

**INSTRUMENT FOR PRE-ACCESSION ASSISTANCE
HUMAN RESOURCES DEVELOPMENT COMPONENT**

OPERATION IDENTIFICATION SHEET

1. Title of the Operation:

Promoting Registered Employment Through Innovative Measures.

2. Operating Structure:

Ministry of Labour and Social Security (MoLSS).

3. Organisation Responsible for the Implementation of the Operation:

The beneficiary will be the Social Security Institution.

The contact person on behalf of the beneficiary is:

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4. Compatibility and Coherence with the Operational Programme:

4.a Common Code for Identification (CCI) No of Operational Programme:

CCI 2007 TR 05 IPO 001

4.b Commission decision (no and date) and the date of signing of the financing agreement for this OP: Human Resources Development Operational Program – CCI No. 2007TR05IPO001

C(2007)6030 adopted by the EC on 7 December 2007; [date of signing of the financing agreement to be inserted at a later stage]

4.c Title of the Priority Axis:

To attract and retain more people in employment, particularly by increasing labour force participation of women, and decrease unemployment rates, especially for young people (Priority Axis 1. - Employment).

4.d Title of the Measure:

The measure aims to promote registered employment (Measure 1.3).



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5. Description of the Operation:

5.a Contribution to the Achievement of the Operational Programme:

This operation will contribute to the objectives of OP and relevant Turkish and EU policy papers in the field of undeclared work by supporting the institutions and social partners which promote registered employment. The operation will support the registered employment through coordination between public institutions, social partners, and by strengthening the capacity of the Social Security Institution, especially *Presidency of Guidance and Inspection*.

5.b Overall Objective:

The overall objective of the project is to promote registered employment through strengthening the capacity of social security institution, coordination among relevant public institutions and social partners in order to provide sustainable economic growth with more and better jobs and greater social cohesion.

5.c Operation Purpose:

The purposes of this contract is to provide technical assistance to increase the capacity of SSI, other relevant institutions, social partners and relevant NGO's to promote registered employment, and to support them for the preparation and implementation of relevant strategies and a grant scheme and supply procedure.

5.d Location(s):

The operation will be implemented both at national level and in 12 eligible NUTS II regions (growth centres and their hinterlands).

5.e Duration: 21 months.

5.f Target Group(s):

- Staff of SSI
- Staff of relevant Public institutions,
- Social partners, Regional/Local Authorities and relevant NGO's.
- Self-employed
- Unemployed persons
- Unregistered workers and their dependants,
- Unregistered women workers with low level of education

5.g Description of the Operation and Background:

With a view to ensuring concentration and eliminating regional disparities, the operation will be implemented according to the HRD OP in the 12 NUTS II regions of Turkey whose GDP per capita is below 75% of the national average. Moreover, the Strategic Coherence Framework identifies 15 cities which have potential to become growth



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centres, where majority of the funds under the HRD OP will be allocated. These are Kars, Van, Batman, Erzurum, Diyarbakır, Şanlıurfa, Gaziantep, Kayseri, Sivas, Trabzon, Elazığ, Malatya, Kastamonu, Samsun, and Kahramanmaraş. All other areas outside the growth centres within the 12 NUTS II regions are referred to as "hinterlands".

There is no common definition and measurement for unregistered employment in Turkey TURSTAT does not define the unregistered employment; but estimates only the number of those who are not registered social security institutions no matter if they are in or out of the scope of the legislation.

In particular, informal or semi-formal firms increase/ maintain their market share through low cost and low quality production and therefore this situation leads to a pressure on the formal business where high quality goods and services are provided in the same sector.

Sectors or firms facing international competition pressure mostly tend to employ unregistered work in order to survive in the market. This situation hampers innovation, technological developments and growth.

In the sectors or firms where mostly the unregistered workers are employed, investment in human resources remains insufficient and thus the human resources capital of the country can not be developed, which also hinders economic growth.

Ineffective collection of tax and social security contributions deducted from wages affects the financial balance and thus the budget which should be diverted to the economic growth is allocated to the social security expenditures.

Unregistered employment results in lower income levels of workers. Therefore, the GDP level decreases.

Unregistered workers are the poorest part of the society. This shows the positive relation between unregistered employment and poverty.

According to an OECD report on Turkey, it has been concluded that the level of productivity in sectors, which is predominantly formal, is relatively higher than the sectors which employ a higher percentage of informal economic activity. In this report, a categorization was made upon the performance of sectors in terms of competitiveness, production and informal employment. Three categories were identified: *well performing, squeezed and intermediary sectors*.

