

4 Using skills effectively in the labour market and at work in Bulgaria

Using skills effectively in labour markets and at work benefits individuals, employers and the economy. This chapter assesses how Bulgaria could better use people's skills more effectively to support the country in achieving its economic and social objectives. It also describes and assesses Bulgaria's current policies and practices to support skills use in the labour market and at work. It then explores three opportunities for improvement, namely: 1) activating the skills of vulnerable groups in the labour market; 2) fostering return emigration and skilled immigration; and 3) supporting enterprises to utilise workers' skills more effectively.

The importance of using skills effectively in the labour market and at work

Using skills effectively in labour markets and at work benefits individuals, employers and the economy. Bulgaria should strive to use people's skills effectively in order to realise the full potential benefits of its investments in developing its youths' skills (as discussed in Chapter 2) and improving its adults' skills (as discussed in Chapter 3). In Bulgaria's case, using people's skills more effectively can happen across various dimensions: activating its working-age population's skills; attracting return migrants' and skilled immigrants' skills; and utilising workers' skills effectively at work.

The benefits of developing skills will be maximised only if policies also support people to supply their skills in the labour market. Since joining the European Union (EU), Bulgaria has faced great pressure to activate the population's skills due to significant skills shortages. The coronavirus (COVID-19) pandemic heightened the urgency of effective skills activation policies, especially for youth, low-paid workers, employees in non-standard employment and women. Countries can activate people's skills in the labour market through various policy levers, including: active labour market policies (ALMPs), which aim to train people and/or connect them to jobs; wage and taxation policies that incentivise work; subsidised care for children and older people (to free people up to work), among others.

Making the most of skills and minimising skills imbalances in Bulgaria's economy also requires effective policies to foster the return emigration of Bulgarian nationals and the skilled immigration of foreign nationals. Bulgaria has experienced substantive emigration since the end of the 1980s, particularly since 2014 when its citizens were free to work in EU member states without work permits. This trend has shrunk the labour force and contributed to chronic labour shortages in the country. However, recent studies suggest that labour migration can also bring positive effects for the sending countries. Indeed, Bulgarian emigrants acquire new experiences and values, develop new networks and learn new skills while working abroad. Foreign skilled immigrants can bring similar benefits, especially for priority sectors and those facing shortages. High-skilled returning emigrants and immigrants can transfer technology, social capital, new management, leadership and governance skills and bring new market opportunities (Misheva, 2021^[1]). Fostering return emigration and skilled immigration can help reduce skills imbalances and drive the country's economic growth.

Finally, realising the benefits of skills development also requires that workers' skills are used effectively at work. The effective use of skills (see Box 4.9 for definitions) positively affects the performance of employees. For instance, studies using data from the OECD Survey of Adult Skills (a product of the OECD Programme for the International Assessment of Adult Competencies, PIAAC) demonstrate that a higher intensity of skills use in workplaces is associated with higher job satisfaction, wages and productivity (OECD, 2016^[2]) (OECD/ILO, 2017^[3]). Consequently, this has many benefits for employers (e.g. businesses that more effectively use the skills of their workers have, on average, higher output and are more innovative), as well as the broader economy and society. The organisation of workplaces is arguably the most important determinant of skills use. Practices known to positively affect the performance of employees and businesses are referred to as high-performance workplace practices (HPWPs). These include work flexibility and autonomy, teamwork and information sharing, training and development, career progression and performance management (see Box 4.9 for definitions).

Overview and performance

Overview of Bulgaria's governance arrangements for using skills effectively

A range of major strategies and policies in Bulgaria cut across (and directly or indirectly influence) the various dimensions of skills use mentioned above – skills activation, return emigration and skilled immigration and skills use at work (Table 4.1). Bulgarian strategies and policies that are related to only

one of these dimensions are discussed in the associated section of this chapter (see Opportunities 1-3 below). The main piece of cross-cutting legislation in this area is the Employment Promotion Act, which regulates employment, vocational training, Bulgarian citizens working abroad and foreign citizens working in Bulgaria. The main strategic document is the Employment Strategy (2021-2030) and associated annual plans, which define priorities, actions and measures related to skills activation, and migration to a lesser extent. Overall, these strategies and policies focus minimally and indirectly on the issues of skills use and HPWPs within workplaces.

Table 4.1. Bulgaria's main strategies and policies that cut across the dimensions of skills use

Major strategy/policy	Responsible ministry/actor	Description
National Development Programme (NDP) Bulgaria 2030	Council of Ministers	The NDP is the main strategic policy document in Bulgaria. Part 1 covers education and skills and includes several measures to improve the skills of disadvantaged groups of adults.
Employment Strategy of the Republic of Bulgaria (2021-2030)	Ministry of Labour and Social Policy (MLSP)	This strategy aims to increase the quantity and quality of employment in Bulgaria. It includes priorities and actions related to activating the skills of out-of-work adults from disadvantaged groups, targeting Bulgarians living abroad, and to a lesser extent, aiming to improve human resource practices and working conditions within enterprises.
Partnership Agreement of the Republic of Bulgaria outlining assistance from the European Structural and Investment Funds (ESIF) for the period 2014-2020	Council of Ministers	ESIF aim to stimulate measures to: 1) facilitate access to work and improve working conditions and the quality of jobs; 2) reconcile family and working life by finding new forms of work-life balance; and 3) enable older workers to remain longer in the labour market.
Operational Programme for Human Resource Development (OPHRD) (2014-2020)	MLSP	The OPHRD (2014-2020) had two overall goals: boosting employment and reducing social exclusion; and reducing poverty levels. It aimed to foster employment by focusing on disadvantaged groups, improving public employment services, and improving social inclusion.
Operational Programme for Human Resources Development (OPHRD) (2021-2027)	MLSP	The OPHRD (2021-2027) focuses strongly on improving the skills of the Bulgarian population. It provides an entire objective to improve the skills of vulnerable people and their inclusion in the labour market. It proposes a few interventions related to return migration and skilled immigration.
Employment Promotion Act	MLSP	This law regulates social relations in employment, vocational training and Bulgarian citizens working abroad or foreign citizens working in Bulgaria. It includes various dispositions targeting vulnerable groups.
National Action Plan on Employment (NEAP) 2022	National Employment Agency (NEA)	NEAP is the annual plan for implementing the Employment Strategy of the Republic of Bulgaria (2021-2030). Its objective is to create conditions to reduce imbalances in the labour market. It seeks to support unemployed persons to keep or improve their jobs through acquiring new skills and/or efficiently transitioning to new jobs. The plan prioritises disadvantaged groups in the labour market and promotes employment through policies to subsidise employers' labour costs.
Action Plan of the Employment Agency 2022	NEA	The Action Plan aims to reach the objective of NEAP. Its vision is an employment agency that is a new generation intermediary, technologically and professionally adapted to the dynamics and challenges of the market and the needs of job seekers and job providers.

Source: Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

A range of actors in Bulgaria have roles and responsibilities that cut across skills activation, return emigration and skilled immigration, and skills use and practices at work (Table 4.2). Bulgarian actors who have responsibilities in only one of these dimensions are discussed in the associated section of this chapter (see Opportunities 1-3 below). The Ministry of Labour and Social Policy (MLSP) and its agencies – the National Employment Agency (NEA) and the Social Assistance Agency – have the main responsibilities for developing and implementing policies related to skills activation, and to a lesser extent, return emigration and skilled immigration. Social partners, enterprises and workers play a shared role in determining workplace conditions and practices, which affect both skills activation in the labour market and skills use at work.

Table 4.2. Bulgaria's main actors with cross-cutting roles and responsibilities for skills use

Actor	Roles/responsibilities
Ministry of Labour and Social Policy (MLSP)	The MLSP elaborates, co-ordinates and implements the state policy of employment promotion. In order to match labour force supply and demand, the MLSP conducts research and elaborates forecasts of employers' labour force needs in terms of qualifications and skills and activates people's skills by providing a range of services to those inside and outside the labour force, including activation, motivation, guidance, information, training to acquire qualifications and skills in demand, and mediation services to connect people with employers.
National Employment Agency (NEA)	The NEA is an executive agency to the MLSP for the implementation of the government policy on employment promotion. It conducts policies that aim to improve employment in Bulgaria, especially focusing on vulnerable groups and individuals and on integrating recently arrived individuals in the labour market. The NEA's functions include registration of unemployed persons and job vacancies, employment mediation services, providing measures for employment and training aimed at designated groups of unemployed individuals, and analysing and monitoring supply and demand in the labour market, among others.
Social Assistance Agency	The Social Assistance Agency administers the payment of social assistance and other benefits to people who need income support. It provides a range of family-related, energy-related and health-related benefits to eligible individuals, targeting the poorest individuals, those with disabilities and others. The Social Assistance Agency and the NEA work closely together at the local level, including on outreach to inactive and unemployed people. The Social Assistance Agency commonly redirects inactive persons wishing to file for social assistance to the NEA in order to permit them to register with the NEA and receive specific support.
Social partners (employer and employee representatives) and employers	Employer associations and trade unions have a role in negotiating and setting working conditions (wages, job security and flexibility, leave and training rights, etc.). Employers, workers and social partners each have a role in determining workplace practices, including high-performance work practices. All of these settings can affect the attractiveness of work in Bulgaria, for residents and migrants alike.

Source: Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*; OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria, Connecting People with Jobs*, <https://doi.org/10.1787/7b91154a-en>.

Bulgaria's performance in using skills effectively in the labour market and at work

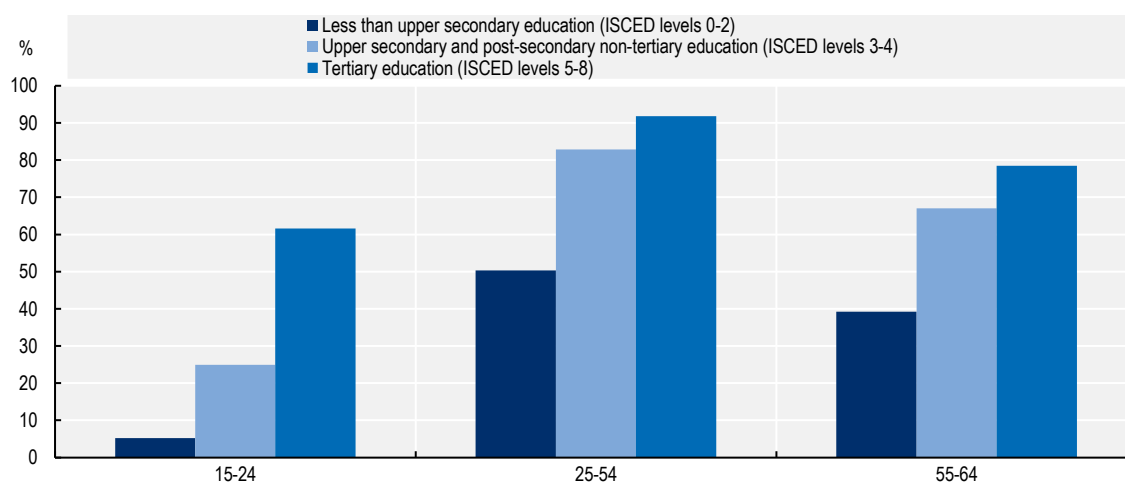
Despite recent progress in some areas, Bulgaria's overall performance in using skills appears to be limited, as evidenced by the relatively low share of adults in work, persistent skills mismatches and low (albeit growing) wages and labour productivity.

Employment, unemployment and inactivity in Bulgaria

The overall performance of Bulgaria's labour market has improved markedly over the last decade, but the share of adults in work remains relatively low. The labour market situation in Bulgaria improved significantly between the end of the 2007-08 global financial crisis and the 2020 outbreak of the COVID-19 pandemic. Employment rates among 15-64 year-olds grew from 59% in 2013 to 69% in 2019, which was a larger improvement than in all but three other EU countries (Hungary, Malta and Portugal). Unemployment in Bulgaria plummeted from 13% to 4.3% over the same period, well below the EU average of 6.8%. However, with labour force data for 2020 and 2021 now available, it appears that Bulgaria's labour market was hit harder by the pandemic than most EU countries. By 2021, employment remained about 1 percentage point below, and unemployment remained about 1 percentage point above, their 2019 levels, respectively. As such, Bulgaria's labour market is recovering from the crisis more slowly than two-thirds of EU countries (notwithstanding data breaks affecting all countries) (Eurostat, 2023^[6]; Eurostat, 2023^[7]). In 2019, there were about 900 000 inactive and unemployed working-age adults in Bulgaria (excluding students) from a diverse range of backgrounds (see Opportunity 1). A high share of these (85%) was inactive (i.e. not looking for a job and therefore outside of the labour force).

The Bulgarian labour market is also highly unequal, with good labour market prospects for well-educated people living in urban areas but major employment obstacles for other groups. Employment rates of highly educated adults are among the highest in the European Union, at 92% of 25-54 year-olds in 2021, while rates among the low-educated are considerably lower, at only 50% (Figure 4.1). The share of youth not in employment, education or training (NEET) is among the highest in the European Union. At the same time, Roma people face extremely high levels of joblessness and barriers to employment. In addition, Bulgaria has some of the lowest shares of employment for people with a disability and one of the largest shares of the inactive out-of-work for reasons of family and care responsibilities. Older workers aged 55-64 years also make up a large share of the out-of-work population. These groups of adults require tailored and intensive support to activate their skills in the labour market (OECD, 2022^[5]).

Figure 4.1. Employment rate in Bulgaria by age and educational attainment, 2021



Source: Eurostat, (2023^[8]) "Employment by age, sex and educational attainment", https://ec.europa.eu/eurostat/databrowser/view/lfsa_egaed/default/table?lang=en.

StatLink  <https://stat.link/moytb6>

Skills imbalances

Bulgaria's economy faces widespread and persistent skills imbalances. The shortage of skilled workers is considered the most serious challenge employers face when hiring staff (Ministry of Education and Science, 2019^[9]). Recent employer surveys show that around 70% of employers face difficulties filling vacancies, well above previous levels (ManpowerGroup, 2021^[10]). Skills shortages are common for medium- and high-skilled occupations (e.g. in manufacturing and information and communications technology [ICT]). In contrast, skills surpluses are more common in low-skilled occupations (e.g. in agriculture and construction) (OECD, 2021^[11]). Skills mismatches are also common in the Bulgarian labour market. For example, only a relatively low (albeit increasing) share of tertiary graduates (53%) work in a position requiring tertiary education (Ministry of Education and Science, 2021^[12]).

High levels of emigration and population ageing are major drivers of skills imbalances. Bulgaria has the fastest-shrinking population in the world. The country has lost one-fifth of its population since the late 1980s and is expected to lose one-fifth of its working-age population in the next 20 years (OECD, 2021^[13]; OECD, 2023^[14]). Emigration rates were particularly high during the 1990s and the 2000s when many young and educated Bulgarians left the country. More recently, emigration rates have declined (see Opportunity 2), and the population decrease is increasingly due to low fertility rates and population ageing. With such demographic tendencies, skills imbalances are only expected to rise in the years to come, unless Bulgaria can reverse migration trends in its favour.

Wages and labour productivity

Although Bulgaria has experienced strong real wage growth over the last decade, wages remain relatively low and hamper improvements in the performance of Bulgaria's labour market. In 2021, the average annual full-time adjusted salary for employees in Bulgaria (EUR 10 300) was only 31% of the EU average (EUR 33 500) (Eurostat, 2022^[15]). This partly reflects widespread informal work, particularly in the form of additional undeclared "envelope" wages, which mean official wage statistics underestimate actual wages for many workers (OECD, 2023^[14]). The minimum wage in Bulgaria is the lowest in the European Union, and is still low when considering lower living costs in Bulgaria. A range of evidence suggests that the minimum wage does not allow for a decent living and discourages low-skilled adults (many of whom are from disadvantaged backgrounds) from seeking work (OECD, 2021^[11]; OECD, 2022^[5]). However, the minimum wage has been increased more recently, and of the half of taxpayers registered at the minimum wages, many likely receive undeclared income from informal work (OECD, 2023^[14]). Low wages also drive high emigration rates among the Bulgarian labour force. In one survey, 90% of Bulgarian working-age people who intended to look for work abroad stated that raising their salary in Bulgaria would keep them in Bulgaria (Kalfin, 2018^[16]). There are substantial wage gaps between Bulgaria and the main destination countries for Bulgarian migrants; and this holds across all education levels. Wage growth in Bulgaria has been hampered by low labour productivity growth, and likely ineffective use of workers' skills in workplaces, among other factors.

