Equity and Equality in Public Services Provision: Case Study of Kazanluk Municipality

By Teodora Noncheva

1. Methodological Notes and Background

The main goal of the case study is to identify and analyse the local policies and public service provision in the municipality of Kazanluk, particularly their accessibility for minorities. The more specific goals are:

- To describe the local functions and competencies in the field of public services (employment, education, housing, welfare etc.),
- To identify specific needs of minorities for public services and to assess the awareness and readiness of public authorities to respond to these needs,
- To evaluate the coverage of minorities as clients of local public services and to examine the mismatches between demand and supply, e.g. extent of deprivation, causes and perspectives,
- To recommend successful practices and strategies for straightening administrative capacity in provision of equitable access of minorities and better targeting of public services.

The research instruments include: statistical analyses of quantitative data; interviews with local authorities, service providers and clients (from both Bulgarian and minority’s groups of population), as well as direct observations. Policy analysis is oriented toward assessment of accessibility of public services provided.

The analysis meets some limitations. At the first place, this is the lack of quantitative information disaggregated by ethnic groups in the official statistic. That is why the qualitative research instruments prevail in the case study. At the second place, limitations are set by the goals of the case study, which focus on capacity building for democratic governance. Thus, special emphasis is given on the economic factors for accessibility of public services, such as financial budget of municipality, income redistribution and local labour market.

The unit of observation is municipality of Kazanluk. Municipalities are the basic units of administrative division in Bulgaria. There are 280 municipalities in the country. They differ significantly by territory, population and economic profile. The status of municipalities is regulated by the Law for Local Governance and Local Administration (1991) that provides for the right of self-government. According to the law local government fulfils following functions:

- Management of local property and local enterprises and finances of the municipality,
- Support of infrastructure and local development,
- Financing of education, e.g. pre-school, primary and secondary education,
- Health services provision,
- Culture – theatres, orchestras, libraries, museums, local customs,
- Public services- water supply, electricity, central heating, telephones, parks, transport etc.,
- Social assistance and housing,
- Environmental activities,
- Support of cultural and historical monuments,
- Development of sport and recreation activities.

Municipalities are vital to the development of social cohesion. They must generate income and employment opportunities for their inhabitants, to ensure sufficient resources for infrastructure, public services provision and taking care of the poor. On the other hand however, the transition and restrictive budgetary policy has endangered the capability of local management in dealing with complex problems, one of which is social integration of minorities. Another newly emerging challenge is the administrative reform in the public sector, related to higher
requirements for qualification and efficiency of the servants and mass lay-offs in local administration. In this complicated situation it is particularly important to study both the examples of good practices and ethnic conflicts in the municipalities and to provide analytical instruments for early warning and policy assessment at the local level.

2. City study

2.1 Profile of the city

Kazanluk is situated in the Valley of Roses at the foot of the Balkan Mountains. The natural geographical centre of Bulgaria it is a cross point for many of the roads and international tourist routes. The municipality had an important role in the economy before the transition. Arms industry, textile, essential-oil bearing plants and perfumery experienced rapid development. Since 1989 the liberalization of the economy, cut of state subsidies and loss of external markets (particularly Russian markets) lead to economic decline in the municipality.

The employment in the city decreased dramatically during the transition (Table 1). The sharpest decline is observed in the agriculture where the number of employed fell down to 15% of 1995 level. In 2001 the unemployment rate reached 20% and exceeded the country’s average by 2 percentage points. The most vulnerable group at the labour market is those with low education (basic secondary 8th class or lower). These persons represent 41% of all unemployed and most of them ate from Gypsy minority group.

According to the preliminary data of the last population census in 2001 Kazanluk has 54,000 inhabitants, of which 8,000 belong to the Gypsy’s group. The percentage of Gypsies in the municipality is almost 15%, that is 3 times higher compared to the average share of the group in the whole Bulgarian population (4,6% according to the census). The presence of compact minority population in the municipality is considered as an important challenge for the local administration and particularly for its efforts to straighten democratic governance and to faith against social exclusion.

