Labour Market Integration of Young People in Bulgaria: The Implementation of Youth Guarantee and Youth Employment Initiative

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Abstract: The Youth Guarantee and its financial tool the Youth Employment Initiative as EU level initiative, aim to answer the rising concerns caused by the growing problems of youth unemployment by fostering youth activation and labour market integration. Both are associated to specific recommendations for member states to enhance intra-agency coordination and to expand the scope of labour market policies, while both present a good case for research regarding policies’ coordination and government, and in-policy content. The paper analyses the process of introducing and implementing YG and YIE in Bulgaria and outlines changes in the activation policy and strategies for youth labour market integration with focus on both substantial and procedural reforms. For the empirical purpose of the study, desk-research on relevant policy documents, existing national evaluations, country-based literature and statistics, media publications and expert interviews conducted with policy actors from agencies involved in the implementation of labour market programs. The article contributes to the state of art by presenting and analysing details and insights on policy changes as well as existing short-term data on policy outcomes and tries to go further by suggesting policy recommendations to improve existing measures.

Keywords: youth; labour market integration; Youth Guarantee; policy reforms.

Cuvinte-cheie: tineret; integrarea pe piața muncii; Youth Guarantee; reforme ale politicilor.

Introduction

Unemployed youth are one of the main target groups annually defined in the National Employment Action Plan and addressed with priority in the activation policy discourse over the past decade. The analysis of the funds allocated for 2007-2013, however, shows a discrepancy in the prioritizing on paper and the actual financing. Although unemployed youth are about one-fifth of all unemployed in the period, the average costs of specialized policies for youth in 2007-2013 are only 0.02% of GDP, while the total spending for labour market activation policies is 0.16% of GDP (Stoyanova, 2016, 148).

Insufficient financing and declarative prioritizing are just part of the obstacles for solving the problem regarding youth unemployment in the 2007-2013 period. First, the low levels of employment of youths in the age groups, 15-24 and 25-29, indicate structural problems stemming from mismatch in labour market demand and supply (Todorov, 2013). Second, the large share of long-term unemployed youths is a difficulty specific to Bulgaria in recent years (BG – 10.8%, EU28 – 7.1% in 2013)¹ that is not adequately met by activation policies even considering the changes following the financial crisis. Next,
the NEETs are an even more serious challenge because of their large numbers (age group 15-29: BG – 25.7%, EU28 – 15.9% in 2013) and the specific characteristics of the country (UNICEF, 2015) and, therefore, were until very recently not targeted either.

Aiming to address those issues and foster labour market integration and activation of young people, the Youth Guarantee (YG) is introduced in 2013 (EC, 2013) as an EU level initiative, a part of the Europe 2020 Strategy. The initiative combines the results-oriented approach with focus on long-term goals – lasting integration on the account of social investments, homogenization of the unemployment benefits, and risk re-categorization with special focus on NEETs. The fulfilment of those objectives requires improved horizontal coordination mechanisms and this is stated specifically in the Council recommendation. With the introduction of Youth Employment Initiative (YEI) as a complementary financial mechanism alongside the European Social Fund (ESF) and the national budget, the vertical coordination mechanisms are further strengthened as well.

The paper analyses the process of introducing and implementing the YG and YEI and outlines changes in activation policy and strategies for labour market integration of young people in Bulgaria. The analysis focuses both on substantial, i.e. level of policy content, and on procedural, i.e. level of governance, reforms (van Berkel et al., 2011). The main contribution of the paper is to present and analyse details and insights on the changes brought by the implementation of the YG in Bulgaria – a topic that, despite its importance for youth employment policies, has until now not been subjected to academic studies.

The paper will analyse, as well, existing data on policy outcomes (short-term because of the time-frame) and will go further by suggesting opportunities for developing and enhancing coordination across governance levels. Even though path dependence (Pierson, 2000; Peters et al., 2005) of labour market policies, especially in terms of content and horizontal coordination mechanisms, is a well-documented phenomenon, the data from comparative research on youth labour market transition in post-socialist countries (Kogan et al., 2011) might suggest certain shared features, providing grounds for the possible relevance of policy suggestions to other post-communist countries in the EU, as well.

The structure of the paper is as follows: the first part presents the theoretical framework and concepts that the study is built upon. The second part outlines the methods and research design; the next part presents the results of the study and the findings about the introduction and implementation of YG and YEI as well as existing policy evaluation and the last part concludes with a brief discussion about the shortcomings of current policies and measures and suggests recommendations for future development.

Theoretical framework and concepts

Following van Berkel (van Berkel et al., 2011) a distinction is made between policy reforms connected to coordination and governance of policies – procedural reforms, and policy reforms related to the content of policy and specific measures – substantial reforms. Although differing, the two types of reforms are sometimes aspects of one policy change (Carmel and Papadopoulos, 2003) but are more often separate policy changes that may presuppose each other: formal policy changes lead to revisions of governance, and vice versa (de Graaf and Sirovátka, 2012).