Improved labour productivity has been a priority and challenge for Bulgaria over several decades and remains essential to drive wage growth, reduce emigration and offset skills shortages. Bulgaria's labour productivity growth over 1995-2019 (2.3% growth in output per worker) exceeded the OECD average (1.2%) but was below that of its CEEC (Central and Eastern European Countries)¹ peers (3.4%). However, in the most recent period (2010-19), Bulgaria's labour productivity growth (2.7%) had caught up with that of the CEEC (2.5%). Bulgaria's labour productivity growth has been driven less by output per hour worked and more by growth in average hours worked than other CEEC. Labour productivity is also highly unequal across sectors in Bulgaria. Apparent labour productivity in the ICT sector is more than twice as high as the average recorded for the non-financial business economy. However, labour productivity in the agricultural sector is low and has increased only modestly since the mid-2000s (OECD, 2021^[11]). Bulgaria's relatively low labour productivity also suggests that workers' skills are not being used to their potential in workplaces, highlighting the value of policies to help raise skills use.

Opportunities to use skills effectively in the labour market and at work

Bulgaria's performance in using people's skills effectively in the labour market and at work reflects a range of individual, institutional and system-level factors, as well as broader economic and social conditions in the country. However, three critical opportunities for improving Bulgaria's performance have emerged based on a review of the literature, desk research and data analysis and input from the officials and stakeholders consulted during this Skills Strategy project (hereafter "project participants") over the first half of 2022.

The three main opportunities for improving skills use in Bulgaria's labour market and at work are:

1. activating the skills of vulnerable groups in the labour market
2. fostering return emigration and skilled immigration
3. supporting enterprises to utilise workers' skills more effectively.

These opportunities for improvement are now considered in turn.

Opportunity 1: Activating the skills of vulnerable groups in the labour market

Although Bulgaria's labour market made significant progress in the last decade, its performance in improving employment outcomes for all is mixed. Some vulnerable groups have benefited from the strong labour market, such as low-educated adults and adults with disabilities whose employment outcomes had improved to 2020. Yet, the employment outcomes of some other groups have stagnated or even worsened over this period, such as youth and potentially the Roma population.

Better activating the skills of vulnerable groups in Bulgaria's labour market will be essential for improving overall skills use in the labour market. The majority of Bulgaria's 900 000 working-age adults who are unemployed or inactive (excluding students) are from often-overlapping vulnerable groups. For example, it is estimated that around 19% of them are NEET youth; 40% are from ethnic minorities; and 32% are people out of work due to care and family commitments, among other groups (OECD, 2022^[5]). Out-of-work adults from these vulnerable groups require proactive, tailored and high-quality services from Bulgaria's public employment service (PES), the NEA, in close and efficient co-operation with other relevant stakeholders (Table 4.3) due to the myriad barriers to employment they face.

The most common barriers to labour market participation for vulnerable groups in Bulgaria are: skills barriers (e.g. limited education, literacy or work experience); family-related barriers (e.g. care responsibilities); health impediments; geographic barriers (e.g. living in remote settlements without a vehicle); and income barriers (e.g. wages being too low to incentivise vulnerable groups to work). In many cases, inactive and unemployed people face several employment barriers simultaneously. In total, 75% of the inactive and 61% of the unemployed face at least two significant barriers to employment, against 18% of the employed. Each of these groups requires specific policy measures adapted to their situation (OECD, 2022^[5]; 2022^[17]). Indeed, some project participants highlighted that out-of-work adults are not homogenous (for example, there are different ethnic groups within the Roma population) and face individual barriers that require tailored policy responses.

A number of actors in Bulgaria have responsibilities for activating the skills of vulnerable groups in the labour market (Table 4.3). The NEA is the central institution responsible for helping unemployed and inactive people in Bulgaria to transition to the labour market. In addition, several other institutions contribute to reaching out to people in need of support, such as the Social Assistance Agency and municipalities, often in co-operation with the NEA.

Table 4.3. Bulgaria's main governmental actors, roles and responsibilities for activating the skills of vulnerable groups of adults

Actor	Roles/responsibilities
National Employment Agency (NEA)	The NEA is directly responsible for outreach to unemployed and inactive people, as it is in charge of the daily implementation of active labour market policies (ALMPs) and outreach activities. In particular, the NEA's 106 local employment offices and 136 affiliated offices/branches play a central role in approaching people needing support. The NEA is also responsible for reaching unemployed and inactive persons from remote settlements through 217 mobile teams.
Ministry of Labour and Social Policy (MLSP)	The MLSP influences outreach to the unemployed and inactive indirectly, most notably by setting the general rules regulating ALMP provision. In particular, it takes budgetary decisions on ALMPs and defines target groups for support, thereby laying out general priorities and the scope of outreach activities, including via the Operational Programme for Human Resources Development.
Social Assistance Agency	The Social Assistance Agency, which administers the payment of social assistance and other benefits, is a common entry point into Bulgaria's social system for people who need income support. For most claimants, registration with the NEA is a pre-condition to becoming eligible for social assistance. The Social Assistance Agency and the NEA work closely together at the local level, thereby favouring outreach to inactive and unemployed people.
Municipalities	According to the Social Services Act, municipalities must provide assistance services at no cost to people with no income. They co-operate with youth and Roma activators of the NEA and oversee community work, which social assistance recipients must partake in to remain eligible for social assistance. Municipalities with high numbers of inactive young people can engage youth mediators through the Activation of Inactive Persons programme.

Actor	Roles/responsibilities
Private employment agencies	There are a number of private employment agencies in Bulgaria that contribute to the outreach to people who are out of employment. They are relatively scarcely used in Bulgaria compared to other EU countries.
Non-governmental organisations (NGOs)s	Several NGOs are involved in outreach to the out-of-work population at the national and local levels. In particular, this is the case for NGOs working with youth, long-term unemployed or ethnic minorities and co-operating with the NEA. In some cases, the NEA sets up formal agreements with NGOs to specify their co-operation in outreach activities and the activation of out-of-work populations.

Source: OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, <https://doi.org/10.1787/7b91154a-en>; Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

A number of policies and programmes in Bulgaria seek to activate the skills of vulnerable groups in the labour market, including service centres, outreach activities, consultants/mediators and ALMPs (Table 4.4).

Table 4.4. Bulgaria's main policies and programmes for activating the skills of vulnerable groups

Strategy/policy/programme	Responsible ministry/actor	Description
Main outreach programmes		
Mobile labour office and workplaces (MLOWs)	NEA	The objective is to reach out to disadvantaged groups and inactive persons living in small and remote settlements with no access to regular labour offices.
Mobile labour offices (MLOs)	NEA	MLOs offer the full range of services on offer in regular labour offices, including services to ensure access to training, which is not the case in MLOWs.
Family labour consultants (FLCs)	NEA	FLCs aim to provide holistic support to families in need, offering tailored services to each family member, taking into account individual circumstances.
Career centres at regional labour offices	NEA	Ten career centres offer vocational counselling to registered job seekers and, at least in some centres, non-registered job seekers.
Centres for employment and social assistance (CESAs)	NEA	These centres offer a comprehensive and individualised set of services (comprising both the NEA and Social Assistance Agency services) to people from disadvantaged groups.
Youth activators, Roma mediators and youth mediators	NEA	These are NEA staff specialising in outreach to young and Roma people, respectively. Youth mediators, on the other hand, are employed by municipalities to approach inactive or unemployed young people.
Main active labour market policies (ALMPs)		
Activation of Inactive Persons (National programme)	NEA	This programme aims to activate inactive persons in the labour market by providing them with tools and services to attract them to register at the NEA and to encourage them to participate in training that enables them to return to the education system and/or employment.
Career Start (Training and employment programme for youth)	NEA	Career Start provides opportunities to young people with higher education to acquire work experience in order to facilitate their transition from education to the labour market.
Support for Retirement (National programme)	NEA	This programme supports the transition of older adults from unemployment to work or retirement. The programme's target group is unemployed persons over 58 actively looking for a job and registered at the labour office.
Programme for Training and Employment of Long-term Unemployed Persons	NEA	The programme aims to provide employment for long-term unemployed individuals registered at the labour office and increase their employability through inclusion in training.
National Programme for Employment and Training of Persons with Permanent Disabilities	NEA	This programme intends to increase the employability of registered unemployed persons with disabilities or working-age individuals successfully undergoing treatment for dependence on narcotic substances.
Assistants of People with Disabilities (National programme)	NEA	The programme's main purpose is to provide care in a family environment to people with permanent disabilities by employing unemployed persons as personal assistants.
Trainings and Employment (Operational Programme for Human Resources Development [OPHRD] 2014-2020: BG05M9OP001-1.010)	NEA	This programme aims to provide trainings and integrate unemployed persons over 29 into the labour market. It includes the provision of vouchers for the training of unemployed persons, as well as information and referrals directly to job vacancies for persons for whom jobs do not require training.

Strategy/policy/programme	Responsible ministry/actor	Description
Education of Adults Who Have Passed Literacy Courses (OPHRD 2014-2020: BG05M9OP001-1.018)	NEA	This programme aims to improve the chances for active labour market behaviour of unemployed people with low or no education by motivating them to make efforts to improve their knowledge and skills and providing them with the conditions to acquire professional qualifications.
Flexible Job Opportunities and Training at Enterprises with Variable Workload (OPHRD 2014-2020: BG05M9OP001-1.019)	NEA	This programme aims to provide opportunities to enhance the skills relevance of inactive and unemployed persons, in line with current business needs.
Specific Trainings (OPHRD 2014-2020: BG05M9OP001-1.022)	NEA	This programme aims to increase labour productivity and adaptability of the workforce and create conditions for sustainable employment by providing enterprise and job-specific training opportunities.

Note: NEA: National Employment Agency.

Source: OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, <https://doi.org/10.1787/7b91154a-en>; Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

However, various recent reviews, and the project participants, point to ongoing challenges facing Bulgaria's efforts to activate the skills of vulnerable groups in the labour market. One persistent challenge is connecting disengaged adults from vulnerable populations to public employment services so that they can benefit from training and other ALMPs. Another challenge is raising the skills and qualification levels of low-skilled, out-of-work adults from vulnerable populations in order to secure positive labour market outcomes. This next section draws and builds upon relevant sections of the OECD's (2022^[5]) report *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, as well as other sources, to make policy recommendations on these issues.

Connecting more vulnerable adults to public employment services

Activating the skills of adults from vulnerable groups requires connecting more of them to Bulgaria's PES, the NEA, so they can access opportunities to upskill and reskill. Connecting adults from vulnerable groups to the NEA can be achieved by creating strong incentives for them to connect and by ensuring the sufficient quantity, quality and co-ordination of outreach initiatives aimed at getting them to connect.

Despite outreach efforts, a large share of Bulgaria's unemployed and inactive adults from vulnerable groups are not in contact with the NEA. As noted earlier, the NEA has several programmes to reach out to the most disadvantaged groups, including mobile labour offices and workplaces, family labour consultants, career centres at regional NEA directorates, and activators and mediators (Table 4.4). However, the share of the out-of-work population (comprising unemployed and inactive people) registering with the NEA is low compared to other countries. Only about 22% of inactive or unemployed 25-64 year-olds were in contact with the NEA, against an EU average of 35% of job seekers who were in contact with a PES in 2019. In total, there could be around 700 000 working-age adults who neither work nor study, but have no contact with the NEA. Only about 12% of 15-24 year-old NEETs registered with the NEA in 2019. This compares to an EU average of 47% for youth registering with a PES. The share is similarly low among inactive and unemployed Roma, at 13% (OECD, 2022^[5]).

Unemployed and inactive adults from vulnerable groups do not have strong incentives to register with the NEA. On the one hand, registering with the NEA is a prerequisite to receiving unemployment benefits and social assistance. On the other hand, unemployment benefits and social assistance do not provide strong incentives for unemployed and inactive adults from vulnerable groups to register with the NEA. The most vulnerable often do not meet the high requirements to receive full unemployment benefits because, for example, their contribution records are too short, they are returning claimants or because they quit their job. Although the value of unemployment benefits in Bulgaria is among the highest in the European Union,

the share of unemployed claiming unemployment benefits is lower than on average in the European Union. Close to 30% of unemployment recipients only receive the minimum rate. Among vulnerable groups of unemployed adults, however, the share receiving only the minimum rate is higher: 39% among the low-educated and 47% among Roma (OECD, 2022^[5]).

Furthermore, the value of the social assistance benefits is so small, and obligations related to its receipt so high, that it has a relatively low take-up (OECD, 2022^[5]). Social assistance started at BGN 75 (Bulgarian lev) per month for a single person in 2019 (about EUR 38) – and most claimants must serve a six-month waiting period after registering with the NEA to become eligible for it. This translates to low incentives to claim the benefit and, therefore, low incentives to register with the NEA. It also results in some unemployed and inactive adults from vulnerable groups engaging in informal work, which undermines their access to social protection and employer-supported training (see Chapter 3). Easing the eligibility criteria for full unemployment benefits and raising social assistance levels could incentivise more adults from vulnerable groups to register with the NEA and connect them to ALMPs. Specifically, Bulgaria could consider providing minimum (social) health coverage for people who register, with a six-month limit (OECD, 2023^[14]).

Bulgaria's outreach efforts to unemployed and inactive adults from vulnerable groups appear to be insufficient. However, Bulgaria lacks evidence on the efficacy of these efforts to determine whether some should be expanded or ceased. In 2020, Bulgaria had 78 Roma mediators and 92 youth mediators working for the NEA or municipalities, down from 92 and 101, respectively, in 2015. In addition, the NEA is hiring up to 100 youth activators under a programme running until 2023. These numbers are probably insufficient considering that, in 2019, more than 170 000 young people were not in employment or education, and around 200 000 Roma of working age were not in contact with the NEA (OECD, 2022^[5]). Roma mediator and youth mediator services implemented since 2005 and 2015, respectively, are thought to provide good results (Zahariev and Yordanov, 2014^[18]; European Commission, 2017^[19]; OECD, 2022^[5]). Yet the case for increasing the number of mediators and activators is inconclusive, as Bulgaria has not conducted evaluations to produce reliable evidence on their impacts. The recently adopted Operational Programme for Human Resource Development (OPHRD) (2021-2027) defines a first step towards addressing this issue by establishing a system to evaluate the services offered by the NEA based on data from linked administrative registers.

The services available to unemployed and inactive adults from vulnerable groups could be better co-ordinated and integrated to connect more individuals with the NEA. Effective and regular co-operation between employment and social services facilitates referrals to the former (European Commission, 2022^[20]), which could help ensure that more adults from vulnerable groups are in contact with a PES. Bulgaria has made much progress in this direction since the creation of its centres for employment and social assistance (CESAs) run collaboratively by the NEA and the Social Assistance Agency (Box 4.1). CESAs support outreach to vulnerable groups by facilitating access to both social assistance and unemployment benefits and services, and by providing tailored counselling to adults from vulnerable groups. The CESA initiative has already been evaluated and upgraded twice (OECD, 2022^[5]) but could potentially be expanded and improved to reach even more vulnerable people (Box 4.1).

The NEA has also established an automated data exchange with the Social Assistance Agency via the inter-institutional Registry Information Exchange System (RegiX), which allows them to better identify inactive people (Box 4.1). To this end, Bulgaria has also amended the Employment Promotion Act and proposed measures under the OPHRD (2021-2027) to implement additional data exchanges with a range of institutions and agencies. It is also creating a single, integrated database for employed and unemployed persons at risk of exclusion.

Box 4.1. Relevant national practices: Connecting more vulnerable adults to public employment services

Bulgaria: Centres for employment and social assistance (CESAs)

Across Bulgaria, the NEA and the Social Assistance Agency run 76 joint CESAs. These centres aim to offer a comprehensive and individualised set of services (comprising both the NEA and Social Assistance Agency services) to people from disadvantaged groups. CESAs include both outreach and activation initiatives. They are particularly efficient for outreach to vulnerable groups because they facilitate access to social assistance (which, as already explained, is an effective way to connect vulnerable adults to the NEA), and it provides specialised services tailored to the needs of individuals from vulnerable groups.

Close co-operation between the NEA and the Social Assistance Agency is a key element of the well-functioning outreach to vulnerable people distant from the labour market. Both organisations should continue their collaborative efforts. Nevertheless, the efficiency of this policy could be further increased. Indeed, the take-up of social assistance is low in Bulgaria (OECD, 2021^[21]), limiting the pool of inactive people that can be reached. Increasing social assistance take-up would increase the efficiency of this policy. Alternatively, the MLSP could consider wider collaboration with diverse actors (e.g. NGOs, municipalities) that might have better outreach programmes for some vulnerable groups.