First, *well performing sectors* like car manufacturing, consumer durables, industrial machinery, chemicals and steel production are in a better situation in terms of indicators like productivity growth, wage levels, product differentiation and the reduction of their costs. In these sectors, qualified labour force is employed in a higher percentage which leads to a higher percentage of registered work. These sectors also use capital-intensive



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inputs. All these factors contribute to a more competitive business environment which in turn creates higher productivity. Therefore, it is obvious that a very strong correlation exists between registered economy and increased productivity.

On the contrary, *squeezed sectors* such as textile and clothing in which low-skilled labour and cheap local inputs are intensively used record low levels of productivity. These sectors employ a higher rate of unregistered work reflecting the correlation between formal activity rate and productivity. Enterprises in the sectors where labour productivity is low and labour intensive production patterns are widespread tend to informal employment in order to decrease labour costs for price competition. This situation is a result of their efforts to survive.

Lastly, the *sectors in an intermediary situation* such as manufacture of electronic goods, furniture, plastics and food products are performing better than squeezed sectors but worse than well-performing sectors in terms of productivity and skilled labour. Firms in these sectors prefer to increase their competitiveness through paying less.

Manufacturing sector, which is among squeezed sectors, constitutes a considerable part of Turkish economy. In this sector, most of the enterprises are low performing due to employment of low-skilled labour and low- technology inputs. Additionally, most of the low-skilled labour employed by the sector work unregistered.

On the other hand, there are some enterprises which have successfully restructured in a way to increase their productivity. However, these enterprises constitute a small part of whole industry. These enterprises which use higher technology and employ a higher percentage of registered labour are facing with unfair competition due to informal economic activities. The challenge here is enhancement of formal economy through promoting enterprises which fulfil their legal obligations and simultaneously ensuring that the low-skilled labour force employed in informal economy is provided necessary skills in order to eliminate the structural barriers in front of transformation from informal to formal economy.

Overcoming informality requires a careful approach. Unfortunately governments sometimes worsen the problem by adding to the tax and regulatory burden on formal firms to compensate for poor enforcement. This simply drives more firms towards informal areas. Moreover policy-makers need to recognize that simply closing down informal/semi-formal firms will throw many unskilled and poorly paid employees out of work, most of them beyond the reach of social safety nets. What are needed are institutional mechanisms to communicate the benefits of formalisation to firms and to make both the benefits of formalisation and the costs of in formalisation.

The new approach should focus on promoting registered work through strengthening the formal side of the economy rather than strict legal enforcements.



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The main stakeholders in this problematic area are formal firms, informal firms, government and intermediaries.

Two main pillars of formalisation process are so called as “promoting for magnifying formal sectors/ strengthening enforcement for minifying informal sectors”.

The first pillar should include; reforming of labour market regulations and accelerating the modernisation of the capital markets; restructuring sectors and firms (e.g. institutionalization of firms especially SME’s) to work in a well-organised manner; amending The Turkish Labour Code in a way that it allows more flexible working; the reduction of the employment costs of low-skilled workers especially in less developed regions where the labour productivity is lower; to promote formal firms benefiting incentives or other public services; diminishing bureaucratic procedures, providing new skills for labour force, informing the workers and entrepreneurs of the benefits of formal economy etc.

The second pillar can actively increase the expected costs for entrepreneurs for being informal or semi-formal. This pillar may include; using/enforcing telephone hotlines to enable the public to report people working undeclared; regular use of data matching to target specific sectors and informal activities; a wider use of external data in data matching to increase of detection; to block informal firms benefiting incentives or other public services; to restraint of informal trade between formal and informal sectors and firms etc.

Measures to reduce the cost of formalisation are unlikely to be sufficient in the absence of positive incentives. Linking these changes to access to other resources, such as training, finance, physical infrastructure may be even more effective. But the benefits of formalisation or costs of being informal are generally quite specific to each particular sector/activity.

The unregistered employment rates in the 12 NUTS-II regions are higher than the unregistered employment rate in Turkey as a whole.

One of the aims of this project is to launch a debate/study/series of events on the causes of undeclared work and the policy options open to combat it. It suggests that there is, firstly, a need to identify correctly the causes and extent of the problem, and, secondly, to regard combating undeclared work as part of the overall employment strategy/policy.