As made evident by previous research (Bredgaard and Larsen, 2005; Hooghe and Marks, 2001; Peters and Pierre, 2001; van Berkel et al., 2011; de Graaf and Sirovátka,
procedural reforms connected to coordination of policies and initiatives between actors are becoming increasingly important in the context of labour market activation approaches, and for multi-level governance, and especially with the introduction of new public management (Newman, 2001) and social investment policies in the EU (Hamerjik, 2012; Nolan, 2013).

Since YG and YEI are EU level initiatives, the starting point for understanding the mechanisms of their implementation is vertical coordination. In analysing vertical procedural mechanisms, in the context of the European Union, the most influential paradigm is the concept of multi-level governance (Marks, 1993; Hooghe, 1996; Hooghe and Marks, 2001; Peters and Pierre, 2001; Lopez-Santana, 2015) understood as “a system of continuous negotiation among nested governments at several territorial tiers’ as a result of ‘a broad process of institutional creation and decisional reallocation that had pulled some previously centralized functions of the state’ up and down” (Marks, 1993, 392). In order for the MLG of the EU to be functioning government of policies is reformed by parallel processes of decentralization and capacity building on a regional level and centralization of the regulation (Mosley, 2009). In this context, it is important to stress, centralization and decentralization are not in dichotomy (Lopez-Santana, 2015).

In the recent years, the development of the MLG of the EU in the field of employment measures and labour market integration initiatives gradually progressed from the Open Model of Coordination (OMC) to the European Semester type of regulation. In the OMC member states decide on the ways of implementing the policies, different organizations are involved in the process (Keiser and Prange, 2002) and, most importantly, there are no sanctions to make decisions and policies compulsory and it works mainly on a peer pressure principle (Hodson and Maher, 2001; Radaelli, 2000). Although gradually replaced in recent years, this type of coordination mechanism is still operational as the Social OMC in the context of Europe 2020. By contrast, under the European Semester, member states apply jointly agreed policies according to guidelines and recommendations by the European Commission and the EC monitors the implementation according to common criteria. The main new feature of the European Semester is its restrictiveness as it provides sanctions and specific regulation mechanisms. In the field of social issues, gradually increasing in share after 2011 (Zeitlin and Vanhercke, 2014) the main regulation mechanisms are Country specific reports, Council conclusions; Joint Employment Report (JAF), Employment Performance Monitor (EPM), and social protection performance monitor (SPPM).

Horizontal coordination mechanisms refer to the ways in which policies and services are administered and offered (van Berkel and Borghi, 2007), making changes in horizontal coordination closer to policy content reforms. Horizontal coordination, being a factor for the processes of decentralisation, marketization, integration, and interagency cooperation is crucial for social investment and activation approaches (de Graaf and Sirovátka, 2012). Previous research points out that the most important factors fostering coordination initiatives are high unemployment, activation policy and fragmentation of the system (Champion and Bonoli, 2011), fragmentation being seldom a consequence but different from specialization (6, 2004). Other important factors for the course of the coordination initiative are the management capacity – veto points vs. concentration of power and the path of development – the number of institutions and the model of shared responsibility. In contrast to vertical coordination, horizontal coordination as well as policy content depend to a much greater degree on the historical development of labour market policies and the specific context
Regarding substantial, i.e. concerning the content of policies, reforms the “triple integration” concept of Clasen and Clegg (2011) is followed, according to which integration fostering is understood as the overlapping processes of homogenization of unemployment benefits, risk re-categorization and benefit activation taking place in most European countries (Clasen and Clegg, 2011). Homogenization of unemployment support, or standardization, is caused by higher insecurity and instability in labour marked that makes traditional unemployment insurance schemes, granting rewards in accordance with status and skill differentials, poorly equipped to provide the higher protection and incentives needed. Just as minimum standardization is expected to lead to diminishing the gap between insurance-based and secondary benefits. Risk re-calibration denotes a weakening of boundaries between in-work and out-of-work benefits, leading to a “broadening of unemployment” (Clasen and Clegg, 2011, 8). The third process, benefit activation, establishes closer links between activation and benefits programmes with the aim to improve labour market integration via modification of regulations to tighten job search conditionality and to develop programmes that foster rapid return to normal unsubsidized employment such as “work first” forms and “one-stop shops” (Clasen and Clegg, 2011, 9).

A possible intersection of the different types of policy reforms is the process of policy diffusion. As noticed by Champion (2013) despite differences, in the context of the European Union, horizontal coordination initiatives are as much a result of social learning (learning form own experience) as they are of policy diffusion (learning from the experience of other countries) and the same is valid for initiatives connected to substantial elements of policy (Dobbin et al., 2007). With the introduction of the European semester and more unified policies, diffusion of policies both as content and as coordination approaches is to be expected to a greater extent and on issues which until recently were the prerogative of nation states.

