PROBLEMS IN THE LABOR MARKET IN BULGARIA

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Abstract: *The presence of problems in the labor market influences both the production and economic activity of the population, as well as on the state and development of the labor force. The purpose of this article is to outline the problems in the development of the labor market at national and regional level. Based on the identified problems, specific recommendations are made to local authorities to overcome some negative trends. On the other hand, the levels of education and qualification of the economically active population on the territory of the country will be presented, thus attempting to focus on the main priorities of the central executive in terms of stimulating the long-term unemployed on the territory of the country. We will also consider the need to update the main priorities set in the Employment Strategy in the Republic of Bulgaria 2013-2020, because in order to achieve sustainable economic growth in the extremely dynamic labor market as a result of the introduction of the new technologies, it is necessary to the actions of the state institutions are intensified, aimed at increasing the employment at local level, by providing incentives for the economic entities operating on the territory of the municipalities. This process of stimulating the labor market requires the implementation of an active policy involving the development and implementation of a number of training and education programs, especially of those at risk, in order to get out of the long-term unemployed category and to be given the opportunity implementation, thereby contributing to the achievement of* sustainable regional development based on knowledge and innovation.

Keywords: *regional labor market, regional economics, regional development, unemployment, innovation strategy.*

INTRODUCTION

The problems of the labor market in Bulgaria are related to the main trends and processes in the socio-economic development of the country resulting from the restructuring of the national and local economy, the privatization and liquidation of the ineffective productions, as well as the opening up of new activities as a result of satisfying the increasing needs of the population. Often the reduction in the number of public sector employees and the closure of a number of large enterprises entail a sharp fall in demand for labor, which is partly the result of fast-moving new technologies, which further exacerbates requirements for qualification and educational attainment of the economically active population of working age, and the result of these trends is the formation of a large group of persons of working age who are not competitive on the labor market, and therefore difficult to implement. In this connection, it is essential to identify and analyze the existing structural problems of the regional labor markets and to highlight the relevant opportunities for creating sustainable regional economic growth based on improving employment conditions and creating prerequisites for the reduction of unemployment.

1. PROBLEMS IN THE LABOR MARKET IN BULGARIA

The labor market is often perceived as a system of real economic relations between the subjects of this market, which relations are regulated by the state. At the same time, it is seen as one of the factors influencing production, as well as on the state, the development of the labor force and the economic activity of the population. In order to form a labor market, it is necessary first to have individuals who are willing to replace part of their free time for paid employment. Secondly, individuals or legal entities looking to recruit workers with a specific vocational training and qualification. It should not be overlooked that the labor market is also influenced by existing laws and regulations that affect the effectiveness and synergies between job seekers and jobseekers. On the other hand, the organizations whose role is to help paid jobseekers or workforce to realize their intentions are becoming more and more important. It should be noted that the labor market is not uniform and homogeneous, dividing itself into a primary, expressing in its two main forms of expression an internal labor market and a professional labor market as well as a secondary labor market. While the internal labor market covers the movement of the workforce in the organization, the professional labor market comprises the labor force with a specific professional qualification. As the state of the labor market has to be considered as a function of the demographic situation in the country, on the basis of the collected statistical data, the key factors such as the high aging of the population and at the same time the reduction of the absolute and relative share of the population under 15, which is accompanied by an increase in the share of the population aged 65 and over. At the same time, the demographic replacement coefficient shows us the ratio between the numbers of working-age ages (15-19) and the number of working-age ages (60-64) and further shows the negative trends in the labor market in Bulgaria. The main priorities related to the development of employment strategy papers should be to develop a skilled workforce by promoting it towards the concept of lifelong learning. Against this background, efforts should focus on creating opportunities for improving the quality and efficiency of education and training systems used at every level of the country's education system. Next, efforts should also be directed towards promoting social inclusion and combating poverty. In this respect, defining the main priorities of the strategic documents, we should also list some of the main problems that exist in the labor market and in general in the field of human resources. First of all, the problem of shortage of vacancies and the limited opening of new jobs must be addressed. This problem is highlighted in the search for highly qualified sectoral profiles, while demand for low-skilled workers remains sluggish or predominantly seasonal. The problem of the continuing increase in the number of unemployed, which is characterized by differentiation by region, district and municipality, is definitely to be highlighted. Attention should also be paid to the low competitiveness of the labor market of young people, the long-term unemployed, the unemployed over 50, the Roma, the unemployed with disabilities, and those in disadvantaged groups where there is a risk of social exclusion and exclusion. An important problem in the development of the labor market in some regions of the country is the presence of a segmented labor market characterized by low mobility with a strong influence of the seasonal factor, large numbers of inactive people with low or no qualifications and education. One of the major issues to be addressed is the continuing trend in some regions is to work without labor contracts, not to pay one hundred percent of net wages, and to systematically violate labor law . [1] Often in regions with high unemployment, workers who are insured at the country's minimum wage take much less than the statutory wage, as the employer deducts one hundred percent of the tax and social security burden from the salary of the employee, and in numerical terms means that the employee / worker receives a net monthly salary of about 370 BGN,