This project expects that the public institutions and social partners will participate vigorously in this debate. An increased awareness of the causes and extent of undeclared work, the identification of best practices in combating it and the possibility of co-ordinated action should be considered in this context.



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In order to be effective in promoting registered employment, the establishment of a comprehensive targeted strategy is necessary. A mix of measures drawing on the two approaches outlined above must be implemented ensuring that different measures interact and that other policy initiatives do not contradict the measures taken to combat undeclared work.

Within this framework the operation will support the relevant public institutions and social partners, which combat the unregistered employment, through training and awareness raising activities, grant scheme and a strategy paper on promoting registered employment not only for the sake of operation but also to support to meet the benchmark of 19th chapter on Employment and Social Policy which is mentioned in screening report in line with EU principles.

The MoLSS is responsible for policy-making while SSI Presidency of Guidance and Inspection is the main responsible for the combat against undeclared employment but other Ministries i.e. Ministry of Finance, Ministry of Trade and Industry, Ministry of Tourism are affected as well.

Social Security Institution has been established by the Social Security Institution Law No:5502 which was published in the Official Gazette No: 26173 dated 20.06.2006 and has brought the Social Insurance Institution (social security institution for workers), Social Insurance Institution for the Craftsmen and Artisans and Other Self Employers (social security institution for self-employed) and Retirement Fund (social security institution for civil servants) under a single roof in order to transfer five different retirement regimes which are civil servants, contractual paid workers, agricultural paid workers, self-employers and agricultural self-employers into a single retirement regime that will offer equal actuarial rights and obligations.

The four inspection boards working under the three social security institutions, namely Inspection Board of General Directorate of Retirement Fund, Inspection Board of Social Insurance Institution for the Craftsmen and Artisans and Other Self Employers, Inspection Board of Social Insurance Institution and Social Insurance Inspection Board of Social Insurance Institution, have been unified with the social security reform in May 2006 and the new inspection body has been named “Presidency of Guidance and Inspection.”

The administrative centre of the Presidency is located in Ankara. There are 447 social security inspectors in existing regional branches of Presidency of Guidance and Inspection established in 6 provinces (Ankara, İzmir, İstanbul – Anatolian side and European Side, Bursa, Adana and Trabzon), in order to provide the inspection body with practicality.

The Presidency of Guidance and Inspection is undergoing a process of recruitment of additional staff for more effective inspection based on the understanding of guidance.



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“Guidance Centres for Promoting Registered Employment” are going to be established in 43 cities in 12 NUTS II Regions in order the Social Security Institution to have a closer contact with the civil life.

Among the four former inspection boards, only Social Insurance Inspection Board was working in the field of labour life, the duties of the rest pertained to internal audit, namely inspection of the internal affairs and transactions of their organizations. With the unification of the inspection boards, two main duties have been given to the new inspection structure: internal audit (controlling the transactions and performance of the institution) and external audit (controlling the labour market).

5.h Results with Measurable Indicators:

Component 1: Strengthening the institutional capacity of SSI and social partners to combat unregistered employment and to implement Grant Scheme

This operation is directed but not limited to strengthening SSI, Presidency of Guidance and Inspection to be able to take a leading role in the combat against undeclared employment national / regional and local. Other actors on the Labour Market i.e. Labour Inspectors from MoLSS, ISKUR, staff from Ministry of Finance, Social Partners and NGO's will be involved in relevant training activities.

- Capacity of SSI, relevant institutions and social partners to promote registered employment improved.
- Capacity of SSI to conduct future internal training of staff increased by establishment of a trainer corps.
- Capacity of SSI and other relevant ministries to cooperate and act in coordination to promote registered employment increased.
- Models for inter ministerial cooperation (e.g. a monitoring system for registered employment)
- Identified or tested in selected areas and locations.
- New common database for cross institutional use developed and in operation.
- Increased awareness at national and regional level about the importance of registered employment and the connection with the social security.
- Field study/labour market analysis produced and the structure of unregistered employment in required regions/sectors described.
- Publications and information materials available
- A compendium (Catalogue of Ideas/Knowledge Bank) on the Grant Scheme projects produced and a National dissemination Conference taken place
- “Guidance Centre for Promoting Registered Employment in 43 city centres in 12 NUTS II Regions in operation.



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Component 2. Grant Scheme for innovative actions to promote registered employment.

This operation aims to enable the regional / local society to find new ways and methods to promote registered employment. Eligible applicants will be regional / local authorities, social partners and NGO's in the 12 NUT's II regions with the 15 growth centre.

