



**“ACTIVE LABOR MARKET POLICIES WITH  
AN IMPACT POTENTIAL ON ROMA  
EMPLOYMENT IN FIVE COUNTRIES OF  
THE EU”**

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## Abstract

The working paper focuses on the labor market policies in five European countries - Bulgaria, Hungary, Romania, Slovakia and Spain - aiming at the labor market integration of Roma and other vulnerable groups. The most important actors of those labor market policies that directly or indirectly target unemployed Roma, and the context of their policy implementation are discussed. Special attention is paid to mainstreaming and to ethnically targeted policies, their effectiveness, and the policy environment. The paper provides an overview of the varieties of programs addressing Roma, highlights certain practices and demonstrates that, there is no single best way to reach out to Roma.



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## 1. Introduction

This paper is a comparative review, classification and secondary analysis of labor market policies directly or indirectly targeting the Roma population in five countries of the European Union. The countries under scrutiny – Bulgaria, Hungary, Romania, Slovakia and Spain - were selected because they have a considerable Roma population and because they represent a wide range of how labor market policies are designed and implemented.

The paper is a self-contained interim product of an 18-month-long research project investigating those active labour market policies and their implementation that reach out to Roma populations. The research has been conducted under Work Package 19 of the NEUJOBS research project funded under the Seventh Framework Program of the European Union. While the first part of the research project (D19.1<sup>1</sup>) looked at the workings and the general regulatory environment of the labor markets for low educated population - and Roma within this population-segment - in the five countries under scrutiny (Brozovicova, Fabo, Kahanec, Messing 2012), this present, second paper (D19.2) provides a more specific insight into the labor market policies and measures that target this population. The next, third phase of the research will encompass results of an empirical study investigating how centrally designed labour market policies and specific measures are implemented in local labor markets and how they reach (or fail to reach) their original targets. These three levels of analyses are interesting on their own, but their synthesis – the amalgamation of findings about their regulatory environment, their design and implementation, the combination of macro and micro level findings - will lead to the comprehensive analysis of policies in terms of what works, in which circumstances, for Roma people and other vulnerable groups.

In its first section the paper will present its aims and its scope, provide some methodological notes and reflect on the literature most relevant to the issue under scrutiny. In the second chapter an overview of the relevant EU policy framework will be provided: on employment, on Roma inclusion and on the intersection of these two policy fields in the EU policy framework. The third chapter focuses on the national level and summarizes structures in which labor market policies are designed and implemented, and compares the core frameworks of labor market policies among the five countries. The fourth chapter takes a closer look at how labor market policies reach out to Roma, and what ways of targeting function in the five countries. Labor market (LM) policy measures will be discussed according to the method of targeting: (1) untargeted mainstream policies; (2) LM policies targeting various vulnerable groups among which Roma are greatly overrepresented; (3) LM policies targeting certain economic areas; (4) regional LM policies, targeting economically and socially marginalized regions; (5) LM policies explicitly targeting Roma unemployed and (6) anti-discrimination policies. The role of EU Funds as well as that of NGOs and other non-state actors will be discussed. In the concluding part of the paper we will discuss policies in relation to what might and what definitely does not reach unemployed Roma populations and support their long-term labor market integration.

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<sup>1</sup><http://www.neujobs.eu/publications/state-art-reports/overview-labour-market-situation-low-educated-and-roma-population-and>

### 1.1. Aims of the research, scope of the paper

The aim of this research phase is to examine labor market policies that aim to enhance the employability of various vulnerable groups and among them Roma, especially in the five participating countries. The report provides a review of the relevant scholarly and policy literature and combines the overview of existing policies with a new way of their classification and critical assessment, from the perspective of Roma unemployment.

The report serves as an important document on its own, offering an overview of the various policy schemes that are most likely to reach the unemployed Roma population in the selected countries, either because the policies specifically target Roma, or because they aim at population groups among which Gypsy/Roma are overrepresented. The research focuses on the support that Active Labor Market Policies (ALMPs) provide to the labor market integration of Roma. This paper differs from the classical perspective and classification of labor market policies that cluster ALMPs according to **how** they support labor market integration; instead, it provides a new way of categorizing state interventions and support by focusing on **whom** the policies support. In this endeavor we identified the ways in which country-specific policies target vulnerable groups, what their targeting strategy and frame is: whether it is ethnicity, social, educational or residential position, labor market position, regional disadvantage or the intersection of the above aspects. Such classification was found to be more helpful in understanding the successes and failures of policy design and implementation, especially if contrasted with the roots of labor market exclusion of Roma identified in Working Paper D19.1. The report uses available policy evaluations, academic and policy research outputs to provide an insight into if, and to what extent the various targeting strategies reach out to marginalized Roma communities or whether they leave the most vulnerable population unaffected. Finally, the paper tries to highlight some of the specific measures and practices that, for one reason or another, external sources found to be crucial either in a positive or negative way. Most of the highlighted measures will be investigated in-depth in the course of the next, empirical, phase of the research.

### 1.2 Methodological notes

This paper draws on the contributions of experts from the five participating countries (Bereményi 2013, Konstakova&Kurekova 2013, Messing 2013, Pamporov 2013, Pop 2013). Respecting a jointly developed Terms of Reference, each country expert collected information on (1) legislation and general institutional environment of ALMPs; (2) labor market policy types that target, or are likely to reach unemployed Roma in considerable numbers; (3) general anti-discrimination legislation, services and policies; (4) specific measures that were found to be crucial in some way. Researchers used a variety of sources: legislation and policy documents, labor market and policy data (ALMP budgets), policy evaluations (where available), policy-oriented and academic research reports. The present report is an attempt to synthesize and critically structure the knowledge collected in the participating countries.

Another important methodological note relates to the selection of practices highlighted in the paper. These practices were identified as important from the perspective of labor market inclusion of Roma or other populations with multiple vulnerabilities, either because they were emphasized as good practice by program evaluations, or because they are examples of poorly designed or unsuccessfully implemented measures, or because they are important in terms of

ecological sustainability or gender equality. This paper, however, does not have the analytical tools for identifying “best practice” or “good practice” (Bardach 2000, Vesely 2011). Most of these practices, projects or measures will also be studied in-depth in the course of the empirical phase of the present research (WP19 Task3), which will be able to indicate whether they can be categorized as good /bad practice.

### 1.3 What literature tells us, and what it doesn't?

Labour market policies (LMP) are public interventions in the labour market that explicitly aim to improve the efficiency of the market, address disequilibria and selectively favour particular groups on the labor market. LMPs are categorized - in the EU and the OECD and consequently Eurostat vocabulary - in terms of the instruments by which they attempt to enhance labor market inclusion of the unemployed. In this perspective three major types of interventions are distinguished: labor market support, measures and services. Under LM Support passive instruments are referred to, which provide financial assistance to those individuals who were excluded from employment for a certain period of time. LM Measures are active interventions aiming at improving the employability of unemployed. The cluster of Measures includes a number of interventions, such as training or retraining of unemployed, converting their skills to be more competitive on the labor market; direct job creation; wage subsidies and support, start-up incentives, supported employment for those unemployed with reduced work capacity, travel support etc.. LM Services include provision of information for job seekers (and sometimes employers), client services (counselling, personalized services) as well as job search for the unemployed.

Analysis and evaluations most typically use this categorization, and assess outcomes of one specific or several of the elements of labor market policies. The microeconomic evaluation literature is immense, and even those analyses which condense outcomes of individual evaluations, are numerous. Among them a frequently quoted one is the review by Heckman, Lalonde and Smith (1999) which summarizes 75 microeconomic evaluation studies from various countries. A more recent review by Kluve (2010) includes nearly 100 individual evaluation studies in Europe alone. Another wide-scope study is a meta-analysis of active labor market policies by Card, Kluve, Weber (2009), which synthesizes main lessons in the recent microeconomic evaluation literature of 97 studies of ALMP between 1995 and 2007. The authors concluded that various program types may have different effects in the short, medium and long run. In the short run, training programs appear to be less successful, while they are likely to yield more favorable results in the medium and long run. Employment incentives, especially those targeting specific groups (youth, elderly, those of low qualification) are more likely than not to have favorable results, according to a majority of the evaluations. Certain studies show that subsidized employment is an effective tool for expanding job opportunities (Zhang 2003), especially if certain vulnerable groups – most importantly people with disabilities – are concerned (Pavetti 2011). The least successful program type in the short, medium or long run is subsidized employment in the public sector (public work programs). Here the findings of Card and colleagues reinforce the conclusions of earlier literature summaries (Martin and Grubb 2001, Heckman&Smith 1999, Kluve&Schmidt 2002, Kluve 2010). The evaluations controlled for two demographic variables: gender and age differences of the effects of ALMP were measured.



These evaluations, however, do not – and for the lack of the relevant data cannot – include the aspect of ethnicity in their analysis. Although there is quite considerable knowledge accumulated about the effectiveness of various ALMP types and about circumstances that affect efficiency, there is virtually no knowledge on how they reach ethnic minority populations who are most at risk of labor market exclusion. It is not but chance that vaguely defined “good-practice” approach in policy analysis often replaces evaluation based on data, when it comes to ethnic minorities, and Roma in particular. The reason is scarce outreach of ALMPs to this population segment. An even greater problem is that such data are also lacking in the design phase of ALMPs. Even one of the broadest analyses on labor market integration of ethnic minorities in Europe conducted by the Institute for the Study of Labour (IZA) (Kahanec, Zimmermann 2011) uses expert stakeholders’ views on the issue, as empirical data on how labor market policies reach ethnic minorities are limited and unstructured in most of the countries.

A key contributor to ALM policy and program design literature is the World Bank. A very recent book (Subbarao et.al 2013) which focused on public work programs around the globe (excluding Europe) stressed that good targeting mechanisms are crucial in terms of the results of the program and the efficiency of public spending. A too wide focus of targeting results in including higher status individuals and omitting those most in need, while a narrow focus does not allow to reach a substantial part of those in need of support. The WB experts argue that the best results are provided by programs that combine a range of complementary methods for targeting: means testing, geographical targeting and self-selection. By means testing it is meant that based on easy-to-observe household and demographic characteristics proxies are used to define the population in need of support. By geographical targeting it is meant that policies are focused on certain regions of a country, which are at risk of experiencing economic hardship, high and enduring unemployment and social marginalization of their population. By self-selection it is meant that programs provide a low income making them attractive only for those in serious need. WB experts argue that an intelligent combination of these targeting methods may lead to the best outcomes. A careful reading of the literature reveals that a sizeable number of valuable country-specific contributions to this literature is available which focus on one country (World Bank 2012a, Fazekas&Scharle 2012, Fazekas&Kézdi 2011, Palomares&Montero 2011, Slavova 2011)

The issue of labor market exclusion of ethnic minorities, and more specifically Roma, is most typically discussed in equality policy or anti-discrimination policy agenda, but rarely in the framework of labor market policies. This literature provides a massive number of articles and papers overviewing and analyzing public policy measures and their outcomes in the framework of equality policies and anti-discrimination (McGarry 2011, Ionescu&Cace 2006, Vasecka, 2011, Rodriguez 2011, Bereményi&Migra 2012, Pop 2011, Impeuna Agency 2011).

In this paper, we intend to incorporate this perspective into the overview of ALMP: how labor market policies and measures impact the chances of Roma population in the five countries. We do so by overviewing available legislation, policy literature, data and evaluations.

## 2. EU framework; directives, EU policies



## 2.1. EU policy framework on Roma inclusion

It is the Member States' primary responsibility to design and implement policies that target the Roma population and their social inclusion. The EU provides policy and financial frameworks for such measures in the cohesion policy and social funds domain. The major framework of intervention on the national levels are the National Roma Integration Strategies that need to harmonize with basic principles of the EU and the European Commission's Framework for National Roma Integration Strategies adopted in April 2011.

The EU provides three distinct sets of instruments for addressing Roma related issues: (1) legal instruments; (2) policy instruments and (3) financial instruments.

- (1) **Legal instruments** in this respect are obvious: the EU is founded on the principle of respect for fundamental rights, equality and respect for human rights ensured by the national judicial systems and ultimately by the Court of Justice of the EU. Roma, being an ethnic minority group, enjoy – in principle – special protection. The Lisbon Treaty has extended competencies of the EU concerning equal treatment and non-discrimination. Six types of rights are highlighted in the EU Charter of Fundamental Rights - dignity, freedom, equality, solidarity, citizens' right and justice – all of which apply when designing policies, interventions targeting social inclusion of Roma people. Some of the EU Directives also confirm the fundamental rights of Romani people: the Racial Equality Directive designates direct and indirect discrimination separately, which may be very useful in the case of Roma, and proposes that all EU Member States establish equality bodies that receive and treat discrimination complaints and establishes the legal and policy concept of positive actions. The Framework Decision on Combating Racism and Xenophobia (2008) has to be mentioned also. It ensures that racist and xenophobic conduct is criminalized in all Member States. This is vital for Roma communities in times of economic crisis, when racial and more specifically, anti-Gypsy sentiments and prejudice are very likely to increase, and Roma experience open racial hatred in several countries.
- (2) A wide range of **policy instruments** are available to provide the framework for developing policies targeting Roma inclusion. The long debated dilemma may be shortly summarized as thus: whether Roma need to be addressed through “mainstreaming” or “ethnically targeted” policy programs. Unfortunately this dilemma is handled in most cases as an either-or issue, although there is no evidence against using them simultaneously in policy design.

There are a few policy instruments on the European level that specifically focus on the Roma population. Three of them need to be highlighted: The *European Framework of National Roma Integration Strategies*; the *Decade of Roma Inclusion 2005-2015* (Decade); and the *EU Platform for Roma Inclusion*.

Initiated by the World Bank and the Open Society Foundation, the *Decade* was the first solid and explicit political commitment of the European Commission and of European governments to focus their attention on the social inclusion of their Roma citizens. It brings together twelve governments (of countries where the presence of Roma is

significant), intergovernmental, non-governmental organizations and Roma civil initiatives to review and design policy actions targeting social inclusion of Roma in four key areas: education, employment, health and housing. The Decade is put into function through the national plans of the participating Member States. Each of the participating countries developed a Decade Action Plan, which identifies the goals and indicators in the four priority areas. The Decade of Roma Inclusion is not a new institution with individual bureaucracy. Participating governments must reallocate resources to achieve results specified in the framework (Decade) and the National Action Plans.

