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V. R. Ivanova

Konstantin Preslavsky University of Shumen

Associate Professor, PhD, Bulgaria

ORCID: <https://orcid.org/0000-0003-0367-3967>

## UNEMPLOYMENT IN BULGARIA – CONDITION AND DYNAMICS

**Abstract:** *In the modern global world, a very important reference point for the economic condition of a country are the indicators of employment and unemployment. Unemployment became a major economic problem in the early 1930s, with more than a quarter of the workforce unemployed in some countries. Unemployment is typical of the market economy of developed countries and as a social and economic phenomenon. At present, the problems of unemployment are extremely relevant for Bulgaria. In recent years, unemployment has become an economic and socio-political problem in many countries and has attracted the attention of entire societies.*

**Key words:** *unemployment, status, dynamics, types of unemployment, labor force monitoring.*

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### Introduction

In today's global and dynamic world, there is hardly a more universal problem than that of human labor as a key tool for stability and social security. At the beginning of the new millennium, society, together with the entire economic system, is facing numerous economic, social and technological challenges that require future solutions. At present, Bulgaria is facing seriously deepening unemployment. The problem of unemployment is certainly not the only current problem, but in the 21st century, thousands of people are failing to realize their knowledge and skills in their own country.

The attention of the state and society should be focused on issues related to the conditions and development of the labor market, employment and reducing unemployment in Bulgaria, which are extremely interesting, but also painful enough as a topic for society.

One of the most important problems of any country is its employment and unemployment. These two indicators characterize its economic condition. This stems from the role of the human factor, which is the link between the other factors of production. In the context of a global crisis leading to the closure of many industries, the topic of unemployment is very relevant and painful. The analysis of the topic is very

complex, as the problems are too debatable and very dynamic. Unemployment is the subject of statistical analyzes, which roughly reflect the development and trends in its various periods. Proper and timely analyzes help to take adequate and timely measures to eliminate or at least reduce it. At present, the problems of unemployment are extremely relevant for Bulgaria. Unemployment affects the property, social and spiritual status of people by affecting the most active part of the population. Passing its critical point, unemployment causes rapid political and social changes. This uncertainty about tomorrow as a result of unemployment affects the psychological portrait of man and affects his life [5, p. 120-121].

To a large extent, employment and unemployment are the two factors that determine the labor market. Together, they are functionally connected and form the labor force - a key indicator of economic activity of the population.

Employment and unemployment are extremely important for analysis, because by studying their dynamics one can characterize both the social policy of the government and its ability to implement its economic program.

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In any society, the ideal is for gross national product<sup>1</sup> (GNP) to grow at a steady pace, prices to be relatively stable, and unemployment and inflation<sup>2</sup> to be insignificant.

There is a cyclical cycle in economic development, changing periods of economic crisis with rise and progress, and inflation and unemployment are inevitable companions of development

Unemployment is one of the most serious problems for the economy and society, which has a significant negative impact on the economic development of the country and has negative social consequences for the population and threatens social cohesion. One of the great goals of all European governments is the fight against unemployment, and this expresses the presence in social ideas of the ideal of integration through paid and socially recognized work [2].

Unemployment became a major economic problem in the early 1930s, with more than a quarter of the workforce unemployed in some countries. In the 1970s, governments tried to tackle another serious macroeconomic problem - high inflation, through a restrictive demand-side policy, the latter, together with supply shocks in the 1980s, again led to dramatically high levels of demand. unemployment.

Unemployment is typical of the market economy of developed countries and as a social and economic phenomenon is expressed in the mismatch in the supply and demand of labor in the labor market. Unemployment in a country is a sign that the economy is functioning below the level of its potential product, which means that full employment is disrupted and this can be characterized by significant negative consequences for society and the economy as a whole.

Its increase leads to a decrease in gross domestic product, which will lower the living standards of the population and hence shrink production in the future. This problem is becoming increasingly important in developed countries with market economies and especially in Bulgaria, in the conditions of transition to a market economy and the formation of a labor market.

At present, the problems of unemployment are extremely relevant for Bulgaria. In recent years, unemployment has become an economic and socio-political problem in many countries and has attracted the attention of entire societies.

In recent years, unemployment remains the most serious problem of the Bulgarian economy. High unemployment has an "economic cost", which is measured by the loss of the potential product that

would have been produced if the economy had created full employment.

Unemployed labor means limiting the potential of economic resources and therefore reflects on living standards. Unemployment also has a "social cost" that is more difficult to measure, but it means social tension, anxiety among the unemployed and poverty.

The way a society perceives the issue of unemployment strongly influences the decisions it is able to discuss and make. Looking behind the numbers for the amount of unemployment, the challenges to the society are also outlined [4, p. 18].