2.2 Local Governance Capacity

- Human resources of local administration

The elected Municipal Council plays a leading role in the policy design. It is responsible for adoption of the local budget, economic and social development of the municipality. The mayor and the local administration represent executive power and they are responsible for policy implementation. The staff of Kazanluk municipality amounts 50 persons in the local administration (See Figure 1) and 23 elected positions (e.g. mayor, 3 deputies and 16 mayors of small villages within the municipality).

The average monthly salary in the local administration in 2001 was BGL 250  (USD 120). As a result of the inflation erosion of income and restrictive budgetary policy during the last decade, the salaries of local public administration fallen to the very low level. After the implementation of a Currency Board in 1997 and the general stabilization of fiscal policy, the income in the budgetary sphere started to get back to normal, however the salaries of public administration are still low, compared to the country’s average level.

In the last few years some municipalities delayed payment of the salaries for teachers, social workers and other staff financed by the local budgets under the pressure of fiscal restrictions. Kazanluk did not report such type of debts.

Most of the servants at the municipality are discontent with their routine work. Apart form low pay, another frequently cited reason for dissatisfaction is the poor working environment. As a rule working conditions are not associated with the content of the work, but rather with inadequate working premises, poor quality office equipment, work overloads during certain peak periods etc. Some of the servants confided that their job related functions, rights and obligations were not always clearly and precisely regulated. This is particularly the case of social workers and other municipal staff receiving methodological guidance from the respective ministries. There are no explicit legal
bases for their work and very often they receive contradictive directives from the responsible ministries. The lack of distinct regulations creates insecurity and fear to assume responsibility.

The worsened economic performance in the municipality has a negative impact on the local budget. The local revenues in the municipal budgets (from income tax, profit tax, property taxes, user fees and capital revenues) are relatively low and in the majority of cases do not suffice to finance the social policy expenditures, the economic services and management costs. Kazanluk is amongst the municipalities that depend strongly on the subsidies provided from central government. In determining the amount of central subsidies so called Objective Indicators are taken into account, i.e. municipal population, number of students, hospital beds, number of long-term unemployed, uninsured parents entitled to benefits etc. At the same time, the formula for block subsidies calculation contains an equalizing coefficient and secures advantages to the poor municipalities (such as Kazanluk) which have lower own income sources and bigger budget expenses. In 2001 the total amount of the block subsidy for Kazanluk municipality was 4 millions BGL.

It is assumed that the Objective Indicators included in the formula shall encourage the municipality, though indirectly, to procure sufficient coverage of public services and particularly – for social activities. In practice, however, this mechanism has a very limited impact. The Objective Indicators serve just to calculate the total amount of the block subsidy from the central budget, which is “dissolved” into the local municipal budget and are further used according to the priorities of the local government. These priorities do not always coincide with the goals of the national social policy and the needs for integration of minorities.

One of the most important problems generated by the Law for Municipal Budgets is the discrepancy between the limited rights of the municipalities in defining local revenues and, on the other side, the broad responsibilities in terms of expenditures. Despite the limited resources, the municipality of Kazanluk has to provide a broad network of public services:

- 14 kindergartens and 8 secondary schools,
- 94 km street grid,
- 250 km water-lines and a new cleaning station with daily capacity 27 000 cubic meters,
- 97 km sewerage,
- 2200 phone posts,
- Community dwellings,
- Community cultural centre “Iskra” and a library club,
- Social Assistance Centre providing benefit and social services for more than 5000 clients,
- Home Social Patronage (meals on wills and household services) for 200 elderly and disabled persons at home,
- 2 social institutions for elderly people and one for persons with senile dementia with total capacity 263 places.

### 2.3 Rights and Access to Public Services

According to the opinion of the local administration there are five branches of the local policy that are particularly important for integration of Gypsy’s minority: employment, education, access to the land, housing and social assistance.

- **Employment**

Employment is the most important factor for improving welfare of Gipsy population; despite that labour market policy is responsibility of central government. At the same time, the Law for Encouraging Employment provides for cooperation of Labour Offices and municipalities in development of joint public work programs, often targeted for particular groups at risk, including minorities.

