

# **Trends and perspectives of Bulgarian NEETs**

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Summary: One of the major problems of the present is young people who are not concerned with labor, employment or entrepreneurship. Unfortunately, this group of people in Bulgaria is a considerable part of working age people and despite the measures taken, they remain a major problem. The report outlines the main trends and perspectives for the Bulgarian NEETs and on this basis offer some directions for solving this problem.

Keywords: NEETs, unemployment, labor market, Bulgaria, activity

## **Introduction**

At the beginning of 2013, the European Commission issued Communication COM (2012) 795 final<sup>1</sup>, where the parameters of the European Action Plan, which has a subtitle with a clear message - to re-launch the entrepreneurial spirit of Europe. The document emphasizes that there must be more entrepreneurs in Europe in order to achieve economic growth and high levels of employment. At the same time, against the background of these outlined perspectives, the data on registered young people between 15 and 29 not employed, in the education system, or training form a new phenomenon - NEETs<sup>2</sup>. By 2016 NEETs exceeded 11.5% of the population of the entire European Union, and Bulgaria has the highest levels - almost 1/5 of all young Bulgarians. This report studies key NEETs parameters by outlining the significance and trends of the environment for this young people in Bulgaria. Main directions are outlined to influence the NEETs growth restriction. As initial data, official statistical information from National Statistical Institute and EUROSTAT are used as well as information published in government documents and research conducted on this subject.

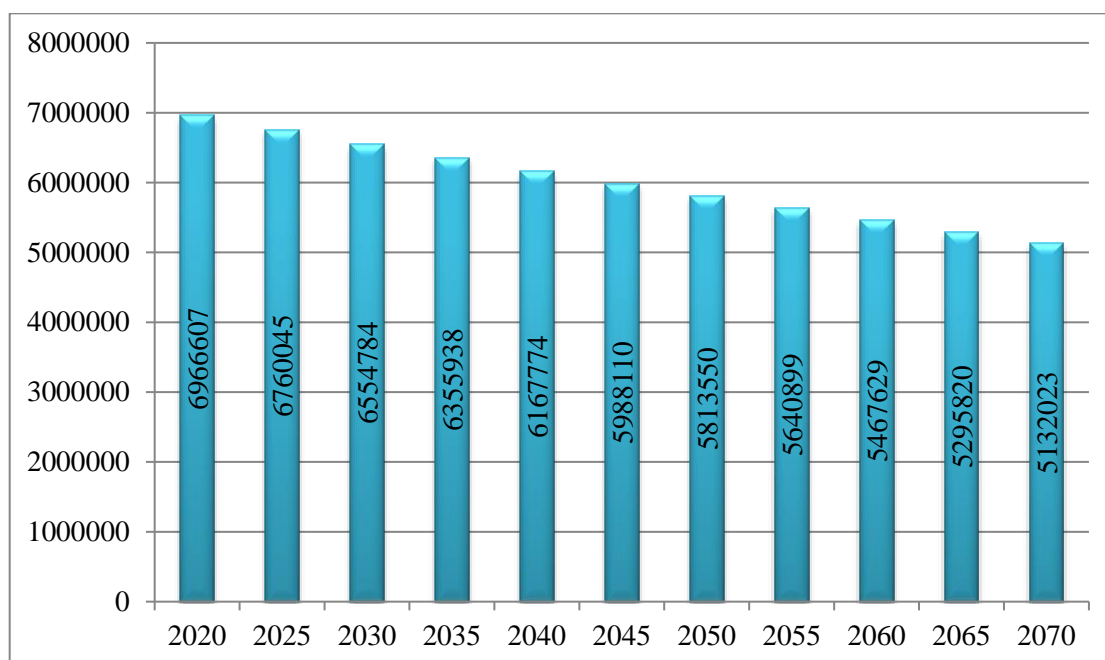
### **1. The demographic picture of Bulgaria – outlines and perspectives**