**Methods and research design**

For the empirical purpose of the study, the following data sources are used: relevant policy documents, existing national policy/programme evaluations, country-based literature and statistics, media publications and expert interviews with policy actors from agencies involved in the implementation of labour market programs. First, the normative documents marking milestones of policy development (i.e. official decisions, strategies, and plans) and media publications (interviews of key officials and political actors, analytical and news publications) were collected and critically analysed to enable a reconstruction of the policy debates and the discourse on Youth Guarantee and Youth Employment Initiative. Next, normative documents on specific measures and programmes (i.e. guidelines on procedures, requirements for applicants), programme evaluations, statistics and reports were analysed in order to give evidence on the actual implementation of the policies and initiatives and the short-term results (because of the time-frame of the research). Third, interviews were conducted with representatives of key agencies dealing with labour market unemployment and youth unemployment in particular that have privileged access to policy formulation and debates and thus can provide insider knowledge. Six semi-structured interviews (90-120 minutes) were conducted in the period July-August 2016 with expert representatives of the Ministry of Labour and Social Policy from the Directorate of Labour Market Policy and Labour Mobility (LMPLM), Directorate of European Funds, International Programmes...
Results and discussion: introduction and implementation of YG and YEI

As mentioned, YG is an EU level initiative aiming to foster labour market integration and activation of young people. The initiative combines the results-oriented approach with focus on long-term goals – lasting integration on the account of social investments and coordination between the educational system and labour market services, homogenization of the unemployment benefits, risk re-categorization with special focus on NEETs. Important new feature of the YG is the allocation of a specific budget as well, with the introduction of YEI as a complementary financial mechanism alongside the ESF and the national budget. The initiative is indicative for the intensified commitment to improving labour market integration of young people that is required from member states, yet the development of specific mechanisms is left as prerogative to national governments.

The body responsible for applying HRD OP and for conducting the national employment policy and YG in Bulgaria is MLSP. The coordinating and managing body for applying YG is the Directorate of Labour Market Policy and Labour Mobility (LMPLM), and the coordinating and managing body for HRD OP is the Directorate of European Funds, International Programmes and Projects (EFIPP). The implementation of YG is provided for and regulated mainly by: 1) the National Plan for the Implementation of the European YG 2014-2020 – NPIEYG (MC, 2013a) and a National Framework Agreement for the implementation of NPIEYG (MC, 2013b) which define the general policy approach and the responsibilities of the institutions and social partners in the implementation of YG. 2) The Human Resources Development Operational Programme (OP HRD) and its framework agreement which defines the parameters (target groups and indicators) to be reached when implementing YG goals with financing from YEI and ESF. 3) The annual National Employment Action Plans – NEAP (MLSP, 2013; MLSP, 2014; MLSP, 2015; MLSP, 2016d) which contain detailed provisions regarding the specificities of the concrete measures and programmes for putting YG in practice, including the specification of target groups, budget, etc., for the respective year – both for financing by the national budget and by the European funds.

According to NPIEYG, all young people aged 15 to 24 years (later expanded to include youths with ages between 25 and 29 years) must receive within four months after school-leaving or becoming unemployed, a job proposal or an offer for continuing education, professional training, or apprenticeship in Bulgaria. Specifically, for youths registered with the employment offices, the proposal should be made by the end of the fourth month after their registration. The fulfilment of these objectives requires enhanced horizontal coordination mechanisms and this is specifically stated in the Council recommendation. With the introduction of YEI, the vertical coordination mechanisms are enhanced as well.

Introduction of YG and YEI: Discourse and political process

Overall YG and YEI have not been widely discussed and are rather not a very popular
topic either for the general public or among expert analysts, despite their importance for youth employment policies and despite the fact that youth unemployment and NEETs are quite acute problems for Bulgaria both objectively (UNICEF, 2015) and according to public opinion.

In the media, YG and YEI are presented in articles and interviews most often by the specialized economic journals and sites. In the majority of publications, the initiatives are only mentioned and are not the main topic, or are discussed most generally together with other problems in the sphere of employment and social policies. Most of the articles mentioning YG are from 2014, when the preparation of NPIEYG and its presentation in different regions were covered. In 2015 and especially in 2016, the foremost topics—both in the statements of experts and politicians and in the analytical and information articles, shifts from policies to concrete operations under HRD OP; i.e. to the instruments for their implementation, and more specifically to the planned and achieved results. Publications in which youth unemployment and the employment measures are a central topic, though few in number, provide quite detailed data on the achieved levels and success in providing employment.

Starting from 2013, when the YG idea is first presented, the goals and means for youth employment policies coming from the EU through YG and YEI are generally viewed positively and considered a good opportunity for Bulgaria. Even in the early years of the initiative, there is no national debate on whether, and how, YG and YEI will bring actual benefits as part of the active labour market policy. The lack of debate is not due to lacking criticism, however, but to the reluctance of MLSP officials to answer the critiques. The ministers and experts of MLSP cite YG as simply an existing fact—they provide no arguments in support of the usefulness of the policies or for substantiating the approach, nor defending the ideas or policy approaches. The main argument is that Bulgaria will receive EU funds. This impression is additionally strengthened by the radically different style and different emphases made by politicians at national as opposed to European level. While the MPs of the European Parliament, the European Commissioners and other politicians in European institutions talk vividly about, and fervently defend, the goals and ideas of YG and YEI in emotional statements full of strong qualifications (e.g. Andrei Novakov: “The problem with …NEETs is a European-wide scourge”, interview in Gabrovo dnes, 08.01.2015; Antonia Parvanova: “…after long years of battle enough colleagues were persuaded by me to embrace the idea…”, interview BNT, 09.05.2014), the representatives of the MLSP talk about YG mainly quoting numbers and statistics about the current and targeted state of youth unemployment; and, in almost all articles and interviews, the emphasis is placed primarily on the funds that Bulgaria will receive from YEI and the ESF.