In 2008 the European Parliament called on the Commission to draft a European Framework Strategy for Roma Inclusion<sup>2</sup> and dedicate financial resources to its realization. The Framework was adopted in April 2011. This document called on Member States to prepare and revise National Roma Integration Strategies in order to effectively address challenges of Roma Inclusion. The endorsement of the Framework by EU Heads of States and Governments indicated that Roma inclusion is becoming a priority for all Member States, despite the economic and financial crisis. The EU Framework addresses Roma inclusion for the first time at EU level and clearly links it with the Europe 2020 strategy<sup>3</sup>. The Framework calls Member States to dedicate substantial support for Roma inclusion in their budgets and to develop strategic interventions and methodological frames. Member States need to develop and implement an integrated and sustainable approach that combines efforts across different areas, including education, employment, health and housing. Member states had presented their National Roma Integration Strategies by March 2012 and the European Commission has undertaken to assess the National Roma Integration Strategies and to report to the European Parliament and the Council. The Framework Strategy, thus, by leaving strategic decisions at the Member States' level, provides a framework and guidance to Member States and offers “mentoring and supervising” to governments in their efforts to achieve the social inclusion of their Roma populations. The Framework program takes a clear stand on the issue of mainstreaming or ethnic targeting when promoting the former approach.

The *EU Platform for Roma Inclusion* is a forum that aims to exchange experiences and good practices between Member States on Roma inclusion policies and interventions. It is a useful forum for information exchange and the participation of civil society and the NGO sector is crucial here.

Several non-ethnically targeted policy instruments are also available when thinking about and designing policies for social inclusion of the Roma population. Without the intention of providing a fully comprehensive overview of these instruments we list the most important ones which are adaptable to such policies: the earlier mentioned Europe 2020 Strategy, antidiscrimination policies, the European Platform Against Poverty, Open Method of Coordination in Social Protection and Social Inclusion, and OMC in education.

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<sup>2</sup>[http://ec.europa.eu/justice/discrimination/files/com2012\\_226\\_en.pdf](http://ec.europa.eu/justice/discrimination/files/com2012_226_en.pdf)

<sup>3</sup>[http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

- (3) The EU has a number of **financial instruments** that can be utilized for the social integration of Roma and that support National Roma Integration Strategies, especially in the field of education, employment, culture, agriculture, housing and economic development. These are not ethnically targeted budgets specifically allocated to Roma people, but they are allocated to areas and priorities relevant to the disadvantaged situation of Roma population. The largest amount is available through the Structural Funds. However, the Commission in its communication (2011) invited the Member States to amend their operational programs co-financed by the Structural Funds in order to better support Roma targeted projects and to align them with the national Roma Integration Strategies. Two of the Structural Funds need to be mentioned when speaking about financial instruments: the European Social Fund can be used to develop projects for social inclusion, labor market integration and education for socially needy population, among them the Roma. The European Regional Development Fund can be used to complement investments in infrastructure and housing aiming at population (among them many Roma) living in economically disadvantaged areas.

## 2.2. EU framework policies on employment

Employment policies and infrastructures are within the provision of the individual Member States. The European Union thus has no direct say in its Member States' employment systems and policies. The EU, however, established framework documents which serve as guidance tools for Member States. One of the most important of these, within the sphere of employment is the European Employment Strategy that serves as a crucial part of the Lisbon Strategy adopted in 2008. It declares that the increase of employment, the strengthening of regional and social cohesion and improvement of jobs - regarding both quantity and quality - are key elements of a European strategy to make the continent more attractive and competitive worldwide for investments and work. The Lisbon Strategy's Integrated Guidelines for Growth of Jobs define the following key areas (1) attracting and retaining more people in employment; (2) modernizing social protection systems; (3) improving adaptability of workers; (4) improving the educational level and qualifications of the workforce. Although Roma are not explicitly mentioned, but reaching out to specific groups, among them "disadvantaged groups including ethnic minorities" is mentioned in the document. At the same time analysis leading to country specific policy recommendations included Roma as an aspect of evaluation of employment strategies in CEE countries, where the presence of Roma/Gypsy population is significant.

An EC policy report (EC 2008), however, identified several instruments within the European Employment Strategy that could be applied for having a stronger focus on one of the most vulnerable groups, the Roma in Europe (EC 2008). Among them the Integrated Guidelines, that could place an explicit focus on Roma, or the Country Chapters of the Strategic Report in which the situation of Roma/Gypsy working age population could be included, and the Recommendation part which could emphasize the Roma as a highly vulnerable group to focus on.

The European Social Fund has a substantial role in financing actions targeting the improvement of employment performance in the EU Member States. The ESF Regulations declare that the support of the ESF should particularly focus on "*reinforcing the social inclusion of disadvantaged*

*people... combating discrimination?* (EC2006). The ESF emphasizes as a priority to promote social inclusion, to support labor market access of disadvantaged people and to reduce territorial disparities in employment (both across and within member-states).

Article 3 of the Guidelines for Growth of Jobs says that “reinforcing the social inclusion of disadvantaged people with a view to their sustainable integration in employment and combating all forms of discrimination in the labor market, in particular by promoting:

- pathway to integration and re-entry into employment for disadvantaged people, such as people experiencing social exclusion, early school leavers, minorities [...] though employability measures including in the field of the social economy, access to vocational education and training and accompanying actions and relevant support, community and care services that improve employment opportunities;
- acceptance of diversity in the workplace and combating discrimination in accessing and progressing in the labor market [...]
- the increase participation of migrants in employment and thereby the strengthening of their social integration [...]

This document clarifies that EU guidance is (1) very general and speaks in broad terms about the wide range of factors that may result in disadvantaged position on the labor market; (2) does not specify Roma/Gypsy people (but specifies migrants); (3) is very general in terms of types of interventions and measures offered; (4) treats combating discrimination as a distinct issue. In addition to this, however, the ESF could put a strong emphasis on supporting the labor market integration of Roma as (1) socially disadvantaged people; (2) as minority; (3) as people living in geographically disadvantaged areas; (4) as people who suffer wide-spread discrimination.

### 2.3. How do the two EU policy areas – employment and Roma –intersect?

EU employment policies do not target Roma at all. Roma may be reached through some of the documents’ special focus on disadvantaged, long-term unemployed workforce. The most important Roma strategies, however, point specifically to the area of employment and call for actions concerning labor market inclusion of Roma. They argue that an important factor contributing to poverty and social exclusion is the widespread exclusion of Roma from the labor market and poor access to any satisfactory income. This is partially caused by their generally low level of education on the whole. Therefore key areas of intervention are employment and education.

The EU Framework Strategy for Roma inclusion explicitly includes a separate subchapter on employment describing how MS could support the better integration of the Roma workforce in the labor market. The EU Framework takes a mainstreaming approach: Roma unemployed should be reached by active labor market programs and measures through mainstream policies targeting long-term unemployed with low educational levels (as most of the Roma fit into this category). It also draws attention to the fact that Roma live most typically in economically disadvantaged rural areas, thus employment and development policies should take this factor into

account. The Framework, however, suggests a few specific measures, such as tailored job search assistance and employment services; support of first work experience; elimination of discrimination; provision of support for self-employment; support for transitional public work schemes combined with education; access to micro-credit; and employment of qualified civil servants.

Individual National Strategies dedicate importance to the improvement of the labor market situation of Roma, the institutional and financial background behind such actions and the individual policies and measures by which they envisage to reach this aim.

### **3. National employment policy framework and its institutional background**

#### **3.1. General governance, institutional framework of employment policies: levels of policy making, implementing institutions.**

The institutional background of labor market governance is rather heterogeneous in the five countries under study. Regarding the level of centralization, the Spanish and the Bulgarian systems are more decentralized, while the remaining three new Member States function with a relatively centralized system. In Spain, aside from the State Public Employment Service (associated with the Ministry of Employment), the autonomous regions' Public Employment Services are the main agents responsible for management, development and follow-up of labor market programs and measures. Regional governments develop their own labor market services. Also, a fundamental element in the ALMP system is the network of local Social Services, which register individuals' LM status and provide access to various services, among them those LM services that are designed for certain disadvantaged groups. A further level in the labor market system is that of a local officer (Local Employment and Development Agent, AEDL) who provides services on the municipality level to long-term unemployed and economically inactive individuals. A very high proportion of local ALM programs go through the local agents.

Bulgaria is also decentralized, though at some points – especially concerning labor market policies – it is a bit perplexed. The country is divided into 28 provinces, each headed by a regional governor appointed by the government and therefore responsible for governmental policy implementation. Provinces are further subdivided into 264 municipalities, headed by the mayor and municipal council (elected body). Parallel to this, in order to satisfy the requirements of the EU accession funding the country was divided into six planning regions in 2000. The Ministry of Regional Development and Public Works act as policymakers at this level. The National Employment Agency, as part of the Ministry of Labor and Social Policy, operates through nine regional directorates corresponding to the administrative division of the country during the communist regime. This dichotomy of the systems is burdening administrative communication and is an obstacle to the effective utilization of European Union Funds. The National Employment Agency's regional directorates (RESD) coordinate support and encompass the activities of 109 Labor Office Directorates (LOD), but there are thirty municipalities that fall outside this structure. The RESD develop and implement regional employment action plans, and are key actors in the coordination, implementation and follow-up of programs and measures funded by the EU or other international donors. Labor Office Directorates register unemployed

individuals and provide them with guidance, mediation of vacancies and information on ALMP possibilities (including training and support). They also interact with local businesses by providing them information on jobseekers. LODs are in charge of the implementation of national, regional and local employment and training programs.

The other end of the continuum is represented by the Romanian system, which is highly centralized. The main actor of labor market policy development, management and follow-up is the State Public Employment Service, which is a background organization of the Ministry of Labor. It operates the National Agency of Employment, which runs county and local level employment agencies (offices) (41 county agencies, 70 local agencies and 141 worksites). This agency implements employment and training strategies, employment programs and social protection measures for the unemployed.

Hungary may be situated between these two ends. The country has a highly hierarchical system of Labor Market Offices, with a network of county offices, to which branches in towns are subordinated. The network of Labor Offices has multiple functions. They act as (1) authorities that register and establish benefit entitlements of unemployed individuals; (2) agencies that organize and / or provide services for the unemployed, including training, mentoring, tailored personal assistance; (3) agencies which organize and operate active labor market programs (4) institutions which function as employment agencies of the state and manage the demand (positions offered by the companies) and the supply (jobseekers) side of the local labor markets. In addition to these, there are other alternative actors implementing labor market programs and measures, such as municipalities or larger state owned public service companies that have an important role in public employment programs, or NGOs that are key actors in implementing EU funded development and employment programs.

Since its 2004 reform, the Slovakian system has been quite similar to the Hungarian. There is a clear hierarchy in terms of Labor Market policy design and implementation with a key role for the Ministry of Labor (MOLSAF) which governs the Central Office of Labor, Social Affairs and Family (COLSAF), which in turn oversees 46 district Labor Offices. COLSAF serves as the implementing agency for the Ministry, coordinating and managing the work of labor offices: it oversees budgeting and payment processes, provides methodological guidance with respect to implementation and oversees the collection of administrative data and data reporting. Labor Offices also have the obligation to actively look for vacancies and link the demand and supply side of the labor market. The 2004 reform merged employment services and social services under the auspices of labor offices. Therefore MOLSAF is a key actor providing and designing pro-poor benefits. Another important role of MOLSAF in the area of social inclusion and employment is through its responsibility for managing European Social Fund spending. The ESF Section based at MOLSAF is an intermediary body overseeing the OP Employment and Social Inclusion spending. A third level of actors are municipalities which interact actively with Labor Offices in the area of implementation of various ALMP measures, with special attention to activation work programs. As Roma are not defined as a vulnerable group in labor market programs, a parallel institution oversees the implementation of the horizontal priority, "Marginalized Roma Communities" across various sectors is the Office of the Plenipotentiary of the Government of the Slovak Republic, which is formally responsible for defining and achieving the aims of Roma inclusion and as such, labor market programs.

### On the intersection of employment and social policy regimes

Several of the studied countries make a link between welfare and labor market participation but they do so in very different ways and to very different levels of rigor and incentive. In **Spain**, the Minimum Income scheme (MI) is a fundamental element of the safety net. Minimum income beneficiaries undertake to develop – with the assistance of the LM officer – an ‘individual inclusion plan’ and to participate in trainings that improve their employability. The maximum duration of MI schemes varies by the regions, but is approximately 24 months depending on the socio-economic situation of the family. Social service staff has a broad margin of decision over the conditions, toughening them or making them more flexible according to budget pressures (Arriba González de Durana 2009). In **Romania** Minimum Income Guarantee is a means-tested benefit which is in line with European social policy legislation. Its purpose is to provide some income for marginalized people living in deprivation. Depending on health and family status, a certain number of hours of community work per month is compulsory for recipients of the benefit (Pop 2011). The weakness of the system, according to Pop, is that the obligation of doing community work involves a certain stigma and it does not provide sufficient stimulation to find a job on the labor market and may thus trap families in social deprivation. In **Slovakia** the structure of social benefits underwent a major restructuring over 2003-04. The new system resulted in a decrease of benefits and incorporation of incentives towards work. The system of benefit in material need (BMN) is such that the level of social assistance benefit can be increased by an activation allowance for those who undertake to participate in activation work (World Bank 2012a). BMN is provided for individuals where the level of income falls below the subsistence minimum. The amount of BMN ranged from 60,5€ to 212 € depending on the type and size of family, and it may be topped by the activation allowance (63€) which is dependent on participation in activation work.

Hungary has the most direct and restrictive requirements making welfare allowances conditional on work. The new regulatory framework introduced in September 2011 made the entitlement to social benefits contingent upon participating in public work schemes or any formal employment for at least 30 days per year. Those unemployed who cannot provide a proof of working formally in the last year drop out of the social net and remain without any income. In addition, the amount of the social benefit was significantly cut (from 95€ to 76€) and limited to only one adult per family (earlier any long-term unemployed individual was entitled irrespective of the composition of the household). In addition, the law gave the authority to municipalities to demand that further vaguely defined conditions are met in order to receive social benefits, such as nicely kept house and garden, socially acceptable behavior, etc. As a result, the number of unemployed remaining without any income increased to 340 thousand by January 2013 and has been on the rise ever since. **Bulgaria** is the only country that does not require participation in public work schemes or any other activity a condition of receiving social allowances. A Minimum Income Guarantee (MIG) is defined by the government. The Social Assistance Law provides the definition of the MIG stating that it is a “legally defined amount which is used as the basis for social assistance with the aim of guaranteeing a minimum income to meet the basic living necessities of individuals”. The target levels of income support are determined for different groups of beneficiaries and types of benefit.