Unemployment is an important problem of every society and at the center of the market economy system where man stands, it raises a number of social, economic, psychological and institutional and other problems. As a rule, the decline in employment has an impact on the level of unemployment. High unemployment comes at a price. Professionally, the unemployed are gradually losing the acquired skills, experience and work habits, which makes it very difficult for them to further integrate into the economy. Therefore, they have to look for opportunities for retraining and adaptation to conditions different from their previous employment status. In economic terms, the price of unemployment is related to the loss of income from wages, from insurance paid by the employer before, and now after a certain period during which the labor office takes them, the unemployed will have to insure themselves with health -insurance contributions, etc.

Unemployment insurance is one of the concepts for the services of a welfare state. The welfare state can implement social protection in the form of cash payments, food vouchers and benefits. In Bulgaria, these are unemployment benefits (in the form of payments), energy and food benefits for the socially disadvantaged (benefits for the poor). In fact, social protection systems vary from country to country as a way of approaching the problem, but in general such social protection is provided to the unemployed, the sick or people with disabilities.

According to *Rashkova*, the functions of social protection determine the risks or needs that lead to the need for social protection. In the function "unemployment" as part of social protection<sup>3</sup>, it includes active and passive unemployment benefits, which are an element of employment policies [7, p. 94]. The list of risks or needs that may lead to the need for social protection are: illness / health care; disability; old age; heirs; family / children; unemployment; housing needs; social exclusion not elsewhere classified [10].

<sup>1</sup> Gross national product - the market value of all final product in the economy, such as goods and services produced in a country over a period of time.

<sup>2</sup> Inflation is an indicator that measures the rate of increase in average prices of goods and services in the economy.

<sup>3</sup> Social protection covers all interventions by public or private bodies and organizations aimed at alleviating households or individuals from the burden of certain risks or needs, provided that neither simultaneous reciprocal nor individual measures are involved.

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Socially, for the unemployed, the losses are related to lowering the social status and environment and moving from a higher to a lower social group, which is related to the lifestyle and communication of the individual.

Psychologically, the unemployed person feels useless, ie. the understanding that "my work is unnecessary and I am superfluous to society." This often reflects on family relationships by increasing tensions between spouses, parents and children. Therefore, unemployment from the point of view of the individual has both economic and social and psychological consequences, which in many cases are more severe and incommensurable with the economic ones [6].

Taken together, employment and unemployment are the main indicators for determining the economic activity of the population. In a country, potential resources depend on the number and structure of the working age population. The size of the economically inactive population is subtracted from this value and the current economically active population is reached, which constitutes the real labor resource, which creates the supply on the labor market. Part of a common system is the ratio between the employed, the unemployed and the labor force, namely the labor market, predetermine the relationship between the phenomena of employment, unemployment and their levels [9].

Unemployment is an economic phenomenon related to the labor market and gives a summary of the potential and efficient use of labor. The number of unemployed and the level of unemployment characterize the unused labor force in absolute and relative terms [3].

The definition rejected by the International Labor Office in 1925 "unemployment is the situation of any worker who can and wants to take a job under employment, finds himself unemployed and unable to take such a job due to the labor market situation" [4, p. 20].

According to *Andreeva*, "Unemployment is a phenomenon characteristic of societies with free economic initiative and free labor market, where labor is offered and sought depending on the objectively emerging need of each business entity." [1, p. 95].

Unemployment can be characterized as a state of the labor market in which the supply of labor exceeds its demand. The number of unemployed plus the number of employed forms the labor force.

The term "unemployment" includes all persons who are not currently actively employed, looking for work or expecting to return to their jobs. The unemployed are part of the so-called active labor force, which covers the part of the population that actively wishes to work, whose lower and upper limits are determined by the legislation of the country. The active labor force that shapes the labor market are the

two categories of people: employed and unemployed [10].

According to the Comte, the term "unemployment" covers "any unintentional and temporary deprivation of work, whatever the cause: illness, accidents, unemployment, holidays, etc." During this era, the unemployed is a worker who is looking for a job, risks degrading if he does not find one and as a consequence to be absorbed by the community of unemployed people [4, p. 19].

The main types of unemployment are frictional (current), structural (technological), cyclical (Keynesian) [8]. There are also complete and incomplete, overt and covert, forced and voluntary, residual, seasonal.

The assessment of the severity of the main types of unemployment in the total number of unemployed in Bulgaria could serve as a starting point for the distribution of financial resources provided for the revival of the labor market.

At national level, when the number of people who want to find a job but cannot find it exceeds that level, it is considered that there is underemployment, and when it does not exceed it, employment is full. The concept of full employment does not mean that there are no unemployed people. Unemployment exists, but the unemployed are within its natural level.

*Frictional (current) unemployment* occurs due to: the continuous process of changing the place of work of individuals within the labor force, incomplete information on the labor market about job seekers and job offers, as well as the technological time needed by employers and unemployed people who have availability of vacancies, hold a meeting on the labor market. It has several distinctive features: frictional unemployment is relatively short-term and affects a large number of people from all groups, economic sectors and regions in a country. A certain amount of frictional unemployment is inevitable due to the significant amount of inflows and outflows of labor and the continuous process of changing jobs [8, p. 90].