The more rational and oriented towards actual figures and measuring approach of politicians and experts at national level has different impacts at different stages of implementation of YG. In the first period, 2013-2014, when YG was presented and the implementation of the NPIEYG initiated through different activities mainly funded from the national budget and the other unspent funds from the ESF under HRD OP 2007-2013, the figures and percentages are far from sufficient to prove the usefulness of policies. In the next period, however, in 2015-2016, with the advance of the process of application of YG and YEI and the fulfilment of measures under HRD OP 2014-2020 and as real results are obtained both from the nationally financed measures and under the operational programme, this type of argumentation is much more convincing. The figures and percentages give a visual idea of the progress made in decreasing youth un-
employment – from 21.8% in 2013 to 13% in 2016 (data: EA, 2016) and present a practical proof of the impact of policies (at least up to date).

Overall, the priority topics in the discourse are the increase of funding and the growing number and scope of measures and operations for youth employment policies. The discussions focus primarily on the measures related to internship and vocational training as well as to measures that have so far been realized under HRD OP. The specific structural reforms discussed in relation to YG implementation are the introduction of dual training and the regulation of internship and apprenticeship. Reforms related to the restructuring of institutions and government units or the creation of one-stop services has not been discussed.

A large number of stakeholders have taken part in designing policies and specific measures, including social partners and NGOs. There is a significant discrepancy between the notions and goals set by different representatives at the start of the process ‘because (e.g. “Will Youth Guarantee Really Guarantee Employment for Young People?”) The Council of Ministers and the youths are looking in different directions regarding the investment of 100 million euros for youth employment until 2020’ (Investor, 21.07.2013). The priorities set by MLSP are internship, training, employment subsidies, entrepreneurship and mobility, whereby youth unemployment is to be decreased to 7% in 2020. The Ministry of Youth and Sports (MYS) proposes investing in the infrastructure and creating information centres where young people may acquire skills through mentorship under actual working conditions. For their part, youth organizations rely on becoming direct beneficiaries and receiving funds from the EU to launch their own small businesses. “...Due to misunderstanding the idea, and the process of what YG is, they imagine some money will pour down to them, and they take the money and start doing something with it” (quoted from an interview for the study, expert of MLSP, LMPLM). It should be pointed out that the trade unions’ and employers’ organizations do not have such misconceptions and pretensions, since they have been taking part in discussing policies even before the YG and have had the possibility of actively applying each year with projects funded from the state budget (expert MLSP, LMPLM).

Later in the course of designing the NPIEYG and implementing the YG, the priorities of stakeholders are drawn closer among the activities laid down in the plan; priority is given to the MLSP’s approach but the ideas of the other participants are not being rejected either. The MYS is creating Youth Information and Consulting Centres, while the promoting measures of the annual NEAP envisage options for supporting the launching of business enterprises. An operation is also due to start, which involves as direct beneficiaries young people with innovative ideas and a designed business plan. NGOs are also given the possibility of taking part in identifying and activating NEETs in the “Actives” operation of OP HRD.

Implementation of the Youth Guarantee and the Youth Employment Initiative

Three essential differences should be pointed out between the specifics of the YG and YEI in Bulgaria, compared with those in most other European countries. As a result of these particularities, achieved through negotiations and argumentation with the EC, the implementation of the two initiatives is expanded in the country (partly, despite the points laid down in NPIEYG and the Framework Agreement). The first particularity, mentioned above, is expanding the age range of targeted youths to include those up to 29 years of age. Secondly, the possibility envisaged in NPIEYG of implementing YG in stages, whereby during the first stage, to
include as a priority group the long-term unemployed youths, or those with a long period of registration with the employment offices, instead of only those with up to four months of registration up to the year 2014. Experts (from MLSP, LMLMP) assessed this to be a good practice. Thirdly, the agreed-on procedure whereby the limitations on funding from YEI is circumvented: the decision is that the Southwest Region will be considered separately from the city of Sofia. Thus, the criteria in the case of the Southwest Region will be applied to districts, not to regions, a measure by which funding from YEI is provided for the other four districts in this region (experts from MLSP, EFIPP and experts from EA, DEF). This is necessary due to the specificity of this region, combining high employment rates in the district of Sofia-city, which reflect on the rate for the whole region and, at the same time, an obvious need for active policy in the other four districts of this region. Further, despite the lowest unemployment rate in the Southwest region in terms of percentages, in fact the absolute number of unemployed youths is biggest in the country. This agreed on separation of the Southwest region and Sofia-city is assessed by experts to be a success for Bulgaria (experts MLSP, EFIPP, experts EA, DEF).