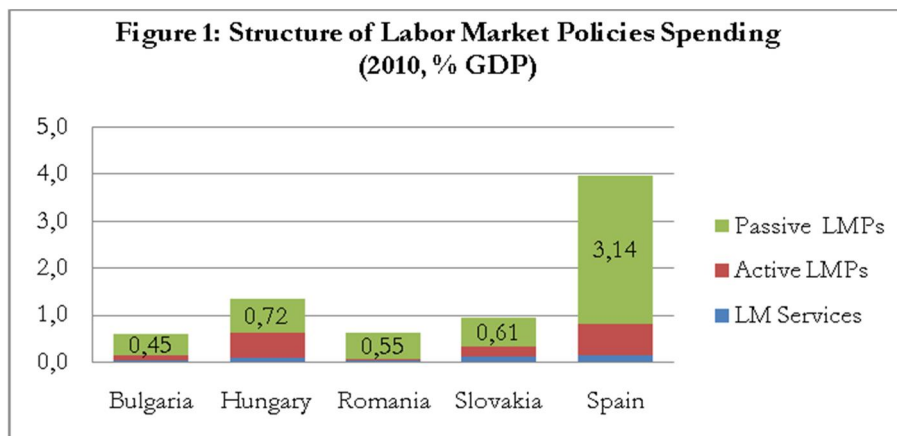


### 3.2. Policy framework: mainstream labor market policies

The five countries under scrutiny differ to a significant extent in terms of what fraction of their GDP they spend on active labor market policies. Long-term unemployment (LTU) is the key indicator to assess the extent of the need for active labor market interventions. The four out of the five countries in this study have a higher than EU average LTU rate (4.3%). Spain and Slovakia with their 9% rate demonstrate the worse situation within the EU, while Bulgaria and Hungary have a lower, but still high LTU rate (6.3% and 5.2%, respectively). Thus, we see that these countries are in desperate need of efficient labor market interventions (Eurostat 2012)<sup>4</sup>. We need to add, however, that unemployment rates have significantly increased since 2008 as a consequence of the economic crisis.. Eurostat data show that the labor market of Spain was hit the hardest by the crisis: unemployment rates have tripled between 2008 and 2012, while in Bulgaria the rate doubled and in the remaining three countries the increase was much smaller (less than 30%). Special attention should also be paid to Spain because before the crisis it was especially successful in integrating low educated workforce into the labor market. An important consequence of the post-2008 period is that the exclusion of low-educated workforce became characteristic of the Spanish labor market.

Eurostat data demonstrate that there is a wide range in labor market policy (LMP) spendings and participation figures not exactly coinciding with the level of LTU in the country. Spain stands out with spending 0,8% of its GDP on active measures and LM services, while Slovakia, with similarly high LTU rate spends only 0.25% of its GDP for this purpose. The south-east European countries spend even a smaller share of their GDPs on labor market policies, while Hungary is in between the two ends with approximately 0.6% per GDP spending.

In terms of the structure of ALMP expenditures there are again significant differences among the five countries:



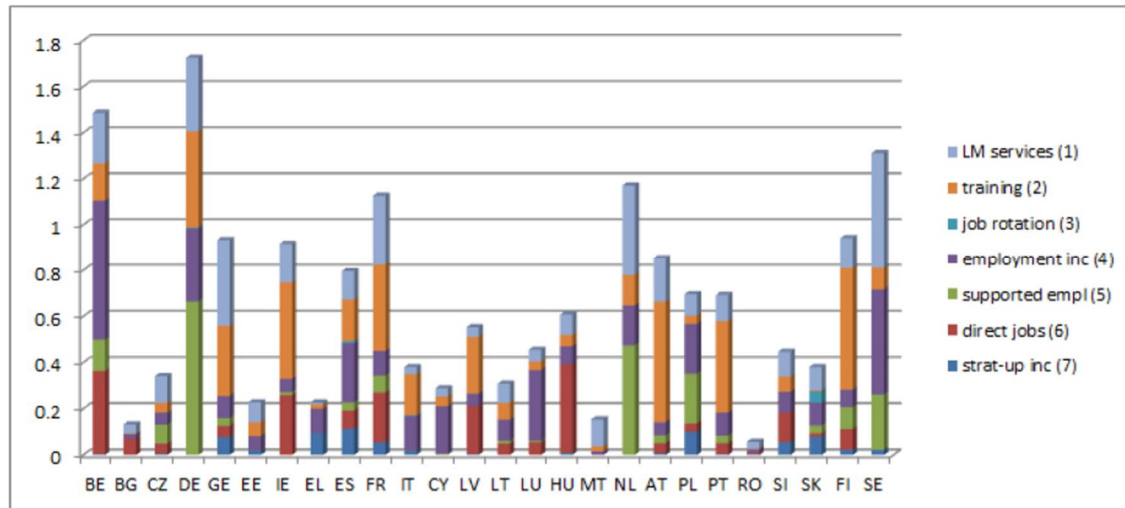
Source: Eurostat 2010

Spain spends the largest share of its GDP on labor market policies, but the bulk of the spendings goes to passive measures (unemployment benefit) due to the extremely high unemployment rates in the crisis hit country. The Hungarian system dedicates a significant

<sup>4</sup>[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php?title=File:Unemployment\\_rates\\_by\\_duration\\_2012\\_\(%25\).png&filetimestamp=20130418092010](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Unemployment_rates_by_duration_2012_(%25).png&filetimestamp=20130418092010)

amount to active labor market measures, as well. Bulgaria's and Romania's relatively moderate LM budget is dominantly spent on passive measures: according to the Eurostat database there is hardly any funding for active labor market budgets in these two countries.

Figure 2. ALMP expenditure by type of action and by Member State (2010, in % of GDP)



Source: Eurostat. LMP database

The figure above gives us an image of how the five countries under scrutiny perform in terms of ALMP expenditures, as well as of the internal structure of their spending. The figure prominently demonstrates that Romania and Bulgaria, spending around 0.1% of their GDP are the absolute underperformers within the European Union in terms of ALMP expenditures.

The structure of the ALMP spending is also very varied. Bulgaria's and Hungary's special feature is the dominance of *direct job creation*. *Public employment schemes* became the dominant means of labor market interventions in Hungary in the past couple of years. The expansion of public employment started in 2009, and further increased each year, occupying over two-thirds of ALMP budget by 2011, despite the fact that all studies assessing its impact indicated that public employment does not increase the employability of the long term unemployed, on the contrary, it might even reduce the chances for LM inclusion (Csoba&Nagy 2012, Köllő 2009, Messing 2012). The expansion of public employment in Hungary is due to the ambition of politicians to make social benefits conditional on work and to transform welfare into a workfare system in which nobody can receive social allowances without work. Consequently, public employment programs employ typically low skilled, long-term unemployed for very short-term (1-3 months) part-time jobs, in which the most typical activity is street and park cleaning, forest cleaning, keeping the environment in order and such. In a study on the impact of the three most important active LM interventions – training, wage subsidy, public employment – Csoba and Nagy (2011) pointed out that in Hungary “*training participants were twice as likely as the control group (unemployed not participating in ALMP) to find a job, while beneficiaries of wage subsidy programs were 20 times more likely. However, participants of public work programs were considerably less likely – one fourth as likely – to find work than the control group*” (Csoba, Nagy p.120).

**Bulgaria** spends a similarly large share (over half) of its, otherwise minor, ALMP budget on public work program (titled “*From social benefit to employment provision*”). The main target group is

the long-term unemployed registered at the LOD subject to monthly social benefits. The priority subgroups are: one member from a family with children in which both parents are unemployed; unemployed single parents; unemployed people up to 29 years of age. Activities here, similarly to the Hungarian case - include a wide range of public and community work.

Public employment, or in other terms, activation work exists in other countries as well, but to a much more limited extent and without the element of obligation (making social benefits contingent upon participation in public work). In **Slovakia** public work is organized primarily by municipalities, limiting activities to street cleaning and maintenance work. There is an interesting curve in the number of participants and ALMP budget dedicated to public employment/ activation work. Activation work was dominating ALMPs until the mid-2000s but has gradually decreased since 2004 (from 88% of ALMP participants and 48% of ALMP budget to 63% of participants and 35% of the ALMP budget in 2008). By 2011 the share of participants in activation work has decreased to 21% of all ALMP participants and to 6% of the total ALMP budget (World Bank 2012a). Although these numbers are a bit better than in Hungary, this type of job-creation proved to perform very poorly in terms of labor market inclusion: a mere 2.74% of its participants found work a month after activation and 5.5% within 6 months according to a World Bank evaluation (WB 2012a). In response to crisis and flooding problems in 2011 Slovakia introduced a new form of direct job creation measure, which became a major ALMP tool for disadvantaged job seekers: job-creation in anti-flood measures meant an increase of 153 in 2010 to 10,500 individuals in 2011. Flood prevention and defence works offer half-year long employment contracts for long-term unemployed. The profile of participants suggests that about 80% of them are low educated (ISCED 1-2) and two-third are long-term unemployed. This measure, unlike activation works, is not tied to the receipt of income support, and it is unclear how many Roma participate in anti-flood works. **Romania** implemented a public employment scheme in the period of 2008-2010 (Minimis Aid System) offering support to municipalities to create temporary employment in the form of public work to those who 'encounter serious difficulties' in accessing the labor market. Employers (public institutions, state-owned companies but also some private companies involved in local development projects) received subsidies covering the costs of employment for a maximum period of 12 months. In the period of 2008-09 over 35,000 unemployed and in 2009-10 22,000 persons participated, but this scheme has not been implemented since 2010. **Catalonia in Spain** implements a public employment program named "Plans d'ocupació" (Employment Plan)<sup>5</sup>. Those registered in the Employment Office are offered a six-month-long public employment strictly for "temporary work in public or social interest". The Catalan Employment Service covers the costs of employment and the contract cannot be renewed even if all parties are satisfied and want the continuation of the contract. Major employers in the Employment Plan scheme are municipalities and municipal public companies, NGOs, not-for-profit companies and public universities.

*Employment incentives* seem to be a less preferred mode of active labor market policies in the studied countries. Employment incentives appear in the toolkit of three countries: Spain, Slovakia and Hungary. This measure may have some impact in economies where the minimum

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<sup>5</sup>[http://www.oficinadetreball.cat/socweb/export/sites/default/socweb\\_en/empreses/convocatories/ajuts\\_subv/po\\_entitats\\_sense\\_lucre2011.html](http://www.oficinadetreball.cat/socweb/export/sites/default/socweb_en/empreses/convocatories/ajuts_subv/po_entitats_sense_lucre2011.html)

wage is set at a high level, and social security and health insurance contributions paid by the employer may be a real burden to employ a low skilled workforce. Freeing employers from paying some of the contributions may influence the willingness of employers to hire low skilled people. The report D19.1 of NEUJOBS reveals that this is the situation in Hungary, Slovakia and Romania: in these countries contributions paid by the employer for the minimum wage are relatively high with 35% in Slovakia and 27% in Hungary and Romania. At the same time, minimum wage is set at a very low level in Romania (and high in Slovakia and Hungary), which might provide an explanation for the country specific differences in the existence and the extent of employment incentives. Slovakia, Spain and Hungary implemented significant *employment incentives linked to start-up incentives*. An important one among such measures in Spain is the ‘Self-employment promotion program’ targeting groups that are vulnerable on the labor market, with special emphasis on women. In addition to women, Roma are also a possible target population. Slovakia provides start-up support by lifting social security contributions for twelve months and by providing cash support to over 12,000 (10% of the total ALMP participants) individuals starting self-employment. In a further 4,300 cases employers are granted a reduction of contributions for low wage staff they want to retain. Support for maintaining employment was also offered but it decreased significantly in 2011. In Hungary the government recently introduced a new measure addressing the extremely high unemployment rates of certain social groups. On January 1, 2013 the government introduced a significant reduction of employers’ contributions if they employ individuals falling into some of the vulnerable categories: contributions of employers employing long-term unemployed and youth under the age of twenty-five decreased from 28.5% to 0% for the first two years of the employment; contributions of employers employing low skilled workers (ISCED 1-2) and mothers with young babies diminished from 28.5% to 14%. Considering that these are recently introduced employment incentives, their impacts have not been measured yet.

*Job rotation* as an active labor market policy is virtually missing from the tools applied in the studied countries.

*Training* is again relatively low on the preference list of the countries under scrutiny, despite the fact that policy evaluations suggest that well-designed and targeted training programs are likely to have a positive impact for specific target groups. According to a wide range of macroeconomic studies, training, especially tailored to the individuals’ skills and also adapted to the demands of the local economy, is a category of ALMP that may have a significant positive impact on aggregate labor market outcomes in the medium run (Card et.al. 2009). This may be less true, however, in times of economic crisis when a number of skilled and trained people seek employment. Training schemes have very significantly decreased in **Slovakia**, both in terms of number of participants and individuals involved. In 2011 only 2% of ALMP participants were involved in training-programs, while a year earlier this rate was over 16%. In **Romania**, minor funds are spent on training and retraining unemployed people under articles 63 and 66 of the 2002 Law on Labour Market (Law Nr.76). In **Bulgaria** several ALMP programs have a training component (i.e. Beautiful Bulgaria, ‘From social benefit to employment provision’, ‘Realization’), but there are only three programs that may be called training programs. ‘*Chance for work*’ explicitly targets low educated people who might have dropped out of formal education without acquiring any qualifications, and provides them with tailored training and

apprenticeship. *'Increasing employment opportunities of unemployed through quality professional training'* together with *'Training services'* is targeted toward vulnerable groups (youth, over the age of 50, low educated, people with disabilities). Training addresses vocational skills and key competences necessary to doing small family business. We did not find a thorough overview of what the funds are dedicated to and information about the individuals involved in the training. In **Hungary** most of the training programs are financed within the EU funded national development program. Earlier, training was organized on a large scale with little respect to the actual needs of the local labor market and employers. In the last few years there has been an important shift in the focus of trainings, with a concentration on what type of workforce is needed. Trainings are typically organized by the local labor offices, after a survey of employers' needs, or at the demand of a larger company planning mass hiring. Participants are selected following a selection procedure organized for all who are, in principle, eligible. Participants of the training frequently receive also small income (50-70% of the public work wage) during the course. The number of participants was reduced almost to half within a year: from over 61,000 in 2010 to 34,500 in 2011.