*Structural (technological) unemployment* arises as a result of a mismatch between the types of job vacancies and those seeking paid employment. The discrepancy is related to the educational qualification, work competencies and skills, age or location. Structural unemployment has several distinctive features: it is concentrated among certain contingents that are negatively affected by technological change or job transfers in another region of the country. Structural unemployment is long-term [8] and just as frictional unemployment is a constant phenomenon, both together form the natural level of unemployment.

*Cyclical (Keynesian) unemployment* occurs when there is insufficient aggregate demand in the economy, which in turn is unable to generate enough jobs for all those seeking paid employment. With cyclical unemployment, there are not enough jobs in the economy to balance labor supply. Compared to

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structural and frictional unemployment, cyclical unemployment shows much more pronounced fluctuations on an annual basis as a result of alternating periods of economic recovery and recession. The duration of cyclical unemployment is somewhere between short-term frictional and long-term structural unemployment [8].

Under certain conditions, the labor market is in a state of equilibrium, when at the existing level of real wages the planned labor demand coincides with the planned labor supply. Under such conditions, there is no forced unemployment. Frictional and structural unemployment are considered "normal" in view of the patterns of functioning of the market economy.

Economists believe that the natural rate of unemployment can take such non-zero values as 3-5-7 percent. Cyclical unemployment is not included in the natural level. At the natural rate of unemployment, employment is at a level at which the potentially possible social product is produced. In such a state, the economy is in equilibrium.

*Classical unemployment* is characterized by a state of the labor market in which the number of people willing to work at the appropriate level of real wages exceeds the number of vacancies offered by employers for a given level of wages, which is considered to be above market equilibrium. such.

*Full unemployment*, often called absolute, includes that part of the country's economically active population that has no paid employment and is ready to take up employment immediately.

Unemployment characterizes the part of the labor force that is employed full-time or part-time but earns an income that is usually below the poverty line in the country.

Explicit unemployment is defined as statistical unemployment, ie. it covers the number of unemployed persons or the unemployment rate in the official statistics of the country by the National Employment Service and by the NSI labor force survey.

Hidden unemployment includes underemployment, but also employment that is directly or indirectly subsidized by the state budget, is inefficient, and at the same time the wages of workers are at the level of the average wage for the country, and often exceed it. The level of hidden unemployment is also rising by people on forced paid or unpaid leave.

Unemployment is forced, which occurs when jobs are closed due to the rationalization of production, increasing labor productivity. The level of voluntary unemployment is determined by those unemployed persons who receive social security or benefits and do not look for work.

The reasons for the emergence of unemployment, according to economists, is debatable. *Thomas Malthus* (1766-1834) argued that the population increased exponentially and the means of

subsistence arithmetically. He thus concludes that, over time, fewer and fewer consumer goods fall on the population, and this is the cause of unemployment [2].

Unemployment is a reality and exists in modern conditions and has a number of features: it spreads among all segments of the population, affecting young people who have just completed their education.

According to *Milton Friedman* (1912 - 2006) there is a natural level of unemployment, which is about 4 - 5% and attempts to reduce it lead to an increase in inflation [1, p. 99]. In order to clarify the nature of the natural level of unemployment, its characteristics should be noted. The natural level of unemployment cannot be zero, as a large part of the population is unemployed and the reason for this is the mobility in the production of goods and services, which leads to the emergence of structural unemployment. Low unemployment is preferred by society, but it means paying a price for inflation, and it is the natural level of unemployment that is the golden mean, where inflation neither rises nor falls due to oversupply. There are several factors on which the natural level of unemployment depends: the social policy of the state, structural changes in the economy and demographic changes. The state's social policy can reduce the incentives of the unemployed to take low-paid jobs. With an increase in the scope of social security and the guaranteed minimum wage, an increase in the natural level of unemployment can be expected. The factor - demographic changes for different groups of the population, by sex, age and race, the unemployment rate is not the same.

In Bulgaria, data on unemployment and job vacancies are provided by two institutions - the National Statistical Institute (NSI) and the Employment Agency (EA). NSI data on the unemployment rate and the distribution of the unemployed are based on various classification criteria such as gender, age, place of residence, education, etc. are generated by the so-called. "Labor Force Surveys", the main purpose of which is to provide information on the most important characteristics of employment and unemployment in Bulgaria by conducting periodic representative surveys of the labor force [8, p. 99].

The NSI describes the absolute number of unemployed and the unemployment rate through the system for registration of the unemployed, established by the National Employment Service and through the regular conducting of statistical surveys of the labor force by the NSI.



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The Labor Force Survey is an ongoing representative (sample)<sup>4</sup> survey that provides information on the main characteristics of employment, unemployment and economic activity of the population in accordance with the International Labor Organization and Eurostat. Data on the number of employed and unemployed persons and the labor force are collected by calculating indicators such as: economic activity rate, unemployment rate and employment rate.

Unemployment is registered through the administrative system and covers all persons who are not employed, registered as unemployed at the employment office at the place of residence and active in job search, and this information is not accurate enough to correctly determine unemployment. This is because the statistics cannot cover those who are not employed but do not use employment agencies and those who have terminated their registration with these offices.