The coverage of such type active programs is still limited. Only 8% of the unemployed benefited active programs in 2001 and more than two thirds of the registered unemployed had no access to both passive and active programs. There is no data provided on ethnic bases, but the observation shows that Gypsies are the most deprived group in terms of access to the public work programs. The share of expenditures for active programs is relatively high, however the costs do not correspond to the outputs measured by job offers.
The public work scheme known, as *Temporary Employment Program* is the broadest active program as far as the number of participants is a criterion. Many of the participants are long-term unemployed belonging to the Gypsy’s minority. The program has been elaborated jointly by National Employment Service and local administration and covers more than 2 000 registered unemployed annually. The data points out a participation rate of 84% of all eligible unemployed in Kazanluk. Despite the broad coverage, the effect of this program for social integration of Gypsies is limited. The main objectives are to transfer incomes to the jobless poor, to renew work incentive behaviour and working discipline etc. However the consistent labour reintegration and exit of the disadvantage position is not clearly defined as a goal. According to the experts’ opinion, the effects of the program would rise if the temporary employment were accompanied with training or retraining.

A good practice example is Beautiful *Bulgaria Project* initiated in 1998 by United Nations Development Program and supported by PHARE Program of EU. It became very popular with the opportunities for the unemployed to participate on the labour market after being trained in construction. The program contributed for the renovation of old buildings and parks in 11 cities, however Kazanluk is still not included. The Project will be extended in 2002 and the local administration could probably negotiate with the central government for participation in the next stages.

The program *From Social Care to Employment* is organized by the Municipal Social Assistance Centre and the Labour Office. It was implemented in 1996 as a pilot project in collaboration with experts from USA Department of Labour. The program is targeted for beneficiaries of social assistance means-tested benefits. It provides vocational training at first stage and then employment according to the individual work plan.

- **Education**

The education network is very well developed in Kazanluk. Next to the 8 municipal schools there are 11 vocational schools financed by the central budget. However there is no evidence that Gypsies are enrolled in equal degree.

There is one primary school in the Gypsies’ neighbourhood “Karmen” where only Gypsies’ children are enrolled. There are no special programs for integrated education. The social inclusion policy is oriented mostly toward reimbursement of users cost for education – free books provision, lunch at school etc. Many of the Gypsies’ families restrict access of their children to school because of traditional yearly marriage of girls or involvement of children in the informal economy. That is why the school attendance is particularly low after the age of 12-14 for Gypsies.

A survey conducted by the International centre of Minorities problems and Cultural interaction among Gypsies in 1994 found that only 12% of children aged 3-6 were enrolled in kindergartens and only 48% of children in compulsory school age were enrolled in any level of education (Gancheva and Kolev 2001). Other evidence come from the World Bank survey, which shows that the share of children not attending school was 5% among ethnic Bulgarians and 51% among Gypsies. Gypsies’ children constitute half of all children not attending school (World Bank 1999).

The opinion of the majority of citizens in the municipality confirms the importance of the problem of school dropout, especially among Gypsies. The main reason for not attending school was described as “do not like school”. Traditionally the education system is oriented towards memorizing facts and little place is given to development of general life skills. The local government recognizes this problem, but does not take special measures for making school more attractive, as the methodological guidance is considered priority of the central government.

- **Access to Land**

There is more than 80 000 acres agricultural land in the Municipality of Kazanluk. The agriculture is managed by cooperatives re-established during the transition period. The climate and the soils are favourable for rose and lavender growing. The attar of roses has been extracted from many centuries in this region. However the market for these traditional products is quite limited. Next to this, the liberalization of price policy and the cut of state subsidies contributed to the low performance in the agriculture branch all over the country. As a result the number of
employed in the cooperatives of Kazanluk municipality decreases from 3482 in 1996 to 483 in 2000 (Table 1). This fact is particularly unfavourable for Gypsies population that was traditionally involved in seasonal agricultural activities.

Most of the Gypsies’ households are deprived in terms of access to land property. They did not benefit from the restitution of land property during the transition, because the previous generations have been deprived as well. Taking into account that access to property is the most important factor against poverty, the central government adopted a Decree for provision of state or municipal land to the poor people. The municipality of Kazanluk has also adopted a Decree No 16 for management of municipal land, including provisions for poor people. According to the legal provisions the access to the land is ensured by landing or purchase at low prices. The last amendment in the legislation from 23.11.2001 limits the amount of land that could be acquired under these favourable conditions: maximum 10 decares per person or 15 decares per household.