**Spain** implements training programs for unemployed and those at risk of unemployment. The training schemes include four larger subtypes: Professional Training for Unemployed, Workshop Schools and Craft Centers, training and labor market integration (TFIL) and initial professional qualification programs (PCPI). Within the "training" category, weight of "Professional training for unemployed" was reduced by 10% (61% to 50%); and the weight of "professional training for sectors with risk of loss of employment" was increased by 16% (4% to 20%). Funds for "Training in alternation with Employment", the VET measure within which vulnerable groups and Roma tend to be concentrated, has grown by 23%, by more than € 1 billion, though it was eventually cut back in 2010. Although not an explicitly training program, but it has to be mentioned that beneficiaries of the Minimum Income are obliged to sign a "commitment of inclusion" that includes the fulfilment of training activities that improve employability. Spain spends approximately 0.15 to 0.2 per cent of its GDP on training within ALMP. In **Romania** training plays a negligible share within the anyway minor active labor market budget. Training might be offered by the Local Unemployment Agency to those who are registered as unemployed or who are beneficiaries of Minimum Income Guarantee schemes. Refusing participation in training can lead to the exclusion from the social services. The weight of training is, however, well reflected by the fact that Roma, who are a group characterized with extremely high unemployment rate due to their low level of education, benefit from training to a negligible extent: only 898 Roma individuals participated in training in 2011.

#### 4. How are Roma targeted and/or reached by active labor market policies

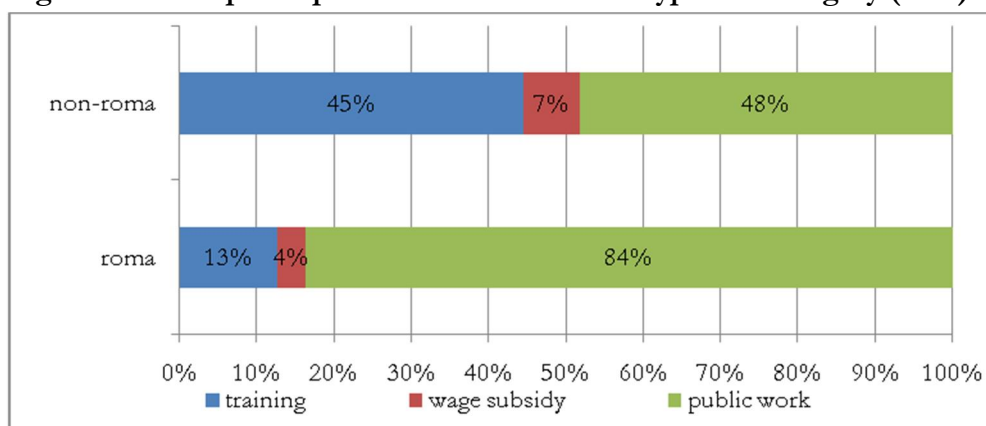
In this section the case of labor market policies designed for, or reaching out to Roma populations will be addressed. This section will describe the wide range of ways labor market policies are targeted in the five countries and how they reach or not Roma and other vulnerable populations. In framed text boxes we will provide some of the actual practices we found for some reason to be important: practices that were identified as “good” or “bad” by policy literature or by programs important in terms of ecological sustainability.

##### 4.1. Mainstreaming, non-targeted policies

In most of the studied countries mainstream policies are the most numerous in terms of reaching out to unemployed Roma.

As mentioned in the previous section, job creation - activation work (in Slovakia), public employment (Hungary, Bulgaria and Romania) and employment in the framework of the “Plan de Empleo” - are active labor market measures that reach Roma in largest numbers in the CEE region. In Slovakia, activation works are the key program in terms of Roma involvement (World Bank 2012a, Gyarfassova et al 2006), though exact data or even estimations are not available on the actual ethnic distribution of participants. In Romania the proportion of Roma participants in public employment programs (Minimis Aid Scheme) reached approximately 10% in the period of 2008-2010, but this measure has not been implemented since (Pop 2013). In Bulgaria, the “*From social benefit to employment*” program includes large scale public and community works, some of which are typical jobs for the Roma population. The program is rather significant, it involves 5,400 individuals, but there is no information about how many of them are of Roma background. In Hungary there is a somewhat better understanding of Roma participation in various ALMPs thanks to a recent survey by Csoba and Nagy (2012) on recipients of labor market measures. The questionnaire used by the aforementioned survey included an item about the supposed ethnic belonging of the respondent by the interviewer. The interviewers categorized 18% of all recipients of active labor market policies as Roma (and only 10% of the control group, who were unemployed not participating in ALMP), which demonstrates considerable Roma involvement in such programs. The survey, however, showed very important imbalances in terms of Roma involvement in various sub-types of labor market programs.

**Figure 3. Roma participation in various ALMP types in Hungary (2010)**



Source: Csoba&Nagy 2012. Own calculations

Roma are predominantly involved in public work programs: 84% of (supposed) Roma taking part in ALMP were involved in public employment. This type of policy programs represent a “workfare” approach with a positive stimulus in Slovakia (participants’ welfare income are topped) and a negative stimulus in Hungary (non-participants lose their entitlement to welfare allowances). The idea behind such measures is always that such work promotes and maintains a work habit. The major problem with large scale public employment programs, however, is that they are very expensive while they do not have a positive effect on the employability of the unemployed workforce at all.

Direct job creation exists also in Spain, but in a very different context: Employment Plan (Plan de Empeo) was designed by the Catalan Employment Service within its Development Plan of Active Labor Market Policies. The Plan is financed by ESF, the Spanish State and the Catalan Government. It aims to improve *employability* of unemployed workers, and their *adaptability* to changing labor market, their general qualifications and professional competencies. It fosters the contracting of unemployed workers on a temporary basis (max 6 months) in order to carry out jobs and offer services of “*general and social interest for the community*”. It targets employment sectors such as “natural environment”, “information and communication technologies”, “community cohesion building”, and “services related to the basic activities of everyday life”.<sup>6</sup> Altogether over 12,000 individuals participated in the scheme in Catalonia, and €82 million was dedicated to this purpose. Most of the people were employed with local organizations (over 9 thousand) but non-profit and agricultural organizations also took part as employers. Employment Plans have been used by Town Halls (local administration) to contract a labor force for generally low-skilled jobs, such as cleaning, maintenance within the “Public Works Brigade” or for administrative tasks. It is by no means compulsory, rather it is an opportunity to obtain employment in generally good conditions. Furthermore, it assures the subsequent access to unemployment benefits.

#### **Box 1. Public employment – controversial intervention type**

Although public employment is identified as an inefficient way of promoting labor market inclusion of long-term unemployed, the great variety of activities and organizations of such programs provides an illustration as to how the generally negative impact may be improved or to the contrary, further aggravate the gloomy situation of unemployed. The empirical part of the present research will highlight good and bad practices but the available literature provides some important factors under which public employment may become a support or a barrier to later employment.

##### **Controversial components:**

- large scale (most expensive ALMP type that distracts fund from other, more efficient ALMP measures)
- untargeted, short-term (1-3 months) and part-time which does not allow the unemployed to accumulate work-experience;
- discriminatory in terms of wages, or type of work;
- lacking element of education or training;
- constructing internal hierarchy among participants (good jobs-bad jobs, supervisor vs. worker positions),
- stigmatizing nature;
- conditionality, or compulsory nature;
- public employment is used by employers to replace contracted employers.

##### **Constructive components:**

<sup>6</sup>Ordre TRE/235/2009, de 8 de maig, (DOGC núm. 5379)



- public employment programs under the umbrella of which small scale, locally designed complex programs in social economy are implemented (producing vegetables in local social economy by public employees, for the public kitchen (schools, day care, social services, elderly etc.);
- small scale, carefully targeted towards the most vulnerable;
- voluntary (rather an opportunity than compulsory) or providing a positive incentive (Spain, Slovakia);
- public employment programs linked to training and further education (Spain, Slovakia).

### **Box 2. Public employment in light of ecological sustainability**

Activities completed within public employment programs may include ecological targets. Several of the public employment programs are implemented in the sphere of forestry, water management, ecological sustainable agriculture or defense against floods (or their consequences) (Slovakia Hungary). These programs are typically large scale programs implemented by the relevant state agencies or companies: forestry, flood or disaster recovery, water management companies. In Hungary such programs are targeted in terms of activity and implementing agency, and it is strongly recommended that they have a certain level of Roma participation. In Slovakia a large scale activation work program was implemented specifically in the field of flood prevention in 2010 and 2011. The measure is titled “*Performance of anti-flood measures and of solving the effects of emergency situations?*” and is open to all employers and municipalities that plan to perform activities in preventing floods frequent in several mountainous regions of Slovakia, or which are in need of a workforce to tackle consequences of floods. The measure was introduced in 2010 as a pilot project, with a budget of over €450,000 creating 158 jobs, and increased significantly in 2011 to 10,420 created jobs with a budget over €30 million.

Another example for public employment programs taking ecological sustainability into account are local social enterprises created in small agrarian settlements with a high rate of unemployment and social exclusion. These social enterprises employ local long-term unemployed as public workers and produce basic agricultural products (vegetables, fruit, semi-processed food) that are processed in the kitchens of local public institutions (nursery, school, social institution) and/ or distributed among the needy (children, elderly, families with no employed etc.) Such social enterprises not only provide work and subsistence to those most in need, but produce high quality food in an environmentally friendly way, using limited amount of chemicals and no transportation.<sup>7</sup>

## **4.2. Mainstreaming policies targeting vulnerability**

A number of mainstream LM programs have a more specified focus in terms of target population. Framing and targeting is usually informed by two considerations or some combination of the two: (1) What is the source, root causes of unfair inequalities and (2) What is a politically acceptable category, grounds of interventions. A majority of LM programs specify their target groups in terms of vulnerability. Roma are overrepresented in most of these vulnerable population groups: in comparison to the majority Roma are a young population and therefore they have a greater chance to access programs designed for youth; Roma are in a generally worse health situation, therefore they are more likely to participate in programs targeting unemployed with some health problem or disability; Roma women have generally greater number of children, thus they may get into programs designed for mothers with young children; a large share of Roma live in economically marginalized regions or settlements, therefore they are a target group for regional development programs; Roma, in general, have

<sup>7</sup> In the next phase of the work-package – WP 19.3 – fieldwork research, we aim to identify such practices more specifically.

lower educational qualifications in comparison to the majority society, therefore they are more likely to participate in ALMPs aimed at low skilled. However, there is very little knowledge about how many Roma actually are reached by non-Roma targeted mainstream programs. In most of the countries such programs obviously outweigh Roma targeted programs. Slovakia has only non-ethnically targeted employment programs (with the exception of the horizontal aspect of development plans on ‘marginalized Roma communities’). Also in Hungary mainstream programs were dominating until recently<sup>8</sup>, while in Romania and Bulgaria a few of the programs target specifically Roma. Spain has the greatest weight of ethnically targeted programs.

Such policies depart from the claim that the employment situation is principally unrelated with ethnicity and has to do with disadvantages related to other than ethnic characteristics i.e. educational, residential and regional features, gender, family status, household type, etc. . The idea governing color blind public policies targeting certain groups of vulnerable population was that problems of employment stemming from disadvantaged situation ought to be remedied by reducing disadvantages, instead of turning them into issues of ethnicity. It is well documented that difficulties characterizing the majority of Roma are fairly complex in nature: their situation is determined by low educational level, discrimination, socio-economic exclusion, territorial isolation and the intersecting effects of all these factors (Brozovicova, Fabo, Kahanec, Messing 2012). In most of the countries under scrutiny the dominant policy approach is such. Although populations truly in need may be accurately defined by territorial, social and educational characteristics taken together, still this practice failed to produce the expected results in most of the countries. In Hungary, a report on the impact of employment policies targeting explicitly or implicitly the Roma population (Fleck&Messing 2009) found that in the first half of the 2000s, the agents implementing the programs considered complex definitions of vulnerability too narrow, and utilized instead more generalizing categories like ‘the long term unemployed’, those ‘having a large family’, or with ‘low educational degree’, even though the intersection of all these categories would have represented the group of those truly in need of support. The evidence based original idea, namely to construct complex and well-targeted policies that take into account intersecting reasons behind labor market vulnerability, could have had good results in terms of reaching out to the most vulnerable of populations; yet in the course of the design of the implementation efficient targeting was damaged by the introduction of simplified and one-dimensional definitions of vulnerability.. As a consequence, the socio-economic composition of the supported group shifted upwards in relation to populations occupying the lowest social status, and the more the circle of beneficiaries was expanded in practice, the more those at the bottom of the social hierarchy became excluded from them. Thus these programs were much less able to reach the Roma population than originally planned.

A typical mainstream active labor market policy is **training**. All of the countries run training programs, but with a great variation as to their weight within ALMP (see chapter 1). In Hungary, Romania and Bulgaria their target population are various categories of vulnerable groups: such as youth, long-term inactive women, etc. As a large proportion of Roma fall into these groups of vulnerability, such programs, even if not directly targeted towards the ethnic group, reach out to a relatively larger share of Roma. Furthermore, most of the training programs are financed through

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<sup>8</sup> A very recent change in public policy earmarked ALMP funds and capacity building program for the National Roma Self Government.

the EU Structural Funds, access to which is conditioned on the involvement of specific vulnerable groups. In Hungary, for example, the rate of expected Roma participation in training programs is 20%. In Slovakia, on the other hand, there is no 'quota' set to Roma participation in ALMP programs and trainings. This type of non-ethnic targeting, however, may lead to the actual exclusion of Roma: in Romania, less than 1,000 Roma per year were involved in professional training programs in the period of 2009-11 despite the large Roma population and their extremely low level of education (Romanian National Agency for Employment 2012). NGOs are also very important actors in organizing and implementing training for Roma in Romania. Bulgaria operates a number of programs targeting vulnerable groups that are most likely to reach out to Roma and that contain an element of training. Young unemployed (up to the age of 29) and long-term inactive women are the target group of the *Training services and employment promotion* scheme. By targeting a population segment in which Roma are over-represented, the scheme is likely to reach out to a large number of Roma. However, due to the lack of measurement, there is no actual information about the involvement of Roma individuals in the program.