Bulgaria: Inter-institutional Registry Information Exchange System (RegiX)

Bulgaria's inter-institutional RegiX is a digital infrastructure permitting automated information and data exchanges across registers from different public institutions using machine-to-machine (M2M) communication. RegiX is hosted by the Ministry of e-Governance and is part of Bulgaria's central e-government system. The main objectives of RegiX are to favour holistic service provision through an enhanced and better use of client data and to increase the efficiency of administrative processes (e.g. providing personal data only once to a public institution rather than to each institution or service separately). As of September 2021, more than 70 registers were included in RegiX, such as the Population Database, the Property Register and the Register of Identity Documents. Authorised users can access information from these registers. According to RegiX website statistics, several hundred information exchange requests are sometimes filed per hour within RegiX.

Source: OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, <https://doi.org/10.1787/7b91154a-en>.

To more easily identify and get in contact with out-of-work adults, Bulgaria could further strengthen data sharing and co-ordination between the NEA and other relevant actors. For example, Bulgaria could improve co-ordination mechanisms (e.g. meetings, information and good practice sharing) with other institutions (e.g. the National Revenue Agency), with municipalities that provide services to vulnerable groups (especially in remote regions), with schools, or even with NGOs. NGOs in Bulgaria provide diverse types of assistance to vulnerable groups (e.g. the Red Cross provide varied youth services, and various NGOs serve the Roma population), but there is currently no systemic collaboration between the NEA and NGOs. Increased collaboration with NGOs on tasks related to outreach and mentoring might be an efficient way to connect more vulnerable individuals to the NEA (European Commission, 2022^[20]).

Bulgaria could connect more unemployed and inactive adults from vulnerable groups to the NEA by addressing these challenges and building on good practices. This would involve easing benefit eligibility criteria and raising social support levels to strengthen incentives for adults from vulnerable groups to connect with the NEA. It would also involve improving the quantity, quality and co-ordination of outreach initiatives aimed at getting unemployed and inactive adults from vulnerable groups to connect to the NEA.

As an example of co-ordination, France's Comprehensive Support (Accompagnement global) to job seekers is delivered as a joint service from the French PES (Pôle Emploi) and the authorities responsible for social well-being at the regional level (Conseils Généraux) (Box 4.2).

Box 4.2. Relevant international practices: Connecting more vulnerable adults to public employment services

France: Comprehensive Support (Accompagnement global)

Under the Accompagnement global approach, the French PES (Pôle Emploi) co-operates closely with the authorities responsible for social well-being at the regional level (Conseils généraux) to deliver a set of social support and employability services to facilitate the sustainable return to the labour market of vulnerable job seekers. This initiative was set up in 2014 when a national agreement was signed between Pôle Emploi, the Assembly of District Public Authorities and representatives of the General Directorate for Employment and Vocational Training (DGEFP). Accompagnement global schemes are implemented through the signing of three-year agreements by the district public authority and the local branch of Pôle Emploi. Job seekers enter the programme for 12 months, which can be extended once, up to 6 months.

The close co-ordination between employment and social services aims to deliver a personalised follow-up to job seekers from vulnerable groups to help them overcome their main barriers to employment. Upon entering the programme, job seekers undergo a comprehensive assessment of their professional situation (by the PES counsellor) and an assessment of their social situation (by the district social worker). Then, both parties establish a joint action plan to facilitate the job seeker's return to the labour market. This plan defines concrete actions to find a new job, as well as advice and referrals to relevant social services such as healthcare, housing, education, mobility, etc. During this process, the PES counsellor maintains contact with the district social worker to make the best use of existing social services (ILO, 2018^[22]), and automatic data sharing is set up between institutions.

In 2018, this integrated support scheme was implemented in 97% of France's districts. As a result, 50 000 job seekers (2% of the total number of job seekers) were enrolled in the Accompagnement global scheme, among which more than two-thirds could be considered as from a vulnerable group (ILO, 2018^[22]).

The latest evaluation shows the scheme has positively impacted the return to employment, leading to a 27% increase in the return to sustainable employment six months after entering the scheme (Pôle Emploi, 2018^[23]).

Source: ILO (2018^[22]), Public employment services: Joined-up services for people facing labour market disadvantage, www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_632629.pdf; Düll and Kaisergruber (2019^[24]), "Travailleurs sociaux et conseillers emploi : même combat ?", www.metiseurope.eu/2019/11/17/travailleurs-sociaux-et-conseillers-emploi-meme-combat%E2%80%89/; Pôle Emploi (2018^[23]), *Rapport Annuel 2018*, www.pole-emploi.org/files/live/sites/peorg/files/documents/Publications/Rapport%20Annuel%20-%202018-040619-15h43.pdf.

Recommendations for connecting more vulnerable adults to public employment services

Recommendations

- 3.1 Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency and participate in active labour market policies by making benefits more accessible and generous.** Bulgaria should continue to make unemployment insurance and social assistance benefits conditional on registering with the NEA. However, it should lower the six-month waiting period, increase the level of social assistance benefits, and consider temporarily providing minimum (social) health coverage to encourage more unemployed and inactive adults from vulnerable groups to register with the NEA. Bulgaria should also seek opportunities to get more unemployed adults from vulnerable groups receiving unemployment benefits for longer and at higher benefit rates, for example, by tweaking unemployment insurance eligibility criteria. In both cases, Bulgaria should require, support and monitor training and/or job-search activity by benefit recipients (see Recommendations 3.3 and 3.4).
- 3.2 Evaluate the efficacy of Bulgaria’s existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes.** Bulgaria should conduct counterfactual evaluations of the impacts of its programmes that seek to reach out to unemployed and inactive adults from vulnerable groups. This should include ensuring the implementation of interventions that aim to improve the evaluation of NEA’s policies, outlined in the OPHRD (2021-2027). Based on the results of these evaluations, Bulgaria should expand those programmes that are most effective at getting unemployed and inactive adults from vulnerable groups registered with the NEA and Social Assistance Agency. As part of this, Bulgaria should consider increasing the number and scope of activators and mediators who reach out to these groups, including youth and Roma activators/mediators.

Expanding and tailoring employment services for vulnerable groups of adults

Once in contact with the NEA, unemployed adults from vulnerable groups need intensive and tailored support to activate their skills in the labour market. In particular, providing these adults with access to high-quality and relevant training via active labour market policies (ALMPs) is critical for Bulgaria.

Unemployed adults from vulnerable groups tend to receive less attention from Bulgaria’s NEA caseworkers than other unemployed adults. The NEA aims to meet its clients who are furthest from the labour market and who are most likely to come from vulnerable groups (known as “Category 3” clients) more frequently than other clients (Categories 1 and 2 clients). However, in practice, NEA caseworkers meet Category 3 clients less frequently than Category 1 and 2 clients. This result is partly driven by the NEA’s policy of meeting young job seekers (under 30) at least monthly, despite many of these youth being less vulnerable (Category 1). No such minimum meeting frequency applies to Category 3 clients (OECD, 2022^[5]). Increasing the frequency of meetings with counsellors is considered an efficient and cost-effective method to reintegrate vulnerable job seekers (European Commission, 2022^[20]), suggesting that unemployed adults from vulnerable groups need more time with NEA caseworkers.

The capacity of NEA counsellors to provide intensive and tailored support to unemployed adults from vulnerable groups is limited by their high workloads. The workload of NEA counsellors is high and rising. During July-September 2019, the NEA had around 142 job seekers per caseworker, which increased to 217 during the COVID-19 pandemic (OECD, 2022^[5]). Expanded online services (registration, guidance, courses, etc.) for those with sufficient digital literacy could help offset this workload increase and free up NEA staff to spend more time with unemployed adults from vulnerable groups. However, unlike a PES in

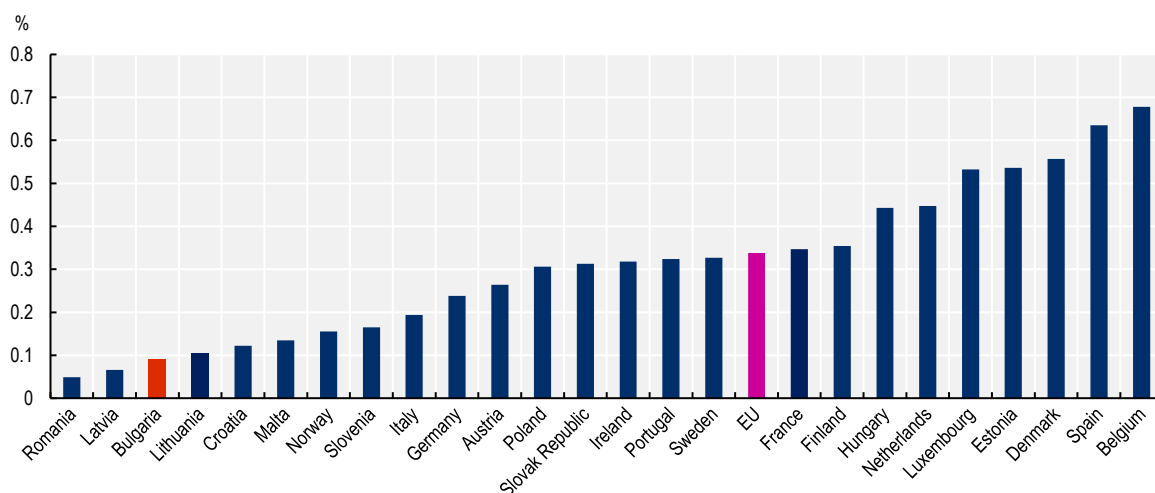
many OECD countries that take a “digital first” approach, whereby services are on line for as many clients as possible, the NEA does not currently offer full online delivery of employment and related services. It is likely that the NEA will also need to employ more staff to devote more attention to unemployed adults from vulnerable groups. This could also potentially achieve faster unemployment-to-work transitions and net savings due to lower expenditures on unemployment benefits.

The capacity of NEA counsellors is also limited by their outdated client-profiling practices. The NEA uses a profiling tool to segment job seekers into sub-categories depending on their distance to the labour market. However, the tool is a decade old and relatively unsophisticated (e.g. it cannot segment clients based on their predicted unemployment duration), and many caseworkers do not follow its recommendations, suggesting they lack trust in the tool. The usefulness of accurate statistical profiling has been proven in various countries and by various studies (OECD, 2018^[25]; 2022^[5]; European Commission, 2022^[20]). A more sophisticated profiling tool could allow the NEA to reallocate resources and time away from clients who need them less to clients from vulnerable groups who need them most. The new OPHRD (2021-2027) suggests measures in this direction within its second specific objective focused on the modernisation of the NEA. The most notable of them include developing an automated job placement advisor based on a skills assessment of job seekers and the introduction of artificial intelligence to support the work of counsellors.

Most of Bulgaria’s unemployed adults from vulnerable groups have low skills and education and thus need to upskill or reskill to gain stable employment. Overall, among Bulgaria’s unemployed persons in 2019, 45.4% faced an educational barrier to employment (educational attainment of lower secondary education or below), and 50.8% faced a skills barrier (never worked, or the most recent role was in an elementary occupation (International Standard Classification of Occupations [ISCO] Code 08 classification 91-96). However, these rates were generally higher for adults from vulnerable groups. For example, the share of out-of-work adults who faced an educational barrier was 88.5% for Roma and 53.8% for youth. About 55% of adults who were inactive because of family/care responsibilities faced an educational barrier (OECD, 2022^[5]).

Bulgaria needs to increase the skills and qualifications of unemployed and inactive people from vulnerable groups to improve their employment outcomes. However, relatively few out-of-work adults in Bulgaria participate in ALMPs (Figure 4.2). Investments in training for unemployed adults in Bulgaria are relatively low and volatile. As noted earlier, the NEA has implemented numerous ALMPs to get those who are out of work into employment (Table 4.4). However, overall spending on ALMPs in Bulgaria is low by international standards: over the period 2016-20, Bulgaria spent an average of 0.25% of its gross domestic product (GDP) per year on ALMPs, compared to an EU average of 0.48%. Moreover, Bulgaria’s expenditure is concentrated on direct employment creation programmes, which international studies suggest are of questionable effectiveness. By contrast, spending on training measures is very low. The share of total spending on training ALMPs ranged from 2% to 39% in Bulgaria between 2016 and 2020. It was lower than the EU average each year for which data are available and more volatile than in most other EU countries (Eurostat, 2022^[26]). This is despite the fact that actual expenditure on training ALMPs often exceeds budgeted expenditure in Bulgaria.

Figure 4.2. Activation support (participants in ALMPs per 100 persons wanting to work), 2019



Source: OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria, Connecting People with Jobs*, <https://doi.org/10.1787/7b91154a-en>.

StatLink  <https://stat.link/41pk86>

While the NEA's training programmes are often available to adults from vulnerable groups, training programmes that specifically target low-qualified and/or vulnerable groups of adults are often small-scale. As a result, relatively few participants in the NEA's training programmes are from vulnerable groups. For example, in 2020, only 10% of participants in training ALMPs had a lower secondary education or below, despite about 45% of unemployed persons being low-educated (OECD, 2022^[5]). One programme offers low-skilled unemployed people the possibility to undertake vocational training through the dual training system. However, the programme had only 14 participants in 2018 and 35 in 2019. Another programme, Training of Adults Who Have Passed Literacy Courses, with a EUR 10 million budget, targeted unemployed persons with low or no education. Yet, between 2016 and 2019, only 350 people acquired a qualification through the programme. Unlike many OECD countries, Bulgaria has no major programmes focused on basic skills (e.g. literacy) training for low-skilled job seekers. The recently adopted OPHRD (2021-2027) envisages various training measures for improving access to employment for disadvantaged groups. These include training to develop "skills related to the future of work" (including organisational skills; teamwork; digital skills; science, technology, engineering and mathematics [STEM]; transferable skills; problem solving; learning skills; time management, among others), while others focus on training in basic skills for people with low education.

Furthermore, some out-of-work adults from vulnerable groups may over-participate in training ALMPs. Some project participants cited the challenge of "occupational learners" in Bulgaria, whereby out-of-work adults participate in multiple training ALMPs successively, simply in order to receive benefits. Bulgaria should closely monitor and produce data on the extent of this phenomenon. In addition, for adults who have participated in a training ALMP, Bulgaria should consider providing additional ALMPs, such as employment incentives and entrepreneurship support, with the aim of facilitating their transition to employment (OECD, 2022^[5]). This would be facilitated by adopting a more individualised approach to the NEA's services and ALMPs, as planned in the OPHRD (2021-2027) and seen in international good practices, such as France's *Accompagnement global* (Box 4.2).

Overall, while clients of the NEA tend to rate the quality of their training highly, they tend to poorly rate its relevance for providing the skills needed to secure a job (Vladimirova et al., 2021^[27]). Running many training programmes, including several small programmes, involves a high administrative cost.

Furthermore, job seekers might not know that these small programmes exist. Bulgaria should consider streamlining its current training programmes, based on evidence about what works, and focus spending on programmes that yield the best results. It will be important for Bulgaria to better target and tailor training to unemployed adults from vulnerable groups and to ensure the labour market relevance of training.

Bulgaria could better tailor and increase participation in employment services, especially training, for vulnerable groups of adults. First, Bulgaria should increase the intensity and frequency of employment services (e.g. caseworker meetings) offered to vulnerable groups of unemployed adults. It could do this with existing resources, for example, by freeing up existing resources (e.g. by expanding online services for clients with sufficient digital skills) and allocating existing resources more efficiently (e.g. by using modern statistical profiling tools). Second, Bulgaria should consider expanding the number of caseworkers in the NEA to reduce staff caseload. Third, Bulgaria should raise the participation of unemployed adults from vulnerable groups in training ALMPs. It could start by increasing and stabilising investments in training ALMPs, by rebalancing the existing budget and/or expanding it. Fourth, Bulgaria should seek to maximise the quality, not quantity, of training ALMPs, by reducing the overall number of training ALMPs and increasing the share that is specifically targeted and tailored to unemployed adults from vulnerable groups. Programmes specifically tailored to the individual learning needs of adults from vulnerable groups should include basic, socio-emotional and technical skills, as well as formal and non-formal education and training (see Chapter 3). Bulgaria can build on national and international practices to this end (Box 4.3 and Box 4.4).

Box 4.3. Relevant national practices: Expanding and tailoring employment services for vulnerable groups of adults

Bulgaria: The Bulgarian-German Vocational Training Centre State Enterprise (BGVTC)

The BGVTC was set up in 2011, inheriting the tradition of three successful Bulgarian-German projects on vocational training. The centres provide two-year vocational training programmes tailored to the needs of young people from vulnerable backgrounds, based on Germany's dual system of vocational education and training (VET). The BGVTC offers vulnerable job seekers a wide range of services and training, including information, counselling, career guidance and training in key competencies. It is licensed by the National Agency for Vocational Education and Training to provide vocational training in 86 professions. The institution frequently implements innovative projects to upskill and reskill job seekers from vulnerable groups. It received the "THE EUROPA" prize from the Adalbert Kutsche Foundation of the European Association of Institutes for Vocational Training (EVBB) for its project on chances for young people at risk (Young Chance).