Each country identifies specific characteristics that identify a person as unemployed under its legislation. At the XIII International Conference on Statistics in Geneva in 1982, it was accepted that the scope of unemployment includes all persons over and up to a certain age who are unemployed for a certain period of time, ie. they are not paid or have not had income from their own business, but who are looking for work and are able to be hired. These are the three conditions that must be met in order for a person to be considered unemployed. Job search includes activities such as registration with the Labor Office, application for employment, review of job advertisements in the press, job search directly in enterprises and companies, etc.

The level of unemployment in a country is determined using data on the state of the labor market, namely population growth, migration and others, and for the most part we can say that unemployment is the result of disturbed balance in the market, where the supply of labor exceeds the demand. As a third of the population we can include neither the employed nor the unemployed, who are in the so-called outside the labor force that forms the population. This group includes pensioners, householders, students, those who are unable to work due to serious illness and those who are able but unwilling to work.

The category "unemployed" includes persons aged 15-74 who do not have a job during the observed period, while actively looking for work for a period of four weeks, incl. observed, and are available to start work within two weeks of the end of the observation period [12]. Unemployed are also considered to be those who are not actively looking for, but have found a job that they expect to start within three months after

the end of the observed period. Persons who are on unpaid leave for more than three months are defined as unemployed if they are actively looking for work and are available to start work. Students, housewives, pensioners and other persons who do not normally engage in economic activity are also considered unemployed during the observed period if they meet the specified criteria for unemployed persons. Persons outside the labor force (currently economically inactive population) - persons aged 15 and over who are neither employed nor unemployed during the observed period. This group also includes persons who are on parental leave up to 2 years of age. Discouraged people - people aged 15 and over who want to work but do not look for work because they assume they will not find it.

Persons who have been unemployed for one or more years are long-term unemployed. The duration of unemployment is defined as the shorter of the following two periods:

- duration of job search;
- length of time the person has been out of work.

The following are considered active job search methods:

- contact with the labor office in order to find a job;
- contact with a private agency or company providing recruitment brokerage services, etc., in order to find a job;
- direct referral to employers;
- seeking help from relatives and acquaintances to find a job;
- submitting or responding to job advertisements;
- studying job advertisements;
- taking an exam, test or job interview;
- search for land, building, premises, equipment needed to start an independent business [12, p. 5].

Unemployment is measured by two indicators:

- absolute amount, which represents the number of unemployed;

- unemployment rate or rate, which represents the percentage of the number of unemployed and the labor force.

Unemployment rate (unemployment rate) is the ratio between the number of unemployed and the labor force. It is influenced by the following factors: demographic, social unemployment benefits.

Long-term unemployment rate - the ratio between the number of long-term unemployed (unemployed for one year or more) and the labor force.

<sup>4</sup> Representative statistical study is a type of partial survey in which a sample of units is formed from the general population, called general, in compliance with certain rules.

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The above coefficients can be calculated for different groups of the population, based on classification characteristics such as age, sex, place of residence, education, etc. [12, p. 6].

### Unemployment information in January 2019

In 2019, the unemployment rate ranges from 6.4% to 5.2% with weak, mainly seasonal fluctuations, gradually decreasing from 6.4% in January to 5.2% in June and again rising normally from September, reaching 5.9% in December 2019. At the end of the year the unemployment rate was 0.5 percentage points lower than at the beginning of the year (from 6.4% in January to 5.9% in December).

According to the Employment Agency, in January 2019 the number of unemployed persons

registered with the labor offices continued to decrease on an annual basis, and at the end of January 2019 their number was 209,308. Compared to January 2018, they decreased with 28,014 people, and compared to December 2018 increased by 7,842 people. The registered unemployment rate decreased by 0.8 percentage points compared to January 2018 and reached 6.4% in January 2019, and compared to December 2018 the value of the indicator increased by 0.3 percentage points. In 10 districts the level of registered unemployment is lower than the total for the country, as the lowest is in the districts: Sofia-city, Gabrovo, Varna, Stara Zagora, and the highest in the districts: Vidin (15.2%), Silistra 13%), Montana (12.8%) and Vratsa (12.7%).