- Number of permanent local partnerships to promote registered work established and operating
- Number of innovative pilot projects in promoting registered work successful implemented
- The rate of registered employees in the 12 NUTS II regions increased.
- Number of trainings for employees and employers are given.
- Decrease in the rate of complaints (advice slip) on the unregistered employment to the Social Security Inspection Board

Component 3: Office equipment for conducting training activities and improving the information base capacity of the SSI Presidency of Guidance and Inspection. Strengthening the guidance capacity of the SSI by establishing Guidance Centers. Setting up a common database for enabling the Presidency of Guidance and Inspection and other relevant authorities to access analysed data.

The component aims to provide SSI Presidency of Guidance and Inspection's national, regional / local offices with the necessary equipment to be able to be the lead actor in the combat against unregistered employment. The equipment is necessary to ensure a degree of information exchange and cooperation between public institutions dealing with unregistered employment.

- Computer equipment.
- Furniture.
- Other office equipment and accessories.

5.i Activities:

Component 1: Strengthening the institutional capacity of SSI, relevant Institutions and social partners to combat unregistered employment and to implement Grant Schemes

Result 1: Capacity of SSI, relevant institutions and social partners to promote registered employment improved.

This task will include following activities:



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Activity 1. Carrying out training needs analysis among the staff of SSI and other Ministries

Activity 2. Trainings for staff of relevant departments of MoLSS, ISKUR, SSI, other public institutions and social partners including associations (TESK, TOBB etc.).

Activity 3. Organize study visits to E.U member state(s).

Result 2. *Capacity of SSI to conduct future internal training of staff increased by establishment of a trainer corps.*

Activity 4. Conducting Training of Trainers for staff of SSI to be able to deliver future training in mechanisms and methodology for promoting registered employment.

Result 3. *Capacity of SSI and other relevant ministries to cooperate and act in coordination to promote registered employment increased.*

Activity 5. Establishing thematic working groups for inter ministerial cooperation and coordination established and developing a strategy paper for cooperation.

Result 4. *Models for inter ministerial cooperation (e.g. a monitoring system for registered employment) identified or tested in selected areas and locations.*

Activity 6. Identifying/testing models for inter ministerial cooperation (e.g. a monitoring system for registered employment) in selected areas and locations

Result 5. *New common database for cross institutional use developed and in operation.*

Activity 7. Developing and operationalising a common database under the body of the Presidency of Guidance and Inspection for cross institutional use.

Result 6. *Increased awareness at national and regional level about the importance of registered employment and the connection with the social security.*

Activity 8. Organise Conferences for awareness raising.

Result 7. *Field study/labour market analysis produced and the structure of unregistered employment in required regions/sectors described.*



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Activity 9. Conducting a Field study/labour market analysis carried out on unregistered employment in required regions and/or sectors. The regions and or sectors has to be agreed during the inception phase

Result 8. *Publications and information materials available*

Activity 10. Publication of basic information leaflets on registered employment issues, which will be available to support information and awareness raising campaigns, as well as other dissemination activities by social partners at national and local level.

Component 2. Grant Scheme for innovative actions to promote registered employment

A Grant Scheme for innovative actions to promote registered employment will be launched. The duration of the Grant Scheme will be 12 month. It is expected that around 70 grants of min. Euro 100.000 and max. Euro 400.000 will be awarded. The grant projects will be implemented in the 12 NUTS II regions with the 15 growth centre.

Eligible for grants will be

- Regional and Local Authorities,
- Municipalities,
- Local and regional public organisations,
- Social partners
- Chambers of Commerce,
- Professional Organisations,
- Associations of towns & cities,
- Non Government Organisations,
- Local Development Organisations...

Creation of local partnerships to promote registered employment is a must.

The list of example types of actions listed below is not exhaustive.

1. Identification and implementation of specific measures to reduce the employment costs (not legal burdens) in particular, low skilled employment on the employers especially in regions where productivity is lower.
2. Field study with a special focus on formal flexible working and identification of the best practices which may be disseminated to a wider area.
3. Developing and implementation formal flexible working models which are suitable for Turkish labour market in order to adapt to changing labour market conditions.



