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### PRIORITIES OF THE NATIONAL LABOR AND EMPLOYMENT POLICY OF THE REPUBLIC OF BULGARIA IN THE CONTEXT OF THE „EUROPE 2020” STRATEGY

The common European employment policy implemented in the European Union and the development of labor relationships are guided by a long-term vision for economic and social progress. Separate European countries have relative independence in their national policies, based on the specifics of labor relationships and their regulation, in general however, the joint efforts are focused on predefined objectives, in pursuit of which the EU employs a variety of tools tested in practice within the Union during the years.

The European employment strategy is based on the policies for accelerated and sustainable economic growth of member countries, the structural reforms and accelerated implementation of novel technologies in order to create more and better jobs, improve competitiveness of national economies and further develop the European social model.

In conformity with the Europe 2020 strategy, the headline targets are achieved through the stimulation of measures to fulfill the following three key indicators until 2020:<sup>1</sup>

- 75% Employment rate – age group 20 –64;
- The share of early school leavers should be under 10% and at least 40% of 30 – 34 years old should have completed a tertiary or equivalent education;
- at least 20 million people out of the risk of poverty or social exclusion.

Sustainable employment growth is the most efficient way of combining upward economic development and policies for social inclusion, integration of vulnerable groups in the labor market, enhancing equal opportunities and equality between men and women, as well as solidarity between different generations. In this respect, efforts should be focused in the following directions:<sup>2</sup>

- improving the fitness for employment of the labor force as well as its adaptability through forms of life-long learning that are accessible to all people;
- active labor market services for integrating

vulnerable groups and individuals deprived of their right to work;

- proactive labor market policy, facilitating the transition between different stages of employment;
- enhancing corporate social responsibility across all its dimensions.

The following **initiatives** aimed at achieving the three fixed indicators are part of the Europe 2020 strategy:<sup>3</sup>

- Youth on the move (for young people willing to study and work abroad).
- Agenda for new skills and jobs (in conformity with the structural challenge of the European labor markets).
- European platform against poverty and social exclusion (aiding EU countries in the fight against poverty).

The „Youth on the move”<sup>4</sup> initiative lays out the following key objectives:

- Increasing employment rates among young people by providing opportunities for successful entry in labor markets.
- Encouraging employment mobility in other countries of the Union.
- Raising the percentage of young people with high qualifications.
- Stimulating entrepreneurship and providing favorable conditions.

The „Youth on the move” initiative aims to improve education and work opportunities for young people, reduce high unemployment rates and increase employment. All this concurs with the broad EU target to achieve employment rate of 75% for the active population (20 – 64 age group) through a larger degree of consideration for youth’s needs, encouraging more young people to take advantage of EU scholarships for education abroad, stimulating member countries to

<sup>1</sup> ec.europa/social/blog/servlet?doklad=6991&langl=bg

<sup>2</sup> ec.europa.eu/citizens\_agenda/social/\_reality\_stoctaking

<sup>3</sup> ec.europa.eu/social/main.jsp?

<sup>4</sup> ec.europa.eu/education/pub/pdf/higher/yom\_bg.pdf

implement measures that facilitate the transition from education to employment.

*The Agenda for new skills and jobs* aims to achieve the EU targets for reducing the share of early school leavers to less than 10%, as well as achieve active participation by at least 40% of young people in higher or equivalent professional education, and reducing the number of people living in poverty or in risk of social exclusion by at least 20 million by 2020.

This agenda presents a set of specific actions for supporting reforms aimed at improving flexibility and security on the labor market, developing adequate skills necessary for jobs today and in the future, improving the quality of workplaces and guaranteeing better work conditions.

Regardless of the struggle against poverty and social exclusion being primarily a responsibility of national governments, the EU can play a coordinating role by finding good practices and encouraging the exchange of expertise, defining Union-wide regulations and securing the necessary funding.

The basic activities of the European platform against poverty are focused on improving access to work, social insurance, essential services (healthcare, housing, etc.) and education, encouraging innovation in the social sphere related to inventing intelligent solutions during and after the crisis period, especially in relation to more effective and efficient social support, new partnerships between the public and private sector and new means in support of social inclusion and the fight against discrimination.

Member countries bear the main responsibilities related to employment and social policy. Union funding in this sphere is solely intended to support and supplement national efforts.

The European social fund is the primary financial instrument, allowing EU to achieve the targets of the European Employment Strategy and assist the economic and social cohesion by supporting member countries for developing human resources and achieving full employment, stimulating education and training, improving competitiveness and professional mobility of employed people.

Another financial instrument that supports the development and coordination of EU employment policy is the Progress<sup>5</sup> program, which is focused on the following five areas: employment, social inclusion and social protection, working conditions, anti-discrimination, and gender equality.