Some other specific features of the way YEI operates in Bulgaria are: 1) after the YEI initiatives conclude, the funding of programmes in Sofia-city and all districts, as agreed on, will be carried out through the ESF; and 2) for operations funded by YEI, there is no rule that youths should apply up to 4 months after they register with the employment offices because analyses show that a large part of the inactive youths have been registered at the employment offices for over one year (expert MLSP, EFIPP).

**Actors and coordination**

The managing bodies do not decide on policies, measures and operations independently of one another (experts from MLSP, LMLMP; experts MLSP, EFIPP; experts EA, DEF). In order to design each of the policy documents regulating YG, a series of discussions and respective inter-institutional workgroups are formed, with the participation of a number of institutions and stakeholders – social partners, employers, trade unions, scholars, and the nationally represented NGOs. Later, in the implementation process, horizontal coordination is ensured through the creation of special inter-institutional networks and bodies at national and at local levels, and through the Network Agreement on NPIEYG and local agreements on cooperation. According to the experts, these agreements have played a key role for mobilizing social partners and NGOs to work for the implementation of YG (experts MLSP, LMLMP). To ensure fulfilment, coordination and monitoring at national level, the following are established: Coordinating Council for Execution and Monitoring of Activities under NPIEYG (which observes the YG), a National Council for Promotion of Employment (which observes NEAP), a Committee monitoring HRD OP (which observes YEI and ESF). A wide range of stakeholders and representatives of various institutions are participating in all three structures, and they are in most cases “the same persons” (experts MLSP, EFIPP) – including ministers, directors of directorates, etc. Taking part in all of these are national and regional representatives of various institutions relevant to issues of youth employment as well as employers’, trade union and non-governmental organizations.

With regard to horizontal coordination and the partnership approach, it should be noted that important steps in this direction were taken even before YG – regional administrations and social partners (trade un-
ions and employers’ organizations) have regularly been given the opportunity to take part with their own projects funded through the state budget. There are also the so-called coordinated operations, where different problems of the one and same person or group are resolved consecutively through their participation in operations and projects under different operational programmes. Yet having NGOs participate is an entirely new element.

The analysis shows an unexpected lack of reference to YG in any of the policy documents, strategies, or specific measures’ documentation of the Ministry of Education and Science (MES). According to NPIEYG and the framework agreement, MES is supposed to have a key role in ensuring returning to school possibilities or providing education alternatives as part of YG measures and is responsible for operations under OP SESG; specific operations and measures of MES are mentioned in annual NEAP with regard to YG implementation. Yet, no word on YG exists in MES documents.

With regard to vertical coordination, although YG is the result of an EC recommendation and the country is free to choose specific measures for achieving it, the general end-result to be achieved after policy implementation is mandatory. The changes made in YG and YEI to expand their range of coverage were the result of negotiations and sound substantiation by the Bulgarian part. NPIEYG was designed at national level without intervention but was revised by the EC, and the annual fulfilment of measures under YG is observed by the EC, whereby the assessment becomes part of the monitoring report for Bulgaria. It should be stressed that the EC observes and follows the general implementation of YG and not only the activities financed under YEI. The registered shortcomings and recommendations are object of special attention and of reports and explanations given by MLSP. As put by the experts: “then they examine us several times during the year... it’s really an exam – quite exactly” (expert MLSP, LMLMP). Being part of HRD OP, the expenditures under YEI is subject to even stricter control inasmuch as it is tied to the agreed upon axes and investment priorities. The designing of the operations themselves is not observed by EC and falls under the competence of MLSP and of the Monitoring Committee, but it is absolutely mandatory that they lead to the achievement of the laid down and agreed upon indicators.

At regional and local levels, the policies are coordinated and “laid down” essentially (expert REA) through EA, by REA and REO. However, enough good and viable forms for feedback have been provided both in the course of design and in the course of applying measures and operations, including monthly reports, regular meetings, discussions before and during the implementation of the measures, etc.

**Focal points of measures and reforms under YG and YEI (content of policy)**

NPIEYG envisages two types of measures: 1) Early intervention and activation; and 2) Supporting measures for integration in the labour market. Depending on the youth’s profile, they must be offered good-quality proposals for jobs (subsidized jobs or jobs on the initial labour market) or for training (training for professional qualification, for obtainment of key competencies; for continuing education). They may also be offered professional guidance, career consulting, and motivation training.

1. **Measures for providing employment (“work first”)**

Measures for increasing employment consist in the following: 1) mediation for employment on the real labour market; 2) provision of subsidized employment through measures addressed to the employer, and 3)
measures for assisting persons for territorial mobility or entrepreneurship and business. The most important measure continues to be mediation for finding work on the initial labour market: during the period January-June 2016, 21,517 youths started working through the mediation of the Directorate of Regional Employment Offices (DREO) (Table 1). Subsidized employment is also of essential importance; here, most youths are hired for activities under HRD OP, where employment and training are combined (with the exception of the first stage of Employment and Training of Young People, which does not envisage apprenticeship or training).