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0795:FIN:en:PDF>

<sup>2</sup> NEET – not in employment, education or training

One of the fastest “melting” countries in the EU in recent years, without being caused by natural cataclysms, wars or epidemics, turns out to be Bulgaria. At the beginning of the transition, in 1989 our country had a population of almost 9 million, in 2000 it was just over 8.1 million, and 16 years later it was a million less. This demographic catastrophe began in the late 1980s and was caused by a number of complex factors, including the low birth rate, the drastically delayed economic reforms, the high levels of corruption impeding the free development of entrepreneurial initiative and others. By mid-2017, according to the Population Reference Bureau<sup>3</sup> demographic data for Bulgaria show a deepening of unfavorable trends: on 1,000 there are 9 births and 15 deaths, high child mortality rates - 6.5%, 14% of the population are under 15, and 21% are over 65, and 73% of the population lives in cities and 204 inhabitants have at 1 sq. km. Population forecast for Bulgaria according to the National Statistical Institute shows the future in a catastrophic picture (Figure 1).

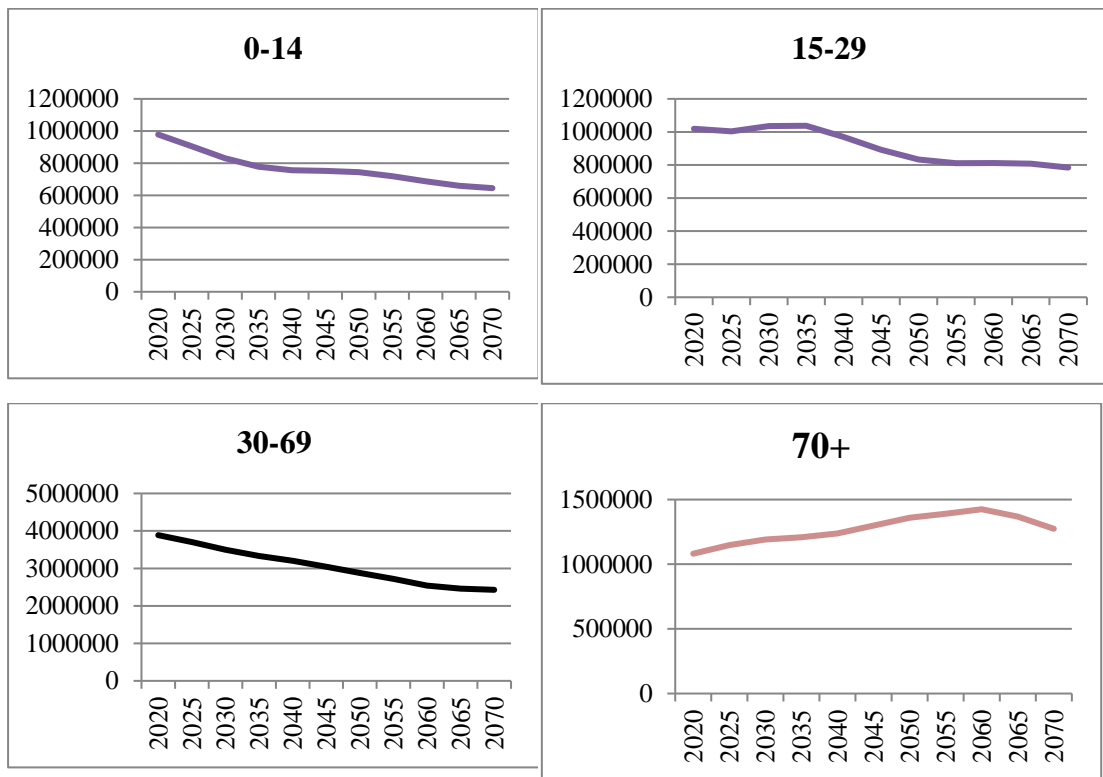


**Figure 1.** Population Forecast for Bulgaria (the realistic scenario)

The structure forecast for the Bulgaria’s population perspective 2020-2070 by working age status shows continuation of unfavorable trends of decline of young