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4. Identification of appropriate amendments on relevant legislation, which would promote the transition from unregistered work to registered work, on the basis of the findings of the field studies on flexible working.
5. Establishment and/or using a network within the actors of economic and social actors with a view to develop and nurture the culture of registered employment.
6. Awareness raising activities for local authorities, employers and employees in order to develop sensitiveness regarding unregistered work.
7. Identification of the sectors involving an intensive trade volume where unregistered work is widespread.
8. Developing models/ reorganisation of sectors or firms which will promote the extension of trade between registered enterprises in main industries such as clusters or other forms of models.
9. Proposing amendments on relevant legislation, which would enforce firms to trade registered enterprises, on the basis of the findings of the field studies.
10. Conducting sectorial and inter-sectorial analyses with a special focus on informality.
11. Developing models which will create better coordination, monitoring and good governance among relevant institutions and other stakeholders.
12. Conducting activities aiming to establish cooperation among chambers with a view to promote registered employment.
13. Developing models for ensuring preventive practices among stakeholders especially among accountants.
14. Promoting registered employment through social dialogue.
15. Vocational training activities with a focus on promoting registered employment.
16. Conducting information and publicity events at schools in order to develop a social security culture.
17. Development and/or implementing models for employers in order to promote social responsibility.
18. Promoting and experiencing best practices on the principle of equal opportunities (in particular, women and the young) in the context of undeclared work.
19. Increasing the role of social partners/other stakeholders in promoting registered employment through cooperation.

Actions for reduction of undeclared work in an innovative approach.

Component 3: Office equipment for conducting training activities and improving the information base capacity of the SSI Presidency of Guidance and Inspection. Strengthening the guidance capacity of the SSI by establishing Guidance Centers. Setting up a common database for enabling the Presidency of Guidance and Inspection and other relevant authorities to access analysed data.

The project will provide the SSI Presidency of Guidance and Inspection with the necessary equipment to develop the database planned under component 1 of the project, as well as the necessary office equipment to meet the needs of the Guidance Centres for



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Promoting Registered Employment which will be established within the local branches of the SSI.

Those facilities will be used for the delivery of the training activities of the programme, as well as to other training and guidance activities of the Presidency delivering to the social partners, employers and employees.

The tender equipment may be launched in one or three lots:

- Computer equipment and software;
- Furniture;
- Other training equipment and accessories.

6. Implementation Arrangements:

6.a Institutional Framework:

The overall management of the project will be ensured by:
the Senior Representative of the Operation Beneficiary (SROB) from SSI,
the Operation Steering Committee (OSC).

The Operation Steering Committee will be composed of representatives from SSI, relevant departments of MoLSS and its affiliated bodies, Ministry of Finance, Ministry of Industry and Trade, Ministry of Tourism, EUSG, CFCU, Undersecretary of Treasure, State Planning Organisation KOSGEB, TİSK, TÜRK-İŞ, HAK-İŞ, DİSK, TOBB, TESK and EC Delegation at high level and will be chaired by the SROB. Other relevant institutions including a representative from the Labour Economics and Industrial Relations departments of universities may be invited after the first meeting of the Committee. It will meet twice a year. Secretariat will be held by the OCU.

The Senior Representative of the Operation beneficiary (SROB) will be responsible for the arrangement of the technical implementation of the project.

A monthly Management Committee meeting with participation of CFCU, ECD, TAT and OCU in order to monitor the implementation of the whole operation will take place.

The technical implementation and day-to-day administration of the project will be entrusted to an Operation Coordination Unit (OCU) led by the Head of Presidency of Guidance and Inspection and with representatives from the Department of EU and External Relations in SSI and if necessary from MoLSS EU Department.

6.b Proposed Monitoring Structure and Methodology:

A Steering Committee will be established with the participation of MoLSS, CFCU, EC Delegation and all the relevant partners when needed. It will be organized once in a



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month under the responsibility of beneficiary institution. Steering committee will be headed by SROB or a relevant person who is delegated by SROB. Team leader of Technical Assistance Team and other related experts have to participate to the Steering Committee meetings.

A Monitoring Team composed of relevant number of experienced staff will be established and a management and information system will be used in order to monitor grant scheme effectively. Monitoring Team will be assisted by technical assistance team. Monitoring Team will report to the beneficiary, operating structure and the CFCU.

All the responsibility in terms of Operation including Grant Schemes belongs to the Operating Structure. Accordingly, the OS cooperates with the beneficiary in monitoring the implementation of the contract, forming a project monitoring or steering committee; ensures that the beneficiary/grant beneficiary submit to the OS and the CFCU simultaneously, the progress reports on the implementation of projects in accordance with the form forwarded by the CFCU, as well as monthly, quarterly and final reports where applicable for grant beneficiaries, and any other information about the implementation of projects under the Operational Programmes.

