
COVID-19 AND THE NATIONAL EMPLOYMENT PLAN IN BULGARIA - ANALYSIS AND OPPORTUNITIES FOR CHANGE

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Abstract: This paper is the second part of an extensive study which analyzes and examines the processes on the Bulgarian market that unfold in the emergency situation resulting from the COVID-19 pandemics. The focus is on the state of the labour market before the pandemic crisis and the subsequent changes in the current national employment plan in view of the challenges of the situation caused by COVID-19. It proposes measures and supports actions for restructuring the financial resource for adaptation of the plan to the new challenge to the labour market in Bulgaria.

Key words: labour market, employment action plan, COVID-19, social system, social policies.

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1. Introduction

The current crisis situation resulting from the spread of a viral infection caused by COVID-19 is another test for the implemented unemployment and employment social policies. Entire sectors of the economy are in downtime; other are in a situation to function at minimal rates. This suggests active processes of pressure on the existing social system. To what extent it is able to deal with these critical processes and to

what extent they will take place remains to be seen, but it is obvious that the negative impact is already a fact and it will increase. Despite the fact that the Bulgarian economy has been growing in recent years, the progress is quite modest and insignificant to compensate for the impending situation.

The European active social policy on the labour market is based on the project principle. This process requires local communities to prepare and submit projects to be funded under the relevant operational programs. The approach opens opportunities for the implementation and financing of projects that have proved to be necessary for local communities and will improve the social environment.

The object of the study is the labour market in Bulgaria during a period of a crisis situation, caused by pandemic circumstances that have affected almost entire world.

In this regard the subject of the study is the analysis of some of the indicators of the labour market in the period of the current situation.

The purpose of the paper is to develop a mechanism and a system of recommendations to enhance the revision of the National Employment Plan in Bulgaria for 2020.

In its decomposition the above purpose suggests formulation and fulfilment of the following research tasks:

- Assessment and subsequent analysis of the employment and unemployment situation in 2019 in Bulgaria;
- Outlining the expected development of the labour market in 2020 before the crisis;
- Taking the relevant alternative actions.

The first part of the article provides for a brief analysis of labour market policies in Bulgaria in times of crisis and the expected consequences.

2. Employment and unemployment situation in 2019 in Bulgaria

The labour market by the end of 2019 was characterised by economic growth and positive trends. In the first nine months of 2019, the number of employed increased while the number unemployed and economically inactive people decreased on an annual basis. The number of economically active population aged 15-64 was going up despite the unfavourable demographic processes. It reached 3 282.4 thousand, 1% up compared to the first nine months of 2018. As a result of the growth in workforce, the economic activity rate for the population aged 15-64 in the first nine months of 2019 increased on annual basis by 1.7 percentage points, reaching 73.3%.

In the first nine months of 2019, the number of employed people aged 15–64 increased to 3 140.5 thousand with a higher growth rate (by 2.2%) compared to the first nine months of 2018. The number of employed increased in all age groups, as a larger increase is observed in the groups of 45-54 and 55-64 year olds.

The employment rate for the population aged 15–64 also increased. In the first nine months of 2019, 70.1% of the people aged 15–64 were employed, 2.4 percentage points up the same period of the previous year. The employment rate for the age group 20-64 was 75% on average for the three quarters of 2019 and was close to the national target of 76% for 2020. Compared to the first nine months of 2018, the value of the indicator is higher by 2.6 percentage points.

Employment increased in all 18 economic activities, except for those employed in wholesale and retail trade; repair of motor vehicles and motorcycles, where it decreased by 0.2% (1.3 thousand) compared to the first nine months of 2018. More significant growth in employment during this period was reported in economic activities "Accommodation and food service activities" - by 16.3 thousand, "Manufacturing" - by 10.5 thousand, "Administrative and support service activities" by 8.8 thousand, "Professional scientific and technical activities" by 5.9 thousand and "Information and telecommunication " by 5.6 thousand.

In all regions of Bulgaria there is an increase in employment except for the North-West region, where the number of employees aged 15–64 decreased by 1.6% (4.4 thousand) compared to the first nine months of 2018. In the other five regions, employment increased, with the largest increase reported in the South-West, South-Central and North-Central regions. The employment rate for the population aged 15–64 was higher than the national average in the South-West region (75.9%), and in the South-East it was almost as high as the national average (70%). The lowest employment rate was in the North-West region (59.5%). In the other three regions the value of the indicator is of close values, respectively 66.8% in the North-East, 69.2% in the South-Central and 69.5% in the North-Central.

Unemployment had been decreasing steadily since 2014. The downward trend continued in the first nine months of 2019. On average for the three quarters of 2019 144.2 thousand people were unemployed. Compared to the same period in 2018, this is a decrease of 19.8%. The unemployment rate averaged 4.3% for the first nine months of 2019, decreasing by 1.1 percentage points compared to the same period of the previous year. Since 2014 the unemployment rate for Bulgaria had been lower than the EU-28 average. According to Eurostat data, this trend continued in the first nine months of

2019, with the average value of the indicator for Bulgaria being 4.3% and 6.4% for the EU-28.