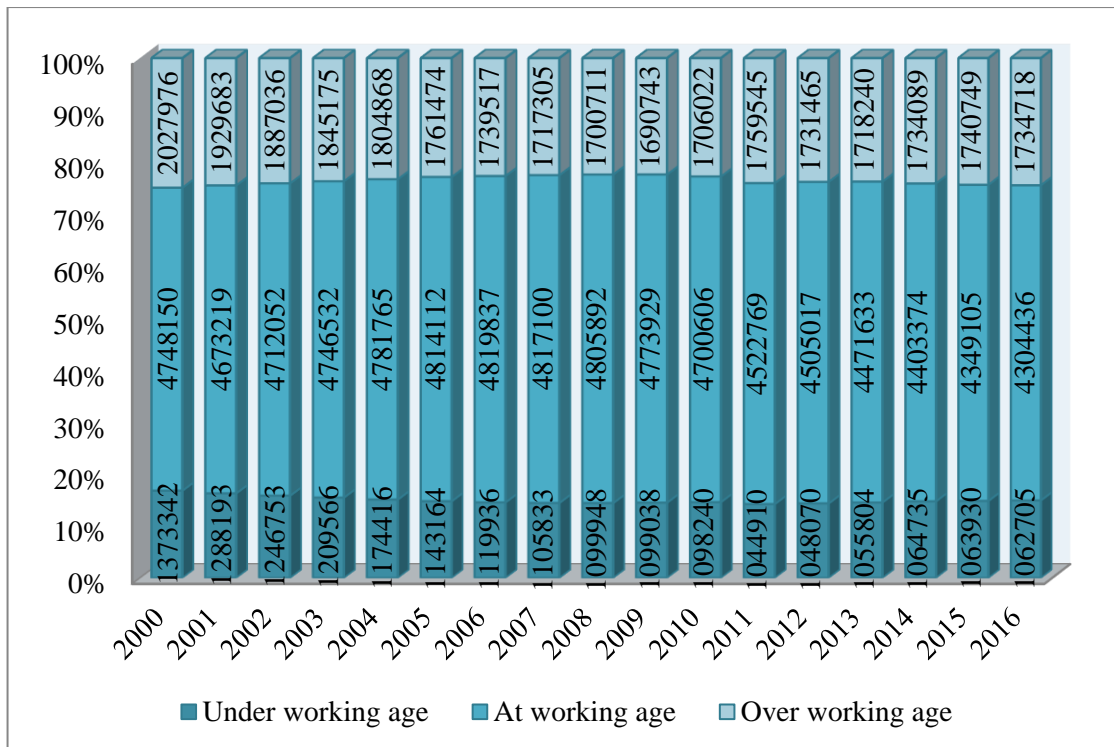
<sup>3</sup> <http://www.prb.org/>

population with nearly 400 thousands, a decline in the working population with approximately the same values and a gradual increase in over working age population.



**Figure 2.** Structure forecast for the Bulgaria's population perspective 2020-2070

These very unfavorable future scenarios in structural terms are evident from the problematic proportions of the population groups shown in Figure 3: persons under and above working age are reduced for the last 16 years with about 300,000, and those in working age are most declining - by almost 450 thousands. Obviously, the lack of effective decisions in the demographic aspect is giving results, and analysts predict the continuation of these negative trends.



**Figure 3.** Structure of the population in Bulgaria for the period of 2000-2016 by working age status

The actual demographic picture for Bulgaria mid-2017 is outlining such main trends as:

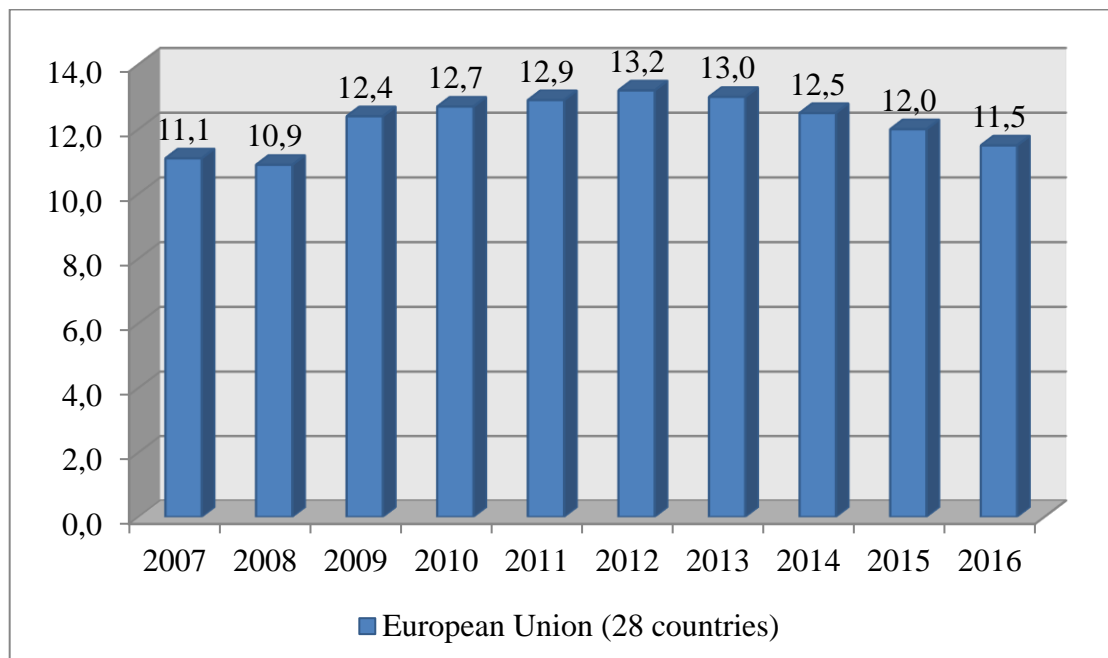
- The population decrease process continues as well as population aging;
- The imbalance in the territorial distribution of the population is deepening;
- Reduction in numbers of live births and overall fertility rate;
- The number of deaths and overall mortality rate are decreasing;
- Reduces in child mortality;
- The number of civil marriages is reduced and the number of divorces increases;
- The expected average life expectancy is increased.

On this basis, there is another, much serious problem - growing group of young people who do not want to participate in the labor process no way.

## 2. Bulgarian NEETs

According EUROSTAT the indicator NEET corresponds to the percentage of the population of a given age group and sex who is not employed and not involved in further education or training. The numerator of the indicator refers to persons meeting

these two conditions: they are not employed (i.e. unemployed or inactive according to the International Labour Organisation definition); and they have not received any education or training in the four weeks preceding the survey. The denominator is the total population of the same age group and sex, excl. the respondents who have not answered the question 'participation to regular education and training'<sup>4</sup>. NEETs in EU became increasingly central to the policy agenda of the European institutions and from 2012-2013 a special set of measures and programs were developed to this very problematic group. As it is seen from the figure 4, their presence at the community is essential above 11% of the population in EU 28 as its raising from 11% to 13.2% in 2012 and then decreases to 11,5% in 2016.



**Figure 4.** Percentage of NEETs in EU 28 of the total population

The problem with NEETs in EU 28 is very serious as Turkey and FYROM (not accessed in EU) for the last 10 years “hold” the first two places on this indicator. Besides them we can see that the next country is Bulgaria - accessed in EU in 2007. Probably as a positive sign might be reported that for the first time from 2007 - 2011 Bulgaria give Italy the championship after 2012. The countries not suffering from NEETs problems are Iceland, Netherlands, Luxembourg, Norway, Denmark, Sweden,