In 2011-2020, across the five BGVTC branches, more than 15 000 unemployed received a vocational qualification under the National Action Plans for Employment (NAPes), and about one-third also received training in key competences ("Public and Civic Competencies", "A Sense of Initiative and Entrepreneurship", "Digital Competence"). The BGVTC delivers vocational training and guidance to about 2 000 unemployed and employed persons per year. According to a 2019 evaluation, about 58% of unemployed participants in BGVTC training subsequently found employment, compared to 32% of unemployed adults in a control group.

Source: BNT (2013^[28]), Welcome, <https://dp.bgcpo.bg/en/>; DIG-I-READY, (2020^[29]), *Bulgarian-German Vocational Training Centre State Enterprise*, https://digi-ready.eu/consortium_bgcpo; Ministry of Labour and Social Policy, (2019^[30]), *Elaboration of a Subsequent Assessment of the Effect of the Active Labour Market Policy Financed by State Budget Resources at Individual Level (Net Effect) of the Programs and Measures*, included in the National Employment Action Plan for 2017, net-effect-final-report-en1.pdf (government.bg).

Box 4.4. Relevant international practices: Expanding and tailoring employment services for vulnerable groups of adults

Estonia: The Work Ability Reform

In 2016, Estonia implemented a large-scale policy reform called Work Ability Reform to increase outreach to people with long-term health problems, optimise the support on offer for this group and improve the labour market situation of people with reduced work capacity. The Work Ability Reform strengthened the incentives to register with the PES, particularly for people with health impediments. In addition to changes to the work ability assessment, the reform introduced new ALMPs targeting people with health problems and adapted service concepts to the needs of this target group, thereby rendering the support for people with reduced work ability both more attractive and more effective. For example, a new staff category, disability employment counsellors, was introduced at the PES to specifically focus on job seekers with disabilities. In addition, registration with a PES was made a pre-condition for disability benefit receipt, creating strong financial incentives for people entitled to such benefits to establish contact with a PES. The outcomes of the reform are promising. While the share of registered job seekers with reduced work ability stood at 15% at the end of 2015, it grew to over 30% by the end of 2019, suggesting that the Work Ability Reform had a significant impact on outreach to people with long-term health problems.

Source: OECD (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, <https://doi.org/10.1787/7b91154a-en>; OECD, (2022^[5]), *Reaching Out and Activating Inactive and Unemployed Persons in Bulgaria*, <https://doi.org/10.1787/7b91154a-en>; OECD (2021^[31]), *Improving the Provision of Active Labour Market Policies in Estonia*, Connecting People with Jobs, <https://doi.org/10.1787/31f72c5b-en>.

Recommendations for expanding and tailoring employment services for vulnerable groups of adults

Recommendations

3.3 Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs. To make this possible, Bulgaria should first seek to free up existing NEA resources. It should expand the NEA's online services for clients with sufficient digital skills (registration, guidance, courses, etc.), thereby reducing the time caseworkers spend on these clients. It should also seek to allocate caseworkers' time more efficiently to the clients who need it most, as part of relevant measures in the OPHRD (2021-2027) targeting the digital transformation of the NEA. It could do this by developing and utilising a more modern statistical profiling tool, for example, one that predicts clients' unemployment duration. In addition, Bulgaria should consider expanding the number of caseworkers in the NEA to at least return caseloads to their pre-pandemic levels, and ideally below that, to allow more intensive and personalised support for unemployed adults from vulnerable groups. Reliable data and information on skills needs generated by improved skills assessment and anticipation activities (see Chapter 5) should feed into the advice given by NEA caseworkers to unemployed adults from vulnerable groups.

3.4 Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes, by increasing the supply and demand for these programmes. Bulgaria should increase the supply of training tailored to the individual needs of unemployed adults from vulnerable groups (especially youth, Roma and low-educated/low-skilled adults) within the context of current ALMPs and those planned in the OPHRD (2021-2027). Caseworkers should seek to increase clients' interest in and demand for these programmes by conducting in-depth assessments of clients' skills and training needs and promoting relevant training to them (see Recommendation 3.3). The NEA should offer a range of training to meet the learning needs of unemployed adults from vulnerable groups. This should include training targeting basic skills (e.g. literacy, numeracy, digital) and socio-emotional skills, in addition to job-specific/technical skills, whether non-formal or formal education and training. The results of this training should be monitored over time to ensure its relevance to the labour market and to allow ongoing improvements. To facilitate this increased supply, Bulgaria should increase the share of ALMP expenditure dedicated to training programmes to EU average levels and stabilise funding over time. It could do this first by rebalancing existing ALMP expenditure away from direct job creation towards programmes that upskill and reskill job seekers. It should also consider expanding its overall investments in training ALMPs as a percentage of GDP to get closer to international averages. Finally, individuals who complete a training ALMP should subsequently be required, incentivised and supported to search for a job that utilises their newly acquired skills.

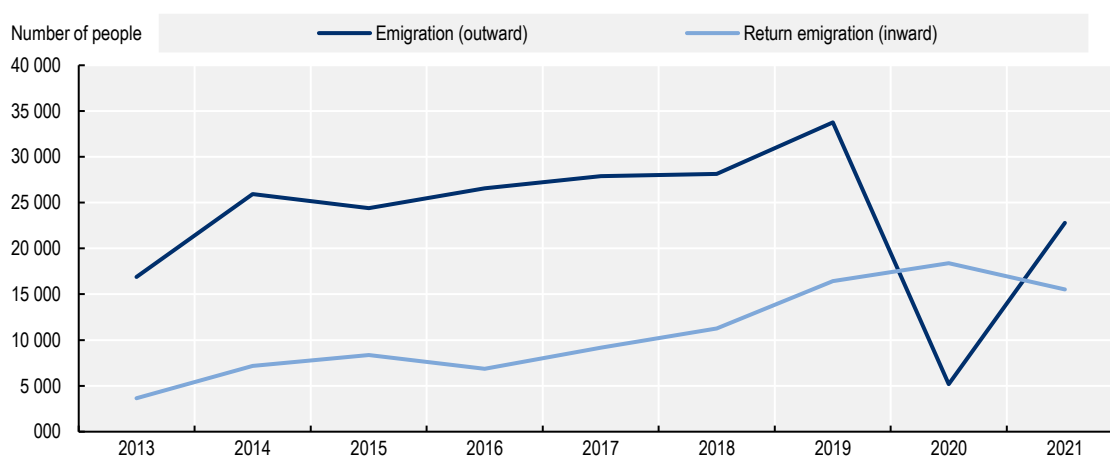
Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria

A major challenge and opportunity for using skills in Bulgaria's labour market and reducing skills imbalances is migration. High emigration and low return emigration, as well as low levels of skilled immigration of EU citizens and third-country nationals (TCNs), have limited Bulgaria's ability to use people's skills and address skills shortages.

Return emigration and skilled immigration can have various benefits for Bulgaria. Attracting and retaining skilled migrants (highly educated workers, entrepreneurs and international students) can help respond to skills shortages, relieve the pressures of population ageing and boost competitiveness. Encouraging the return of skilled nationals – “circular migration” – can help to introduce new knowledge, technology and innovations from abroad into domestic workplaces and the economy (World Bank, 2006^[32]; 2009^[33]; IMF, 2016^[34]). For example, a 2017 nationally representative survey of return migrants in Bulgaria showed that 73% had learned a new skill while abroad that could be used in the Bulgarian labour market (Misheva, 2021^[1]). International students can also bring important benefits to Bulgaria, as they typically integrate more easily than other migrants into host countries' labour markets and, at the same time, help to establish international, cultural and economic ties.

As noted in recent OECD Economic Surveys (OECD, 2021^[13]; OECD, 2023^[14]), high levels of emigration have been the main driver of population decline and a key reason for skills imbalances in Bulgaria. Emigration rates were particularly high during the 1990s and the 2000s. As a result, today Bulgaria has one of the largest emigrant populations in Europe and Central Asia (Garrote-Sanchez, Kreuder and Testaverde, 2021^[35]). According to data from the United Nations Department of Economic and Social Affairs (UN DESA), approximately 1.7 million Bulgarians lived abroad in 2020. The largest Bulgarian diaspora populations in OECD countries are in Germany (360 000 persons), Spain (120 000) and the United Kingdom (105 000). However, emigration slowed considerably during the pandemic, and return emigration has been increasing in recent years (Figure 4.3). Even so, more than 13% of Bulgarian emigrants in OECD countries have a tertiary education (OECD, 2019^[36]), and it is likely that more recent emigrants are even more highly educated, in line with rising educational attainment in Bulgaria.

Figure 4.3. Emigration and return emigration in Bulgaria, 2013-2021



Source: Eurostat (2023^[37]), Emigration by age group, sex and country of next usual residence [MIGR_EMI3NXT_custom_5712749], https://ec.europa.eu/eurostat/databrowser/view/migr_emi5nxt/default/table?lang=en; Eurostat (2022^[38]), Immigration by age group, sex and citizenship [MIGR_IMM1CTZ_custom_5712790], https://ec.europa.eu/eurostat/databrowser/view/migr_imm12prv/default/table?lang=en.

Bulgarians emigrate mostly for economic reasons: to earn higher wages, escape unemployment and benefit from better quality jobs and working conditions (Garrote-Sanchez, Kreuder and Testaverde, 2021^[35]). In more recent years, emigration from Bulgaria has stabilised, and a growing number of Bulgarians are returning to the country as economic opportunities have improved. Approximately 18 000 Bulgarian working-aged citizens immigrated to Bulgaria in 2020, the highest level on record (Eurostat, 2022^[38]). Bulgaria can use and benefit from the skills of Bulgarians working abroad by attracting them back to and helping them resettle in the country.

Immigration into Bulgaria is low overall, and this appears to hold true for skilled immigration also. Only about 2.4% of Bulgaria's population are international migrants, compared to 13.3% on average in OECD countries. In 2019, only about 1 000 working-aged citizens of EU28 countries (excluding Bulgarians) and about 10 000 working-aged citizens of non-EU28 countries immigrated to Bulgaria (Eurostat, 2022^[39]). The Republic of Türkiye, the Russian Federation and Ukraine are consistently the top three nationalities for newcomers to Bulgaria. Immigration to Bulgaria has not been increasing over time and was well below the levels for some other CEEC for which data are available, such as Hungary (9 000 working-aged citizens of EU28 countries (excluding Hungarians) and 42 000 working-aged citizens of non-EU28 countries migrated to Hungary in 2019).

As a result, immigration flows as a share of Bulgaria's labour force are below 1%, the second lowest among the new EU member states. In Lithuania, a country also facing high emigration and population decline, immigration flows as a share of the labour force exceed 5%. In 2017, only 16% of newly registered TCNs in Bulgaria migrated for work, which is half the rate for the European Union as a whole. In recent years, Bulgaria's inward migration has comprised a growing number of refugees and asylum seekers, especially from Syria (almost 10 000 immigrants since 2014) and now from Ukraine (by June 2022, about 78 000 Ukrainian refugees lived in Bulgaria).

The limited data available on the education levels of immigrants suggest that highly skilled migrants make up a limited share of Bulgaria's immigration. National educational attainment data would suggest that immigrants to Bulgaria from non-EU member states (10 000 in 2019) would be less highly educated on average than immigrants from EU member states (1 000 in 2019). Additionally, the Human Development Index (HDI) level of immigrants' country of citizenship can be a loose proxy for their education level (it measures education, health and standard of living levels in countries). Based on this data, of

the 5 600 immigrants to Bulgaria in 2019 who were citizens of non-EU, non-EFTA (European Free Trade Association) or non-EU-candidate countries, only about 400 (7%) came from the 19 countries with a very high HDI level (e.g. Andorra, Argentina, Australia, United Arab Emirates, etc.). Also, Bulgaria has a relatively low number of international students – just under 900 TCNs temporarily migrated to the country for education reasons in 2019.

A range of actors have responsibilities for the Bulgarian diaspora and immigration, although they have a limited focus on fostering return emigration and skilled immigration to meet Bulgaria's skills needs (Table 4.5).

Table 4.5. Bulgaria's main actors, roles and responsibilities related to return emigration and skilled immigration

Actor	Responsibilities related to return emigration	Responsibilities related to skilled immigration
Ministry of Labour and Social Policy (MLSP)	The MLSP maintains and develops a network of labour and social services in the relevant diplomatic representations abroad to protect the rights of Bulgarian workers residing in other countries.	The MLSP is responsible for the formulation and implementation of the policy regarding third-country nationals' (TCNs') access to the labour market, the conclusion of bilateral labour migration and social security treaties with third countries, assistance to Bulgarian citizens in other states of the European Union and EU nationals in Bulgaria to exercise their rights as EU citizens with regard to employment and social security. The MLSP is also responsible for the labour market integration of TCNs residing in Bulgaria.
Ministry of Internal Affairs	n/a	Participates in elaborating the national migration policy, regulates migration processes and administratively controls the residence of foreigners in Bulgaria through its Migration Directorate.
Ministry of Education and Science	Finances the Bulgarian Sunday schools around the world.	n/a
Ministry of Culture	Finances the Bulgarian cultural institutes abroad.	n/a
Ministry of Justice	One of the actors responsible for the naturalisation process.	n/a
National Council on Migration, Borders, Asylum and Integration	n/a	The council advises on the implementation of national policies in the areas of migration, borders, asylum and integration. The council's chairperson is the interior minister, and its members include deputy ministers as well as the chairpersons of the State Agency for Child Protection and the State Agency for Refugees, and others.
State Agency for Bulgarians Abroad	It is the main state body in charge of dealing with nationals abroad. The agency aims to establish and maintain contact with associations, societies, churches and schools of Bulgarian communities abroad and to support their activities in order to preserve the Bulgarian language, cultural and religious traditions. However, the diaspora policy is scattered among numerous state institutions with higher administrative ranks than the agency, which creates institutional challenges.	n/a
Council for Working with Bulgarians Abroad	The council assists the vice-president in exercising the powers related to the policies for Bulgarians abroad, the Bulgarian communities abroad and the Law on the Bulgarians Living Outside the Republic of Bulgaria. Currently, there is no institutionalised mechanism for consultation with Bulgarian communities abroad.	n/a

Actor	Responsibilities related to return emigration	Responsibilities related to skilled immigration
National Employment Agency (NEA)	The National European Employment Services (EURES) Network project of the NEA is an European network of employment services designed to facilitate the movement of workers. One of its objectives is to motivate the return of highly qualified Bulgarian workers by providing information on working in Bulgaria and on job offers.	The NEA implements the policy for labour market protection and regulates the admission of TCNs to employment in Bulgaria.
Social Assistance Agency	n/a	It is responsible for the implementation of social assistance and the protection of foreigners in the country. The Social Assistance Agency carries out these activities through its territorial divisions.
International organisations	International Organisation for Migration (IOM) Bulgaria helps with the comprehensive reintegration of returning Bulgarian labour migrants.	Some international organisations provide integration services to migrants: IOM Bulgaria, the Bulgarian Red Cross, and Caritas.
Non-governmental organisations (NGOs)	Various NGOs, many of them initiatives from emigrants that have returned to Bulgaria, try to provide forums to connect Bulgarian employers and enterprises with emigrant communities, e.g. Tuk-Tam, Back2Bg.	Various NGOs are involved in helping migrants and refugees with their integration and access to rights. These include the Council of Refugee Women in Bulgaria, MultiKulti, the Center for Legal Aid – Voice in Bulgaria and the Foundation for Access to Rights (FAR).

Source: Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

Return emigration and skilled immigration are included to a limited extent as goals in Bulgarian policy and legislation (Table 4.6). The recent National Strategy on Migration of the Republic of Bulgaria (2021-2025) includes measures to attract Bulgarian emigrants back to the country.