As for all other measures, registration at the employment offices is a mandatory condition for receiving social unemployment relief (under the conditions defined by law), a job offer on the real labour market, or inclusion in the programmes. The key term here is “a good job offer” – which cannot be refused and thus represents a legislative “loophole” (expert MLSP, LMLMP) provided to prevent continuous unemployment and alienation from work.

2. Measures for increasing competencies (“enabling”), aimed at education and training

The basic types of activities for implementing the YG - as regards both funding from the national budget and under HRD OP – are precisely “enabling” measures, which help young people acquire experience and rise competences through apprenticeship and internship. This is especially true for operations under HRD OP inasmuch as during the current programme period, the connection with training and with the demand for respective competencies is among the conditions set by the EC (experts MLSP, LMLMP; experts from MLSP, EFIPP).

Moreover, falling under this category are trainings in key competences and training for professional qualification, offered by EA directly or through the employment offices or through vouchers for the professional training centres. In the first half of 2016, 1,152 youths were included in training for professional qualification (Table 1). The third type of adult training – in literacy – is carried out by schools. This is one of the basic ways for stimulating people who dropped out prematurely to return to education, just as unemployed persons in adult training are paid stipends, and expenses for transportation and accommodation. Employment offices conduct motivational trainings, meetings with psychologists, group, or individual guidance: 4,680 youths have used these measures in the first half of 2016 (Table 1). The particularly popular Job-seeking Workshops should be mentioned as well, which many young people attend (Table 1) and which are intended to develop key competences for finding suitable offers, filling in CVs, motivation letters, achieving adequate performance at job interviews with employers, etc.

3. Structural reforms

So far, there has been no large-scale structural reform to create institutions or unify the existing ones in the sphere of the so-called “one-stop services” in connection with youth policies and YG. There is, however, an on-going operation to create joint centres for employment and social assistance for all age groups.

Another major structural reform is the dual system of training introduced in Bulgaria by amendments to the Vocational Education and Training Act, reinforced by the YG implementation. This system assigns an active role to the employers in the course of education, as they take part in designing study plans and training, and in evaluating the trainees.
Table 1: Activities for Youth Guarantee under NEAP 2015 and 2016

<table>
<thead>
<tr>
<th>Indicators</th>
<th>1-6 2016</th>
<th>1-6 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>All registered by 30 June</td>
<td>32,510</td>
<td>47,781</td>
</tr>
<tr>
<td>Registered for a period of up to 4 months</td>
<td>15,462</td>
<td>19,247</td>
</tr>
<tr>
<td>Newly registered youths in the month of June</td>
<td>6,126</td>
<td>8,834</td>
</tr>
<tr>
<td>Included in consultancy and support for seeking jobs – unemployed</td>
<td>63,057</td>
<td>139,501</td>
</tr>
<tr>
<td>Included in professional qualification training</td>
<td>1,152</td>
<td>180</td>
</tr>
<tr>
<td>Began work under employment measures funded from the state budget</td>
<td>228</td>
<td>1585</td>
</tr>
<tr>
<td>Began work under employment programmes funded from the state budget</td>
<td>1,319</td>
<td>2954</td>
</tr>
<tr>
<td>Began work under HRD OP</td>
<td>15,424</td>
<td>9,014</td>
</tr>
<tr>
<td>Began work on the initial labour market</td>
<td>21,517</td>
<td>42,164</td>
</tr>
<tr>
<td>Number of conducted youth job fairs</td>
<td>20</td>
<td>17</td>
</tr>
<tr>
<td>Number of youths participating in job fairs</td>
<td>2,394</td>
<td>4,804</td>
</tr>
<tr>
<td>of them – registered at DEO</td>
<td>212</td>
<td>2,870</td>
</tr>
<tr>
<td>of them – not registered at DEO</td>
<td>67</td>
<td>1,375</td>
</tr>
<tr>
<td>Work shop for job seekers</td>
<td>14,632</td>
<td>12,355</td>
</tr>
<tr>
<td>Individual consulting by case managers</td>
<td>887</td>
<td>658</td>
</tr>
<tr>
<td>Individual psychological support</td>
<td>828</td>
<td>840</td>
</tr>
<tr>
<td>Group consultations for psychological support</td>
<td>2,965</td>
<td>1,516</td>
</tr>
</tbody>
</table>

Source: MLSP (supplied for the study).

**Finance and budget**

Activities for the implementation of YG are funded by: 1) employment promotion measures and national programmes and projects, and training of adults funded by the national budget, as determined yearly based on the annual National Action Plan for Employment; and 2) operations under HRD OP 2014-2020, funded by the ESF and YEI, for which MLSP is the managing body; 3) operations under OP SESG (again, without mention of YG being made in the specific operations, though they are directly relevant to the strategies for the labour market integration of youths). Although funding under HRD OP must be “supplementary” and should promote activities by national funding for the implementation of YG (experts MLSP, LMLMP), due to the objective impossibility of encompassing a sufficient share of youths – because “resources are limited” and “the needs are numerous, and so are the NEAP measures” (expert MLSP, EFIPP) – we find that, in fact, the main number of people are targeted precisely through activities under HRD OP and the supplementary measures and programmes prove to be those funded through the budget.