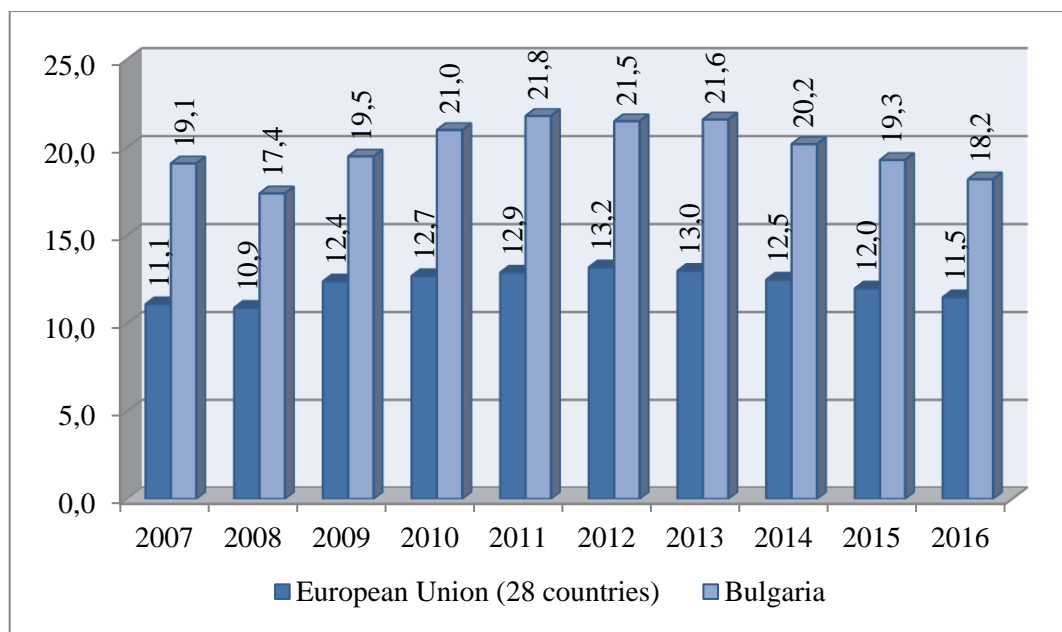
<sup>4</sup> <http://ec.europa.eu/eurostat/web/products-datasets/-/tipslm90>

Germany, Czech Republic and Switzerland with values at or under 7% for 2016. It would be interesting to look more closely at the causes of these low levels of the indicator, suggesting that innovative training systems, which are paramount for almost all countries in this group, are at the heart of their current state.

**Table 1.** Top 5 in EU NEETs (EU 28) as percentage of total population

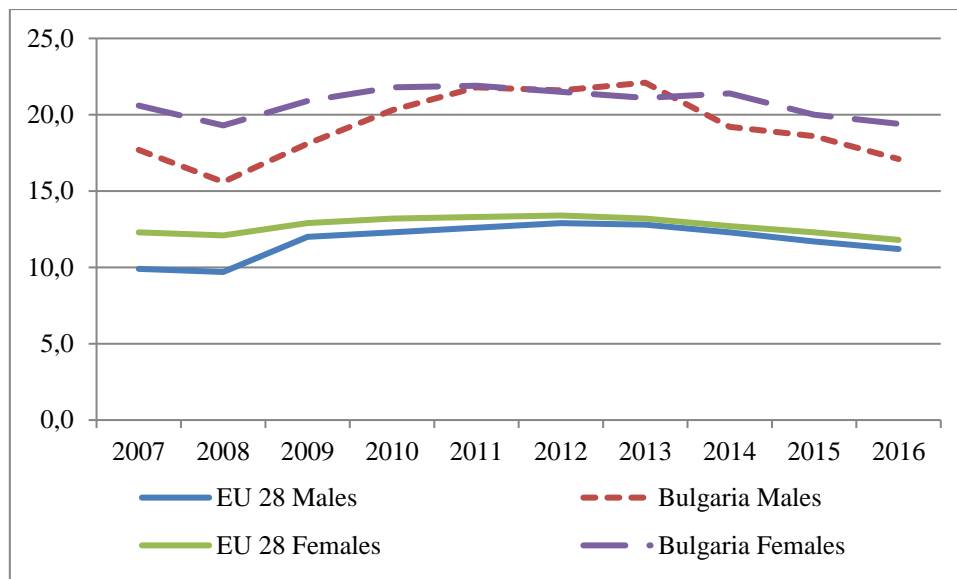
EU 28/TIME	2007	EU 28/TIME	2008	EU28/TIME	2009	EU28/TIME	2010
<i>Turkey</i>	39,2	<i>Turkey</i>	37,0	<i>Turkey</i>	34,9	<i>Turkey</i>	32,3
<i>FYROM</i>	33,1	<i>FYROM</i>	30,7	<i>FYROM</i>	27,7	<i>FYROM</i>	25,5
Bulgaria	19,1	Bulgaria	17,4	Bulgaria	19,5	Bulgaria	21,0
Italy	16,1	Italy	16,6	Ireland	18,6	Ireland	19,2
Romania	13,3	Spain	14,3	Spain	18,1	Italy	19,0
Croatia	12,9	Ireland	13,9	Italy	17,5	Spain	17,8
Slovakia	12,5	UK	12,1	Latvia	17,5	Latvia	17,8
EU28/TIME	2011	EU28/TIME	2012	EU28/TIME	2013	EU28/TIME	2014
<i>Turkey</i>	29,6	<i>Turkey</i>	28,7	<i>Turkey</i>	25,5	<i>FYROM</i>	25,2
<i>FYROM</i>	25,2	<i>FYROM</i>	24,8	<i>FYROM</i>	24,2	<i>Turkey</i>	24,8
Bulgaria	21,8	Bulgaria	21,5	Italy	22,1	Italy	22,0
Italy	19,6	Italy	20,9	Bulgaria	21,6	Bulgaria	20,2
Ireland	18,8	Greece	20,2	Greece	20,4	Croatia	19,3
Spain	18,2	Ireland	18,7	Croatia	19,6	Greece	19,1
Romania	17,5	Spain	18,6	Cyprus	18,7	Spain	17,1
EU28/TIME	2015	EU28/TIME	2016				
<i>FYROM</i>	24,7	<i>FYROM</i>	24,3				
<i>Turkey</i>	23,9	<i>Turkey</i>	23,9				
Italy	21,3	Italy	19,8				
Bulgaria	19,3	Bulgaria	18,2				
Croatia	18,1	Romania	17,4				
Romania	18,1	Croatia	16,9				
Greece	17,2	Cyprus	16,0				