6.c Required procedures and contracts for the implementation of the operation and their sequencing:

1. Institution and capacity building

Service Contract

Expected start:

Call for tender: September/October 2008

Tech. assistance contract: March / April 2009

Finishing: December 2010

2. Fund for innovative actions in the field of registered employment

Grant Contract

Expected start:

Call for proposal: September/October 2008

Contracting: April/May 2009

Finishing: April/May 2010

3. Office equipment for conducting training and guidance activities and improving the information base capacity of the SSI

Expected start:

Call for proposal: June 2009

Contracting: September/October 2009



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Finishing: September/October 2010

7. Risks and Assumptions:

Assumptions

- A functioning coordination between social partners and public institutions is provided
- There is an effective cooperation between civil society and public institutions in collecting necessary data
- Involved Ministries and representatives of relevant economic sectors willing to cooperate and sign Memorandum of Understanding
- Successful awareness raising campaigns are carried out

Risks

- Insufficient participation in training and task groups.
- Lack of political will towards the approval and implementation of the strategy paper for cooperation on unregistered employment.
- Resistance of employers and employees against the objectives of the operation,
- Lack of data regarding unregistered work.
- Lack of coordination between the three components of the operation

8. Expected impact of the operation on the target group and multiplier/spill over effects:

Expect of impacts of the operation on the target group are to increase life quality of the unregistered workers and their dependents, to create more impulsive environment for registered working and improve the capacity and ability of related institution's staff on the subject of the operation.

Although it is too early to measure the impact of the programme, every activity has been identified their real impact and cascade effect of their implementation on the beneficiaries. Multiplier/spill over effects is expected to be:

- Contribution of sustainability of social security/protection system,
- Positive effects on the reduction of informal economy,
- Less bureaucratic and guidance oriented inspection,
- Increased social inclusion of unregistered workers, especially women,
- Improvement in the quality of social security services,
- Improved social dialogue between all stakeholders,
- Sectorial spill over of fair competition between employers.



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9. Sustainability:

By a number of innovative Grant Schemes with origin in regional / local ideas useful experience from those “pilot projects” will be gained and create the basic for a catalogue of ideas to promote registered employment which can be used nationwide.

By establishment of permanent regional / local partnership for promoting registered employment regional / local ownership of the problem is secured.

The operation is predetermined to cooperation between different public authorities and in this way an inspiration to new practice. The synergy effect will animate to changes in existing structures.

By using the civil society as sparring partner the SSI Presidency of Guidance and Inspection has expanded its instrument to handle undeclared work.

In accordance to the National Strategy Paper and Action Plan permanent administrative adjustments will be made in the relevant institutions which will ensure the sustainability of the operation and further.

Trainings, database and electronic analyze system will provide the continuity of more effective and coordinated combating unregistered employment and will support related existing databases and inspection capacity through the daily usage of these systems..

Increased capacity and awareness of the relevant partners through the grant schemes will provide a culture to work registered.

10. Horizontal Issues:

All horizontal issues mentioned in HRD OP are considered in this operation.

Equal participation of women and men will be secured through appropriate information and publicity material, in the design of projects and access to the opportunities they offer and through early monitoring of the composition of the partnerships under the grant scheme.

An appropriate men/women balance will be sought on all the managing bodies and activities of the programme and its projects. Furthermore, sectors like textile which women are mainly employed unregistered will be focused and this will create an opportunity for women to be registered.

Sustainable development and participation of civil society are foreseen by establishment of permanent local partnerships for promoting registered employment and by participation in the Grant Scheme.

All activities will be carried out on the principle of geographic, sectorial and thematic concentration in the 12 eligible NUTS II regions and 15 Growth Centre.



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11. Links with other IPA Component Measures:

This operation is closely linked with IPA I component due to the *acquis communautaire* on free movement of workers. The legislative (e.g. 1408/71 Social Security Regulation) and institutional framework regarding the coordination of social security is directly related to success of the negotiations on the chapter 2 (free movement of workers) and chapter 19 (combat of undeclared employment).

The operation is linked to the “Strengthening of the Social Security Institution” project and to “Improving Labour Inspection System” as well.

Operation will follow the sectorial analysis and priorities of the Regional Competitiveness Operation Programme in order to be more focused and get effective and efficient operation results.

Total Budget of the Operation: 15.000.000 €