The period 2014-2020, envisages considerably more resources under HRD OP than the preceding period. The financial resources envisaged for the implementation of YEI in the period 2014-2020 amounts to 120.1 million euros, of which 110.4 million are from the EU and 9.7 million are national co-funding. The funds allotted especially for YEI are of 55.2 million euros, and the support
coming from the ESF is to the same amount. Another 47 million euros are planned to come from ESF for active labour market policies aimed at youths (NEAP, 2015; HRD OP 2014-2020 Bulgaria).

Funds from YEI and ESF for active labour market policy aimed at youths fall under the framework of Priority Axis 1 Improving Access to Employment and Job Quality, and are calculated based on different yet mirror-like investment priorities. This mirror-image correspondence between the two priorities has been a purposely-sought effect that permits fulfilling the activities for the whole country and for all youths. This is a particular feature that is assessed by experts to be a major challenge, but also a good practice when programming HRD OP (expert MLSP, EFIPP) and the only way to avoid discrimination of youths based on place of residence (experts MLSP, LMLMP).

The resources under SESG OP that are directly related to the labour market inclusion of youths under the six procedures that are currently in course of implementation amount to 36.2 million euros. It is expected that another 4 procedures will be announced by the end of 2016, amounting to a total value of 11.8 million BGN euros.

**Quality and Innovations**

According to NPIEYG, a good job proposal must meet as many of the following criteria as possible: to match the education/qualification of the youth; to be suited to his/her health status; to match the youth’s individual profile; to offer employment security; to meet the requirements of healthy and safe working conditions; to provide the possibility for the youth’s individual growth. These criteria, and the term “good job proposal”, that limits the unemployed persons’ option of refusing the job offer, are not elaborated for YG but are part of the applied practice and legislation (experts MLSP, LMLMP; experts EA, DEF; experts EA, GDES). A good job proposal for youths aged 15 to 18 years must be connected primarily with return to the educational system and inclusion in continuing education, training, and apprenticeship. A good training proposal must meet as many as possible of the following criteria: to match the profile and inclinations of the youth, to be in demand on the labour market, to be tied to a specific workplace.

Regarding the lack of criteria in NPIEYG, or in the Recommendation of the Council, relevant to the level of wages which is pointed out as one of the basic weaknesses of YG (ESP, 2015), the adopted national methodology for defining the remuneration of subsidized employment under HRD OP resolves this issue based on the requirement of providing no less than the minimum social security contributions threshold for the respective position (as opposed to the minimum wage used in the preceding programme period). Moreover, in the HRD OP operations, advantages are provided for employers who guarantee payment above the minimum social security threshold and who intend to keep the youths at their jobs after the end of the programme (experts MLSP, EFIPP). All employers and training organizations must abide by the conditions for providing a good job.

Gender specifics are not taken into account in the programmes aimed at youths. However, there are separate initiatives aimed at all ages, including youths, where such issues are given priority. The same is true regarding the issue of multiple exclusion.

The most significant innovations regarding policies and measures for youth employment stemming from YG can be summed up as follows: 1) the focus on NEETs, who have so far remained outside the scope of measures and programmes for employment and integration – despite the high percentage of NEETs in Bulgaria; 2) the time framework for inclusion of youths in the initiatives, i.e., the requirement that this should happen up to 4 months after registration with the employment office; 3) the requirement that operations under HRD OP should combine
employment with the development of competences and that training should take into account the demand for labour force; 4) the inclusion of dual education and the amendments in the regulations for professional education, internship and apprenticeship; 5) youth mediators and youth employment mediators; 6) operations involving application tendering based on the project principles by consortiums of partnering institutions and organizations; 7) regulations of the participation of social partners and NGOs through the Framework Agreement and through the cooperation agreements at local level.

**Evaluation**

The assessment of activities under YG is made with regard to the success of the separate measures and taking into account the overall success of the policy; assessment is made by comparing time-periods. As regards programmes under HRD OP funded from YEI and ESF, the output/achievement indicators are laid down in EU Regulation № 1304/2013 and include indicators for immediate results from YEI (employment/training of the participant when leaving the ESF operation) and indicators for long-term results (measurement of the effects 6 months after leaving the operation). Assessment of the current implementation is contained in the annual NEAP, in the annual EC recommendations, in the monitoring reports under HRD OP. Three analytical reports are available at this point: an on-going assessment of measures under YEI (MLSP, 2016b), and an annual report on the implementation of HRD OP for 2014 and 2015 (MLSP, 2016a) and a recent evaluation of the YG implementation (EC, 2016b). A net assessment was planned for 2017 regarding the activities developed within the active labour market policies for youths, and an interim assessment by the EC under HRD OP is expected for 2018.

