

Assessment of social impact of policies in Bulgaria

Dragomir Draganov
Ministry of Labour and Social Policy
Douhomir Minev
European anti-poverty network - Bulgaria

1. Does your country have any experience with (social or any other) impact analysis as a standard procedure in the preparation of policy measures?

In Bulgaria the process of social impact assessment is not well developed.

The existing procedures correspond more to the so-called financial impact evaluation. Each proposed change of the legislation should be accompanied by the so-called "financial evaluation statement" signed by the minister who has proposed the amendment or adoption.

There are two types of financial evaluation statements: 1) having an impact on the state budget (long) and 2) non-having impact on the state budget (short).

When the amendments and/or proposals do not have direct or indirect impact on the state budget, it is not obligatory to assess the social/economic or other type of impacts.

In the opposite, when proposed amendments and/or proposals do have direct or indirect impact on the state budget, the financial evaluation is needed. It should be based on the instructions adopted by the Minister of Finance and should include:

- definition of the problem, which has to be solved;
- justification of the need to adopt the legislative proposal;
- definition of the objectives/goals of the proposal;
- identification of the target groups;
- elaboration of the different alternative scenarios;
- defining the indicators;
- calculation of the net effect (costs minus revenues);
- assessment of the profits for the society;
- identification of the corresponding legislative changes which will be necessary in order to introduce the act;
- risk analysis;
- assessment of the final outcomes.

Bulgaria is trying to adapt its administrative systems to the need to introduce the impact assessment in its regular activity. Thus, in 2007 the Law on legislative acts was amended by introducing the following obligations for the administration: each proposal for legislative change shall be accompanied by the report containing the description of:

- motives;

- reasons why it is important to adopt the act;
- objectives of the act;
- financial sources needed;
- expected results;
- analysis of the correspondence with the European Law.

Moreover, on September 2008, an inter-administrative working group was created. The group should conduct the pilot impact assessments of the policies, programmes and projects in field of education, labour and social policy, health care, etc.

Excepting the fore-mentioned procedure, there are some other procedures used to assess the impact of the proposed changes in legislation and other policy initiatives:

- According to the Regulation on the structure of the Council of the ministers and its administration, each member of the Government (minister) shall consult the other ministers on the proposed policies, programmes, projects and measures. This is a standard administrative procedure. The received responses are used for the improvement of the proposed initiative before its adoption by the Council of the Ministers.
- According to the Labour code, social partners shall be consulted on all legislative changes, policies, programmes, projects and measures concerning the labour and industrial relations. The format of the consultations is called National Council for Tripartite Cooperation. It is a forum where nationally representative organization of social partners can express their opinion on the draft laws, programmes, strategic documents, etc.
- According the Administration Law, each policy document (legislative act, programme, strategy) shall be uploaded on-line in order that stakeholders are able to give their contribution and/or the express their view on the expected results.
- Finally, according to the Economic and Social Council Act, public institutions can ask the Bulgarian Economic and Social Council (ESC) for its opinion on their initiatives. The ESC consists of an equal number of representatives from trade unions, employers' organization and non-governmental organizations.

2. Which pending or forthcoming policy proposals (either in your country or at the EU level) do you think would benefit most from social impact assessment – and poverty impact assessment in particular? Do you think that such assessments would be feasible? Please also consider issues relating to technical and administrative capacity, stakeholder involvement, policy evaluation culture, etc.

There are many policy documents, which social impact shall be consistently evaluated. It is not possible to advance towards the poverty reduction and to limit social exclusion without constructing new, adequate mechanism in the policy areas of importance. The question is that in

many cases the reasons for the existing of poverty is hidden behind the current legislative and policy framework. That is why the poverty check should be considered as very important and necessary initiative. In that way of thinking, the very social impact assessment could perform as an instrument for social inclusion.

Moreover, the following documents shall be considered as important and their social impact shall be assessed on a regular basis:

- The Government Programme,
- National Budget Law,
- National Reform Programme,
- National Report on Strategies for Social Protection and Social Inclusion,
- All Operational Programmes, etc.

Of course, the initiatives aimed at introducing full-fledged social impact assessments in the everyday administrative practices face some obstacles.

The first obstacle is related to the fact that the existing policy culture does not contain enough elements encouraging the implementation of the social impact assessment. The current procedures focus more on the financial impact of the proposed legislative changes. Nevertheless, it is of crucial importance to establish a friendly environment facilitating and stimulating the efforts to extend the scope of the ongoing impact assessments. It could be useful if this is embedded as a normative requirement.

The second obstacle comprises the issues related to the administrative capacity. There were several attempts to enhance the knowledge of the administrative staff on the social impact assessment in past years. However, the efforts did not cover all administrative bodies and the participants were mostly representatives of the ministries responsible for labour and other social issues (social policy, education, health care, etc.) There were a few representatives from ministries implementing policies which are not social but having significant social consequences. Other issue concerning the current level of the administrative capacity is about the involvement of the local authorities and other relevant stakeholders (social partners, NGOs). The central administration units were the main target groups of the social impact assessments trainings and the participation of the local authorities and stakeholders in designing and delivery of the courses was not so comprehensive. In conclusion, the introduction of a regular social impact assessment in the administrative practice in future will depend on: 1) elaboration and implementation of a comprehensive training strategy based on the common methodology, methods and covering as broad audience as possible (central and local administration, social partners, civil organizations, etc.) 2) the level of the participation of the stakeholders in designing and delivery of the training courses so as the trainees to be able to identify the fullest range of possible impacts having in mind examples coming from the "real life" of people concerned.