Table 1. Key labor market indicators

| Unemployed according to NSI data                         | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | IV quarter 2020 | IV quarter 2021 * |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|-------------------|
| Unemployed persons - total (thousands)                   | 410.3   | 436.3   | 384.5   | 305.1   | 247.2   | 206.9   | 173.3   | 142.8   | 168.6   | 173.1           | 146.7             |
| Unemployed youth (15-24 years) (thousands)               | 69.7    | 65.1    | 47.6    | 39.6    | 27.7    | 22.1    | 18.9    | 13.1    | 19.1    | 20.1            | 18.7              |
| Unemployed youth (15-29 years) (thousands)               | 128.5   | 128.9   | 100.1   | 78.4    | 61.4    | 51.0    | 39.1    | 31.9    | 36.7    | 39.3            | 36.4              |
| Number of long-term unemployed (over 1 year) (thousands) | 226.6   | 250.3   | 232.5   | 187.0   | 146.1   | 113.8   | 101.6   | 81.0    | 75.9    | 85.1            | 80.8              |
| Unemployment rate (%)                                    | 12.3    | 12.9    | 11.4    | 9.1     | 7.6     | 6.2     | 5.2     | 4.2     | 5.1     | 5.2             | 4.5               |
| Youth unemployment rate (15-24 years) (%)                | 28.1    | 28.4    | 23.8    | 21.6    | 17.2    | 12.9    | 12.7    | 8.9     | 14.2    | 14.1            | 15.9              |
| Youth unemployment rate (15-29 years) (%)                | 20.8    | 21.8    | 17.7    | 14.4    | 12.2    | 9.9     | 8.3     | 6.9     | 8.8     | 9.3             | 9.7               |
| Long-term unemployment rate (over 1 year) (%)            | 6.8     | 7.4     | 6.9     | 5.6     | 4.5     | 3.4     | 3.1     | 2.4     | 2.3     | 2.6             | 2.5               |
| Persons outside the labor force according to NSI data    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | IV quarter 2020 | IV quarter 2021 * |
| Inactive persons aged 15-64 (thousands)                  | 1 619.7 | 1 536.5 | 1 486.9 | 1 450.6 | 1 459.2 | 1 317.7 | 1 291.4 | 1 197.7 | 1 226.7 | 1 202.8         | 1 233.2           |
| Inactive persons aged 15-64 wishing to work (thousands)  | 309.7   | 299.7   | 274.1   | 251.7   | 235.5   | 184.5   | 160.9   | 122.3   | 138.0   | 139.4           | 168.3             |
| Discouraged persons aged 15-64 (thousands)               | 225.6   | 206.5   | 188.7   | 170.0   | 163.4   | 112.2   | 81.4    | 61.7    | 61.7    | 62.1            | 56.3              |
| Unemployed according to the                              | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 01.2021         | 01.2022           |

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| Employment Agency  |             |             |             |             |             |             |             |             |             |                |                |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------|
| Unemployed registered with the labor offices (number)                          | 364<br>537  | 371<br>380  | 366<br>470  | 330<br>816  | 284<br>707  | 236<br>752  | 202<br>994  | 185<br>266  | 241<br>413  | 229<br>750     | 162<br>322     |
| Registered unemployment rate (%)   | 11.1        | 11.3        | 11.2        | 10.1        | 8.7         | 7.2         | 6.2         | 5.6         | 7.4         | 7.0            | 4.9            |
| Registered unemployed youth up to 24 years (number)                            | 35 839      | 35 286      | 28 745      | 21 578      | 14 736      | 12 920      | 10 023      | 9 231       | 12 504      | 10 489         | 7 217          |
| Registered unemployed youth up to 29 years (number)                            | 74 779      | 74 720      | 64 122      | 51 680      | 37 998      | 33 600      | 26 785      | 23 998      | 30 824      | 26 283         | 17 404         |
| Unemployed persons with registration in the labor offices over 1 year (number) | 118<br>832  | 122<br>738  | 138<br>473  | 146<br>010  | 118<br>278  | 87 706      | 65 074      | 47 871      | 47 263      | 44 215         | 40 152         |
| <b>Unemployment according to Eurostat data **</b>                              | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>12.2020</b> | <b>12.2021</b> |
| Unemployment rate average for EU-28 (EU-27 2020) (%)                           | 10.5        | 10.9        | 10.2        | 9.4         | 8.6         | 7.6         | 6.8         | 6.3         | 7.1         | 7.5            | 6.3            |
| Unemployment rate for Bulgaria (%)   | 12.3        | 13.0        | 11.4        | 9.2         | 7.6         | 6.2         | 5.2         | 4.2         | 5.1         | 6.3            | 4.8            |
| Youth unemployment rate (15-24 years) average for EU-28 (EU-27 from 2020) (%)  | 23.3        | 23.8        | 22.2        | 20.4        | 18.7        | 16.8        | 15.2        | 14.4        | 16.8        | 18.0           | 14.3           |
| Youth unemployment rate (15-24 years) for Bulgaria (%)                         | 28.1        | 28.4        | 23.8        | 21.6        | 17.2        | 12.9        | 12.7        | 8.9         | 14.2        | 16.9           | 14.7           |

Source: NSI

\* From the beginning of 2021, the labor force monitoring is conducted in accordance with the requirements of Regulation (EU) 2019/1700, which requires changes in the monitoring methodology, due to which the results of the LDC (labor force monitoring) for 2021. are not fully comparable with those for previous periods.

\*\* Data are seasonally adjusted.

### Unemployment information in January 2020

The Administrative Statistics of the Employment Agency in January 2020 reported a registered unemployment rate of 6.3% in January, an increase of 0.4 percentage points compared to the previous month, and compared to a year earlier decreased by 0.1 percentage points. The registered unemployed at the end of the month were 205,324, their number increasing by 5.4% compared to a month earlier, but decreasing by 1.9% on an annual basis.