**Employment incentives** is another mainstreaming active measure applied in most of the countries. In Romania, under the solidarity contract, the state provides wage subsidies to economic agents who employ people confronted with the risk of unemployment. The number of people benefitting is minor and the proportion of Roma within this scheme is most probably negligible. In Hungary, employment subsidy is a widely used active labor market measure: employers of vulnerable persons – youth, long-term unemployed, with health problems, disabled, mothers with young children, over 50 of age etc. – may apply for wage and contribution subsidy up to the level of 100% of the wages and contributions. Still, according to a recent survey (Csoba and Nagy 2012), Roma rarely fall into the category: only 4% of ALMP recipient Roma made use of this measure, while the proportion among non-Roma is almost double. The reason for this gap is very simple: in practice, only those unemployed can benefit from the measure who already found an employer who would employ them under the circumstances of wage subsidy. Many of the Roma lack a network in the labor market and are discriminated against – thus only few of them can make use of this type of support.

#### 4.3. Mainstreaming policies, targeting certain types of activities or economic areas

In Bulgaria and Spain we may find examples of reaching out to Roma through *addressing ALMP to specific economic areas or activities* in which Roma are typically active. The program “*Beautiful Bulgaria*” promotes employment of low skilled unemployed workforce in construction industry: a sphere where Roma are highly overrepresented. Besides promoting employment in this sphere, it aims to create conditions for sustainable employment in smaller municipalities through supporting vocational training for unemployed. The program has a high potential for affecting Roma employment, however, the impact has been very limited: only less than 650 persons were involved until the end of 2012, and it is unknown how many of them declared Roma ethnicity. In Spain, one typical activity of Roma – street retail commerce - is supported by the Regional Development Plan in the Basque country, in Andalusia and Catalonia. Another way of reaching Roma by public policy in Spain is the supporting of self-employment and family businesses. It is very widespread among Gitanos in Spain (and other low skilled population) that families run small scale businesses and in which family members are employed. In Hungary, after the lobbying

of Roma musicians, a change in taxation significantly reduced the tax-burden on music performance.

**Box 3. Waste collection and recycling by Roma communities: Example of inclusion and exclusion impacts**

Certain groups of Gitanos in Catalonia (but also groups of Vlah Gypsies in Romania, Hungary and Slovakia) make their living in the waste recycling business, by selecting useable parts (metal, paper, glass) from waste and selling them to recycling companies. The Catalan Development Plan (Integrated Plan for the Roma population in Catalonia) regulates working conditions in this economic sector. *The strategy* declares as an aim to foster the active participation of “*the Roma population in the environment culture and to boost their important role as social awareness creators*”. The action plan highlights (action 97 and 98) that the implementing agency (Catalan Ministry of the Environment and Housing) should “*look for ways to regulate waste recovery tasks and ways to promote training and occupational inclusion in the area of the selective separation of waste*”. It is of course an issue of the actual implementation how these targets will be realized and how they will contribute to the sustainability of this type of subsistence; the available information refers to fundamental problems as no real actions were made in this domain in the period of 2005-08, according to the last activity report (2010) of the Plan.

In contrast, in Central and East European countries, where many of the Roma communities make their living from such activities (collecting and selling metal, collecting and selling used household utensils and clothes) are not only unregulated but also highly criminalized. Waste collection and recycling are regarded by the authorities as illegal businesses (of Roma and other socially excluded groups) and are seriously restricted and even penalized. Selling used equipment and clothes in markets or streets is greatly unregulated, which also pushes those active in such business to the brink of criminality.

An exception was found in Romania where a new initiative addresses this segment. The Roma-Re program supports the creation of social enterprises for recycling packaging materials. This is a pilot program implemented by an NGO in five out of eight regions, for a period of three years, with funding from European Social Fund. In the course of the program support centers (resource centers) are established for social economy, specialist are trained and social enterprises are established which work in the field of waste recycling.<sup>9</sup>

Supporting **social economy and social cooperative** is also a program type targeting vulnerable groups, and thus indirectly affecting Roma. Such programs exist in most of the countries, though to a very different extent and quality. In **Bulgaria** the program “*New opportunities*” aims to the development of social economy and creation of social capital in smaller localities. It targets various vulnerable groups such as disabled, single parents, heads of large households with many children, long-term unemployed on social assistance. Activities are not market, but social protection oriented as they address regional and local social enterprises (public washing, social catering, social landscaping etc.). In **Hungary**, social enterprises and cooperatives are most typically established under the umbrella of public employment, while there are a number of local experiments which are financed by a more diverse pool of funding bodies such as the Norwegian Fund, Open Society Foundations microcredit, European pilot projects, etc.. A specific sub-program of the general public employment scheme names the creation and management of social cooperatives as a key activity. In **Romania** social economy already exists, but the Social Economy Law, to be issued soon, specifies that at least 40% of social enterprises’ employees should belong to vulnerable groups. Social enterprises, presently, function in the NGO sector in the form of self-help houses for unemployed and credit cooperatives. The problem is that when

<sup>9</sup><http://roma-re.ro/roma-ethnics-create-social-enterprises-for-recycling-the-package-materials-roma-re/>

referring to social economy beneficiaries, the Romanian legislation does not create a coherent framework for defining vulnerability; they are referred to as ‘underprivileged’, ‘marginalized’, ‘socially excluded’, ‘at risk of social exclusion’, ‘vulnerable’ categories, which might considerably overlap, but still do cover somewhat different populations. The establishment of social enterprises serving the most vulnerable groups is also supported in **Slovakia**. Within employment incentives there is a scheme called “contribution for the support of creating and preserving jobs in a social enterprise” to which over €1 million was dedicated in 2011. The support for this ALMP in 2011 however, was significantly decreased; in the earlier years (2009 and 2010) this amount was €2,7 million and €2 million, respectively. Also the number of beneficiaries has halved accordingly from 437 in 2009 to 187 in 2011.

**Box 4. Practice Highlight: Municipal social enterprise in Spišský Hrhov, Slovakia**

In the village Spišský Hrhov, from an initial situation of 100% unemployment, low housing standards and a lack of infrastructure, considerable improvement was achieved in the span over 10 years. Shacks were completely removed, new houses were built, 30% of the Roma are employed and infrastructure is available for 70% of households. At the heart of this development was the municipal social enterprise. The enterprise started with investing small amounts into simple machines (for building pavement) and employing local staff. The activities of the municipal enterprises were enriched by several others, including carpentry of recycled wood, selling milk products at the frequented highway, lending tools and equipment needed for construction work, municipal maintenance work and construction work of public space (pool, playground, spots relevant for tourism), etc.. According to the mayor of Spišský Hrhov, an important aspect contributing the village's success has been a specific human resources policy, such as professional and personal tutoring of new employees by established ones, adjusted length of contracts of the employees, career development, etc. A further factor which contributed to favorable outcomes was the earlier establishment of a community centre which offered complex services and contributed to the employability of the community members (Ledecký 2011).

#### 4.4. Targeting based on regional characteristics

In Hungary and Spain development policies are implemented that aim at regions or smaller territorial segments with economic difficulties and where a large share of the population belongs to vulnerable groups, including Roma<sup>10</sup>. Such targeting is based on the understanding that a more complex set of actions is necessary to grapple with steadily growing territorial inequalities and more specifically, the multiple causes leading to the overwhelming marginalization of certain small regions.. In all of the studied Central-East European countries some small regions may be characterized by a combination of high Roma density, poor infrastructure, enduring economic crisis, extremely high unemployment rates and low educational level of their population. Many of these regions are situated on the periphery and may be characterized either by the booming heavy industry during communism and the collapse of the local economy after the transition or contrarily, by a historic ‘tradition’ of underdevelopment and marginalized situation. Development programs aiming at such crisis-hit regions are not necessarily ethnically targeted; they are complex in that they address multiple aspects of the population's disadvantaged situation such as education, development of the local economy, employment, housing, and infrastructure.

<sup>10</sup>Slovakia's similar development program is discussed under ethnically targeted policies, as it „Marginalized Roma Communities” development program— although with a very important territorial consequence — is clearly ethnically targeted.

The most explicit of the territorially targeted programs was implemented in Hungary in the late 2000s. The program 'Catch-Up for the Most Disadvantaged Regions' (MDR) identified 33 small regions (NUT2) which, according to 30 indicators including economic performance, infrastructural supply, educational characteristics, proportion of long-term unemployed, suffer from multiple and serious disadvantages. The 33 small regions are characterized by a high density of Roma population: while only 10 percent of the country's total population lives here, one-third of Roma reside in the 33 small regions. The overall budget is considerable (157 billion HUF = ~€0,5 billion). Complex measures were implemented within the program, including elements of economic development, infrastructural investment, education and training programs, and active labor market interventions. An evaluation of the program commissioned by the Open Society Foundation's Making the Most of EU Funds for Roma program found that such territorially targeted complex programs are unequivocally needed in marginalized and segregated peripheries of the country. The analysis, however, points to some important problems concerning implementation: the program intervened at an intermediary territorial unit and this did not treat inequalities within the territorial unit. The central settlements of the micro-regions used much of the resources and the marginalized small villages profited less. Another problem raised by the evaluation was related to the lack of flexibility of funding organizations and pointed out that unemployment rates remained mainly unaffected, and local hierarchies were reinforced in the course of implementation. An important advantage, however, was that this program type was most likely to address socially marginalized Roma communities (OSF MtM, KAI Consulting 2011). Such targeted complex policy interventions aiming at socially marginalized communities may become efficient in reaching those who are most in need of support, as long as vulnerable populations are not left out during the implementation phase. A thorough impact evaluation of the Hungarian program is yet to be seen.

Spain is a special case as it is a state constituted by autonomous regions and consequently highly decentralized in terms of policy making and implementation. Autonomous regions elaborate and implement their own development plans. At regional level three autonomous regions specify Roma or Roma-related programs: Andalusia, Basque country and Catalonia. Obviously – unlike the case of Hungary - these regional programs do not exclusively target marginalized and crisis zones. Common to these plans though is their intent to improve the regulation of work and the working conditions in the economic sectors characterized by a high rate of Gitano workers, such as the retail street commerce, seasonal work in agriculture (only in Andalusia) and waste recycling (only in Catalonia). In addition, most of these plans provide for the funding of Roma-specific projects, the implementation of which is assigned mostly to Roma and pro-Roma NGOs, and not to public offices or administration. The 'outsourcing' of actions and measures to non-profit organizations reveals the gap between the design of policies addressed to Roma and the universalistic approach of the public administration that executes Gitano specific policies by treating them as a sub-group of already existent mainstream policies.

#### 4.5. Color conscious policies targeting explicitly the Roma population

We find a relatively low number of explicitly ethnically targeted programs. Such programs include a serious political risk in countries where anti-Roma attitudes and discrimination is widespread on the one hand, while poverty and social exclusion is rather frequent among the non-Roma population as well. It is no wonder that Spain is the only country in which we find large scale



Roma targeted programs with a substantial budget. In Central and South East European countries such targeting of public policy programs are rare. In Slovakia, for example, with the exception of the previously discussed MRC priority, there are no ethnically targeted employment (or other public) policies. Still, there are a large number of Roma employment programs implemented locally mainly by the NGO sector.

ACCEDER (Fight discrimination against Roma community) is far the largest program in Spain addressing employment opportunities of Roma. ACCEDER is designed, coordinated and implemented by the Fundación Secretariado Gitano (FSG), which received €31.5 from ESF in the period 2000-06 for this purpose, as well as additional funding from different state, regional and local organizations. ACCEDER is a complex intervention program aiming to improve the employability of the Roma population and their access to quality employment.<sup>11</sup> It consists of three axes. The first incorporated the management of individual pathways with diagnosis, employability assessment and labor counseling. The 'employment axis' includes labor market intermediation services, accompaniment and follow-up activities. The third element centers on training activities including mainstream and self-created training-employment schemes (FSG 2009:2).

#### **Box 5. Practice Highlight: ACCEDER, Spain – a debated program**

The ACCEDER program (Actions in favor of Roma population) was validated by the Commissioner for Human Rights of the Council of Europe as a “Good practice”.<sup>12[1]</sup> According to the EC evaluation ACCEDER has built the network as well as administrative and expert capacity to design, implement and coordinate Roma inclusion projects. Through ACCEDER 58,060 people benefitted and almost 38,000 jobs have been contracted.. It has become a flagship project of the European Union and has been transferred to other EU countries, for example to Romania (“*Together on the labor market*” (2008-11)).

Despite the impressive results reported by the managing organization FSG, ACCEDER is a highly debated program. According to some policy and academic actors ACCEDER had no or little measureable results on the overall Roma population, aside from the generally favorable labor market prosperity (Bereményi&Migra 2012). The financial crisis has had a strong negative effect on the efficiency of ACCEDER. Our preliminary results of the Spanish fieldwork within this project also suggest that the program has been a more significant tool for the better educated, less marginalized Roma than for the poorest and most marginalized ones, a phenomenon widely known as *creaming*. A further problem identified by external evaluations is that there are no trustful data on the quality of job contracts (duration, work conditions, wage/salary): many one-day, or less-than-a-month contracts were reported as "employment contracts"<sup>13</sup> and many beneficiaries were contracted several times throughout the year by different companies, producing impressive employment statistics. All this is not to judge ACCEDER, but the lack of transparent data makes it extremely difficult to identify distinctive outcomes and short, mid and long-term impacts on different segments of its target population. In the next – third - phase of our research within Work Package 19 of NEUJOBS, the implementation of the ACCEDER program in Catalonia will be empirically analyzed.

<sup>11</sup> FSG (2009) Methodological model for the social-labor market integration of Roma.