The responsibility related to the sphere of employment, social issues and cohesion is borne by both the European Union and its member countries. This is manifested in coordinating and monitoring national policies, encouraging the exchange of good practices in areas such as employment, poverty, social exclusion and pensions, lawmaking and law enforcing in areas such as labor markets and coordinating the framework of social security.

The EU manages and stimulates the actions of national governments towards eradicating poverty and social exclusion, reforming their social systems through the exchange of expertise and determining the most effective policies (in the sphere of poverty and social exclusion, pensions, healthcare and long-term care), as well as overcoming challenges related to demographic changes and preparing to face the consequences of population aging through focusing on new opportunities.

EU legislation aims to protect the health and wellbeing of its citizens. Apart from causing harm to individuals and their families, poor working conditions are a serious problem for the EU economy. Measures are taken to prevent discrimination related to race or ethnical origin, religion or beliefs, disabilities, age or sexual orientation. Gender equality is one of the fundamental values of the European Union. Despite inequality is not entirely eradicated, during the past century the Union marks a significant progress, which is primarily attributable to legislation in the field of equality, policy of gender mainstreaming (integrating the perspectives related to gender in all European policies), specific measures in support of women.

Among the encouraging trends are the larger number of women in the labor market and advances related to better opportunities for choice of education and training. Despite all this, gender inequality is still a fact and the weaker sex continues to be mainly employed in low-wage and unattractive sectors and is little involved in making important decisions.

Bulgaria's employment strategy<sup>6</sup>, developed on the basis of the European employment strategy is grounded in three key targets:

- achieving full employment;
- creating quality jobs, providing high productivity;
- achieving social cohesion on the basis of securing labor market access and employment for all groups of the active population.

The National plan for action on employment for 2012<sup>7</sup> is an instrument for achieving the targets and

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<sup>5</sup> [ec.europa.eu/social/BlobServlet?docId=7082&langId=bg](http://ec.europa.eu/social/BlobServlet?docId=7082&langId=bg)

<sup>6</sup> Passed by the Council of Ministers on 6.11.2003, p. 20

<sup>7</sup> [www.mlsp.government.bg/bg/docs/NPDZ-2012](http://www.mlsp.government.bg/bg/docs/NPDZ-2012).

commitments of our country related to the Europe 2020 strategy and the measures integrated in the National program for reforms 2011 – 2012.

Active labor market policy has a certain impact on the processes of accelerating economic excitement to the degree of having direct influence over job availability. Subsidized employment for the most vulnerable groups of unemployed and providing adequate education means social inclusion as well as social protection for them, an opportunity to receive income and raise tax and social security revenues for the state. Given these conditions, employment depends on the economic sphere and degree of qualification of different groups on the labor market on one hand and congruence between professional skills and competencies of job-seekers and employers' requirements on the other.

According to data by the Employment Agency<sup>8</sup>, the past 2011 marks a rise in workforce demand in comparison to the previous year. This is primarily due to the increase of jobs under subsidized employment funded by Operational Programme Human Resource Development and measures under the Employment Encouragement Act.

The highest number and relative share of declared jobs come from the processing industry, commerce, automobile and household machinery repair and state administration. The most sought after professions are tailors, machine operators in tailoring and textile manufacturing. Second to those are positions for administrative and office personnel and positions in agriculture, forestry, fisheries and hunting reserves. Jobs in the processing industry, where workers are required to carry out unattractive tasks in unfavorable conditions and extremely low pay remain lastingly vacant. There are similar offerings in the sphere of commerce as well as in healthcare.

There is a steady tendency of diminishing employment rates, observed during the three years. The average number of employed people aged between 15 and 64 in the first quarter of 2011 is 4.3% less than the same period the previous year.<sup>9</sup> Unemployment remains significant due to the narrow demand for workers and the continuing layoffs of personnel in economic spheres and activities that were impacted by the severe economic crisis with a delay, as well as in small and medium enterprises, some service sectors, etc. At the same time there is a prevalence of job offerings in the sector of unqualified services. Workers with no education are

among the first to be laid off and almost no new jobs are created for them despite the economic stir. There are sporadic occurrences of flexible employment forms, which are a „buffer” given the unsteady job demand. Their limited utilization is partially due to the fact that a part of employers prefer the „flexibility” of gray economy. Young people are among the most vulnerable groups on the labor market and as such bear the strongest impact of the economic crisis. Apart from employers cutting them off first, when faced with financial trouble, young people tend to get discouraged quickly and cease to actively search for a job and go out of the labor market. Their weak employment activity combines with a weaker participation in education and vocational training initiatives. A significant part of the young population are unemployed and unoccupied due to a low degree of education and qualifications, which in combination with the lack of work experience and habits is a serious impediment to finding employment and increases the risk of social exclusion. The lower number of young people contingent on demographics and high levels of migration among this group is further negatively impacting the labor market. Efforts are necessary in order to smooth the transition of youth from the school to active labor, such as broadening traineeships and practices in the real sector. They often feel in an information void in regards to work placement. A large part feel demotivated by the offered pay as well as by the working conditions. We have so far not succeeded in instituting the practice of employers investing in the education and qualification of young workers and employees. They turn into a potential employment resource for the gray economy. Inadequate professional skills and real-life experience and lack of profession choices for students at an early age force part of the school graduates to start any job, most often in the service sector or commerce, without requirements to working conditions. The key priorities of the national employment policy are determined in view of economic revival, rise in investments, and ongoing execution of large infrastructure projects and gradual revitalization of domestic demand. These include:

- increasing employment through fast and effective work placement of unemployed both on the primary labor market as well as under programs and measures under the Employment Encouragement Act, including activation of passive and demotivated individuals;
- improving the quality of the workforce through obtaining new qualifications, enhancing the habits and

<sup>8</sup> Workforce demand is analyzed on the basis of declared, occupied and free jobs, registered in the labor bureaus in Bulgaria

<sup>9</sup> All indicators cited from the Labor Force Survey (LFS) are calculated as arithmetical means on the basis of quarterly data from the survey conducted by the NSI

skills of employed and unemployed in order to secure the necessary staff for economic restructuring, higher labor efficiency, higher degree of conformity with labor market requirements;

· reducing unemployment in regions of low employment and high number of discouraged people.

Active labor policy prioritizes the following target groups:

- unemployed young people up to 29 years of age;
- unemployed aged over 50;
- inactive people, willing to work including discouraged people;
- unemployed with low or inadequate professional qualifications and lack of skills, including unemployed with low degree of education (incl. Roma individuals);
- disabled people.

Improving the competitiveness of the national economy is a primary objective for the country's development, where the labor force contributes through a higher labor efficiency, which in turn demands more knowledge and skills. In this respect there is ongoing vocational training for employed and unemployed on key competencies.

New forms of flexible employment<sup>10</sup> have a beneficial effect on the labor market, and namely work from home, remote workplaces and enterprises providing temporary employment. Employment opportunities for unemployed people with low qualifications and especially those living in regions with weaker economic development are expected to be narrow. In this respect, regional programs, „Beautiful Bulgaria” project, subsidized employment in community work, employment in projects funded by Operational Program „Regional Development 2007 – 2013” and workplaces under the Rural Development Programme have a significant impact in terms of reducing the number of unemployed.

A positive effect is expected in reference to employment in regions with high unemployment, thanks to the creation of new social service jobs or jobs in other social activities.

### **Георгієва В. Пріоритети національної політики праці і зайнятості республіки Болгарії в контексті стратегії „Європа 2020”**

Національна робоча сила і політика зайнятості, є частиною Європейської соціальної політики, націлюється на поліпшення умов праці, піднімаючи якість життя в країні взагалі, стимулюючи зайнятість і захищаючи соціальні права працівників. Скорочення соці-

альної нерівності в окремих євро регіонах вимагає у критеріїв оцінки оцінки ступеня соціального розвитку країн, зокрема Болгарії. Тому, соціальна політика – одна з ключових горизонтальних політик ЄС і вивчення коефіцієнта зайнятості і поліпшення якості життя громадян має особливу важливість.

*Ключові слова:* політика зайнятості, Європа, стратегія 2020, якість життя, соціальні критерії згуртованості.

### **Георгиева В. Приоритеты национальной политики труда и занятости республики Болгарии в контексте стратегии „Европа 2020”**

Национальная рабочая сила и политика занятости, является частью Европейской социальной политики, нацеливается на улучшение условий труда, поднимая качество жизни в стране вообще, стимулируя занятость и защищая социальные права работников. Сокращение социального неравенства в отдельных евро регионах требует у критериев оценки оценки степени социального развития стран, в том числе Болгарии. Поэтому, социальная политика – одна из ключевых горизонтальных политик ЕС и изучение коэффициента занятости и улучшение качества жизни граждан имеет особую важность.

*Ключевые слова:* политика занятости, Европа, стратегия 2020, качество жизни, социальные критерии сплоченности.

### **Georgieva V. Priorities of the National Labour and Employment Policy of the Republic of Bulgaria in the Context of the „Europe 2020” Strategy**

The national labor and employment policy, being part of the European social policy, is aimed at improving work conditions, raising the quality of life in member countries in general, stimulating employment and protecting workers' basic social rights. Reducing social inequalities in separate European regions requires evaluation criteria for assessing the degree of social development of member countries including Bulgaria. Consequently, the social policy is one of the key horizontal policies of the EU and studying the employment coefficient and improving European citizens' quality of life is of particular importance.

*Key words:* employment policy, strategy Europe 2020, quality of life, social cohesion criteria.

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<sup>10</sup> [www.eurofound.europa.eu/pubdocs/2010/091/bg/](http://www.eurofound.europa.eu/pubdocs/2010/091/bg/)