The Gypsies in the small villages in the municipality did not benefit from the conducted agrarian reform and this fact caused migration to the city of Kazanluk. The main reason was the convictions that social welfare system is functioning better in the centre of municipality and they will have greater chance to find a job there.

**Housing Policy**

Bulgaria takes one of the first places in Europe in terms of housing property. The last statistics show 421 dwellings per 1000 of population. This is a transient situation inherited from the previous periods when the state subsidized ineffective building industry, rather than sustainable housing policy. In 1990-2000 period only 100 thousands new dwellings are build or 6 times less than in the 80-ies. Kazanluk is not an exemption of these general trends. More than 50% of the dwellings are too old and need reconstruction, particularly the block-flats.

Despite that most of the population still own dwelling, there are about 800 applicants registered in municipality as people in need of housing. Most of the applicants are Gypsies. The municipality has a stock of 256 housing units. All of these dwelling are rented or occupied and cannot be used to accommodate those in need of housing.

Gypsies are the most deprived group in terms of housing conditions. Most of the Gypsies families own or rent old houses. Their quality and living conditions are unsatisfactory. The dwellings are overloaded and in many of them two or three families live together.

About half of all Gypsies live in “Karmen” neighbourhood, which comprises 200 primitive dwellings and a block flat with 176 apartments. The neighbourhood is situated in industrial area. It is enclosed by a concrete fence separated it form the main road Sofia-Burgas. There are no kindergarten and medical centre in the neighbourhood. The only telephone is near by the school. Sewerage is another serious problem in the neighbourhood. About half of the homes have not access to the sewerage of the city.

The isolated situation of Gypsies’ neighbourhood dates from the 70-ties when the socialist policy for integration of minorities provided for forcible settlement of Gypsies and building of cheap homes. At that time the local government gave municipal land for establishment of the neighbourhood. Although located in the area of the city, this neighbourhood is still not included in the residential Planning and Zoning Map of Kazanluk. According to the legal documents it is considered as an industrial zone. This fact impedes the building of infrastructure and new construction.

**Social Assistance Policy**

The Municipal Social Assistance Office in Kazanluk is established in 1991. It is in charge of provision of means-tested Monthly Benefits for poor people, Energy Benefits in the winter period, and Family Benefits for uninsured parents and in-kind social services. The new Social Assistance Act in 1998 amended the administrative structure by dividing central and local responsibilities. According to the new Act, the directors of the Municipal Social Assistance Offices are appointed by the central government. The central level is responsible for the control and
methodological guidance. Municipality is responsible for provision of financial resources and administrative capacity of the system. About 30 social workers are employed in the Municipal Social Assistance Office of Kazanluk.

Social workers are in charge of identification of the poor families and entitlements. The means-test (so called “Social Interview”) is a regular procedure that includes verification of declared income and visit to the home of the applying family. The eligibility requirements include a number of property criteria: there is a ceiling for the bank savings and deposits, the applicants should have only one house that is relatively small in size and should not own real estate (land, buildings) or movable property (vehicles, cattle, etc.). Active job seeking and non-involvement in the shadow economy are also included in the eligibility. The maximum duration of the administrative procedure of entitlement is 10 days. The Social Assistance Office is equipped with computers and have the staff that allows fulfilling formal criteria of the means-test procedure, however opinion prevails that the system administration is overloaded and ineffective.

The financial expenditures for social assistance represent about 20% of the municipal budget in 2001. Until 1998 the municipality was not capable to cover rising needs for social assistance, due to the growing long-term unemployment and poverty and accumulated a gradually increasing “dept” in the social assistance – i.e. benefits, which are allowed by the Municipal Social Assistance Office, but they are delayed or paid in a reduced amount, due to the lack of resources in the local budget. This deficit emerged for first time in 1993 and in 1998 it reached 15% of the allowed benefits. Such a deficit emerged in most of the municipalities with compact minority population and high poverty rate. Recognizing this problem, in 1999 the Government applied new co-financing mechanism, which aims at matching central and local responsibilities in poverty alleviation policy. According to this mechanism half of planned local expenditures for Monthly Benefits and Family Benefits is reimbursed by an earmarked subsidy from central government. In 2001 the earmarked component for Kazanluk municipality amounted 0.5 millions BGL. Next to this, central budget through the Ministry of Labour and Social Policy provided 0.3 millions BGL earmarked subsidy for Energy Benefits. In this way the share of central resources reached more than 60% of the total expenditures for social benefits. (See Figure 2)