The analysis of the unemployment rate by districts shows that it is lower than the national average (6.3%) in 11 districts: Sofia-city, Gabrovo, Pernik, Stara Zagora, Varna, Plovdiv, Yambol, Burgas, Sofia, Ruse and Veliko Tarnovo. In the

remaining 17 districts the level is above the national level, and its highest values continue to be reported in the North-West region: Vidin (14.5%) and Montana (12.5%), followed by the districts of Silistra, Vratsa and Targovishte, Razgrad, Lovech and Shumen, Sliven and others. The monthly dynamics in the unemployment rate increased in almost all districts in the country, except for Sofia-city, where it remained unchanged. The districts with the highest growth are Vidin, Dobrich, Silistra, Shumen and Montana.

### Unemployment information in April 2020

The administrative statistics of the Employment Agency reported a registered unemployment rate of 8.9% in April, an increase of 2.2 percentage points compared to the previous month, and compared to a

## Impact Factor:

|                                 |                               |                             |
|---------------------------------|-------------------------------|-----------------------------|
| <b>ISRA (India)</b> = 6.317     | <b>SIS (USA)</b> = 0.912      | <b>ICV (Poland)</b> = 6.630 |
| <b>ISI (Dubai, UAE)</b> = 1.582 | <b>ПИИЦ (Russia)</b> = 3.939  | <b>PIF (India)</b> = 1.940  |
| <b>GIF (Australia)</b> = 0.564  | <b>ESJI (KZ)</b> = 8.771      | <b>IBI (India)</b> = 4.260  |
| <b>JIF</b> = 1.500              | <b>SJIF (Morocco)</b> = 7.184 | <b>OAJI (USA)</b> = 0.350   |

year earlier - by 3.3 percentage points. The registered unemployed at the end of the month were a total of 292,810 persons, as their number increased by 33.1% compared to a month earlier and by 58.8% on an annual basis.

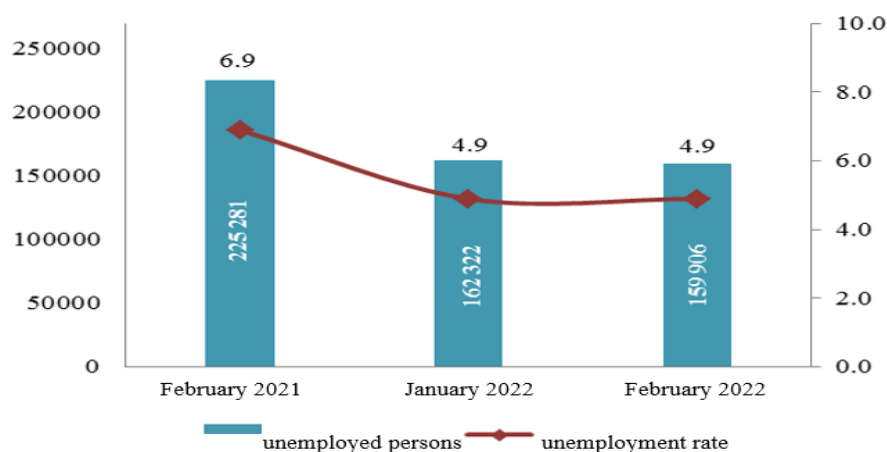
The analysis of the unemployment rate by districts shows that it is lower than the national average (8.9%) in eight districts in the country - Sofia, Gabrovo, Pernik, Varna, Stara Zagora, Plovdiv, Veliko Tarnovo and Burgas. In the other 20 districts the level is above the national level and its highest values continue to be reported in the North-West region: Vidin and Montana.

The unemployment rate in the first quarter of 2020 was 4.6%, 0.4 percentage points lower than in the same period of 2019. The youth unemployment rate (15-24 years) increased by 2.7 percentage points to 12.5%, and the long-term unemployment rate

decreased by 0.3 percentage points to 2.3%. The inflow of newly registered unemployed in April was 87,063, with 58,774 of them (67.5%) stating during their registration with the labor offices that they had lost their jobs as a result of COVID-19.

### Unemployment information in January 2021

According to the Labor Force Survey conducted by the National Statistical Institute, in the fourth quarter of 2020 on an annual basis unemployment increased compared to the same period in 2019. According to the Employment Agency, registered unemployed in the labor offices in a month January 2021 reported an increase on an annual and monthly basis. The state of emergency introduced on March 13, 2020 and the measures taken by the government to limit the spread of coronavirus in the country have a significant impact on the dynamics of registered unemployment.



**Figure 1. Number of unemployed persons and unemployment rate**  
Source: Employment Agency

The number of unemployed increased by 34.6 thousand compared to the fourth quarter of 2019 and reached 173.1 thousand, and compared to the third quarter of 2020 there is an increase of 12.7 thousand people. The unemployment rate in the fourth quarter of 2020 was 5.2%, 1.1 percentage points higher than in the same period of 2019. The youth unemployment rate (15-24 years) increased by 5 percentage points to 14.1%, and the long-term unemployment rate increased by 0.4 percentage points to 2.6%. The unemployment rate for the 15-29 age group also increased from 2.6 percentage points to 9.3%.