Table 4.6. Bulgaria's main policies related to return emigration and skilled immigration

Strategy/policy/programme	Content related to return emigration	Content related to skilled immigration
National Strategy on Migration of the Republic of Bulgaria (2021-2025)	Includes measures targeting attracting Bulgarian communities abroad and aiming to attract Bulgarian emigrants back to Bulgaria.	The goals outlined by the strategy include measures aimed at attracting highly qualified third-country nationals (TCNs), mostly by facilitating administrative measures and access to information and providing support for effective integration policies. However, specific measures regarding the integration of immigrants are not defined.
National Demographic Development Strategy (2012-2030)	One of its aims is to develop a migration policy to attract Bulgarians living abroad. It also aims to introduce special measures and activities targeted at ethnic Bulgarians living outside the country.	n/a
National Strategy for Bulgarian Citizens and Historic Bulgarian Communities	Adopted in 2014, it aims to establish a policy framework for a comprehensive, long-term and integrated state policy for Bulgarian citizens and Bulgarian historic communities abroad. However, there has not been a political commitment to implement this strategy.	n/a
Law on the Bulgarians Living Outside the Republic of Bulgaria	This 2000 law defines this group as comprising those with at least one relative of Bulgarian origin in their ascending line, possess Bulgarian national consciousness, and reside permanently in the territory of another state.	n/a
Labour Migration and Labour Mobility Act	n/a	This act regulates all types of access of TCNs to the Bulgarian labour market: single work permit; EU Blue Card; work permit for intra-corporate transfer; work permit for seasonal workers; registration of the employment of students and researchers.

Strategy/policy/programme	Content related to return emigration	Content related to skilled immigration
Recognition of Professional Qualifications Act	n/a	This act regulates the terms and procedures for recognition of professional qualifications acquired in other EU member states and third countries, with the aim of access to and practice of regulated professions in Bulgaria, as well as the terms and procedures for partial access to the practice of a regulated profession and recognition of length of service for mastering the profession in another EU member state.
Foreigners in the Republic of Bulgaria Act	n/a	Adopted in December 1998, it covers the procedures of entry, departure, stay and residence of foreigners. It has been amended about 70 times since.
Protection against Discrimination Act	n/a	Adopted in September 2003, it regulates the protection against all forms of discrimination.

Source: Government of Bulgaria (2022^[41]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

Potential return migrants and skilled immigrants are motivated by both financial and non-financial drivers in choosing to migrate. Financial drivers include the quality of job opportunities, as well as income and tax levels. Non-financial drivers include the skills environment (such as English proficiency, research and development and patent activity, and Internet access, among others), societal inclusiveness and quality of life. Future prospects and the family environment are both financial and non-financial in nature. Finally, the accessibility of countries in terms of migration policies (e.g. permit conditions, hiring procedures, permanent residence, rights to bring family members, etc.) affects the motivation of skilled workers to migrate (Tuccio, 2019^[40]).

International evidence shows that returning emigrants tend to give more importance to non-monetary factors (Barcevičius et al., 2012^[41]), which seems true for Bulgarians. A 2017 survey found that few Bulgarian migrants indicated wages as the principal factor for their return. Rather, the most important factors were: a peaceful life (36%), quality of life (21%) or the opportunity to start a business in Bulgaria (18%) (Misheva, 2021^[11]). Many Bulgarians working abroad have a high propensity to return, which indicates that policies targeting return emigration have good potential to be effective. For example, according to a recent 2022 survey among Bulgarians living abroad, 39% of respondents are considering returning to live and work in Bulgaria in the following two to three years, with young people showing a higher propensity to return (Tuk-Tam, 2022^[42]).

Bulgaria will need to continue longer-term structural reforms in order to strengthen individuals' financial drivers to migrate to the country. Income taxes are relatively favourable, and job opportunities are in relatively high supply. However, Bulgaria will need to continue implementing economy-wide structural reforms to continue lifting wages and the supply of high-skilled jobs, including regulatory, competition and corporate governance reforms aiming to improve the business environment, stimulate productivity and boost growth (OECD, 2021^[11]). Improving skills development (see Chapters 2 and 3) will also support these goals. Bulgaria will also need to continue broader labour market reforms aimed at improving other aspects of job quality (e.g. job security).

However, Bulgaria could also increase individuals' motivation to migrate to the country by targeting individuals' non-financial and other drivers to migrate. This entails developing a range of effective policies to help turn migration flows in its favour to benefit from people's skills and address skills shortages. Project participants noted that Bulgaria has initiated a number of small-scale projects to foster return emigration and skilled immigration, but these have not been systematic or highly successful. To increase individuals' motivation to migrate to the country, Bulgaria will first need to prioritise return emigration and skilled immigration in its national skills agenda. It should also develop concrete measures to effectively reach out to potential return migrants and skilled immigrants and to support the integration of those who migrate to Bulgaria.

Prioritising return emigration and skilled immigration in Bulgaria's skills agenda

The first step towards fostering return emigration and skilled immigration is to make them a high priority in the national policy agenda. This includes developing a clear, comprehensive, widely supported, impactful vision and strategy for return emigration and skilled immigration. It also includes assigning clear responsibility and resources to a specific actor(s) for implementing any such vision and strategy for return emigration and skilled immigration.

Bulgaria lacks cross-cutting and consistent buy-in for fostering return emigration and skilled immigration. Harnessing the skills of return migrants and skilled immigrants could be given higher priority in Bulgaria's migration, diaspora and broader skills and development policies. Although return emigration is mentioned in some strategies and laws, there has been a lack of political commitment to attract Bulgarians living abroad and skilled immigrants. The Bulgarian diaspora policy has been characterised by inconsistent implementation and fragmented institutional arrangements (Vankova, 2020^[43]). Public opinion of migrants has deteriorated over the last decade, partly driven by an influx of asylum seekers since 2013. A recent study found that 77% of Bulgarian working-age people (without illnesses) declared they disapprove of measures to attract workers from other countries (Kalfin, 2018^[16]). Migration policy generally appears more focused on managing issues of legal vs illegal migration than on harnessing return emigration and skilled immigration to meet skills needs to drive Bulgaria's development.

Bulgaria's existing strategies do not set a clear, compelling vision and plan for fostering return emigration and skilled immigration. Despite frequent mentions in national strategies, Bulgaria's migration policy has been inconsistent over time (Caritas, 2019^[44]). Moreover, migration strategies generally have not defined specific policies for attracting foreign workers (Krasteva, 2019^[45]) or Bulgarian workers abroad. The new National Migration Strategy (2021-2025) and the Employment Strategy (2021-2030) include guiding principles on raising awareness of existing opportunities for employment through outreach campaigns, improving institutional co-ordination, further facilitating access to the Bulgarian labour market for skilled foreigners and learning from good practices. However, the impact of the Migration Strategy and its proposals is expected to be very limited, as no action plan or financial framework has been defined (Cheresheva, 2022^[46]). The chapter dedicated to the integration of migrants in particular is brief and vague (European Commission, 2022^[47]). Bulgaria's higher education strategies and policies do not prioritise attracting foreign TCN students (Government of Bulgaria, 2018^[48]). As such, Bulgaria's strategies related to the diaspora and migration have not translated into concrete policies for fostering return emigration and skilled immigration.

The public bodies with formal responsibilities for immigration have undertaken few efforts and have limited co-ordination to foster return emigration and skilled immigration. The State Agency for Bulgarians Abroad is focused on preserving the national culture within Bulgarian communities abroad and establishing the Bulgarian origin of foreign citizens. As a result, its policies are concentrated in the field of education, culture and access to Bulgarian citizenship rather than outreach to and resettlement support for Bulgarian workers abroad. The agency is also expected to co-ordinate with other institutions working with the diaspora, but this co-ordination is currently weak, in part owing to responsibilities being fragmented among different institutions alongside the agency's low profile and influence (Vankova, 2020^[43]). The National Council on Migration, Borders, Asylum and Integration concentrates on border policies and asylum integration, and the NEA on regulating TCNs' admission and protection in the Bulgarian labour market rather than on fostering skilled immigration (Table 4.5). One promising measure, though, is the career forums organised by the MLSP in foreign cities with a large Bulgarian diaspora (Box 4.5).

Box 4.5. Relevant national practices: Prioritising return emigration and skilled immigration in Bulgaria's skills agenda

Bulgaria: Career forums organised by the Ministry of Labour and Social Policy (MLSP)

The MLSP has organised career forums in countries with a large number of Bulgarian emigrants in order to attract them back to Bulgaria. The initiative allows Bulgarians who study, live and work in Western European countries to meet leading Bulgarian employers and receive information about attractive opportunities for career development in Bulgaria. In 2020, the MLSP organised career forums in four European cities where many Bulgarians live – London, Cologne, Munich and Vienna. Bulgarian companies from various sectors of the economy took part in the forums – financial, insurance, educational, health sector, information technology (IT), food, chemical and machine industry, services and logistics, etc. The career forums were relaunched in 2022 after the COVID-19 pandemic.

Bulgaria's existing strategies and bodies have not generated comprehensive and effective measures to foster return emigration and skilled immigration. OECD and EU countries employ a suite of policies to attract back emigrants and skilled immigrants and to help them (re-)integrate into the labour market and local life. These include financial incentives, outreach and engagement to attract inward migration, favourable visa/residency permit conditions for skilled TCNs and their families, and information and support services to help with relocation and (re-)integration (see the next section). However, Bulgaria largely lacks such measures. The Bulgarian Investment Agency is implementing a BGN 146 000 (EUR 75 000) project to attract Bulgarian immigrants back to the country. Bilateral labour agreements with Armenia and Moldova focus on attracting workers from those countries (including the Bulgarian diaspora) to Bulgaria. However, these are small-scale initiatives; in both cases, there is little information on their activities and results. The Law on Foreign Citizens has been progressively amended to harmonise with EU requirements, streamline application procedures and facilitate access to residence and the labour market for seasonal and highly skilled TCNs. However, no financial or in-kind support is targeted to skilled migrants to attract and help integrate them. The new OPHRD (2021-2027) acknowledges the importance of return migration and skilled immigration but lacks an overall long-term vision. It plans measures to increase Bulgaria's support for international mobility, exchange good practices on how to retain and attract talent, and provide labour market access services and incentives to foreign job seekers applying for work in Bulgaria.

The potential benefits of return emigration and skilled immigration (discussed earlier) need to be better understood and widely promoted in Bulgaria. For example, a study of the fiscal impact of immigrants in 25 OECD countries (22 of which are in the European Union) from 2006 to 2018 found that in all 25 countries, immigrants contributed more in taxes and contributions than governments spent on their social protection, health and education (OECD, 2021^[49]). Bulgaria should identify and quantify the current and potential benefits of return emigration and skilled immigration in the country and put these results at the centre of the policy agenda and messaging.

Bulgaria will likely need a clearer vision and strategy, as well as a dedicated institution(s) for fostering return emigration and skilled immigration. Bulgaria requires a clear and co-ordinated strategy, with underlying measures and political commitment. In future migration, skills and related strategies, Bulgaria should more explicitly articulate the potential benefits of return emigration and skilled immigration and set more ambitious and concrete goals. For example, it could set quantifiable targets for annual return emigration and skilled immigration flows. This should be followed by a concrete suite of policy measures to realise the goals and targets (see the next section).

Some countries combine broader diaspora policies with more specific emigrant return policies, such as Ireland's "Global Irish" policy. Other countries combine comprehensive migration policies covering return emigration, skilled immigration and other migration issues, such as Lithuania's strategy (Box 4.6). Still

other countries have included migration policies as part of overarching development strategies, as in Latvia (ICMPD, 2019^[50]).

Box 4.6. Relevant international practices: Prioritising return emigration and skilled immigration

Lithuania: Strategy for Demography, Migration and Integration (2018-2030)

Lithuania's Strategy for Demography, Migration and Integration (2018-2030) is its first strategy to encompass demographic challenges, migration management, diaspora policies and (re)integration in a single document. The strategy focuses on the return emigration of Lithuanian residents, attracting a highly qualified labour force from non-EU countries and creating a well-functioning integration system for newly arrived foreigners. The emphasis is placed not only on the integration of foreigners but also on the reintegration of Lithuanian returnees to address demographic challenges. With respect to the integration of newly arrived foreigners, the strategy aims to promote decent working and living conditions, strong and inclusive local communities, trust in state institutions and a tolerant receiving society. However, the strategy currently does not provide an action plan or funding for integrating newly arrived foreigners. It remains to be seen if the government will elaborate on the integration strategy in the future.

Source: European Commission, (2018^[51]), Strategy for demography, migration and integration 2018-2030, https://ec.europa.eu/migrant-integration/home_en.

The remit and resources of one or more existing Bulgarian agencies focused on migration will likely need to be expanded in order for Bulgaria to successfully foster return emigration and skilled immigration. For example, the State Agency for Bulgarians Abroad could be made responsible and resourced for achieving goals and targets with respect to return emigration and could co-operate with bodies responsible for the immigration of EU citizens and TCNs in areas such as promotion and integration services.

Recommendations for prioritising return emigration and skilled immigration in Bulgaria's skills agenda

Recommendations

3.5 Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration. Bulgaria should explicitly articulate the potential benefits of and a positive vision for return emigration and skilled immigration, especially for achieving the country's development goals. It should also set ambitious and concrete goals for return emigration and skilled immigration (including for international students in Bulgaria), such as quantifiable targets for migration flows. The government should do this in any action plans developed under the current national strategies on migration concerning Bulgarian citizens, as well as in all future policies and strategies related to migration, employment and skills. The ministries of employment, education, interior, economy and others, as well as social partners, should co-ordinate to develop this comprehensive and ambitious vision and strategy, ensuring it is aligned with Bulgaria's current and anticipated skills needs. This process should include clearly allocating responsibility for achieving goals and targets (see Recommendation 3.6) and developing a comprehensive suite of programmes and measures for fostering return emigration and skilled immigration (see Recommendations 3.7 and 3.8).

3.6 Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies.

Bulgaria should make fostering return emigration and skilled immigration a priority objective of the Council for Working with Bulgarians Abroad and the State National Council on Migration, Borders, Asylum and Integration, respectively. It should expand the remit and resources of the State Agency for Bulgarians Abroad to be responsible and resourced for fostering return emigration, and specifically for achieving the related goals of a renewed Bulgarian vision and strategy for return emigration (Recommendation 3.5). An existing or new body should similarly be responsible and resourced for fostering skilled migration, especially in areas of skills shortages. These bodies should be responsible for developing a suite of targeted measures for emigrants and skilled immigrants (Recommendations 3.7 and 3.8). They should also co-ordinate on areas of service overlap. This could include an online portal promoting Bulgaria, job opportunities, recognition of qualifications, support services, etc. and support services for the (re-)integration of returning emigrants and skilled immigrants into the labour force and life in Bulgaria. The bodies with responsibility for fostering return emigration and skilled immigration should also co-ordinate formally with other agencies with responsibilities for migration and/or labour market integration (e.g. the NEA). The renewed State Agency for Bulgarians Abroad and the body responsible for fostering skilled migration should report on their activities and achievements to the State National Council on Migration, Borders, Asylum and Integration and the Council for Working with Bulgarians Abroad. These councils should co-ordinate with a new Skills Policy Council (see Recommendation 4.1 in Chapter 5).

Reaching and supporting return migrants and skilled immigrants

A second step towards fostering return emigration and skilled immigration for Bulgaria is to develop effective policy measures and services targeting potential and arrived return emigrants and skilled immigrants. These include outreach measures to make contact with emigrants and potential skilled immigrants and to provide them with information intended to attract them to Bulgaria. They also include support measures to help returning emigrants and skilled immigrants to successfully (re-)integrate into the labour market and to efficiently access housing, schooling, healthcare and other services.

Outreach and communications with potential return emigrants and skilled immigrants can help tap into these motivations (Dickerson, 2018^[52]). Countries can encourage return emigration by engaging with expatriate communities and individuals to reinforce their ties with their home country and provide practical information and support for relocation. Diaspora engagement activities can encourage networking and knowledge exchange between expatriate communities and people in the home country. These can be important to increase access to capital and more innovative technologies and work practices.

Information and communication strategies play a crucial role in stimulating return emigration; many EU countries have put in place such policies. These could include networking events, job seeker platforms, job fairs and diaspora skills databases (ICMPD, 2019^[50]). Dedicated portals can offer valuable support in the relocation process by providing information on skills needs and job offers and on the recognition of foreign qualifications and online language training (OECD, 2019^[53]). Many OECD countries facing high emigration rates, including Estonia, Lithuania and Sweden, run such portals (Box 4.8). Such portals can offer services to both emigrants and immigrants, or separate portals could be offered for each group.

Bulgaria lacks outreach and communications measures for potential return emigrants and skilled immigrants. Neither the State Agency for Bulgarians Abroad nor the bodies responsible for skilled immigration (e.g. the NEA) have outreach and communications measures to foster return emigration and skilled immigration.