The trend toward centralization of social assistance policy in the last years should not be envisaged as an alternative of the restrictive local financial policy. Centralization would make the system less flexible referring to the regional differences in employment, the ethnic specifics, the age structure and other risks, that determine the level of poverty at local level. The municipality stands closer to the social needs of the population and may adjust the interests of taxpayers and beneficiaries in a better way, than the central authorities.

3. Findings and Conclusions

This part of the study aims at assessment of public services effectiveness and efficiency compared to the needs of minority population in the five spheres of local services numbered above. Next to these five branches, the partnership between the local government and the non-governmental organization should also be pointed as an important factor for effective governance of multiethnic communities and overcoming of ethnic tension.

- Employment

The representatives of local administration and the beneficiaries share opinion that the active programs are supported mainly by means of wage subsidies, which encourage the employers to appoint respective targeted group for a short period of time, i.e. they do not invest in job places. The legislation allows to implement investment programs for promotion of employment in the fields, defined by the state as a priority, such as development of certain regions or branches, construction of sites of particular importance, recovering of environment, etc.

The elaboration of regional and branch programs for development is one of the main challenges in regard to the adaptation of the labour market policy to the needs of minority group. These programs have to include investment plans, training and retraining programs and administrative mechanism for their implementation. There is still no developed regional program for the municipality of Kazanluk.
• **Education**

The school dropout prevention is not designed as a local policy, but rather as separate measures and solutions, based on the experts opinion about the possible causes of this phenomenon. As was mentioned in item 2.3, the majority school dropouts are from Gypsy origin. That is why the first solution focuses on overcoming language and culture barriers. Since the beginning of 90-ies the municipal schools where compact minorities groups are enrolled, included education in Mother language in the curricula. The Open Society Foundation support editing of text books in Mother language that are distributed for free among the minority groups. This measure is important from the viewpoint of the respect for the cultural identity of minorities. At the same time, the observation in Kazanluk municipality shows that it is not sufficient for making school more attractive for Gypsies’ children. The teachers share the opinion that Gypsies meet difficulties with the Bulgarian tongue in the primary school. For this purpose pre-school groups should be organized with Gypsies teachers that would be able to prepare children for learning Bulgarian at the mainstream school. The Romany tongue should be included in the curriculum later, for example at the secondary school.

Another program implemented in 1997 had the goal to increase the attractiveness of school by providing humanitarian aid and breakfast for the pupils in Karmen neighbourhood. The beneficiaries involved express opinion that humanitarian aid is not an effective instrument for school attendance. It drops down after ceasing food supply and the results are not sustainable.

• **Access to Land**

Despite that the conditions for renting and lending of municipal land in the current legislation are favourable compared to the market prices, obviously they are not affordable for the poorest families. Next to this, there is obligation for the new owners to take care for the land that imply additional resources for grains fertilizers etc. That is why there are no Gypsies families amongst the beneficiaries during the last year.

The effectiveness of this policy will increase if the municipality offers not only land, but also targeted low interest credits, particularly for the mew owners.

• **Housing Policy**

The high percentage of ownership among the majority of population is a factor for underestimation of housing policy in the municipality. There is no traditions and experience in the filed of social housing programs, such as granting of housing benefits, provision of low-interest loans etc. That is why the local government in Kazanluk does not provide any targeted programs for Gypsies minority. Taking into account the weakness of local government in this field, in 2001 the World Bank has initiated a pilot project for building family houses for Gypsies in several municipalities, including Kazanluk.