[http://www.euromanet.eu/upload/30/71/Methodological\\_model\\_-\\_ACCEDER.pdf](http://www.euromanet.eu/upload/30/71/Methodological_model_-_ACCEDER.pdf)

<sup>12</sup>[http://www.coe.int/t/commissioner/Activities/GoodPractices/Spain\\_RomaIntegration.pdf](http://www.coe.int/t/commissioner/Activities/GoodPractices/Spain_RomaIntegration.pdf)

<sup>13</sup>for example FSG (2012) AnnualReport 2011. Madrid:

FSG[http://www.gitanos.org/centro\\_documentacion/publicaciones/fichas/95022.html.es](http://www.gitanos.org/centro_documentacion/publicaciones/fichas/95022.html.es)



In **Hungary** until the early 2000s the government attempted to increase employment of Roma and compensate for the effects of racial discrimination in the labor market by implementing Roma (i.e. ethnically targeted) employment programs. According to a study analyzing the effects of such programs (Fleck, Messing, Mike 2005), besides governmental implementing agencies (National Employment Fund, the Hungarian Office of the Phare) significant civil organizations were also active in the field of implementing Roma employment programs, the most important of which was the Autonomy Foundation. All these agencies realized complex programs, including elements of training, counseling services, employment and wage support. The impact study highlighted several problems of ethnically targeted programs that led, after all, to a shift in the targeting of ALMP. One important unsolved challenge was the way of identifying Roma (see later in the conclusion part); the other challenge was that even these targeted complex programs had little sustainable impact on the long-term employment of Roma. A third cluster of problems related to the implementation of the programs: *“In many cases, initiatives were not only ineffective but, in fact, also counter-effective. In other words, contrary to the proposed objectives, they contributed to the welfare-dependence and defenselessness of the permanently unemployed, reinforced the existing patron-client system in local communities, and further deteriorated the stereotypical view of unemployed Roma people by the majority society.”* (Fleck-Messing 2009)

**Box 6. Practice Highlight: ‘Kiút’ microcredit program, Hungary**

The Polgár Foundation has developed and experimentally piloted micro credit programs for impoverished and indebted Roma in Hungary, introducing an adjusted version of the Grameen model (implemented originally in Bangladesh). In 2010 the program – Kiút program - became a model program for the EU Regional Directorate. The strategic goal of the program was to support households in disadvantaged areas, to clear up potential clients’ informal enterprises and support their entering to the regulated sector by providing financial loan and expertise. The program’s target populations were people in endemic poverty, primarily Roma. In the course of the program clients were offered small business loans in groups (from 200,000 to 1 million HUF (700 to 3500 EUR)). Aside from this, clients received a wide range of business administration and development services and mentoring. In 2011 the program had 27 active loan group participants, while the number of clients was 70, with an equal share of those paying the instalments regularly (successful) and those who were late or expelled from the program. In an evaluation of the program the Budapest Institute came to the conclusion that the program was too ambitious in terms of the number of people to be reached; it also highlighted that group cohesion did not work in the same manner as in the original Grameen model. Majority prejudice and discrimination strongly narrowed the scope of potential customers for “Kiút” enterprises. The model program was taken over by the government but stopped receiving financing in December 2011 without any further explanation. The program continued at a very limited scope with the financial contribution of the Open Society Foundations (Budapest Institute 2012).

In **Bulgaria**, the National action plan for Employment (NAPE) identified two national programs funded through the state budget and one program funded through the “Human Resources Development” Operational Program (HRDOP) that explicitly target the Roma population. The *Activation of inactive individuals* aims at activation and inclusion of inactive and ‘discouraged’ people. The goal is to attract and motivate unemployed Roma to register in LOD in order to qualify for training and labor market services. In the course of the program 62 Roma employment mediators were hired in 2011 who work with the most vulnerable population. The second program, *Chance for work (employment opportunities)* aims at active but unemployed Roma people in the most age-based vulnerable situation: young people under the age of 29 who dropped out of school or never enrolled in the school system and registered in the LOD, and unemployed persons over the

age of 50, with advantage given to those who are long-term unemployed. The goal is to increase the competitiveness of the unemployed by giving access to training, apprenticeships and skills-learning through on-the-job training under the guidance of a mentor. The only explicitly Roma targeted program, which uses EU funds, is the *Increasing the quality of services provided by the National employment agency for citizens and business with focus on vulnerable groups*. It aims at improving the quality of mediation services offered by the Employment Agency and ensuring an individualized approach where the specific needs of the clients are met. The target group are the officers of the LOD. There is a large set of activities planned, starting with recruitment, training and appointment of 350 labor mediators at LOD level, as well as a ‘sensitivity to vulnerability’ training of 1,550 employment officers. Roma as a target of the program appear down the line, together with disabled and unemployed youth.

Although in **Slovakia** ALMP do not consider ethnicity as a feature of vulnerability, development programs take another stance. The country introduced a development program in the late 2000s with an explicit focus on Roma. Although the program ‘Marginalized Roma Communities’ is primarily ethnically targeted, it affects the least developed micro-regions of Slovakia, where marginalized Roma represent a large share of the population. The program is referred to as a horizontal priority to which Operative Programs (OP) and Local Strategies for Comprehensive Approach (LSCA) had to adapt. Various OPs had to include this priority into their design and implementation. Out of €4.5 billion available to Slovakia through structural funds, a mere 3.5% were MRC relevant project (as of December 2011). The largest share was used in OP Education (10%) and OP Employment and Social Inclusion (9.71%), OPs that may have the greatest impact on the opportunities of the marginalized Roma population. Another way of spending structural funds on marginalized groups is through Local Strategies of Comprehensive Approach. The funds (€178 million) were distributed across a number of operational programs, where OP Employment and Social Inclusion had the second largest budget line with (€26.5 million). In spite of the existing formal structures the implementation has experienced some serious delays due to administrative reasons. By December 2011 not a single euro was spent. Thus, a considerable part of the support from structural funds will reach marginalized Roma communities only after 2012. Another problem is that due to the lack of data on ethnicity and lack of monitoring and evaluation, there is virtually no knowledge about how many Roma in fact profit from this MRC program.

Also in **Hungary** such ‘horizontal priority on disadvantaged population’ was included in the design of the National Development Plans in the second half of the 2000s<sup>14</sup>. Ethnic belonging was also defined as a horizontal priority in all of these programs.<sup>15</sup> This approach, again, is theoretically capable of addressing the problem of low employment rates among socially vulnerable groups. However, an analysis of policy outcomes revealed that horizontal requirements were satisfied by a few resounding phrases at the stage of evaluating applications, while they were pushed to the background during the implementation of projects (Bernát et al.,

<sup>14</sup>Social Renewal Operative Program, Social Infrastructure Operative Program, Regional Operative Program

<sup>15</sup>The announcement of tenders says the following in this respect: “...independently from its nature and theme, each project should contribute to improving the equal opportunities of women, Roma and the disabled... The entire project, from its design to posterior evaluation, should be governed by considerations regarding equal opportunities. The equality of opportunities as a goal must be taken into account by the applicant, both in performing everyday organizational activities and in the course of realizing the project.” ([http://www.nfu.hu/rop\\_ertekelesek](http://www.nfu.hu/rop_ertekelesek).)

2007). Some of the programs within this framework were designed in a complex manner, by focusing on a number of elements of a disadvantageous situation (i.e. training, job-services, wage support). Others, such as public work programs, were single-focused, addressing unemployment on its own, without handling the sources of labor market disadvantages.. A more recent comprehensive evaluation of the spending of EU Funds on Roma inclusion (Teller ed. 2012) concluded that although the aspect of Roma inclusion is present throughout all operational programs of the social development plan, the policy could not considerably support development capacities in marginalized regions where many Roma live. This is partly due to the competitive nature of applying for development funds: from which the most marginalized settlements lack the human and civil resources necessary for compiling funding applications. The lack of cooperation within various ministries and bodies of the government was another important obstacle for EU funds to reach Roma.

In Romania the issue of Roma benefitting from employment support measures has been highly debated, given the high proportion of Roma presumed to benefit from such support. The most important governmental measure explicitly targeting Roma unemployed were ‘job fairs’ and ‘employment caravans for Roma’ organized by the National Employment Agency. In the framework of employment caravans representatives of the Employment Office (sometimes together with employers) organize information sessions in the villages/towns where Roma live. In the course of job fairs for Roma, the employers present their job offers and a representative from the Local Employment Office provide job mediation. Such events are typically organized in parts of towns with a high density of Roma.

**Box 7. Highlight practice: employment caravans, Romania**

Roma job caravans organized by the Employment Offices in Romania address an important problem: due to geographical marginalization and lack of transport infrastructure many Roma cannot make it to the Employment Office and remain unregistered, without any service or support provision. Employment Caravans deliver services and information to the marginalized Roma communities. Due to this measure a significant number of Roma were registered in the system of Employment Services and received informed about training, service and employment opportunities. It is important to mention that this type of measures (the employment caravans) have not been implemented in Romania since 2011.

***The NGO sector’s role in ethnically targeted programs***

The NGO sector has a very important - if not major - role in most of the studied countries when it comes to employment programs directly targeting Roma. The NGO sector is most typically implementing ‘Roma employment’ projects in **Romania**. A quantitative study about Roma addressed projects in the period 1990-2000 has revealed that it is mostly NGOs who have carried out projects targeting Roma (120 foundations and 226 Associations at a national level). An important program was the “*Stimulating the employment of Roma as civil servants in local administrations and public services*” organized by the Alliance for Roma Community. In the framework of this program 146 young Roma were trained and 80% of them employed in local public administration. Romani CRISS is another important NGO actor in protecting Roma rights. It has been involved in various anti-discrimination, education and employment projects for Roma. The ‘*health mediators programme for Roma communities*’ in 2001 initiated by Romani CRISS created new employment opportunities for the Roma on the one hand, and influenced the introduction of the Roma Health Mediator as an official profession, on the other. With respect to the employment of

Roma, the main activities carried out were information sharing, career guidance, training, job mediation, anti-discrimination campaigns and research activities.

**Box 8. Practice highlight: “JOBS for Roma”: Promoting entrepreneurship with community involvement, Bulgaria**

JOBS for Roma was a pilot initiative validated as a good practice by the European Commission, DG Employment. The program was financed by the Swedish International Development Cooperation Agency (SIDA), together with UNDP and Ministry of Labor, Bulgaria.

"JOBS for Roma" enhanced employment through providing counselling services, vocational training, and most importantly, providing an entrepreneurship support for Roma communities. In the course of the program two Business Centers have been established in large Roma neighborhoods of Bourgas and Pazardjik. The two BCs provide vocational/entrepreneurial training, business advisory services and access to micro-credit, with the added element of raising Roma employer and community awareness. A key factor was the active participation of Roma-based organisations and community leaders in the establishment and development of Business Centres. The JOBS project has created a country-wide network of business support organisations: a JOBS network of 42 viable BCs across Bulgaria within three years. Throughout the three years, 1,270 jobs for Roma people were created and over 20,000 information and consultancy services were active.

Also in **Slovakia**, it is mainly the NGO sector that applies for funds and implements explicitly Roma employment projects. While mainstream labor market policies have had a very limited focus and hence a limited positive impact on Roma in Slovakia, there is a range of initiatives designed, promoted and implemented by the non-governmental sector. In addition to municipalities, NGOs and other non-state actors (i.e. civic associations, churches, charities), have been important in improving the situation of Roma, both as part of a national policy framework and through designing their own projects. They are also active in influencing public policy through involvement in advisory bodies at several ministries and in the field of mainstreaming equal opportunities.

**Box 9. Highlight practice: Corporate Responsibility in the private sphere: The US Steel experience: Roma Community Support Project, Slovakia**

The US Steel Corporation based in Košice began its Roma Community Support Project in 2004 and in 2011 was employing 110 participants. More than 90 % were Roma, and only a fourth had finished high school. The majority of participants come from nearby villages and the city of Košice, including Lunik IX - the largest Roma urban ghetto in Slovakia. The employment is based on an Agreement of Temporary Assignment whereby the participants are formally employed by their respective municipalities and then employed as temporary workers by the company. Successful project participants can become part of the core staff of the firm. Knowledge of mayors plays an important role in suggesting potential employees to the company, decreasing recruitment costs, but also strengthening the community-based character of the program. In Lunik IX, the local church played a crucial role in assisting the HR department to select suitable candidates for employment. An important feature of the US Steel approach is that it provides a comprehensive support to the beneficiaries. With the support of an NGO, the company gradually extended its activities beyond employing Roma and broadened its work with the communities, including offering support to local schools, working with children and involvement in the improvement of local housing (based on World Bank 2012a; World Bank 2012b).

The NGO sector created important pilot initiatives in the field of involving Roma in the provision of services related to the social inclusion of Roma communities in Slovakia. NGOs

have been involved in the design and implementation of state-run development programs using primarily EU (ESF) funds (Kontsejkova&Kurekova 2013). Most of these measures are not specifically labor market programs but may have an important (even if not extensive) employment component. The programs relate to the training and employment of field social workers, teacher's assistants and health assistants in services where Roma are clients. Some initiatives have been positively acclaimed by public institutions and were piloted in partnership with public bodies, but the support from public budget and the extent of scaling up remains limited. We briefly describe those programs which were taken over by the state and by now are run by state institutions:

- **Teachers' assistant program** was an initiative of the NGO sector. In 2002-2004 a pilot project was conducted by the NGO Young Roma Association and the COLSAF.<sup>16</sup> In the pilot stage, nearly 200 Roma found employment as teachers' assistants. Later on the position of teachers' assistants was filled increasingly by non-Roma, due to higher qualification requirements expected from the teacher's assistants.<sup>17</sup>
- **Health assistants** were introduced through the cooperation between the NGO "Regional Association of Roma Initiatives" (Krajská asociácia rómskych iniciatív - KARI) and the Public Health Authority (PHA).<sup>18</sup> Between 2007 and 2011 30 health assistants were employed by the PHA (Balážová 2012) as community workers facilitating communication between inhabitants of segregated Roma communities and doctors and nurses. Currently there is no health assistant employed by the state, and the role is continues to be fulfilled by the NGO sector.
- **Roma field social workers (FSW)** program was introduced in the 1990s by NGOs and then formally piloted by the Roma Plenipotentiary Office in cooperation with MOLSAF in 2002. Field social workers are supported by assistants. A study that evaluated the work of FSWs found that a considerable number of assistants might be Roma, as 44.3% of them indicated that they speak Romanes (Fedáčko, Bobáková, a Rybárová 2010). Social workers fulfil a complex role and also provide counselling with regards to employment, however, there is no evidence that this would bring real outcomes for the inclusion of the beneficiaries into the labor market.

#### 4.6. Equal opportunity, anti-discrimination policies

Discrimination in employment is a serious obstacle to finding a job in all of the Central East European countries. Experiences of discrimination are generally very frequent: 90% of Roma respondents in Hungary, 80% in Slovakia, but only 42% in Romania and 36% in Bulgaria considered that discrimination on the basis of ethnic background is very or fairly widespread in the country, according to EU MIDIS survey in 2009 (FRA 2009). As described in NEUJOBS D19.1 a more recent survey by FRA and UNDP in 2011-2012 found that "*experiences of discrimination in the labor market (when looking for a job, or during employment) were the most modest in Romania (27%), moderate but still significant in Spain and Bulgaria, where somewhat more than 30% of*

<sup>16</sup> <http://www.youngroma.sk/>

<sup>17</sup> The expected qualification for TAs is a completed secondary education in the field of education or a completed secondary education in other fields and a specialized pedagogical certificate.