as the employer withholds the amount of his insurance contributions from the employee. This phenomenon is the result, on the one hand, of the ignorance of low-skilled and poorly educated employees and, on the other hand, is the result of fear of the worker losing his job in regions and municipalities with high unemployment. Actually, for this fact / phenomenon / in the country is not spoken, the competent authorities either do not know, or close their eyes, or documentary everything is legal on the part of the companies that use this practice. Workers have no choice, as they are threatened with the possibility of being out of work and livelihood, and there is no one to protect them from trade unions. These facts further indicate that there are significant labor market disproportions in the country that are reflected in the purchasing power of the local population, and on the other hand they show the increasing migratory processes to the larger cities or outside the country. An active employment policy will lead to a faster labor market recovery, increased employment and a reduction in unemployment, which requires the Employment Agency to increase its role as a public mediator on the labor market by seeking opportunities to balance the labor market in the country through a systematic, targeted and adequate impact, both at regional and national level. Certainly, there is a need to strengthen the possibility of stimulating the state to stimulate small businesses, family businesses and craft workshops to hire many of those who have been upgraded or re-qualified through the national qualifications and retraining programs provided and implemented. Appropriate mechanisms that can stimulate small businesses are reducing the tax burden, providing investment funds, simplifying the procedures for reporting projects on which the unemployed are employed. The continuing labor market problems in the country are the result of a decline in the number of working people, the increase in their age, the insufficient share of people with tertiary education, and the number of illiterate and low-educated people, thus there is a shortage of staff areas requiring high education and qualifications. However, given the national targets for achieving sustainable economic growth based on science, new technologies and production, it is essential to increase the quality, qualified and motivated workforce. This requires state institutions to focus on an active labor market policy that includes the expansion of employment programs, the upgrading of qualifications and education as well as programs targeting those at risk groups who come out of the labor market the category of the long-term unemployed.

2. PROBLEMS IN THE PROCESS OF RECRUITING, RECRUITING AND RECRUITING STAFF

By defining the main indicators measuring the labor market trends, we have to list some active job search methods. The following are considered as active job search methods:

- having been in contact with a public employment office to find work, whoever took the initiative;
- having been in contact with a private firm or agency intermediating to find a job;
- applying to employers directly;
- asking among friends, relatives, unions, etc., to find work;
- placing or answering job advertisements;
- studying job advertisements;
- taking a recruitment test or examination or being interviewed;
- looking for land, premises or equipment needed for setting up a business;
- applying for permits, licences or financial resources.