Before the start of the project the municipality will adopt a Planning and Zoning Map for enlargement of the east area of the city. The municipal council has already passed a motion to the mayor to change the category of territory currently occupied by the Roma population from industrial to residential area. The next step would be progressive construction development in unoccupied territory around the Gypsies’ neighbourhood where the building of family housing could possibly begin.

By preliminary estimates a two-story house with a total area of 100 sq. m. would cost about 10 thousands USD and the funds necessary for construction of 300 houses and related infrastructure amount to approximately 600 thousands USD. In Kazanluk there are development companies and contractors with sufficient capacity to implement such a project, however the municipality does not have funds and cannot undertake the project without external financing. For this purpose the World Bank intends to provide loan to the respective local authorities.

The observations show that Gypsies are ready to participate actively in the initiative to improve their housing conditions. Some of them are skilled construction workers and other part could be engaged in the activities that needs relatively lower qualification, such as repair work, thus resolving unemployment problem among the group.
• Social Assistance Policy

The low level of social assistance benefits and the tight eligibility criteria reduce the number of clients mostly to chronically unemployed and poor family, often associated with the Gypsies’ minority. Gypsies represent 29% of the recipients of social assistance benefits, despite that their share in the total population is two times lower. This high percentage of coverage indicates the higher risk of poverty among the group.

At the same time, the majority of population has a negative attitude toward existing social assistance programs. The interviewed people often consider cash benefits as a one-way transfer from the economically active people (tax-payers) to the marginalized strata of population. The majority expressed opinion that guaranteed minimum income play a work-disincentive role. This opinion influence budgetary policy at both levels of its design and implementation: first, the Municipal Council minimizes social assistance expenditures when the budget is adopted and second, the local administration tends to keep a priority of local services with broader coverage, such as education, culture etc.

According to the social workers, the co-financing of social assistance system form the central budget (see item 2.3) did not motivate local government to be more active in policy alleviation policy, particularly amongst Gypsies. There are still cases of delayed payment of benefits, because at the end of 2001 when the local budget were under the pressure of other priorities, the earmarked subsidy from the Ministry of Finances has not been transferred in time.

From the view point of Gypsies representatives the efficiency of social assistance benefits will improve significantly if they would be granted in kind – food, cloths, coals for heating etc. Most of the women in Gypsies families pointed that the provision of targeted assistance in-kind would be a guarantee for using it in the best interest of the children.

• Partnership

Although the partnership between local administration and non-governmental organizations could not be defined as a type of policy, it should be envisaged as a “horizontal factor” for building democratic governance that influence all the rest of social services and programs provided at local level.

The Non-governmental organizations (NGOs) in Bulgaria are represented mainly in the big cities. That is why most of the local government has no many partners in providing public services. The main local partner in Kazanluk is the town’s Committee of Bulgarian Red Cross. Its priorities are lonely elderly people and orphans. The volunteers do not provide targeted services for Gypsy minority. The Open Society Foundation plays an important role in ethnic cohesion policy, particularly in the sphere of education. Although the Open Society Foundation has no local office in Kazanluk, many of the project for cultural integration of minorities are implemented in cooperation with local administration.

There are no registered NGOs of Gypsies in Kazanluk. This fact makes difference from other municipalities with compact minority population, such as Lom, Pazardjik or Plovdiv, where there are many NGOs created by ethnic minorities.

Most of the projects run by NGOs are sponsored by foreign donors and have temporary character. This fact leads to unsustainable results. The participation in a big number of small projects is an obstacle for the co-ordination among the NGOs. There are many cases of duplication of the activities (mainly provision of humanitarian aid), and in the same time there are particular needs of ethnic minorities, which remained uncovered.

A great number of the weaknesses of partnership between local authorities and NGOs are connected with the lack of adequate legislation. The existing legal provisions (e.g. the Social Assistance Law, Public Education Law) are related to licensing procedures, but not to measures for supporting the co-operation. The financial legislation does not envisage direct or indirect tax deductions or subsidies to the third sector, even if the subject of activity of the NGO is targeted for disadvantaged groups, such as ethnic minorities. Another considerable part of NGOs’ problems result from their institutional capacity, particularly lack of trained special staff, equipment, and mobility.
General conclusion could be drawn that local administration is aware of the ethnic problems and the specific needs of Gypsies, however there is a lack of knowledge and insufficient information on the existing innovative approaches and good practices in dealing with the ethnic tension. There are no doubt that local government is in a better position than central authority to provide a balanced policy of public services and to match the interest of different social groups and ethnic communities. Very often the local government is in a position to fill the gaps of the national legislation and to re-allocate resources in order to guarantee equitable access to the public services.