<sup>18</sup> The "Programme for the support of the health of disadvantaged communities in Slovakia" was implemented in 2007 -2008 and 2009 – 2010 by the Public Health Authority.

*respondents recalled such occurrences. In Hungary and Slovakia over 40% of Roma mentioned that they experienced discrimination when looking for a job* (Messing (ed.) 2012; p. 39.).

Despite the fact that EC legislation against discrimination on the grounds of racial or ethnic origin in employment is now in place throughout the EU, and strict anti-discrimination legislation is in effect in all of the countries under scrutiny, just a smaller portion of the Roma population is aware of his/her rights to equal treatment (FRA 2009). In most of the countries not only legislation forbids any kind of discrimination but an institutional network for handling complaints about such cases was set up and is operated by the state. Besides providing legal protection, public policies in most countries do not address discrimination and its consequences.

In **Bulgaria** the National Roma Integration Strategy as well as the action plan of its implementation provide measures for overcoming discrimination but there are only 7 activities related to this topic out of the 122 in the Action Plan. In **Hungary** several governmental bodies (Equal Treatment Authority, Ministry of Justice, Roma Anti-discrimination Client Service) and non-governmental organizations (Hungarian Civil Liberty' Union Roma program, Legal Defense Bureau for the Rights of Ethnic and National Minorities) treat cases of discrimination and initiate legal proceedings against discriminating agencies, employers or – in the case of education – local governments, and provide legal representation for victims of discrimination. In the private sphere the idea of corporate social responsibility is spreading. However, according to a recent survey of employers such activities still take into account demographic characteristics rather than ethnicity or disability (Tardos 2011). Of the 420 companies interviewed over half employed individuals belonging to vulnerable groups based on demographic features (youth, elderly, mothers with young children) and only less than a quarter of them hired Roma or disabled people. In **Romania** labor market discrimination is a serious obstacle to Roma, and even more so for Roma women. Romania established the National Council for Combating Discrimination (NCCD) in 2000, which started to operate effectively in 2002. It is an autonomous public authority operating as a quasi-judicial body, and based on the principle of non-discrimination, its mission is to prevent and punish all forms of discrimination. In 2011, as a response to the Romanian reality of widespread discrimination, a strategy was formulated by the Together Agency in the form of a public policy document aiming at promoting equal opportunities and anti-discrimination on the labor market in the medium and long term (Împreună Agency 2011). In **Spain** labor market discrimination is less prevalent. Besides legal safeguards, autonomous regions' plans (of the Basque country and Catalonia) anticipated the creation of a regional observatory on the phenomenon of racism and discrimination against Roma (2004-07 Plan). The effective assistance to the victims of discrimination on the national level was put into function in the beginning of 2010 through the creation of a Network of Organizations and a Network of Juridical Operators guaranteeing juridical support to complaints of discrimination. In **Slovakia**, besides legal safeguards, mainstream public policies do not include any anti-discrimination measures or tools. Discrimination as a barrier to employment is not acknowledged by key public institutions. This is further evident by the fact that in its report evaluating labor market policies COLSAF (2012) includes no mention of discrimination as a possible barrier to the employment of Roma, it rather emphasizes individual failure. A step into the direction of the reality of Slovakia is the fact that the National Roma Integration Strategy acknowledges the existence of discrimination and the need to address it.

One example for active labor market measures aiming at reducing the consequences of negative stereotypes and prejudice among employers is called ‘job-try’ (Hungary). Such measures may be suitable to bridge the lack of trust. Participant - both employers and employees - may try each other without taking any obligations: cost of labor is reimbursed and there is no obligation either for the employer and employee to continue the job contract. Such programs are rare and function with a low number of participants. Another policy measure addressing racial discrimination is the employment of Roma mediators in the labor market institutions and agencies. These people may serve as a link overcoming the lack of trust stemming from wide-spread stereotypes on both the side of employees and employers. Such measures are implemented in Romania, Slovakia and Hungary, though to a very different extent and impact. These measures are important but they are weak and small-scale, and consequently, they may have very little and only locally perceptible impact.

**Box 10. Highlight practice: Roma Legal Empowerment by the Hungarian Civil Liberties Union, Hungary**

A very important and novel NGO initiative in the field of addressing discriminatory practices against Roma communities is operated by *the Hungarian Civil Liberties Union’s (HCLU) Roma Program*. The program was launched following the series of hate crimes and killing of Roma individuals (among them children) in 2009 and the escalation of marches by paramilitary racist movement “Hungarian Guard” in parts of settlements inhabited by Roma. The main target area of this program is Northern Hungary, given that almost half of the most deprived micro-regions can be found there. The project has a complex, combined, bottom-up approach that reaches far beyond legal assistance and aims to empower Roma people. The NGO is conducting fieldwork and setting up TASZPONTs (HCLU Point) in a growing number of settlements in order to provide free legal aid to people in need of such assistance. At numerous legal support stations (TASZPONT) located in impoverished small villages with a high proportion of Roma inhabitants, counselling is offered via Skype by attorneys from Budapest, while the stations themselves are maintained by local Roma activists. Besides, they also initiate litigations in strategic cases which are able to influence legislation or represent serious issues establishing precedence.

## 5. Summary, conclusion

In the previous section we introduced the wide range of ways Roma employment is explicitly or indirectly targeted in the five countries under scrutiny. It is quite obvious that there is not one ‘best’ form of reaching out to unemployed Roma due to the fact that Roma themselves are a very heterogeneous population in terms of labor market participation and level of social inclusion and to the fact that the institutional and policy framework as well as the social environment is varies substantially across the countries under scrutiny. In this section we will summarize active labor market policies from the viewpoint of how they reach and support labor market inclusion of Roma. We will also expose causes of high unemployment rates identified in the first part of this research (D19.1, Brozovicova, Fabo, Kahanec, Messing 2012), and draw conclusions on which policies might and which definitely do not support labour market inclusion unemployed Roma populations.

### 5.1. Do Active Labor Market Policies address the causes of the high rate of unemployment of Roma population?

Programs addressing key causes behind low employment rates of Roma are missing or do not reach Roma in significant numbers. D19.1 analyzing recent data on Roma employment identified



the following causes behind high unemployment rates: (1) lack of general education and vocational qualification valued on the labor market; (2) residential segregation and marginalization; (3) exclusion from the primary labor market and relegation of activities to the grey economy; (4) significant gender gap, (i.e. besides low rate of employment among Roma men, Roma women are even more excluded from the labor market); (5) extent of labor market discrimination. (Brozovicova, Fabo, Kahanec, Messing 2012) The overview of ALMPs addressing Roma explicitly or indirectly demonstrates that only few of the measures address these key factors.

*Low educational* levels should primarily be challenged by the system of public education. Labor market programs may only make some adjustments and corrections in terms of training in specific areas, in which there is a lack of balance between demand and supply in the short and medium terms. ALMPs, however, cannot replace or correct basic deficiencies of the public education system. Roma population, in general, lacks basic skills and knowledge required by the labor market. This is to a great part due to the failure of public education in providing equal opportunities for socially disadvantaged children. These kids have limited chance to acquire elementary knowledge and obtain basic skills, which would enable them to continue education and participate fairly in the labor market. The causes are multiple and explaining them would extend the frames of this study (OECD 2005, 2007, Szalai 2010, Kurekova, Haita&Beblavy 2012). According to the most recent survey of Roma population, 31% of Roma in Romania, 27% in Spain, and 16% in Bulgaria has no formal education. ALMPs are essentially incapable of treating problems stemming from this situation. It is only in Hungary and Slovakia, where the vast majority of Roma possesses basic skills and where further training and retraining might be a suitable tool for better labor market inclusion.

A few programs, most typically development programs, address the issue of *regional inequalities* and explicit *marginalization of Roma*. Such programs are operated in Hungary where the most underdeveloped micro-regions receive substantial funds for complex development of their infrastructure, economies and human resources as well as in Slovakia where specifically marginalized Roma communities are addressed as a horizontal priority by the country's development programs. These programs have a complex approach to tackling disadvantages of Roma communities at high risk of marginalization, they have a sharp geographical focus and provide a good potential to reach out to Roma most in need of support. Bulgaria and Romania, however, do not implement programs addressing marginalization and social (labor market) exclusion of certain population groups in a geographically targeted multi-faceted way.

A third factor behind low employment rates among Roma is the explicit *gender gap*. Surveys of Roma population found (UNDP 2012, Messing 2012, Fleck&Ruhgnis2008, Pamparov 2013, FSG 2009) that Roma women suffer multiple exclusion in terms of labor market participation: while their presence in the formal labor market is negligible they are present at a much higher proportion in the informal segments of employment, for example, as day-laborers in agriculture, and as informal household employees, just to mention the most frequent activities. The "*EU Framework and National strategy on Roma inclusion*" includes gender mainstreaming and requests targeted action to tackle multiple discrimination and the particular disadvantages faced by Romani women (Balogh, Kóczé 2011). Overlooking labor market policies in the five countries in

the scope of our research, we have not found any ALMPs addressing the intersecting negative effects of ethnicity and gender.

Widespread *ethnic discrimination* in the labor market is a next factor identified as possibly significant in terms of high unemployment rates of Roma populations. In our previous working-paper (D19.1) we demonstrated the extent of discrimination Roma people face when employed or upon entering employment. Public policies could intervene in this situation effectively, but the overview of labor market policies in the five countries show a gloomy picture. Although in all of the countries relevant legal safeguards exist against racial discrimination and there is an institutional framework for addressing such discrimination, this does not stop employers (and sometimes stakeholders) from discriminating Roma individuals. Targeted labor market policies could intervene in this situation, although they rarely do so.

An equally important factor at the heart of low employment rates of Roma populations – their *exclusion from the formal economy and relegation to the grey economy* – is not addressed by most of the countries' labor market policies at all. According to the UNDP survey, in 2011 (D19.1) 65% of Roma respondents in Romania, 47% in Bulgaria and a fifth in Hungary and Slovakia are involved in some way in the informal economy. Despite this fact only in Spain- in an explicit form - and in Hungary– in an indirect way - do we find policy intervention which tries to tackle the issue of the employment of low skilled labor in the grey economy. The policies are color-blind: they do not address Roma specifically, but they do provide support to certain economic areas in which Roma are overrepresented (street retail businesses, waste recycling businesses) or they provide a financial and administrative incentive to employing an unskilled workforce in the form of lowered social welfare contributions on wages and simplified and flexible administration. These types of measures might have an important whitening effect with respect to employment of low skilled labor force, but due to the lack of impact assessment, we cannot make any objective statements about their influence. We believe that legalizing economic activities in which many Roma are involved can provide a large space for policy interventions in all of the countries studied.

## 5.2. How do various methods of targeting work for Roma?

Another key issue addressed by this paper is the way labor market policies target the population in need of support, and the extent to which they are likely to reach Roma. The present overview showed unequivocally that large scale *untargeted activation and public employment programs* are the most likely to reach Roma population in large numbers. However, most of the assessment about the impact of these programs found no evidence of positive impact on the employment opportunities of the beneficiaries, and in some cases the assessment showed a negative impact. There are several important factors that might influence the possible long-term outcomes of these programs: (1) whether any education or qualification component is attached to the program (Slovakia, Bulgaria, Spain); (2) the length of the employment (3) stigmatizing and workfare nature of the employment; (4) nature of the job; (5) implementing agents (whether any local NGO is involved in the implementation).

There are significant differences among and even within certain countries in the above respects. The worse cases are identified in Hungary, where participation in public employment is a condition for receiving welfare allowances. Such employment is short-term (1-3 months), part-

time, with an income that is only 50-75% of the minimum wage. Types of activities are inappropriate for acquiring new skills, and no education component is attached to the measure. Very often public work becomes stigmatizing when beneficiaries have to wear visible and identifiable clothing while working the dirtiest and most under-privileged jobs i.e. cleaning sewage and waste water canals, cleaning up the streets etc. Sometimes they are compelled to do tasks that are useless or might be done with machines in no time (cleaning up bushes and forests, cleaning canals). Some municipal leaders – especially those with explicit racist and anti-Roma attitudes - use public employment schemes as a tool to discipline and gain control over the Roma population. In such settlements participation in public employment is conditioned to accomplishing vaguely defined requirements such as a cleanly kept household and garden, properly dressed and raised children. According to the ombudsman's investigation of the implementation of public work schemes a number of issues raise concerns with regard to the rights of the employee, human rights and anti-discrimination regulations (Zemplényi 2013). On the other hand, public work schemes are often the only source of living for families in desperate poverty who have been trapped in marginalized settlements without any employment opportunities and have no other chance of employment. Public employment schemes might also be utilized by innovative local practices. This is the case, for example, when local social economy providing basic food supply for the poor contract their workforce under the framework of public employment program. The use or abuse of the public employment scheme, however, depends on the attitude of the implementing agency (the mayor or the public companies). In Slovakia and Bulgaria public employment is also the active labor market measure with the largest outreach to Roma. The system, however, is less restrictive and gives fewer opportunities for abuse, simply because entitlement to welfare benefits are not tied to participation in public employment. In Slovakia, beneficiaries also have the opportunity to choose between work and education in the framework of activation, though in reality the education option is not used widely. The scheme also includes a positive motivation to participate: those who undertake public employment receive an extra income above the social allowances. Participation is medium-term, which allows getting some work experience, but the works are mundane and rarely include a job-training element. Nevertheless, even under such circumstance researchers find that activation work frequently traps marginalized Roma in the secondary labor market and does not provide either motivation or support to enter the mainstream labor market. (Konstekova&Kurekova 2013) In Bulgaria public employment and community work obligations are applied to households and thus this duty may be transferred to the older and female family members, while the younger Roma and the older male family members may continue commuting to better paid work in the grey economy.