The third issue is related to the stakeholders' involvement in the process of identifying and analyzing the potential impacts of the proposed legislative changes and/ or policy initiatives. The established system of consultations allows receiving the feedback from social partners and encourages the tripartite cooperation, but more efforts need to be done in order to enhance the cooperation with the representatives of the civil society, especially at local level. This is necessary not only because the stakeholders' participation fosters the democratic decision-making process

and increases the efficiency of the policy initiatives. The participation of all relevant stakeholders in the designing and implementation of the social impact assessments will help decision-makers to “exploit” the fullest possible knowledge of the issues. This could be achieved by introducing the minimum standards for consultations.

In that context, the initiatives such as peer reviews and other meetings at European level (conferences, seminars, trainings) would be really useful. These events support the exchange of theories, good national and European practices and negative examples. Moreover, they allow the participants to have a broader view of the situation, to compare the developments in different countries and to evaluate the importance of the social impact assessments at national and EU level.

3. What are the key issues that should be discussed during the Peer Review?

The importance and innovative potential of SIA seem to be underestimated:

- **SIA could contribute to fostering development of social sciences.** Although researchers and experts in social sciences realize the complexity and value-related loading of the problems they are solving, they proceed from an assumption of a stable and manageable context. While addressing new risks and problems, they can hardly realize that their techniques and tools are applied beyond the boundaries within which they can be effective and sensible. This is due to the fact that large part of the new risks and problems are “transscientific” – the facts are uncertain, the values are disputable, the decisions made may have potentially very significant impacts and the solutions are urgently needed¹. Solutions to such problems can not be sought through the tools of traditional science. Some researchers see a possible solution of the problems through development of new type of sciences: “If the applied sciences and professional consultancy are not adequate, then these practices must be supplemented by something which bridges the gap between scientific expertise and public concerns. Such a bridging element is the post-normal science, which involves in itself a dialogue between the persons concerned by the problem, regardless their formal qualification and affiliation”². The “post-normal science” enables using both additional knowledge provided by the stakeholders, and the values “carried” along by such stakeholders. In this way the science itself is brought forward to democratic terms – not in the sense that at the research laboratories will enter untrained people, but in the sense that knowledge available to the scientists will be supplemented by other aspects and problems of concern to the society (and lacking in the knowledge available to the scientists), and the entire complex will be brought forward to the field of public debate. Obviously SIA and the ideas for improving social sciences are closely related. What the risk researchers call “post normal science” is a technology for “production of knowledge” very close to SIA. That is why larger implementation of SIA and transformation of social sciences would be mutually supporting. The other side of

¹ Silvio Funtowicz, Jerome R. Ravetz. Three Types of Risk Assessment and the Emergence of Post-Normal Science. In: Sheldon Krinsky and Dominic Golding, *Social Theories of Risk*, Praeger Publishers, 1992.

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the coin is that without adequate changes in social research (sciences) SIA hardly will provide adequate results.

- **SIA could contribute to improvement of the interaction between policy making process and social sciences.** The point is that actual social sciences cannot provide adequate support to the political decision making process. Social sciences create scientific results which are contradictory and contesting each other. On this ground occurs a specific relation between the dynamics of knowledge and political process of decision-making: selection of knowledge that is politically "acceptable". The stubborn conservatism employed in constructing policies on basic concepts and ideas that have little in common with realities gives rise to strategies and policies having lost their connection with real events and phenomena. Similar strategies and policies have restricted chance whatsoever to be efficient. The current world financial crisis illustrates this situation.

Moreover, the following questions seem to be important:

- How to enforce the obligation to conduct social impact assessment by legislation?
- How to bridge the gap between the knowledge (expertise), political processes and decision-making? The knowledge created in public institutions obviously tends to legitimate already existing processes instead of proposing changes.
- Will the normal science be able to address the newly-emerging social risks and policy challenges? Is the existing scientific knowledge enough by itself to respond to the growing need of new facts about the social problems? How better to mobilize the science for the purposes of solving social problems by implementing social impact assessments?
- Who has to conduct the social impact assessments in order to avoid the conflict of interests and to overcome the contradiction between public and private interests?
- How to encourage the participation of the stakeholders in social impact assessments, i.e. how to create the so-called "participatory social impact assessment"? How to ensure the participation of poor and other concerned groups in assessing the impacts of the social policies?
- How to valorise the role of the social impact assessment as a tool for social inclusion and poverty reduction, i.e. how to turn the social impact assessment into a tool for real decision making?
- Is it possible to foster SIA implementation through research programs in the field of social sciences?