4. Recommendations

The recommendations are oriented to the straightening of local administrative capacity and stem from the problems identified in the case study. The goal of recommended measures is integration of disadvantaged minority group and overcoming of ethnic tension through equitable provision of public services.

- The existing mismatch between decentralization of social services provision and centralized fiscal policy is an obstacle for effective government and local initiative promotion. The rising local responsibilities in the budget expenditure side (social services provision) should be accompanied with the relevant decentralization in the budget revenues side, e.g. liberalization of local tax policy and abolishment of administrative barriers.

- At a broader institutional level better mechanism have to be established for transparency of the budget planning and accountability to the citizens for all the choices and compromises that have to be made in order to avoid ethnic tension. The public relations campaign at the start of budgetary period will help for increasing public awareness and will facilitate political decisions on how to allocate the scarce financial resources.

- Education is the most important factor for overcoming social exclusion of ethnic minority at the labour market and for their integration in all spheres of the social, political and cultural life of the community. The programs for increasing school attendance of minorities must be adjusted to the specific needs and attitudes of Gypsies and to focus on the access to vocational education. The graduates have to obtain basic skills and to be able to continue to learn throughout their lifetime as the needs of the work environment change.

- The local programs for ethnic cohesion have to be more comprehensive and to cope in a complex way with the social risks and demands of the minority population: unemployment, housing conditions and poverty.

- Ethnic poverty should be treated as a complex phenomenon within the whole diversity of causes and factors for deprivation of Gypsies. Social Assistance Benefits provided at local level are a necessary, but not sufficient condition for poverty prevention. Special emphasis should be given on targeted programs and services, oriented toward specific needs of family members at higher risk, such as children or chronically unemployed people.

- The economic stabilization inevitable implies restriction of public expenditures. In these conditions it is particularly important to unable local administration to apply and use the available international financial instruments and programs, particularly those targeted for social cohesion promotion in the region.

- The institutional capacity of the local NGOs should be enhanced in order to deal with the ethnic problems and to cooperate with the local authorities for provision of targeted social services and equity promotion.
Table 1: Employed Persons in Kazanluk Municipality (1996-2000)

<table>
<thead>
<tr>
<th>Branches</th>
<th>1996</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real sector</td>
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<td></td>
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<tr>
<td>Industry</td>
<td>21,719</td>
<td>16,262</td>
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<td>Agriculture</td>
<td>3,482</td>
<td>483</td>
</tr>
<tr>
<td>Services</td>
<td>7,106</td>
<td>3,440</td>
</tr>
<tr>
<td>Public sector</td>
<td></td>
<td></td>
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<tr>
<td>Local administration</td>
<td>434</td>
<td>540</td>
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<tr>
<td>Education</td>
<td>2,237</td>
<td>2,115</td>
</tr>
<tr>
<td>Health</td>
<td>1,793</td>
<td>1,383</td>
</tr>
<tr>
<td>Total</td>
<td>36,771</td>
<td>24,223</td>
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Figure 1: Administrative Structure of Kazanluk Municipality

Mayor

Deputy Mayor for Building and Investments
- Directorate Architecture and Infrastructure
  - Department Building and Investments
  - Department Cadastre and Regulation
  - Department Architecture and Planning

Deputy Mayor for Economic Policy
- Directorate Economic Policy
- Directorate Municipal Property
  - Department Agriculture

Deputy Mayor for Social Policy
- Directorate Education, Culture and Social Policy
  - Department Education, Sport, Tourism
  - Department Culture
  - Department Social Policy and Healthcare

Secretary of the Municipality

Chief Accountant
- Directorate Financing and Assets Management
  - Department Budget and Assets Management
  - Directorate Administrative, Legal and Information Services
Figure 2. Financing of Social Assistance Benefits: Central and Local Responsibility
Bibliography