*Mainstreaming programs targeting various vulnerable groups* are less likely to reach Roma than one would expect considering the share of Roma within vulnerable population. This is due to the practice that the definition of vulnerability in various LM measures is usually one-dimensional (long-term unemployed, or low educated or mothers with young children) and thus encompasses a relatively large population segment. Even if Roma are overrepresented within these groups, most in need of support are likely drop out from the safety net. This is because implementing agents are required to demonstrate good results and efficient spending of financial resources, therefore they are interested in approaching the least 'problematic' population within the limits put forth by the policy makers' definitions of vulnerability. Consequently the socio-

economic level of the group supported by such one-dimensionally targeted policies is relatively high in comparison to the most in need of support. The more the circle of beneficiaries is expanded, the more those at the bottom of the social hierarchy are excluded. And Roma, as a population very much on the brink of society, are usually not reached, or are underrepresented in mainstreaming LM programs, regardless whether it is training, wage subsidy or start-up incentives. Several studies analyzing targeting methods of ALMPs (Subbarao et.al 2013, Fleck&Messing 2009) found that multidimensional, complex targeting would be the most likely way to reach out to the most vulnerable groups, as such targeting does reflect on the fact that the most vulnerable population experiences multiple disadvantages on the labor market. Such targeting, however, is rarely implemented due to the need for complexity of design, implementation and monitoring. A good model in this respect is the way in which EU funded LM training programs are implemented in Hungary. The expectation of the funding agency, an aspect also monitored in the regular supervision, is that besides being targeted to long-term unemployed, the measures need to reach a certain proportion of vulnerable groups. The measure specifies that at least 20% of the beneficiaries should be self-identified Roma unemployed. This condition significantly enhanced the presence of Roma unemployed in training programs organized by the Employment Offices.

*Ethnically targeted programs* in employment are rare in the Central and Eastern European countries and most of them function locally, on a small scale, and are run by local NGOs. Complex development programs funded by the EU are more likely to have Roma in their focus (i.e. “Marginalized Roma Communities” Program in Slovakia, Horizontal Priority on Roma within the OPs in Hungary) than mainstream ALMPs. Only Spain has a functioning large scale, ethnically targeted labor market program (ACCEDER). With this exception, ethnically targeted programs<sup>19</sup> are typically local, small scale, but complex programs, implemented in individual communities with the partnership of or by local Roma or pro-Roma NGOs. Such projects seem to be multi-faceted, efficient in terms of Roma outreach and inclusion.. The problem, however, is that they typically lack predictability of funding and therefore many of the initiatives are not sustainable and fail to survive in the medium and long run. The other problem with small scale, local initiatives is that most of them cannot function on a large scale, as they are linked to specific characteristics of the local community or certain lead individuals. Several instances – most typically in the field of education – prove that good and innovative programs initiated and implemented by NGOs locally cease to function when included into large-scale government programs. It is an unanswered policy dilemma whether the failure of transferring locally implemented good practices into governmental programs is an issue of size or an issue of ownership.

### 5.3 Problems and deficiencies of policies related to monitoring and assessment

In this section we collected shortcomings and problems of active labor market policies that were most frequently identified by studies analyzing policy measures and their impacts. Firstly we need to refer to the state of **monitoring and impact assessment**, or the lack thereof. With the

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<sup>19</sup>OSI Making the Most of EU Funds for Roma Communities provides a comprehensive overview of such practices.

exception of EU funded programs, **transparency on Roma outreach** and projects – whether operating in the framework of development programs or human resource programs –ALMPs are generally superficially monitored and rarely evaluated.

In CEE countries a major problem is the lack of adequate regulations on how data on Roma identity of beneficiaries may be collected and stored. In most of the countries implementing agencies of labor market programs do not ask about and do not collect information on beneficiaries' ethnic belonging. The relatively strict ethnic data regulations discourage public authorities to produce and use ethnic data for addressing anti-discrimination policies with a focus on Roma. Roma communities themselves are also divided on the issue of collecting ethnic data in a political climate that often manipulates ethnic cleavages. At the same time, EU funded programs - among them Structural and Development Fund – define Roma as a vulnerable group that should be addressed by the programs. There is a contradiction here: labor market authorities and service providers do not collect data on ethnic identity of the beneficiaries, while they are compelled to report participation of Roma in the programs. In light of the above mentioned facts it is very difficult to estimate the impact of ALMPs in terms of Roma outreach and success. Spain tends to be cited as a positive model for conducting successful ALMP towards the Roma, but in fact, in terms of Roma outreach and general labor market situation, their numbers do not accompany this argument.

**Monitoring of the implementation** and the medium term impact of ALMP measures is a problem in all of the discussed countries. In most cases the implementation of the program is monitored from a financial and quantitative point of view, but systematic and comprehensive evaluation of the effectiveness or assessment of the impact is rare in all of the countries studied. There are only a few cases when ALMP have been studied and evaluated in-depth focusing on the medium-term or long-term impact as well as.

A report by the World Bank on Slovakia concludes (World Bank 2012a) that no evidence-based procedures for the evaluation of the effectiveness of different measures or the performance of state or non-state actors are applied automatically and systematically. The main problem is the **lack of systematic data collection** on policy outcomes. In Bulgaria the lack of specification of the target indicators, such as 'integration' hampers the clear understanding of the effect of the Decade program. Although the *Report on the goal achievement 2010* states goals which were achieved a hundred per cent, this is only due to the fact that the 'goals' were vaguely specified and criterion goals of the policy makers were extremely lowered. Even Spain, an old member-state of the EU with a considerable tradition of designing and implementing public policy programs, fails to conduct comprehensive evaluation of its ALMP measures. Our background study on Spain states that *“apart from FSG, other major Roma and pro-Roma NGOs do not tend to make annual activity and financial report available online, let alone detailed evaluation of their activities.”* (Bereményi 2013) Development Plans and attached Action Plans produce a final evaluation of their activities, nevertheless the tools are not always specified and clear-cut indicators are not defined. They focus on the fulfillment of actions rather than the impact and the efficiency of their implementation. On the other hand, as a good practice, we may refer to the few instances of shadow reporting. A shadow report evaluating Catalonia's Comprehensive Plans and their impact on the Gitano population was commissioned by the OSF Roma. The external evaluation was conducted by a Roma NGO together with an academic think tank (Bereményi, Migra 2012), and

it provided a systematic and in-depth overview and analysis of the Plan, its implementation and possible impact. It is also noteworthy that the Decade for Roma Inclusion program commissioned shadow reports from NGOs to evaluate programs implemented within the framework of the Decade. External evaluations with the participation of non-governmental agencies and academics may shed light on several aspects of the design and implementation which are not touched by the regular evaluations (if they exist at all).

Hungary provides a somewhat better image in terms of regular and sophisticated monitoring of its ALMP and Development Programs funded by EU Funds. The identification of “Roma belonging” is a problem here as well, but throughout the last decade a continuous development and refinement of indicators, the measurement of outcomes and most importantly of impact assessment have to be mentioned as a positive development. In this process several of the most well-known external policy think-tanks were regularly involved. (Teller 2011) Many of the evaluations, especially those concerning the Regional and Human Resource Development Programs provide an in-depth modelling of the impact of any the given program. These evaluations measure the programs’ impact by comparing characteristics of the beneficiaries with a very similar non-participant population (control group).

#### **Findings and conclusions of evaluations are rarely implemented into the policy design.**

We may find positive and negative examples equally: the lack of impact of public work programs did not stop public policy makers to constantly extend this type of intervention. On the other hand, including the aspect of the labor market demand into the design of ALMP trainings or the inclusion of the gender aspect into policy design might be seen as positive examples of feedback.

This paper’s conclusion also needs to address the issue of Roma participation. With the only exception of Spain, large scale state run active labour market programs are typically implemented by public institutions without partnership with Roma organizations or communities. Moreover, organizations representing Roma communities are not involved in the phase of policy design or ex-ante impact assessment although many of the potential risks could be prevented with the participation of Roma in planning. The exclusion of the representatives of the potential beneficiaries offends the principle of good governance in the EU because the lack of collaborative policy-making and implementation have negative consequences in relation not only to equality but also to policy efficiency matters. A direct consequence is that with the only exception of the least beneficial ALMP, public employment, most of LM programs do not reach out to Roma communities sufficiently. Programs with top-down design and without Roma or community partnership in their implementation are poorly targeted and rarely successful in terms of Roma inclusion.



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## Appendix: Charts and Tables

Chart 1: Unemployment and long term unemployment rates in countries of the EU in 2012.  
(source: Eurostat 2012)

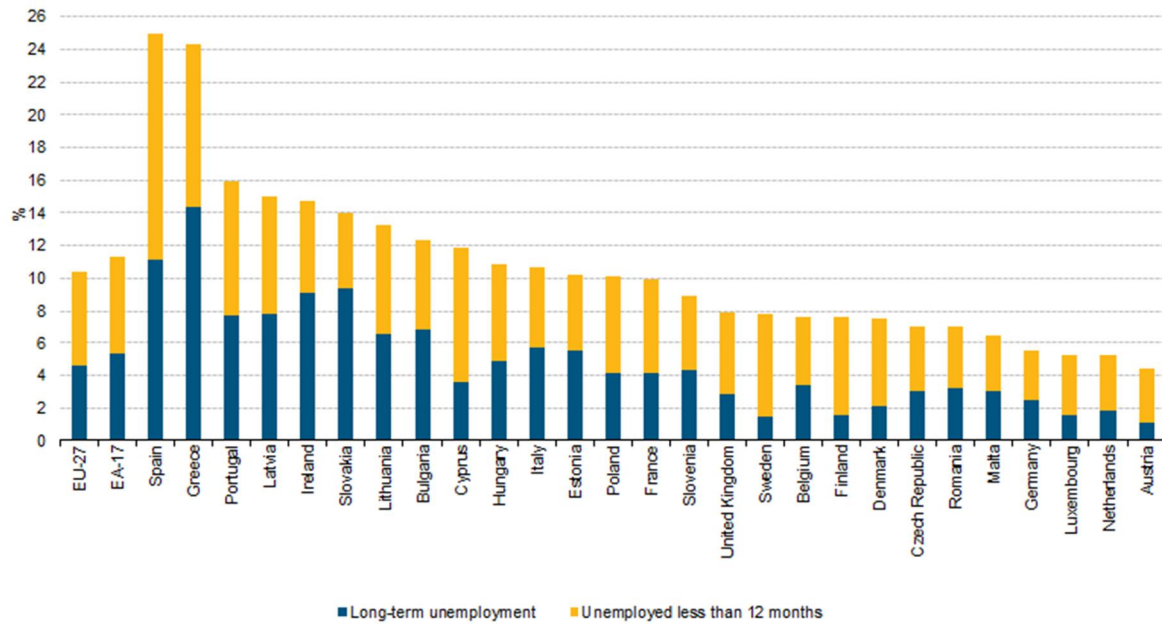


Table 1. Labor Market Expenditure in EU member states in 2008. (source: Eurostat)<sup>20</sup>

	Expenditure on LMP measures (Euro, millions)	% total expenditure on LMP measures					
		2 Training	3 Job rotation and job sharing	4 Employment incentives	5 Supported employment and rehabilitation	6 Direct job creation	7 Start-up incentives
EU-27	56 878.6 e	39.0 e	0.4	24.0 e	16.1	13.4	7.2 e
BE	3 732.9	14.6	-	42.0	11.4	31.7	0.4
BG	89.5	13.4	-	16.5	2.2	66.0	1.9
CZ	154.4	7.0	-	12.7	65.7	12.1	2.5
DK	2 280.3	23.7	: n	13.8	62.5	-	-
DE	13 193.9	54.8	0.0	14.3	6.1	12.1	12.7
EE	5.6	86.8	-	1.9	0.4	-	10.9
IE	982.5	48.3	-	7.6	1.8	42.3	-
EL	335.6 e	62.5	-	25.5 e	0.1 e	6.2	5.7 e
ES	5 752.3	28.1	1.6	35.6	4.6	12.4	17.7
FR	11 746.4 e	42.2 e	-	16.7	11.4	24.5	5.2 e
IT	5 616.0	49.1	0.7	41.6	-	1.9	6.7
CY	11.3	29.8	-	52.3	12.7 e	-	5.2
LV	18.0 e	36.2 e	-	32.8	0.5	23.5	7.0
LT	45.0	30.4	0.8	52.4	4.2	10.9	1.4
LU	130.6 e	11.9 e	-	75.1	2.7 e	10.2 e	0.1
HU	220.0	31.1	-	45.2	-	20.6	3.1
MT	2.9	41.3	-	52.5	-	2.7	3.5
NL	4 253.8 e	14.0 e	-	20.5 e	65.5	-	-
AT	1 454.6	71.8	0.0	10.9	7.9	8.2	1.0
PL	1 699.8	26.2	-	12.3 b	44.2	4.7	12.6
PT	700.6	58.1	-	29.9	6.7	4.8	0.4
RO	83.5	14.9	-	59.8	-	24.1	1.3
SI	34.5	27.2	-	6.7	-	46.4	19.7
SK	96.9	7.1	-	10.1	10.9	35.3	36.6
FI	1 240.7	53.6	8.8	11.4	12.8 e	10.5	2.9
SE	2 150.2	10.6 e	-	57.3	30.0	-	2.0 e
UK	846.6 e	34.8 e	-	26.2 e	26.7 e	12.3 e	-
NO	1 286.0	49.8	-	5.9	33.7	9.9	0.7

<sup>20</sup>[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php?title=File:Expenditure\\_on\\_LMP\\_measures\\_by\\_type\\_of\\_action,\\_2008.PNG&filetimestamp=20110207140718](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Expenditure_on_LMP_measures_by_type_of_action,_2008.PNG&filetimestamp=20110207140718)

Table 2. Overview of programs by the various modes of targeting labour market programs in the five countries

	<b>Bulgaria</b>	<b>Hungary</b>	<b>Romania</b>	<b>Slovakia</b>	<b>Spain</b>
non-targeted, direct job creation  Nr of participants in 2011	“From social benefit to employment”  5400	public employment schemes  ~200thousand	public employment, Minimis Aid Program  ~14thousand	activation work  ~22thousand	Plan de Empleo  ~12thousand
targeting vulnerability (gender, age, family type, LTU)	training	training, employment incentives	training employment incentives	training employment incentives	training employment incentives
targeting certain economic areas, activities	construction “Beautiful Bulgaria”		Waste recycling		supporting famil businesses in street retail; waste recycling
targeting regions		Development program for the 33 most deprived micro-regions		partially: “Marginalized Roma Communities”	Catalan, Andaluzian, Basque Roma Plans
ethnically targeted	“Activation of inactive individuals” program  “Chance for work” program	Horizontal priority focus on Roma of national development plans;  Programs of NGOs and the Roma Minority Self Government	Employment caravans  job-fair  not specifically employment programs (i.e. Roma mentors in education; Roma social workers)	Marginalized Roma Communities  not specifically employment programs (i.e. Roma mentors in education; Roma social workers)	ACCEDER