Registered unemployment, according to the Employment Agency, in January 2021 the number of unemployed persons registered with the labor offices increased on an annual basis and at the end of the month their number was 229,750. Compared to January 2020, they increased by 24,426 persons, and

compared to the previous month their number increased by 9,458 people.

The registered unemployment rate increased by 0.7 percentage points compared to January 2020 and reached 7% in January 2021, and compared to December 2020 the value of the indicator increased by 0.3 percentage points. In 10 districts the level of registered unemployment is lower than the total for the country, as the lowest is in the districts: Sofia-city, Gabrovo, Stara Zagora and Pernik, and the highest in the districts: Vidin (14.3%), Montana (12.1%), Vratsa (11.6%), Shumen (11.3%) and Silistra (11.2%).

### Unemployment information in January 2022

According to the Employment Agency, in January 2022 the number of unemployed persons registered with the labor offices decreased significantly on an annual basis and at the end of the month their number was 162,322. Compared to

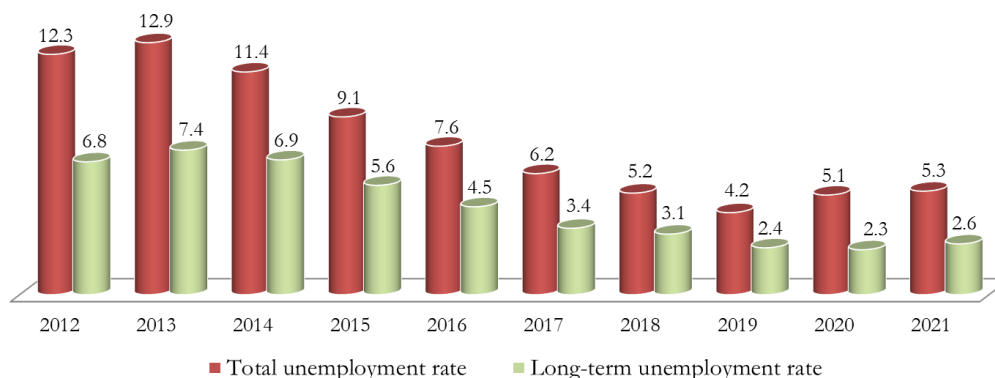


## Impact Factor:

|                          |                        |                      |
|--------------------------|------------------------|----------------------|
| ISRA (India) = 6.317     | SIS (USA) = 0.912      | ICV (Poland) = 6.630 |
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| GIF (Australia) = 0.564  | ESJI (KZ) = 8.771      | IBI (India) = 4.260  |
| JIF = 1.500              | SJIF (Morocco) = 7.184 | OAJI (USA) = 0.350   |

January 2021, they decreased by 67,428 persons. There is an increase on a monthly basis, increasing

their number compared to the previous month by 5,039 persons.



**Figure 2. Total unemployment rate and long-term unemployment rate**

Source: NSI

The registered unemployment rate decreased by 2.1 percentage points compared to January 2021 and reached 4.9% in January 2022, and compared to December 2021 the value of the indicator increased by 0.1 percentage points. In 10 districts the level of registered unemployment is lower than the total for the country, as the lowest is in the districts: Sofia-city, Gabrovo, Varna, Plovdiv, Stara Zagora, Burgas, Pernik, and the highest in the districts: Vidin, Montana, Vratsa, Silistra, Razgrad, Blagoevgrad and Shumen.

In the fourth quarter of 2021 the number of unemployed was 146.7 thousand compared to 173.1 thousand for the same quarter of the previous year. The unemployment rate reached 4.5% and the value in the fourth quarter of 2020 was 5.2%.

The number of unemployed youth aged 15-24 is 18.7 thousand in the fourth quarter of 2021, and the number of unemployed youth in the age group 15-29 is 36.4 thousand. The youth unemployment rate (15-24 years) is established at 15.9% in the fourth quarter of 2021, and the unemployment rate for the age group 15 - 29 years is 9.7%.

**Table 2. Monthly dynamics of the registered unemployed in February 2022**

| Structure                     | Availability in the register as of 01/02/2022 | Incoming stream | outflow | Monthly growth |       |
|-------------------------------|---|-----------------|---------|----------------|-------|
|                               |   |                 |         | number         | share |
| Everything                    | 162 322                                       | 20 000          | 22 415  | -2 415         | -1.5  |
| of which: women               | 90 975  | 11 197          | 12 433  | -1 236         | -1.4  |
| up to 24 years incl.          | 7 217   | 1 809           | 1 728   | 81             | 1.1   |
| from 25 to 29 years incl.     | 10 187  | 1 921           | 1 946   | -25            | -0.2  |
| from 30 to 49 years incl.     | 76 396  | 9 405           | 10 900  | -1 495         | -2.0  |
| from 50 to 54 years incl.     | 22 516  | 2 447           | 2 720   | -273           | -1.2  |
| over 55                       | 46 006  | 4 418           | 5 111   | -693           | -1.5  |
| with reduced working capacity | 10 439  | 863             | 1 164   | -301           | -2.9  |
| Roma                          | 26 191  | 2 986           | 2 799   | 187            | 0.7   |