Persons who were not actively looking for work but found a new job or business that is expected to start within 3 months following the reference period are classified as unemployed. Persons on unpaid leave over three months are classified as unemployed if

they were actively looking for work and were available to start working.[2] When attempting to present problems in the process of searching, recruiting and recruiting staff, it should not be forgotten that in the 21st century science and technology are the main drivers of social development. „There is also a massive globalization of economic and social systems in the world and in individual regions. The introduction of scientific and technological innovations makes structural changes in the technological processes, the organization of production, the financial management and the work process uninterrupted in time and space. More specifically, these structural changes are reflected in the creation of new productions and the renewal of existing ones, the registration and implementation of patents and licenses in the economy, the mobility of the workforce from lower to higher technology and science-intensive industries and services, and .n. Thus, in practice, economic growth is becoming „intelligent“, i.e. growth supported by science and technology in action. While the Bulgarian economy follows the path of smart growth and in what signs we find this movement, from the point of view of the sectoral structure of employment there are processes of redirection towards innovative productions, but it still remains concentrated in the traditional industries and services industries. He high-tech manufacturing accounts for a small share of total employment while high tech economic services are gaining momentum and already engage one third of all employed.“[3] A priority issue for both Bulgaria and some EU Member States is to increase the participation of young people in the labor market and employment, given the high levels of youth unemployment and the high proportion of inactive young people. The determination of the causes of this phenomenon, namely the high levels of youth unemployment and the desire to be timely overcome provokes in individual countries as well as at European Union level high-level actions involving the implementation of policies to reduce youth unemployment and increase the inclusion of young people in the labor market and in employment through student / student internships for four months after graduation with a guarantee that they offering safe conditions and high-quality work experience, finding work through the European Job Mobility Portal (Eures), and supporting actions to promote employment, especially for young people, but to prevent inequality in the labor market, stimulate quality employment, and so on.

3. The Demographic Crisis and the Migration Processes in the Development of the Labor Market in Bulgaria

In the formation of the labor force and the measurement of the quantitative parameters of the labor market are predetermined by the demographic processes and mainly by the processes of birth rate, mortality, natural population growth and migratory movements. In the international sphere, Bulgaria is often quoted as the „leader“ in terms of population decline, as well as the country with the sharpest worsening of the ratio between the aging population and the working age population, these trends beginning in the last century and continuing and so far, as a result of which the shrinking labor force in the current 21st century predetermined steadily and increasingly clearly. Bulgaria has a major problem because, according to World Bank estimates by 2050, its population will fall by over 40% and will have about 4.5 million people. These statistics do not take into account Bulgarian citizens who live permanently or permanently in the EU and abroad and their children do not bear Bulgarian names and do not have Bulgarian citizenship. There is an unpredictable and beyond the control capabilities of a refugee wave for Europe that does not have the necessary territory and conditions to shelter and integrate. The factual situation requires an adequate response of the international community and its authorities to prevent escalation, terrorist acts and the prosperity of cannabis. The increasing migratory pressure creates the

need to redirect significant financial and organizational resources to address the situation and to avoid creating direct risks to the emergence of a humanitarian crisis.[4] Migration is a global problem that will remain in the future. Coping with the increasing migratory flows of people is one of the main problems at the beginning of the 21st century. In many countries there is a serious conflict between the economic and demographic case for expanded labor migration, and public resistance to increased migration. European states have dealt with this problem in different ways. In most cases, governments have been able to introduce liberalizing legislation or programmes. Most of these have been for high-skilled and skilled migrants, in the form of points systems, streamlined procedures for recruitment in particular sectors or occupations, or facilitating labor market access for foreign graduates.[5]

CONCLUSION

The labor market must be seen as one of the most regulated and at the same time politically sensitive markets in the economy of every single country, which implies that the main priorities pursued through the implementation of specific employment policies are to reduce unemployment, process also involves the creation of subsidized employment. But it is undoubtedly one of the main problems in the individual regions of the country that there is long-term unemployment, which is a structural factor on the labor market and therefore its elimination implies the implementation of a reform program aimed at liberalizing the markets and increasing the qualification and mobility of the workforce. It is definitely to be assumed that the creation of high levels of support for the long-term unemployed reduces their incentives to find work, and that an effective policy for the long-term unemployed must be linked to the provision of various forms of retraining and retraining, to be accompanied by the provision of additional services to find a job. In addition, a thorough rethinking of the funding system for employment policies should be followed as the level of funding and the objectively achieved results of individual labor market interventions must be linked, which also implies the rationalization of new indicators reflecting the relationship between financing and effectiveness in reducing unemployment on a regional level in order to target the resources needed to undertake measures of higher added value, efficiency and performance of the labor market.

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