Some potential good practices for engaging Bulgarian workers abroad have emerged from NGOs (“Bulgaria Wants You”, “Itogether.BG” and “Career in Bulgaria. Why not?”) (Box 4.7) and from other EU countries with high emigration and relative success in fostering return migration. Bulgarian NGOs’ measures include online platforms that provide information on job opportunities in Bulgaria, online communities, and communications with emigrants. This can be especially effective for Bulgarians studying abroad, who tend to be less familiar with the Bulgarian labour market and whose number has been increasing in recent years. Bulgarian initiatives also include meetings and events to foster networking with emigrants. Based on these good practices, Bulgaria could consider creating an online portal offering comprehensive information to emigrating and returning Bulgarian nationals, as well as potential skilled immigrants. A section in the Bulgarian language for emigrants could cover information on Bulgaria’s strengths and opportunities in terms of employment, investments, quality of life, etc., consistent with the key motivations emigrants report for returning to Bulgaria (a peaceful life, quality of life, starting a business, etc.). A section in other languages could include information targeted at skilled workers considering a move to Bulgaria on the topics above, as well as on schooling, healthcare, tax and other matters.

Return emigrants face some challenges integrating into Bulgaria’s local labour market, and the same appears true of skilled immigrants. Although the number of returning Bulgarian emigrants is growing, many plan to leave the country again. According to a 2017 survey, only 60% of return migrants plan to stay in Bulgaria, 28.2% would like to leave again temporarily, and 12% plan to leave the country for good (Misheva, 2021^[11]). The weak integration of former emigrants in the local labour market could partly explain this tendency.

Across OECD countries, more than half of return migrants face some difficulty after their return, the most common being reintegrating into the local labour market (OECD, 2017^[54]). In Bulgaria, according to the data from the 2017 survey, returnees do not necessarily earn higher wages for their international experience, do not always participate actively in the labour market, and often experience a bout of unemployment (25% of return migrants) (Misheva, 2021^[11]). The estimated employment rate for tertiary-educated foreign-born adults in Bulgaria (79%² in 2019) appears to be lower than in all but three other CEEC for which data are available. Also, it appears to be around 10 percentage points lower than the employment rate for tertiary-educated Bulgarian-born adults in Bulgaria (89%). This is consistent with the gap for EU countries overall but larger than the gap in all other CEEC for which data are available, except Estonia and Lithuania (Eurostat, 2023^[55]).

TCNs’ access to Bulgaria’s labour market has improved, but this has not clearly translated into higher-skilled immigration and better employment outcomes. In 2018, Bulgaria made several legislative amendments to facilitate the employment of TCNs by Bulgarian employers. These included: allowing local employers to hire up to 20% of their workforce from non-EU/non-EEA (European Economic Area) countries (35% for small- and medium-sized enterprises [SMEs]), up from the original 10%; removing the requirement for local employers to advertise jobs for 15 days locally before offering a job to a TCN (known as the “labour market test”); and no longer limiting EU Blue Cards (an EU-wide work and residence permit for non-EU/EEA nationals) to professionals with skills on the government’s labour shortages list. The amendments also made it easier for TCN students, researchers and their families resident in other EU countries to reside in and access employment in Bulgaria. In 2021, a new single procedure for applying for and obtaining a residence and work permit for TCNs was introduced into law. A one-stop-shop was introduced, with the Migration Directorate at the Ministry of the Interior now administering single procedures (single permit, blue card, ICT and seasonal worker permits) to access the labour market. The NEA still provides its opinion on access to the labour market but does so electronically (European Migration Network, 2022^[56]).

However, there has been no clear improvement in TCN immigration to Bulgaria or the employment rate for tertiary-educated foreign-born adults since the major reforms in 2018 (Eurostat, 2023^[55]; Eurostat, 2022^[38]). Some actors see further opportunities for improvement, such as removing any remaining local labour market test requirements for hiring TCNs and limiting the grounds on which the NEA can decline

the hiring of foreign workers (Lithuanian Free Market Institute, 2018^[57]). The government should monitor the extent to which recent changes to migration and employment policies for skilled TCNs are fostering skilled immigration and continuously improve these policies over time in close co-operation with social partners.

Bulgaria lacks support measures to help return emigrants and skilled immigrants successfully (re-)integrate into the labour market. Return emigration and skilled immigration could be fostered by providing high-quality information and support to find well-matched jobs and/or start-up opportunities in Bulgaria. About 22% of returnees to Bulgaria state that the only help they need upon returning is finding a job (Misheva, 2021^[1]). However, beyond the generic unemployment services of the NEA, Bulgaria has no measures to aid this process. The NEA could create specific support services to help return migrants find jobs. These could include information sessions and job-search matching services between returnees and local enterprises (Garrote-Sanchez, Kreuder and Testaverde, 2021^[35]). Ministries and agencies involved in innovation and entrepreneurship policy could provide information, guidance and networking opportunities to returning emigrants to help them apply their skills and networks acquired abroad to start new businesses in Bulgaria. This could also include short-term training in entrepreneurial skills, including creating a business plan, financial planning and navigating bureaucratic requirements to start a business (ICMPD, 2019^[50]). The OPHRD (2021-2027) provides a step in the right direction by suggesting tailored labour market services for foreign job seekers applying for work in Bulgaria, as well as incentives and measures to facilitate the mobility of workers from abroad to integrate into the Bulgarian labour market.

Return emigrants and skilled immigrants also lack public support to adjust to other aspects of life in Bulgaria, such as schooling, healthcare and taxation, among others. The experience of EU member states shows that effective return emigration policies tackle a multitude of policy areas (e.g. labour market activation, housing and support at school) and are coherent with other policy areas (ICMPD, 2019^[50]). Countries can provide services to facilitate the relocation and integration of foreign workers and their families, including providing information language courses, support for the recognition of qualifications, civic integration courses and counselling services (OECD, 2017^[58]). In addition to job search, some return emigrants to Bulgaria experience burdensome administrative processes during their resettlement related to schooling, real estate, taxation, etc. (Georgiev, 2020^[59]). Streamlining these processes and providing tailored information to return emigrants and skilled immigrants on these topics could help Bulgaria attract and retain return migrants and skilled immigrants. For example, it could also offer administrative assistance for finding and renting/buying a place to live, finding and registering in schools and kindergartens, meeting tax obligations, etc. This information could be included in the potential online portal and/or discussed in resettlement seminars, as mentioned earlier.

Box 4.7. Relevant national practices: Reaching and supporting return migrants and skilled immigrants

Bulgaria: NGO platforms and events aimed at Bulgarians working abroad

“Bulgaria Wants You” online platform

The online platform, “Bulgaria Wants You” (<https://bulgariawantsyou.com/>), was developed by the DNA Association in partnership with businesses, municipalities and other institutions. The platform provides information about employment opportunities, living standards and working conditions, and organises various career forums and campaigns targeting Bulgarians living abroad. Their latest campaign, “DNAcard - A return ticket”, introduced a direct financial incentive for Bulgarians living abroad to return to Bulgaria.

“ITogether.BG” initiative for IT workers

The Bulgarian Association of Software Companies (BASSCOM) developed the “ITogether.BG” initiative to motivate skilled Bulgarians abroad to work for Bulgarian IT companies. The initiatives include an online information and communication platform (www.basscom.org/itogether) and annual meetings and events.

“Career in Bulgaria. Why not?” annual forum

Tuk-Tam is a non-profit organisation that aims to create a network of current and returned emigrants. They develop communities of students and professionals abroad by engaging them through networking and cultural events. They also support the career development of returned emigrants. Tuk-Tam, in partnership with Back2Bg, organised an annual forum entitled “Career in Bulgaria. Why not?” from 2008 to 2018. The purpose was to connect Bulgarians with experience abroad with employers looking to hire skilled professionals. Each year over 1 500 Bulgarians with international experience – students, specialists and entrepreneurs – visited the forum.

Source: Koyanka, (n.d.^[60]), The Bulgarians with the acquired education and professional experience abroad- and unused potential; Koyanka (n.d.^[60]), www.spisanie.ongal.net/broi15/19KoiankaDimitrova.pdf; OECD, (2021^[11]), *OECD Economic Surveys : Bulgaria 2021 : Economic Assessment*, <https://doi.org/10.1787/1fe2940d-en>.

Box 4.8. Relevant international practices: Reaching and supporting return migrants and skilled immigrants**Estonia, Lithuania and Sweden: Examples of information portals**

Estonia has developed an official portal dedicated to attracting foreigners to the country. It provides job offers and has information on visas, housing, healthcare, taxes and other topics of concern to foreigners considering moving to Estonia.

Lithuania has made the Work in Lithuania portal available to foreigners in English. Aiming to encourage professionals living abroad to build their careers in Lithuania, the website provides job offers, success stories of people who have already moved to the country and information about living in Lithuania.

In Sweden, a portal provides up-to-date information to foreign workers on skills needs and job offers by region, online language training, regulated occupations and recognition of foreign qualifications, as well as the possibility to apply for work permits on line. All of this is available in numerous languages.

Source: Swedish Institute (2019^[61]) Working in Sweden webpage, www.sweden.se/work; Enterprise Estonia (2019^[62]), Work Estonia website, www.workinestonia.com/; Invest Lithuania (2019^[63]), Work in Lithuania website, <https://workinlithuania.lt>.

Recommendations for reaching and supporting return migrants and skilled immigrants**Recommendations**

- 3.7 Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria.** Bulgaria should consider developing an online platform targeting Bulgarian workers abroad and potential skilled immigrants, promoting their relocation to Bulgaria. The platform should provide relevant information, foster communications and allow for the development of

online communities. The platform should include information on Bulgaria's strengths and opportunities in terms of employment, investments, quality of life, schooling, etc., consistent with the key motivations of return emigrants and skilled immigrants. The platform should also be used to collect more and better data on the characteristics of Bulgaria's diaspora (e.g. registration data or online surveys). The platform design could build upon the existing, smaller-scale platforms for emigrants developed by different NGOs in Bulgaria. The suite of measures should also include virtual and in-person networking events and job fairs, particularly focused on key destination countries for emigrants (e.g. Germany, Spain and the United Kingdom) and key source countries for immigrants (e.g. Balkan and Slavic language countries). Importantly, these efforts should also target international students in Bulgaria. The measures should be promoted through existing institutions and agencies focused on the diaspora and investment attraction.

- 3.8 Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society.** The NEA should create specific support services to help return migrants and skilled immigrants (including international students) find well-matched jobs, consistent with the objectives in the OPHRD (2021-2027). These could include information sessions and job-search matching services between migrants and enterprises, as well as referrals to institutions that can recognise prior learning from abroad (see Recommendation 2.7 in Chapter 3). Ministries and agencies involved in innovation and entrepreneurship should also provide information, guidance and networking opportunities to returning emigrants and skilled immigrants to help them apply their skills, use their networks acquired abroad and start new businesses in Bulgaria. This could include short courses in entrepreneurial skills, such as creating a business plan, financial planning, navigating bureaucratic requirements, etc. Bulgaria should also provide tailored information to return emigrants and skilled immigrants on renting/buying, schools and kindergartens, tax obligations, etc. As part of this, it should provide feedback to responsible agencies on how to streamline these processes for return migrants and skilled immigrants. Information on these services and topics could also be included in an online platform targeting Bulgarian workers abroad and potential skilled migrants (see Recommendation 3.7).

Opportunity 3: Supporting enterprises to utilise workers' skills more effectively

Developing and activating skills is necessary but not sufficient for improving productivity and economic growth. A country can successfully develop skills but fail to realise the full benefits of those skills if they are not used effectively at work. Indeed, some project participants argued that it would be insufficient for Bulgaria to improve only activation (see Opportunity 1 above) and return/skilled migration policies (see Opportunity 2 above) for the country to fully benefit from skills. Employers will also need to better utilise workers' skills for the country to fully benefit from skills. Policy makers in OECD countries are becoming more aware that how well employers use skills in workplaces may be just as important as the skills workers possess. To take full advantage of the initial investment in skills development and to limit the depreciation and obsolescence of unused skills, countries should strive to use skills as intensively as possible in the economy, at work and in society (Guest, 2006^[64]).

Skills use at work (or in workplaces) refers to the frequency with which workers use their various skills on the job. Different drivers can influence skills use, but the main driver is HPWPs at work (Box 4.9).

Box 4.9. Definitions and measurements of skills use and high-performance workplace practices

Skills use at work (or in workplaces)

The OECD Skills Strategy Framework (OECD, 2019^[53]) and its pillar on “using skills effectively” describes skills utilisation in both the labour market (also referred to as “activation”) and at work (or in workplaces). This section (Opportunity 3) focuses on the latter. Skills use is often measured using the job requirements approach, which assesses the frequency with which tasks related to skills are carried out. For example, the Survey of Adult Skills (PIAAC) measures the frequency (from 1 “never carried out” to 5 “carried out every day”) of ICT-skill-related tasks, such as the use of e-mail, spreadsheets and programming languages, which result in a composite variable for the use of ICT skills (OECD, 2016^[2]).

As Bulgaria has not participated in PIAAC, the OECD has drawn on the small number of available indicators of skills use in Eurofound’s 2015 European Working Conditions Survey (EWCS). For example, the work intensity index measures the level of work demands in the job according to: quantitative demands (working fast); time pressure (having tight deadlines, not having enough time to do the job); frequent disruptive interruptions; pace determinants and interdependency; and emotional demands.

High-performance workplace practices (HPWPs)

Despite considerable literature on HPWPs, there is no consensus on the exact definition (Posthuma et al., 2013^[65]; UKCES, 2009^[66]). A number of authors have tried to identify specific practices and different categories of HPWPs. A definition of HPWPs has been developed based on an analysis of data from the Survey of Adult Skills (PIAAC) (OECD, 2016^[2]). These taxonomies differ in both depth and breadth. The OECD Centre for Skills applies a pragmatic approach and has identified four broad categories of HPWPs. As Bulgaria has not participated in PIAAC, the OECD has selected indicators for HPWPs from Eurofound’s 2019 European Company Survey (ECS). The HPWP categories and indicators are shown below.

High-performance workplace practices	Related indicators from ECS 2019
Flexibility and autonomy: Including flexibility in working time and tasks, involvement in setting tasks, planning activities, and applying own ideas.	Ability to organise work independently, environment to carry out tasks autonomously, required to solve unfamiliar problems, prevalence of part-time contracts.
Teamwork and information sharing: Including receiving support from colleagues, working in a team, and sharing work-related information with colleagues.	Extent of teamwork, importance of helping colleagues.
Training and development: Including participation in continuing vocational training and on-the-job training.	Extent of learning opportunities, extent of training during working time, extent of on-the-job training, importance of training.
Benefits, career progression and performance management: Including bonuses, career advancement, performance appraisal and competency profiles.	Extent of variable pay.

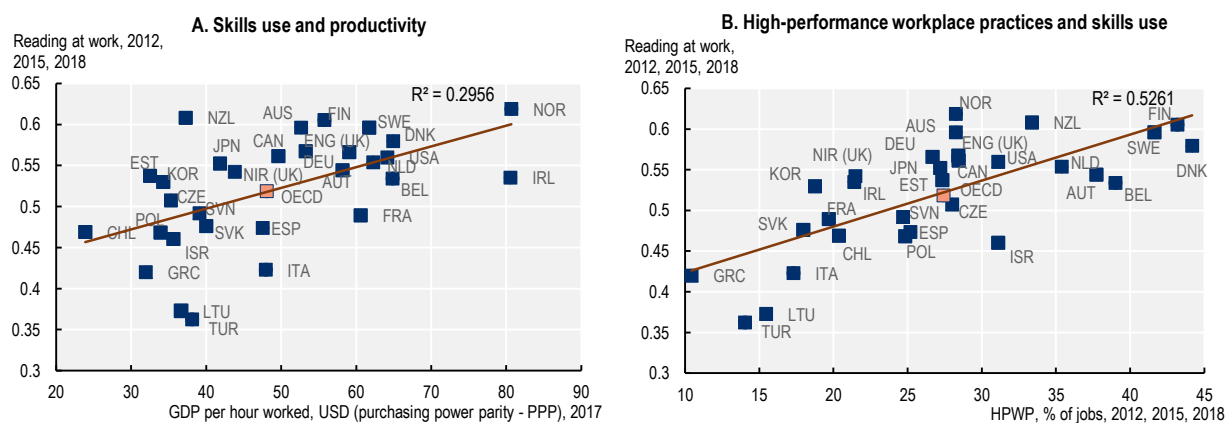
Source: OECD (2019^[53]), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, <https://dx.doi.org/10.1787/9789264313835-en>; OECD (2016^[2]), *Skills Matter: Further Results from the Survey of Adult Skills*, <https://dx.doi.org/10.1787/9789264258051-en>; UKCES (2009^[66]), *High Performance Working: A Synthesis of Key Literature*, www.ukces.org.uk; Posthuma et al. (2013^[65]), *A High Performance Work Practices Taxonomy: Integrating the Literature and Directing Future Research*, <https://dx.doi.org/10.1177/0149206313478184>; Eurofound (2019^[67]), *European Company Survey*, www.eurofound.europa.eu/surveys/data-visualisation/european-company-survey-data-visualisation; Eurofound, (2015^[68]) *Sixth European Working Conditions Survey*, www.eurofound.europa.eu/surveys/european-working-conditions-surveys/sixth-european-working-conditions-survey-2015.