Source: Employment Agency

### Unemployment information in February 2022

The administrative statistics of the Employment Agency in February 2022 reported a registered unemployment rate of 4.9% in February 2022, keeping its value from the previous month unchanged, and compared to a year earlier reported a decrease of

2.0 percentage points. The registered unemployed at the end of the month were a total of 159,906 persons, their number decreased by 1.5% compared to January 2022, and on an annual basis by 65,375 (-29.0%) persons less.

## Impact Factor:

ISRA (India) = 6.317  
ISI (Dubai, UAE) = 1.582  
GIF (Australia) = 0.564  
JIF = 1.500

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OAJI (USA) = 0.350

The review of the unemployment rate by districts shows that it is lower than the national average (4.9%) in ten districts - Sofia, Gabrovo, Varna, Plovdiv, Burgas, Pernik, Stara Zagora, Dobrich, Sofia and Yambol. In the other 18 districts the level is above the national average, and its highest values continue to be reported in the North-West region: Vidin, Montana and Vratsa.

According to the data of the National Statistical Institute and the main indicators for the labor market in Table 1 the following is observed:

– in the period 2012 - 2021 is characterized by a higher level of unemployment for men than women. The rate of decline in unemployment for women is lower than the rate of decline in unemployment for men, which is why the relative share of unemployment from 12.3% in 2012 decreased to 5.3% in 2021. For a period of 10 years the ratio the unemployment rate decreased by 7%;

– in the period 2012 - 2021 the average annual number of unemployed people in all age groups decreased. The registered unemployed under the age of 29 decrease 3 times. In the age groups from 30 to 49 the unemployed in 2012 were 2.2 times more than in 2021. The average annual number of unemployed people aged 55 and over decreased by 6.3% in 2021 compared to 2012.;

– The largest is the relative share of the unemployed with secondary education, those with primary education are a relatively constant percentage. The smallest relative share in the structure of the unemployed are those with higher education, which shows that a higher level of education provides greater opportunities for realization in the profession;

– the unemployment rate is twice lower in the cities compared to the villages, and Sofia and some regional cities stand out as places with a low unemployment rate;

– when reviewing the data for the research period 2012-2021, territorial differences in unemployment by regions and districts have been identified and are a prerequisite for a differentiated approach to the implementation of active labor market measures and for the development of regional strategies to reduce unemployment and increase unemployment. of employment [10].

**In conclusion**, it can be concluded that the beginning of the economic crisis is accompanied by serious changes in the state and trends of development of employed and unemployed people at the regional and national level. The application of statistical methods for analyzing the dynamics, structure and proportions of the labor market allows us to identify the key points and they are the basis for developing effective strategies and policies to overcome the adverse effects of the economic crisis.

*The main factors that influenced the registered unemployment in the country:*

*In January 2020*, there are: increase of the newly registered unemployed in the labor offices; the number of persons in total employment is increasing; the number of people employed in the real economy is increasing; reduction of the number of persons who have dropped out of registration with the Labor Offices; for one vacancy advertised in the labor offices, an average of eight unemployed people competed.

*In April 2020*, are: the crisis caused by the spread of the COVID-19 coronavirus, which has a serious impact on the labor market; the significant increase in the newly registered unemployed in the labor offices; the number of persons in total employment decreases; the number of people employed in the real economy is declining; reduction of the number of persons who have dropped out of registration with the Labor Offices; An average of 12 unemployed people competed for one vacancy advertised in the labor offices.

Over the years, high levels of youth unemployment are mainly associated with:

– lack of a system for vocational guidance in educational institutions;

– insufficient preparation for entrepreneurship and initiative;

– Insufficient information of both applicants and applicants regarding the regulations and incentives for unemployed youth.

The consequences of long-term and high youth unemployment are related to both high external migration and declining birth rates, marriages, rising crime, drug addiction and more. These processes create social insecurity for society and affect the reproduction of the population.

The main challenges on the labor market in Bulgaria are: low levels of economic activity; the large number of unemployed and discouraged people; inadequate professional qualifications of the workforce, as well as significant regional disparities in terms of economic activity, employment and unemployment.

The conclusion that can be drawn in relation to these challenges is that overcoming them is possible only by:

– social security of the unemployed;

– providing legal advice on unemployment issues;

– vocational guidance for students, employed and unemployed persons;

– organizing training for the unemployed and some employees;

– development of programs and measures for regulation of the labor market and employment;

– registration and maintenance of the registration of the persons using the services of the labor offices;

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– control, together with other state bodies over the unemployed, employers and other intermediaries

with regard to the legislation regulating the problems of unemployment.

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