- ▶ Facilitation of the development of start-up businesses through reduction of employment expenditure;
- ▶ Increase of the revenues in pension and health insurance systems;
- ▶ Shrinking of employment in the informal economy;
- ▶ Activities - beneficial for local communities and taxpayers



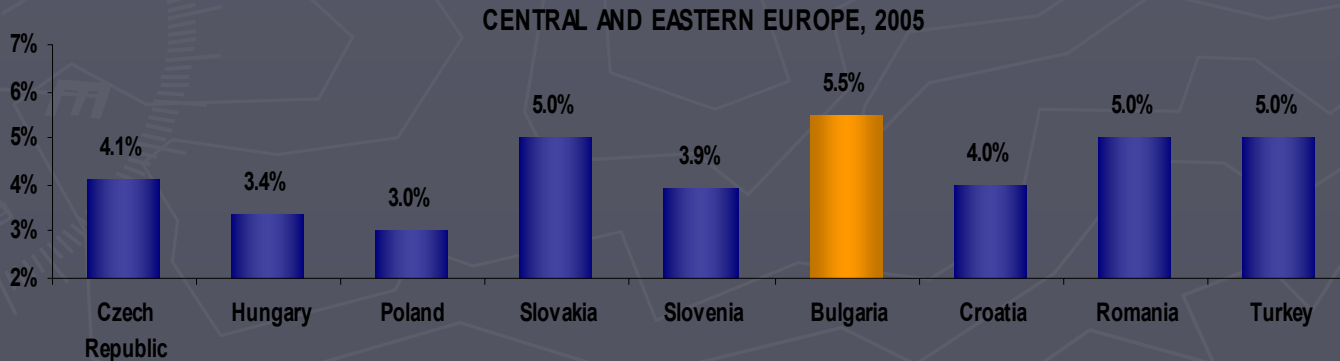
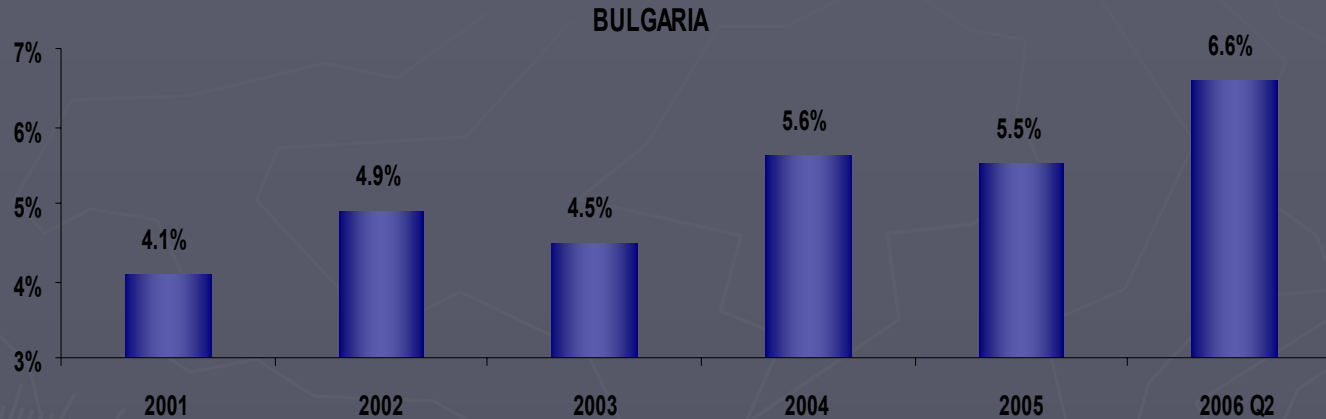
# What sort of projects were eligible to receive budget funding?

- ▶ Upkeep and maintenance of infrastructure – streets, public gardens, schools, children’s playgrounds and sports facilities, social care units;
- ▶ Participation in activities such as planting trees, gardening and other environmental projects;
- ▶ Community projects, linked with routine cleaning;
- ▶ Security services;
- ▶ As a separate component of the program was introduced the position of “social assistant”- attendants to disabled people.