Putting skills to better use at work is important for workers, employers and the broader economy. Studies using data from the OECD Survey of Adult Skills (PIAAC) demonstrate the positive effects of the effective use of skills on performance in both the economy and society (OECD, 2016^[2]). Analysis of the use of skills in workplaces can aid in understanding which skills need to be developed, thereby providing relevant input for training and education providers. For Bulgaria, a declining population, persistent skills shortages and relatively low skills levels among the working-age population magnify the importance of the effective use of skills at work to bolster productivity and living standards.

Using adults' skills more effectively and introducing HPWPs in Bulgarian workplaces could help raise the country's labour productivity, which remains well below the OECD average. In the context of emigration and ageing, population growth will contribute less to Bulgaria's GDP growth, and productivity growth will become an increasingly important contributor. PIAAC demonstrates that skills use in workplaces is positively correlated with, and may help drive, productivity; for instance, the use of reading skills explains a considerable share (30%) of the variation in labour productivity across PIAAC countries, even after controlling for average proficiency scores in literacy (Figure 4.4, Panel A). Skills use and HPWPs are also highly correlated, suggesting that HPWPs can positively influence productivity and skills use (Figure 4.4, Panel B).

The more effective use of skills at work could make Bulgarian jobs more attractive to highly skilled and highly mobile workers (see Opportunity 2). To attract and retain talent, jobs need to move towards internationally competitive wages and job quality. OECD analysis indicates that workers who use their skills more intensively at work – beyond having attained these skills – tend to have higher wages and are more satisfied with their jobs (OECD, 2016^[2]). Furthermore, optimising the use of employees' skills in workplaces could benefit firms in the long term by supporting the transition towards higher value-added jobs. Strengthening skills utilisation at work also can stimulate the adoption of innovations and new technology by Bulgarian firms, which is an important driver of economic growth.

Figure 4.4. Correlations between skills use, productivity and the adoption of high-performance workplace practices in OECD countries

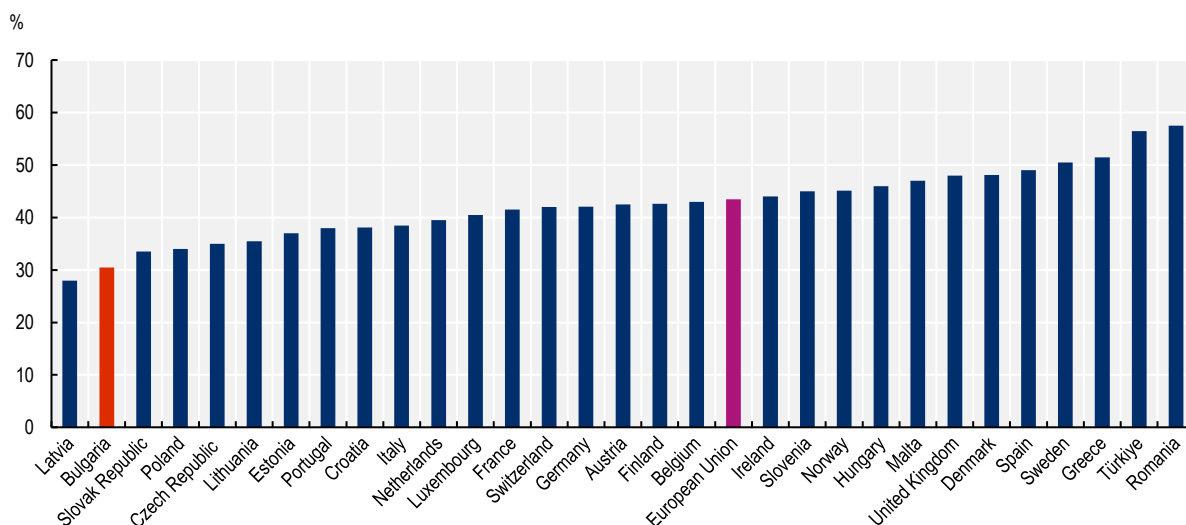


Note: The skills use index ranges from 0 to 1 and is a computed average for the frequency with which workers use different related tasks at work (e.g. reading documents, instructions, memos, articles, e-mails and more for using reading skills at work). High-performance workplace practices include the following variables: choosing and changing the sequence of tasks; the speed of work and how to do the work; organising one's own time and planning one's own activities; co-operating with others; instructing, teaching or training people; sharing information with co-workers; bonuses; participating in training; and flexible working hours.

Source: OECD (2019^[69]), *Skills Matter: Additional Results from the Survey of Adult Skills*, <https://dx.doi.org/10.1787/1f029d8f-en>.

Despite the importance and wide-ranging benefits of effective skills use at work, the available evidence suggests that adults' skills are not used to their full potential in Bulgarian workplaces. Work intensity is lower in Bulgarian workplaces than in every EU country except Latvia, according to the EWCS 2015's work intensity index (Figure 4.5).

Figure 4.5. Work intensity index, by country, EU28, 2019



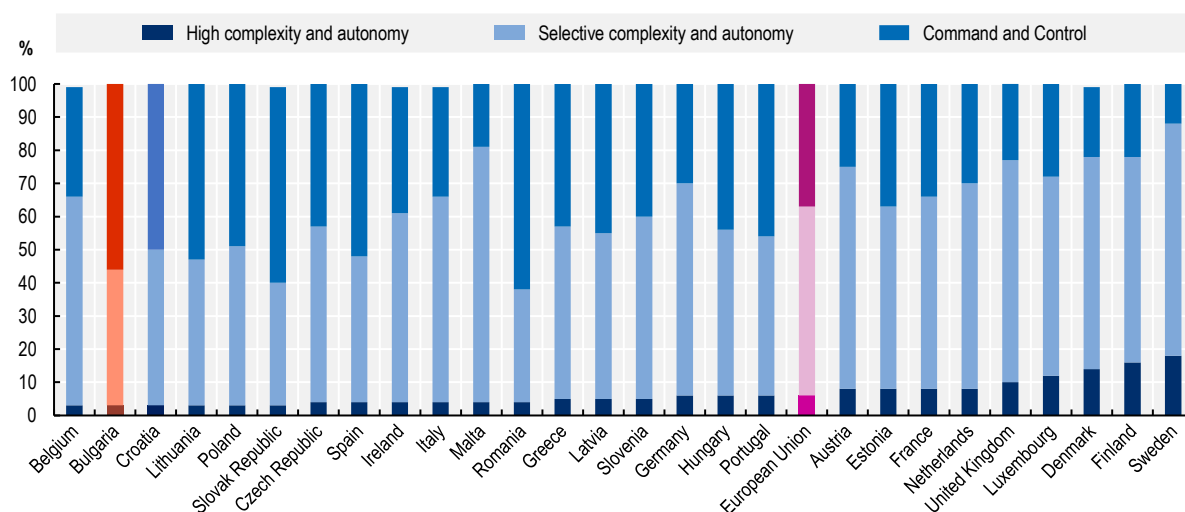
Note: This index measures the level of work demands in the job based on quantitative demands (working fast), time pressure (having tight deadlines, not having enough time to do the job), frequent disruptive interruptions, pace determinants and interdependency, and emotional demands. A total of 13 questions are included in the index.

Source: Eurofound and CEDEFOP (2020^[70]), European Company Survey 2019: Workplace practices unlocking employee potential, www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20001en.pdf.

A more recent skills survey conducted by the World Bank Group (Hristova and Ferre, 2022^[71]) in selected high carbon-emitting industries in Bulgaria showed a rather low intensity and complexity of the use of foundational cognitive skills (reading, writing and numeracy skills) at work. The survey results also indicated that about 30% of those employed in high-skill occupations make no/limited use of their reading and numeracy skills at work, and 64% make very limited use of their writing skills. Workers in low- and medium-skilled occupations and older workers make very limited use of computers at work. Skills use is particularly low in small- and medium-sized Bulgarian firms and the public sector, while highest in international companies.

One likely reason for low skills use is the lack of HPWPs in Bulgarian workplaces. Bulgaria has relatively few “high autonomy-high complexity” workplaces (3%), in which managers create the conditions for workers to work autonomously, workers organise their work schedule independently, and workers find solutions to unfamiliar problems, etc. (Figure 4.6). By contrast, Bulgaria has relatively many “command and control” workplaces in which the aforementioned behaviours are uncommon. Furthermore, training courses during work hours, another type of HPWP, are relatively uncommon in Bulgaria (although on-the-job training is common), in part because a high share of enterprises perceives training of low importance (32%, compared to 25% for the European Union) (see Chapter 3).

Figure 4.6. Workplace type by job complexity and autonomy, 2019



Note: The three groups of workplaces in this figure differ in the extent to which managers in the workplace create the conditions for workers to work autonomously, self-directed teams exist, and workers need to find solutions to unfamiliar problems. These conditions are most prevalent in “High complexity and autonomy” workplaces and least prevalent in “Command and control” workplaces.

Source: Eurofound (2019^[67]), European Company Survey 2019, www.eurofound.europa.eu/surveys/data-visualisation/european-company-survey-data-visualisation.

Bulgaria workplaces have mixed performance in utilising financial and non-financial HPWPs to motivate workers. A relatively high share of workplaces in Bulgaria (25%, compared to 13% for the European Union) have comprehensive approaches to variable pay, in which key forms of variable pay are very likely to be used (payment by results, individual performance-related pay, group performance-related pay, profit-sharing schemes), and they are likely to be applied to a large proportion of, if not all, employees (Eurofound, 2019^[67]). On the other hand, Bulgaria has relatively few “high expectations-high investment” workplaces (17%, compared to the EU average of 29%), in which discretionarily helping colleagues, making suggestions and being willing to stay longer when work requires it, etc. are very important. Increasing HPWPs in Bulgarian workplaces could increase skills use and yield benefits for workers, enterprises and the economy.

Skills use and HPWPs are all but absent from Bulgarian policy dialogue today, despite the challenges and opportunities the country faces in these areas. Instead, Bulgarian skills policy is concentrated on increasing the skill levels of the population and workforce through skills development policies; traditional supply-side approaches to skills are needed, as discussed in previous chapters (see Chapters 2 and 3). As in several countries, this focus likely reflects that there is little precedent for public intervention at the workplace level and that policy makers lack clarity about their options to support skills use at this level (OECD/ILO, 2017^[3]). However, Bulgaria cannot overlook the importance of the demand side of how employers are using skills in the workplace.

In order to realise the benefits of effectively using workers’ skills at work, Bulgaria should support enterprises to implement HPWPs and use workers’ skills more effectively. Governments can raise awareness about better skills use, disseminate good practices, develop diagnostic tools to help firms identify room for improvement, promote knowledge transfer and offer management skill development programmes (OECD, 2019^[53]). For Bulgaria, it should first raise awareness and set a vision and strategy for skills use at work and HPWPs. Second, Bulgaria should develop concrete measures to support employers, especially SMEs, to implement HPWPs and raise skills use. Doing so could also help the country capture a new source of productivity growth and mitigate the challenges of a shrinking labour force.

Raising awareness of effective skills use in Bulgarian workplaces

Bulgaria will need to raise awareness of skills use at work and HPWPs through inclusion in national, regional and sectoral strategies, as well as disseminating knowledge and good practices on HPWPs through targeted campaigns and online information.

A number of existing Bulgarian strategies, policies and programmes cover elements of skills use and HPWPs; however, not as an explicit, standalone policy goal. In addition to the Employment Strategy of the Republic of Bulgaria (2021-2030) (Table 4.1), these include the OPHRD (2021-2027) and the National Strategy for SMEs (2021-2027), among others (Table 4.7).

Table 4.7. Bulgaria’s main strategies and programmes related to skills use at work and high-performance workplace practices

Strategy/policy/programme	Responsible ministry/actor	Description
Operational Programme for Human Resource Development (OPHRD) (2021-2027)	Ministry of Labour and Social Policy	The OPHRD (2021-2027) includes measures to improve the work environment, introduce flexible forms of work and improve work organisation (Special objective 4). It also aims to improve workers’ skills by providing vouchers for training, assessment and certification of skills.
National Strategy for SMEs (2021-2027)	Ministry of the Economy and Industry	The Bulgarian SME strategy includes measures related to HPWPs in the area of Action 4 “digitalisation and skills”. The most relevant measures include increasing workplace digitalisation and skills and the organisation of trainings.
Voucher Scheme for Providing ICT Services to SMEs	Bulgarian Small and Medium Enterprise Promotion Agency (BSMEPA)	This scheme provides incentives through a voucher scheme for small- and medium-sized enterprises (SMEs) to connect with information and communications technology (ICT) service providers to improve their use of ICTs. The specific objective is to promote the use of new ICT-based business models and enhance the digitisation of SMEs.
Project on "Supporting the internationalisation of Bulgarian enterprises through trade missions, business forums, conferences, contact exchanges and bilateral meetings"	BSMEPA	This project supports SME internationalisation through the organisation of international events, such as trade missions, business forums, conferences, bilateral meetings, etc., which aim to assist SMEs with export opportunities in establishing direct contacts with their potential foreign partners and creating or expanding effective trade and production co-operation.
Project on "Participation of SMEs in international fairs, exhibitions and conferences at home and abroad"	BSMEPA	This project supports the export activities of SMEs in Bulgaria to enable the establishment of direct contacts with foreign partners through the organised presence at fairs, exhibitions and conferences.
National Innovation Fund	BSMEPA	The objective of the fund is to promote the implementation of scientific and research and development projects with the aim of acquiring new or improved products, processes or services designed to raise the economic efficiency and improve the innovative potential and technological level of enterprises.

Source: Government of Bulgaria (2022^[4]), *Responses to the OECD Questionnaire for the OECD Skills Strategy Bulgaria*.

The Employment Strategy of the Republic of Bulgaria (2021-2030) includes an objective of “promoting new forms of work”, which can be an important component of the HPWP of flexibility. However, the strategy does not link this objective to skills use or HPWPs. Other examples are the OPHRD (2021-2027) and the Recovery and Resilience Plan, which envision the provision of vouchers for skills training and the assessment and certification of skills. However, training is only a small component of HPWPs (Box 4.9) and is covered by Chapter 3.

Bulgaria lacks a clear vision for fostering skills use or HPWPs in Bulgarian workplaces. It should include them explicitly in national strategies and action plans in a co-ordinated way, involving ministries and social partners.

As noted earlier, there also appears to be a limited understanding of the importance and concepts of skills use at work and HPWPs in Bulgaria generally. The project participants noted that the topic is not prioritised or well understood, with the only information on the topics in Bulgarian to be found in specialised publications and human resources textbooks. While some larger corporations appear to be familiar with the concepts and importance of HPWPs under different names (e.g. human resource management [HRM], lean management, etc.), SMEs lack this familiarity. Indeed, part of the challenge is that Bulgaria does not collect data on skills use and HPWPs within enterprises and participates in very few international surveys that do (e.g. Eurofound's ECS and EWCS). For example, Bulgaria is not part of the OECD's Survey of Adult Skills (PIAAC), which assesses the frequency with which workers use various skills they possess in the workplace.

Awareness of the importance of effective skills use could be raised by informing employers, managers and entrepreneurs about the relevance of workplace innovations and the benefits for their companies. To raise the motivation of employers, managers and entrepreneurs to adopt these practices, benefits should be made tangible and clear, especially given that the benefits of HPWPs are not always directly visible. For instance, results from their implementation, such as a rise in productivity, take time (OECD/ILO, 2017^[3]). Information on workplace practices should be concrete, applicable and relatable; for instance, by showing examples of good practices.

Different formats could also be used to raise awareness of new and innovative workplace practices. The government and stakeholders could raise awareness through campaigns, as in Poland and the Netherlands (Box 4.11). Contests for best-performing companies are considered effective in bringing public attention to workplace practices, encouraging companies to rethink their activities, and helping to change organisational culture. The government and stakeholders could more actively use different types of media, including social media, to make campaigns more targeted and ensure that groups most in need are reached. This should be complemented with government-supported networking and peer-learning opportunities for enterprises (see Recommendations 3.10 and 3.11).