Comparing Bulgarian NEETs with EU 28 ones, it is clear that the logically highest ones are at the height of the crisis - 2011 - 2013, after which a gradual decline occurs. Despite the favorable trend for the period, the levels of Bulgarian NEETs remain much higher than the average for the community and start generating negative effects such as higher levels of social assistance spending, reduced entrepreneurial initiatives, discouragement, apathy, and denial of participation in creating public goods.



**Figure 5.** Bulgarian NEETs in EU 28 (as percentage of total population)

Traditionally, NEETs are characterized by higher levels among women and Bulgaria is no exception. The main reasons are the imposed traditions of early age among particular ethnic group, lower levels of education, family care and limited opportunities for part-time employment, etc. NEETs among women remained stable at levels around 20% during the period under review, while men were more likely to experience fluctuations, as the post-crisis trend tended to fall more severely. This again shows that special measures should be taken among women to limit high levels. According to the latest publication of EU in 2016 the profile of Bulgarian NEETs is completed as follows: 50% of them are low educated as most of them are due to family responsibilities (more than 30%), the majority of NEETs are inactive; about 80% are not registered with the public employment services and further receiving public help. The result is obvious: Bulgarian NEETs are in very high risk of social exclusion.



**Figure 5. Male & Female NEETs in EU 28 and Bulgaria**

### **Instead of conclusion – policy responses**

The limitation of NEETs levels will obviously continue to be a key point in future labor policies in Bulgaria. Despite the fact that Bulgaria joins Youth on the Move (EC, 2010), introduces the NEET as key statistical indicator and participates in the Youth Guarantee Monitoring Framework, it will be one of the main problems to our country with the view of demographic trends described above. We believe that policy success strides towards NEETs should be: introducing a system for identifying NEETs, incl. early warning system; profiling the programs and measures in line with the various NEETs subgroups; stepping up entrepreneurship-oriented learning from the early stages, and intensifying the fight against corruption schemes that have a major impact on society's understanding of labor. An important focus should also be on educating and promoting social entrepreneurship among young people in order to meet the increased needs for our society.

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