



## Facilitation of regional mobility of persons employed by entrepreneurs.

### Nodarbināto personu reģionālās mobilitātes veicināšana (Mobilitātes programma)



Latvia

#### 1 DESCRIPTION

**Timespan** Since 2013.

**Stage** FULLY OPERATIONAL

**Focus area**



MATCHING SKILLS FOR TODAY'S JOB MARKET

#### 2 FOUNDATIONS

**Policy Area**



ACTIVE LABOUR MARKET POLICIES

The amendments for Cabinet of Ministers Regulation No. 75 of 25 January 2011, "Regulations Regarding the Procedures for Organising and Financing of Active Employment Measures and Preventative Measures for Unemployment Reduction and Principles for Selection of Implementing Bodies of Measures" came into effect on March 8, 2013, determining the procedure of implementation of the preventive unemployment reduction measure "Promotion of regional mobility of persons employed by merchants".

**Policy Goal**

Participation in the measure allows the employer/entrepreneurs to fill the vacancies by hiring the necessary specialists from other administrative territories, thus reducing the regional skills mismatch. The goal of the measure is to facilitate regional mobility of people employed by entrepreneurs by providing financial support for covering the cost of transport and rent of living space in the first four months after commencing the employment legal relationships. The instrument tackles the problem of regional skills mismatch, by allowing the employer to hire an employee from other regions, thus also levelling out the demand/supply problem in labour market.

## Mismatch

### PART OF BROADER PROGRAMME, YET WITH EXPLICIT FOCUS

The employed person's regional mobility measure is a cross-programme assistance instrument, which helps to reduce geographical skills mis-match in a variety of target groups@ people with disabilities, young people, long term unemployed etc.

## Aim of policy instrument



FACILITATE JOB/CAREER TRANSITIONS

## Legal basis

REGULATION

## Administrative level

NATIONAL

## Main responsible body

State Employment Agency (SEA)

## Stakeholders



GOVERNMENT (CENTRAL & REGIONAL)



OTHER

State Employment Agency manages the application of the instrument through the network of its territorial offices. Ministry of Welfare is responsible for the supervision and evaluation of the implementation of the instrument. Enterprises are involved as stakeholders responsible for the provision of workplaces.

## Funding

The measure is financed by three ESF projects and the special budget for employment (part of public budget). The total combined 2017 budget for the mobility tool (funded by two ESF projects: Active employment measures and Mobility for employed persons) was €563,000. The planned budget for 2018 is €568,000.

## Intended beneficiaries

Employed person: The State Employment agency provides financial compensation not exceeding €400: - transport costs for regular travels from the declared residence to workplace and back; - compensation of living space rent and one travel per month from the declared residence to work place and back. Employer participation in the measure allows them to fill the vacancies by hiring the necessary specialists from other administrative territories.

## Use of labour market intelligence



### DESIGN TRAINING PROGRAMMES TO ACTIVATE UNEMPLOYED

The employment surveys showed that there were strong differences in the level of unemployment in the regions of Latvia (capital city Riga region 6.2%, Latgale region - 19.8%, other regions 10-11% (SEA, 2013)). So the mobility instrument was launched in 2013 as a pilot project in Latgale region and proved to be successful and was implemented nationwide. Besides unemployment surveys, other statistical data were not used. For the cross project/target group tool, it is hard to evaluate statistical progress indicators, so the mobility tool is evaluated based on the regular reports from SEC's regional branch offices about overall demand of employment tolls that require mobility assistance.

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## Financial schemes

The employee receive the following financial compensation: - Advance payment of €145 for the first month of the employment - The monthly financial compensation for the next three months of employment cannot exceed €85 per month. The compensation is calculated on the basis of the actual costs of rent of living space and transport in the first month. - If the costs of living space rent and transport in the first month of the employment are €145 or more, the monthly financial compensation during the next three months is €85.00. - If in the first month of employment the costs of rent of living space and transport have been less than €145, the residue of the financial compensation received in the first month is deducted from each month in proportion to the actual costs of the first month.

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## Frequency of updates

The data from regional branches of SEA about requests for mobility assistance are collected on a regular basis and gives an overall view on demand and expenditures on an mobility instrument.

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## Development

No, the instrument works well.

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## Barriers

This is not a barrier per se, but there are some regulations the employed persons must comply with: - must be registered as unemployed for at least two months before the day of establishing employment legal relationships with the particular employer; - employment legal relationships have to be established with an employer who has registered a vacancy in a profession or occupation in which the employed person works, at least one week before establishing employment legal relationships with the employed person; - the work place is located at least 20 km from the declared residence and the entrepreneur within the employment legal relationships does not compensate transport or living space rent costs to the employed person; - has been declared in the indicated location for at least 6 months; - there is no fixed term for the employment legal relationships, the employed person has the normal work hours and the wage is equal to the minimum wage established in Latvia or higher, but not exceeding two minimum wages established in Latvia; - the employment legal relationships have not been established earlier than 10 days before the day when the financial compensation is requested. The instrument does not apply to state capital Riga.

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## Success factors

The cross project and cross target-group aspect was crucial in the success of the mobility instrument. The mobility tool is a component part of many employment initiatives (e.g. on-spot education of unemployed people, different regional trainings etc), which requires frequent traveling of unemployed people across the country. The mobility tool can also be used for different target groups – young unemployed people, elderly or disabled.

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## Monitoring

The mobility programme is envisaged to be a support instrument for other employment and training programmes, thus giving them broader regional reach and solving geographical workforce demand mismatch. The success of the progress is evaluated on a regular basis, at least once a year, and the instrument is prolonged to the following year if necessary. The mobility tool is evaluated based on the regular reports from SEC's regional branch offices about overall demand of employment tolls, which require mobility assistance.

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## Innovativeness

NOT INNOVATIVE

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## **Evidence of effectiveness**

From one point, the success of mobility instrument is shown by the decreasing numbers of people, who request mobility assistance in SEA, but from the other, it should be kept in mind, that mobility instrument does not solve a geographical skills mismatch problem per se, and should be regarded as a complimentary assistance tool for other training, workplace learning etc programmes. By September 2017, 204 employees received regional mobility support from the SEA. Since the beginning of the implementation of the tool (2013), 915 employees have received support for regional labour mobility. Overall satisfaction is high.

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## **Engagement of stakeholders**

Regulation specifies the role of SEA and the budgetary allocations for mobility instrument also are from SEA budget. The budget of SEA is reviewed once a year, together with the Ministry of Welfare, and based on requests for an instrument during the previous period.

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## **Transferability**

### **EASILY TRANSFERABLE**

Mobility instrument as a cross-programme and cross-target group assistance tool is easily transferable. It is easily implemented and does not require special infrastructure or complex management solutions.

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## **Sustainability**

It is likely that the instrument will be discontinued during the next few years, because of continuously reducing numbers of employed people who are requesting mobility assistance. The problems which were urgent in 2013 (geographical skills mismatch and unemployed people's lack of mobility resources) seems to be disappearing.

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