Awareness of HPWPs could also be raised through centralised online information. Bulgaria has developed an online Business Guide for Small and Medium-Sized Enterprises to facilitate SMEs' access to relevant information. During the COVID-19 pandemic, Bulgaria also created an online one-stop-shop service for SMEs, providing them with information on support policies. The information from these websites could be expanded to cover skills use and HPWPs. A tool and/or subsidised consultations to assess enterprises' skills and training needs could be expanded to include a module on skills use and HPWPs within workplaces (see Chapter 3). These could be the first steps to motivate employers, managers and entrepreneurs to change their organisational culture and workplaces, complemented by more concrete support, as discussed in the next section.

Various institutions and organisations could also play a role in raising awareness about skills use and good workplace practices. These include the Bulgarian Small and Medium Enterprise Promotion Agency (BSMEPA), employer associations and trade unions, and even municipalities and the NEA in their dealings with employers. Indeed, some good practices for HPWPs originate with social partners in Bulgaria (Box 4.10). Planned sectoral skills councils could likewise help to raise awareness of the concepts, importance and benefits of skills use and HPWPs in the workplace (see Chapter 5).

Box 4.10. Relevant national practices: Raising awareness of effective skills use in Bulgarian workplaces

Bulgaria: The Confederation of Independent Syndicates' HRM system

The Confederation of Independent Syndicates in Bulgaria (KNSB/CITUB) is Bulgaria's largest trade union, with over 300 000 members, 36 branch organisations and around 200 staff. CITUB seeks to implement modern human resource and performance management practices for its own staff. It implemented an HRM system involving procedures and indicators for the performance-based appraisal of employees at the CITUB headquarters, the Institute for Social and Trade Union Studies and the territorial structures of the CITUB.

The objectives of the employees' performance-based evaluation are wide-ranging. They include: monitoring professional qualifications, experience and compliance with job descriptions; establishing objective prerequisites and criteria for material/financial incentives; assessing staff training needs; and improving work processes and teamwork. Employee appraisals may take place in annual evaluation meetings, during organisational/structural changes in the CITUB, after probationary periods, etc. The results of annual appraisals inform the CITUB's overall remuneration rules, training plan, motivation and career development system, and reserve personnel system.

As a result of CITUB's positive experiences with these practices, the union is trying to encourage similar human resource and performance management practices by having them included in collective agreements for all sectors.

Box 4.11. Relevant international practices: Raising awareness of effective skills use in workplaces

Poland: Leader in Human Resource Management initiative

The Leader in Human Resource Management initiative by the Institute of Labour and Social Studies (Instytut Pracy i Spraw Socjalnych, IPiSS), launched in 2000, emphasises the strategic role of human capital in an organisation and appreciates the specific efforts of participants in the field of HRM. The goals of the competition are to disseminate knowledge in the field of HRM; identify effective solutions; disseminate good practices; create standards for HRM in the context of the Polish economy; and support companies' increased efficiency. The competition covers almost all areas of HRM, including recruitment, assessment, employee development practices, remuneration, terms and conditions of employment, corporate social responsibility and work-life balance.

European Union: European Workplace Innovation Network (EUWIN)

In Europe, the European Commission created EUWIN in 2013 to stimulate awareness of workplace innovation and to share knowledge and experience between enterprises, researchers, social partners, and policy makers through conferences, workshops, film, social media and an online knowledge bank. EUWIN has reached over ten thousand people and companies through conferences and workshops, and hundreds of thousands of users have accessed case studies, articles and evidence on EUWIN's Knowledge Bank. EUWIN guided the development of major new policy initiatives for workplace innovation in the Basque Country, Scotland (United Kingdom) and elsewhere. While EU funding ceased at the end of 2017, EUWIN has continued to function as a network run by its partners, supporting activities in several countries and promoting workplace innovation in European policy frameworks.

The Netherlands: Regional initiatives to raise awareness of HPWPs

In the Netherlands, various initiatives led by the government, companies and knowledge institutes aim to increase the awareness and managerial applicability of HPWPs. For example, the region of Noord-Brabant is one of the leading regions in the Netherlands on various types of innovation. In this region, companies can win a Social Innovation Award as recognition for a promising HPWP initiative.

The Expedition Social Innovation, funded by the Dutch government, involves a group of entrepreneurs and managers meeting and discussing what HPWPs can mean for their organisations and how they can introduce these practices in their workplaces.

Source: OECD, (2019^[72]), *OECD Skills Strategy Poland*, <https://doi.org/10.1787/b377fbcc-en>; OECD/ILO (2017^[3]), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, <https://dx.doi.org/10.1787/9789264281394-en>; OECD (2017^[73]), *OECD Skills Strategy Diagnostic Report: Netherlands 2017*, <https://doi.org/10.1787/23078731>; European Workplace Innovation Network (2023^[74]), European Workplace Innovation network, <https://workplaceinnovation.eu/about-euwin/>.

Recommendations for raising awareness of effective skills use in Bulgarian workplaces

Recommendations

- 3.9 Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills.** In its Action Plan for Skills, Bulgaria should explicitly articulate the potential benefits and a vision for implementing HPWPs and effectively using skills in Bulgarian workplaces. It should set concrete goals and targets for skills use and HPWPs and collect data from employers to monitor the achievement of these goals. The ministries of employment, education, economy and others, as well as social partners, should co-ordinate to develop these goals for skills use and HPWPs to ensure their suitability and coherence with other strategies and goals (e.g. the National Strategy for SMEs [2021-2027]). This process should include clearly allocating responsibility for achieving goals and targets and developing a comprehensive suite of programmes and measures to support employers in implementing HPWPs (see Recommendations 3.11 and 3.12).
- 3.10 Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals.** Bulgaria should improve data on skills use and HPWPs in workplaces, for example, by participating in the Survey of Adult Skills (PIAAC) and/or running its own surveys. The BSMEPA, other agencies with responsibilities for enterprises and innovation, and social partners should co-ordinate to raise awareness among enterprises of skills use at work and HPWPs. Bulgaria should disseminate information on the concepts and benefits of skills use and HPWPs, good practices from enterprises, and available support from the government for HPWPs (see Recommendations 3.11 and 3.12) to all groups and sectors of employers. They should centralise this information on the existing one-stop-shop portal for SMEs and update existing resources (such as the Business Guide for Small and Medium-Sized Enterprises) with this information. These actors should consider developing a campaign that includes recognising/awarding high-performing companies and promoting skills use at work and HPWPs on social media channels.

Supporting employers to improve skills use and adopt high-performance workplace practices

Promoting HPWPs by raising awareness of their relevance can facilitate their adoption in workplaces. However, this may not be sufficient, as for many businesses, especially SMEs, a lack of capacity prevents them from adopting HPWPs (OECD/ILO, 2017^[3]). Project participants confirmed that SMEs, in particular, lack the capacity to modernise workplace practices. Therefore, to improve the use of skills and the adoption of HPWPs, the government should also provide targeted support to enterprises.

Bulgaria lacks measures to support enterprises to adopt HPWPs (Table 4.7). As noted earlier, governments can raise awareness about better skills use, disseminate good practices and promote knowledge transfer (see the previous section), as well as develop diagnostic tools and offer management skill development programmes to support the implementation of HPWPs (OECD, 2019^[53]). The BSMEPA's voucher scheme, for example, helps enterprises access support to upgrade their ICT skills, thus fostering the digitalisation of Bulgarian SMEs. However, digitalisation in and of itself may not increase skills use. As another example, the BSMEPA's project supporting the internationalisation of Bulgarian enterprises may expose enterprises to other firms employing HPWPs, but this would only be a secondary, unintentional benefit of the programme. Bulgaria follows the principles of the Small Business Act (SBA), the European Union's overarching framework on SMEs to improve entrepreneurship and simplify the regulatory and policy environment for SMEs. However, Bulgaria's performance across the different elements of the SBA is below the EU average (European Commission, 2019^[75]) and the lowest of all EU countries in the area of skills, innovation and entrepreneurship.

Bulgaria could potentially build on its existing programmes to support enterprises to adopt HPWPs. For example, it could expand its current voucher scheme for ICT investments and planned vouchers for training and skills recognition to cover a broader range of workplace innovations. Alternatively, it could create a separate voucher scheme focused on HPWPs more broadly. Furthermore, there may be scope to make peer learning and good practice sharing on HPWPs an explicit goal and feature of business forums, conferences, meetings, etc. run as part of the BSMEPA's export-oriented projects. Indeed, during the OECD project, the Bulgarian-Swiss Chamber of Commerce explained that it frequently organises events and projects during which Bulgarian suppliers/subsidiaries can meet and learn good practices from their Swiss counterparts (e.g. lean management, HRM, etc.) (Box 4.12).

Bulgaria could also adapt good practices from other countries to support enterprises in adopting HPWPs (Box 4.13). For example, it could subsidise mentoring and coaching for businesses to strengthen the adoption of HPWPs. Mentoring and coaching programmes are by nature tailored and are often successful in changing organisational practice by supporting and guiding the responsible management in adopting HPWPs (OECD/ILO, 2017^[3]). Mentors and coaches could bring the required specialised, technical expertise on work organisation, job design, and human resource development practices to the company, help to ensure employer buy-in and positively affect change. This mentoring and coaching could be integrated with subsidised consultants who support enterprises in assessing their skills and training needs (see Chapter 3). Bulgaria could also strengthen management and leadership skills by ensuring a sufficient supply of high-quality management training courses in higher education and other institutions for business professionals (see Chapter 3). Employer associations and institutions should co-operate to develop these courses.

Box 4.12. Relevant national practice: Supporting employers to improve skills use and adopt high-performance workplace practices

Bulgaria: Business Partnerships for Better Society (B2B 4 CSR)

The Bulgarian-Swiss Chamber of Commerce (BSCC) implemented the project Business Partnerships for Better Society (B2B 4 CSR), which aims to foster partnerships between Bulgarian and Swiss companies in the areas of electronics and the production of furniture and plastic materials. The project involved creating networking opportunities between companies, including through business forums in Switzerland and Bulgaria. The conversations and presentations focused on doing business in Bulgaria and working with Swiss companies.

In the context of these events, Bulgarian suppliers/subsidiaries have had the opportunity to learn about HPWPs from their Swiss counterparts. These have covered, for example, how to implement lean management and effective HRM. A major focus of peer learning has been dual education, which has been in practice since 2015. The BSCC has organised 8 travel groups, consisting of representatives of more than 50 Bulgarian companies and 16 Bulgarian VET schools, who were able to visit more than 20 Swiss companies from similar industries, which provide dual education, as well as Swiss VET schools. This project is supported by a grant from Switzerland through the Partnership and Expert Fund.

Source: Bulgarian-Swiss Chamber of Commerce (2017^[76]), “Business partnerships for better society” (B2B 4 CSR) – BSCC, <https://bscc.bg/en/projects/b2b-4-csr/>.

Box 4.13. Relevant international practices: Supporting employers to improve skills use and adopt high-performance workplace practices

New Zealand: High-Performance Working Initiative

New Zealand has centred its pursuit of workplace innovation on improving productivity performance and has singled out the poor use of skills in workplaces as a key policy issue. The High-Performance Working Initiative provides business coaching for SMEs to help streamline work practices to improve performance while also increasing employee engagement and satisfaction. Business improvement consultants work with firms to improve their productivity. Funding is provided by the government agency Callaghan Innovation, with the firm providing half the funding.

Australia: Examples of increasing innovation and productivity in firms

In Australia, policy engagement with HPWPs has been driven by a perceived need to increase innovation and productivity. A number of Australian initiatives have sought to promote best practices in this area, from the Best Practice Demonstration Programme in the early 1990s to the more recent Partners at Work Grants Programme in Victoria. This programme offers competitive grants to assist workplace changes that benefit all stakeholders and is designed to encourage the development of co-operative workplace practices. It provides funding to support the appointment of consultants to work with organisations and for relevant training investments.

Singapore: Initiatives to support the adoption of HPWPs

In Singapore, interventions that support the adoption of HPWPs involve funding and other types of support for employers to reshape their workplaces and move towards higher value-added production. These can include strengthening human resource systems to better link skills acquisition to career trajectories; hiring consultants to review compensation structures to retain skilled workers; or hiring consultants to assess the training needs of an organisation and to adapt available training to these specific needs. An example of such a programme is the Enterprise Training Support scheme. Introduced in 2013, the scheme aims to: 1) raise employee productivity and skill levels; 2) attract and retain employees by developing good HRM systems and practices tied to training; and 3) attract and retain valued employees by benchmarking compensation and benefits.

Source: OECD (2019^[72]), *OECD Skills Strategy Poland: Assessment and Recommendations*, <https://doi.org/10.1787/b377fbcc-en>; OECD/ILO (2017^[83]), *Better Use of Skills in the Workplace: Why It Matters for Productivity and Local Jobs*, <https://dx.doi.org/10.1787/9789264281394-en>.

Recommendations for supporting employers to improve skills use and adopt high-performance workplace practices

Recommendations

- 3.11 Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals.** Bulgaria should create opportunities for enterprises, particularly SMEs, to meet and learn about good practices for implementing HPWPs. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop peer-learning conferences, seminars and workshops. These should allow firms to learn from other Bulgarian and international firms in their sector or supply chain who have proven experience implementing HPWPs. The ministries should subsidise these events, including having international experts attend to present on different areas of HPWPs. These events should be promoted as part of broader awareness-raising initiatives on skills use at work and HPWPs (see Recommendation 3.10) and be used to point enterprises to available support for implementing HPWPs (see Recommendation 3.12).
- 3.12 Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs.** Bulgaria should pilot public subsidies for consultants, mentors or coaches to provide tailored, one-on-one advice to SMEs about implementing HPWPs. This could be achieved through a voucher scheme or other financial scheme. The ministries responsible for enterprises, innovation and skills should partner with employer associations and training unions to develop these services, building upon existing advisory services being offered to enterprises (e.g. in the areas of ICT and export market development). Alternatively, Bulgaria could consider making these services part of advisory services to enterprises to assess their skills and training needs (see Chapter 3). The results of the pilot should be closely monitored, and the service should be improved as needed in light of the pilot results.

Summary of policy recommendations

Policy directions	High-level policy recommendations
Opportunity 1: Activating the skills of vulnerable groups in the labour market	
Connecting more vulnerable adults to public employment services	<p>3.1 Strengthen incentives for unemployed and inactive adults from vulnerable groups to register with the National Employment Agency and participate in active labour market policies by making benefits more accessible and generous.</p> <p>3.2 Evaluate the efficacy of Bulgaria's existing outreach programmes for unemployed and inactive adults from vulnerable groups and expand the most effective programmes.</p>
Expanding and tailoring employment services for vulnerable groups of adults	<p>3.3 Increase the frequency and intensity of National Employment Agency caseworker interactions with unemployed adults from vulnerable groups to help more of these adults access training and jobs.</p> <p>3.4 Place more unemployed adults from vulnerable groups into tailored and labour-market-relevant National Employment Agency training programmes by increasing the supply and demand for these programmes.</p>
Opportunity 2: Fostering return emigration and skilled immigration to Bulgaria	
Prioritising return emigration and skilled immigration in Bulgaria's skills agenda	<p>3.5 Develop a comprehensive, ambitious vision and strategy for return emigration and skilled immigration.</p> <p>3.6 Assign clear responsibility and adequate resources for fostering return emigration and skilled immigration, both at the level of strategic councils and national agencies.</p>
Reaching and supporting return migrants and skilled immigrants	<p>3.7 Develop a comprehensive suite of measures for reaching out to Bulgarian emigrants and potential skilled immigrants, including an online portal promoting their migration to Bulgaria.</p> <p>3.8 Develop a comprehensive suite of services to help returning emigrants, skilled immigrants and international students find suitable work, start businesses and integrate into Bulgarian society.</p>
Opportunity 3: Supporting enterprises to utilise workers' skills more effectively	
Raising awareness of effective skills use in Bulgarian workplaces	<p>3.9 Develop a clear vision and strategy for skills use and high-performance workplace practices in Bulgarian enterprises as part of a broader Action Plan for Skills.</p> <p>3.10 Raise awareness of the concepts, benefits and support for skills use and high-performance workplace practices among Bulgarian employers by leveraging existing employer networks and business portals.</p>
Supporting employers to improve skills use and adopt high-performance workplace practices	<p>3.11 Develop events and networking opportunities for enterprises to learn about high-performance workplace practices from peers and professionals.</p> <p>3.12 Pilot subsidised advisory services on implementing high-performance workplace practices for small- and medium-sized enterprises to overcome time and cost barriers to HPWPs.</p>

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Notes

1. CEEC include the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia.
2. This value should be used with caution, as it has low reliability due to a small sample size or high non-response rate.



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