Academic assessments and analyses of YG and YEI and of the efficacy of the new approaches to labour market integration of youths are lacking at present (probably due to, until very recently, lack of sufficient empirical data for in-depth studies). After YG implementation, the scientific analyses of employment policies, including youth employment, are few and focused on analysing previous periods, especially the time of the financial crisis (e.g., Stoilova, 2016; Atanasova, 2015), methodological problems (Sedlarski and Toshkov, 2015), while international studies are performed likewise for past periods (Todorov, 2013).

According to a recent evaluation of the YG implementation by the EC (EC, 2016b), YG has provided a new impetus and has accelerated policy development in Bulgaria, yet there are still significant challenges. The report states that in 2015 the YG scheme in Bulgaria reached only 14.3% of NEETs aged under 25, a decline by 5 percentage points compared to 2014. Additionally, only just over a third (35.9%) of those leaving the scheme in 2015 took up an offer within 4 months of registration, though this is an improvement compared to 2014 (27.6%) (EC, 2016b, 128). According to the report, less than a quarter (23.4%) of those leaving the YG in 2015 were known to be in employment, education or training 6 months later, a slight improvement against 2014 (19.6%), though both figures are likely to be understated as the subsequent situation was unknown for the majority of leavers (74.6% in 2015 and 78.2% in 2014). Longer-term follow-up of those leaving in 2014 shows little change in positive outcomes after 12 or 18 months (18.5% and 18.8% respectively) (EC, 2016b, 128).

**Conclusion and policy recommendations**

With regard to coordination reforms, the main conclusion that emerges is that, although YG is a soft type of measure as it is a result of an EC recommendation and the
country is free to choose specific measures for achieving it, the general end-result to be achieved after the policy implementation is mandatory and strictly monitored. Under the European semester vertical coordination rules and monitoring reports, the removal of weaknesses registered in the implementation are observed strictly, and successes or failures require detailed and regular explanation before the EC. Since YG is adopted, horizontal coordination between different institutions and stakeholders has improved considerably as result of the signed agreements and the building of networks and partnerships and a partnership with NGOs is introduced.

With regard to content of policy reforms, the main innovation is the focus on NEETs and the introduction of project-based procedures that give opportunity to consortiums of various stakeholders to apply for direct funding.

Data show that with the implementation of YG considerable progress has been made to limit youth unemployment, including long-term unemployment of young people and number of NEETs. Analysis of activities and measures under NEAP, YEI and ESF for implementing YG and improving youth’s labour market integration, and critical analysis of the existing assessments and analytic texts that deal with active labour market policy, however, reveal existing shortcomings of the policies.

Firstly, better selection of measures and programmes needs to be made in order to respond as best as possible to the different demands and characteristics of the various sub-groups of unemployed youths. According to an analysis by the Institute of Market Economy (IME), even the normative and documentary preparation of such programmes is challenging, since, for instance, the labour, and social rights of persons aged 15, and for those aged 22 are very different (IME, 2014). The same is true regarding the NEETs group, which comprises youths of very different status, levels of economic activity and labour market behaviour (UNICEF, 2015). It is necessary to additionally adjust he measures, especially to the specific needs of youths in higher education – the preliminary net assessment, based on the interim assessment of YEI, shows zero, or even negative, effect among highly educated youths (MLSP, 2016b).

Secondly, with regard to designing measures of higher effectiveness, it is crucially important to collect additional information on economic activity and on the state and needs of specific sub-groups by conducting additional studies, observations among the labour force, in order to improve the functionality of the information system of the EA, etc.

Next, it is necessary to go on to a qualitative model of assessment of policies, a model based not only on the number of employed persons under separate programmes but also on long-term analysis of economic activity and employment of included persons. Moreover, it is necessary to trace regularly the success of the different instruments in order to make timely corrections and subsequent adaptations to the particularities of the target groups, the partner organizations and the social-economic context (MLSP, 2016a).

Further, greater efforts are required to raise interest for involvement in the activities and measures under YG through better information provision and through different channels of impact and information, but also to improve the mechanism of impact of the measures by facilitating the application procedure for employers and by designing administrative measures for control on the offered jobs. According to data from the interim assessment of YEI, the discrepancy between the functional obligations of the declared job vacancy and the actual requirements of the employer is one of the reasons why part of the youths drop out of the programmes (MLSP, 2016b).

Finally yet importantly, the data on the educational characteristics of unemployed
youths in Bulgaria prompt the conclusion that the main efforts should be oriented to keeping young persons in the education system and improving the qualification of persons having basic, or lower than basic education (IME, 2014). Also, inasmuch as measures under YEI have a considerable positive effect precisely on youths with basic or lower education (MLSP, 2016a), mechanisms should be provided for more intensive inclusion of such youths in the procedure, including youths who are long-term unemployed, youths with disabilities, and/or youths of Roma origin (EC, 2016b).

Acknowledgements:

This article is elaborated within the NEGOTIATE project, which has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 649395.

Notes


References


Lyuba Spasova, *Labour Market Integration of Young People in Bulgaria...*