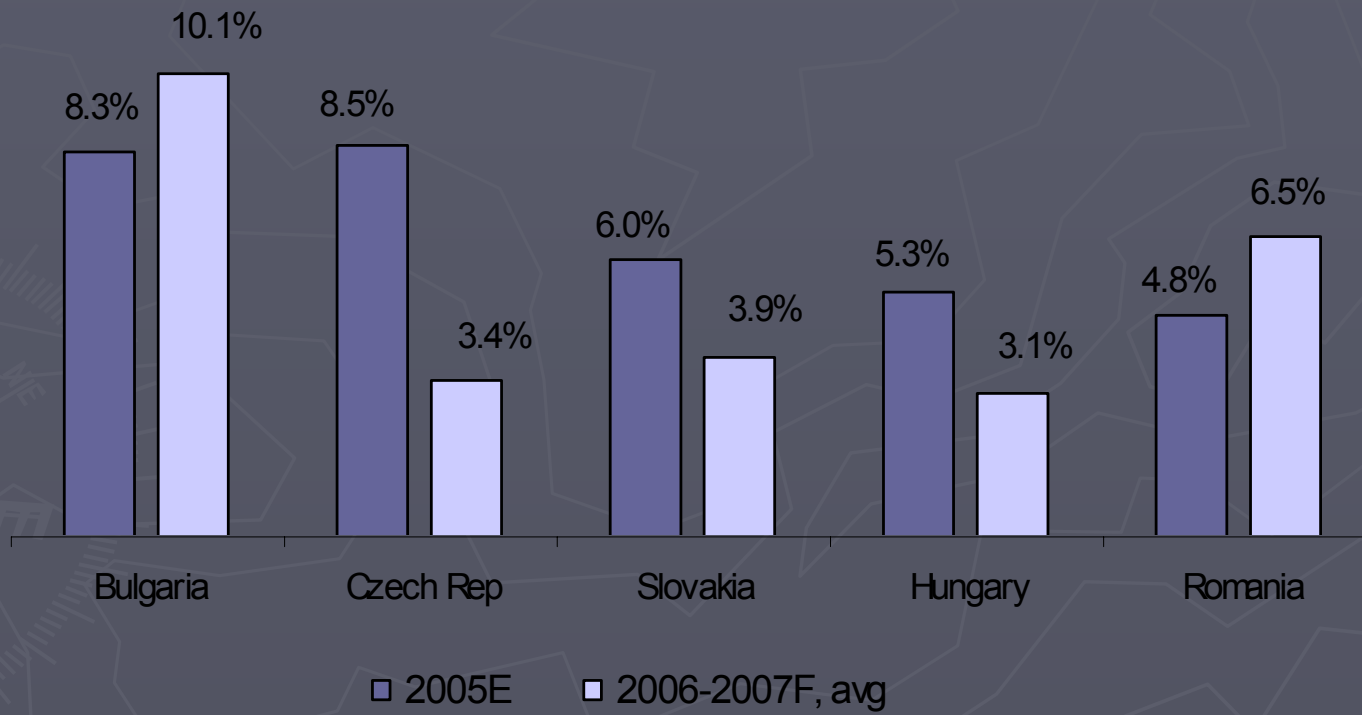
# Results of the Program



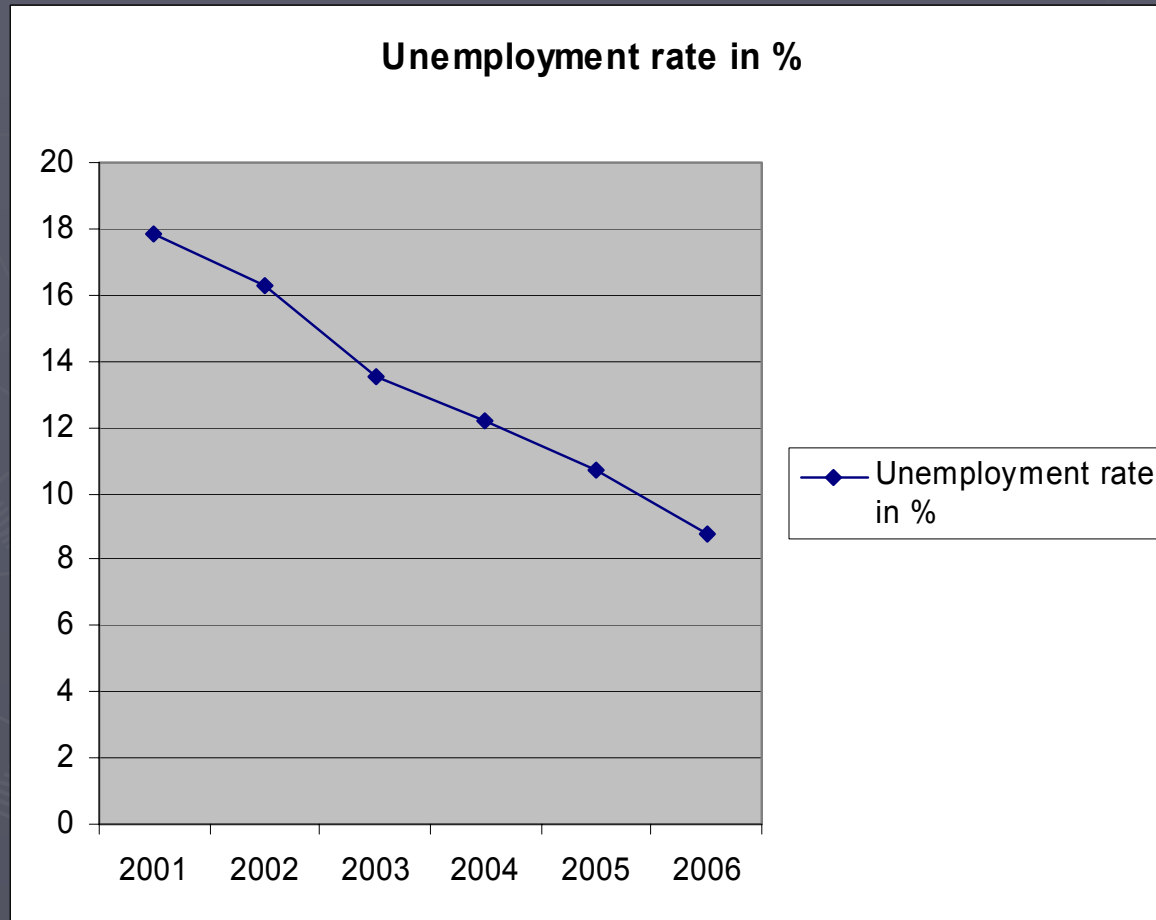
# Development of Economy: GDP evolution



# FDI as a % of the GDP



# Sharp Drop of Unemployment Rate



# European Social Policy

The Program “From Social Assistance to Employment” meets to a large extent the three key challenges of the Lisbon strategy in the sphere of employment:

- ▶ Increasing the adaptability of workers;
- ▶ Employment promotion;
- ▶ More investment in human capital and lifelong learning.

**Thank You!**