A decrease in the number of unemployed was reported for all age groups. The number of unemployed young people aged 15-24 continued to decline both in absolute terms and as a share of the workforce. Compared to the first nine months of 2018 this number decreased by 37.2% to 13 thousand, the youth unemployment rate falling by 4.5 percentage points to 8.9%. Since 2015, the level of youth unemployment (15-24 years) for Bulgaria had been lower than the EU-28 average. According to Eurostat data, this trend continued in the first nine months of 2019 - for Bulgaria the value of the indicator on average for the first nine months was 9.4% compared to 14.5% on average for the EU-28.

The number of young people not in employment, education and training aged 15-24 had been decreasing steadily since 2014. According to the most recent Eurostat data in 2018 it was 15% for Bulgaria, decreasing on an annual basis by 0.3 percentage points at an EU-28 average of 10.5%. For the period of effect of the National Plan for implementation of the European Youth Guarantee 2014–2020, the number of young people aged 15–24 who were not employed and were not involved in education and training activities decreased by 36.2% - from 149 thousand in 2014 to 95 thousand in 2018 according to Eurostat data.

The downward trend of the long-term unemployed, observed since 2014, continued. In the first nine months of 2019 compared to the same period of the previous year their number decreased by 19.4% to 83.5 thousand, and the long-term unemployment rate decreased by 0.6 points to 2.5%.

Along with the reduction of unemployment, the economically inactive population also decreased. The economically inactive persons aged 15–64 were 1,195.7 thousand, 7.1% down the first nine months of 2018. The number of discouraged people aged 15–64 continued to decrease and in the first nine months of 2019 they were 62.1 thousand. On an annual basis there was a significant decrease in their number - by 26.9%.

According to the data of the National Employment Agency, the number of unemployed registered with the employment services continued to decrease in the first nine months of 2019 compared to the same period of the previous year, as their average monthly number reached 184,053 people. There was a slowdown in the rate of reduction of the number of unemployed. The decrease on an annual basis in the first nine months of 2019 was 10.1%, compared to 14.7% in the first nine months of 2018 (2020b-c).

The average monthly unemployment rate reached 5.6% in the period January-September 2019. Compared to the same period of the previous year, a decrease of 0.6 percentage points was reported.

Pursuant to the Employment Promotion Act, employed persons, pensioners and students can be registered as job seekers in employment offices. In the first nine months of 2019, an average of 2,429 employees, 956 students and 2,057 retirees exercised this right. The number of persons in all three groups had increased compared to the first nine months of 2018, which was a result of the targeted actions of the Employment Agency to attract and activate labour resources to overcome the shortage of personnel in some industries or regions. The number of students without qualifications - 71.7% prevailed, which was a result from the measures for promoting the employment of young people, including the ones that had dropped out of the education system. In the groups of the employed and retired the specialists predominated - 63.8% and 52.9% respectively.

The dynamics of the registered unemployed in the first nine months of 2019 was characterized by an increase in the inflow and a decrease in the outflow of unemployed compared to the same period of the previous year.

3. Expected development of the labour market in 2020 prior to the crisis

The strengths of the labour market in 2019 were stable economic environment, fiscal sustainability, increasing employment, decreasing unemployment, bigger spending on education and training, low inflation, the implementation of programs and measures of active employment policy, digitalization, the built capacity and accumulated experience of the competent institutions and the sustainable regulatory framework, the support of the European institutions and funds (Georgiev, 2019; Terziev, Georgiev, 2020).

Though declining in strength, there still remained a number of **weaknesses in the labour market in 2019**. Such were the shortage of qualified personnel, especially with secondary education, the mismatch between the employers' demand of employees with certain skills and the workforce available, the high share of unemployed of no qualifications and low level of education, big regional differences in employment and pay, short-term employment (of casual, seasonal, often informal nature), persistent unemployment among disadvantaged groups, despite its stable decline, the large number of inactive people. Undeclared labour continued to disrupt the functioning of the labour market, though restricted as a result of the joint efforts of the institutions and the social partners. In general, low education, skills and socio-economic inequalities were the major obstacles to improving human capital, with potential implications for skills levels and growth potential. The opportunities offered by the new technologies and the digital economy for high-quality

employment were insufficiently used. Emigration had a negative effect on labour supply, and differences in wage levels compared to more developed member states remained a factor for its future existence.

The threads to the labour market in 2020 - some of them were of long-term nature such as demographic trends, structural disparities in labour supply and demand, skills inadequacy, especially in the digital sphere. Other threats nascent in 2019 might be more pronounced in 2020, such as deteriorating economic conditions and rising risks to economic growth, significant indebtedness of non-financial corporations that could hamper medium-term growth prospects, the restriction of exports and orders, the increasing pressure on wages due to shortages of labour and the limited opening of new jobs in certain sectors, the lack of funding due to the exhaustion of European Structural Funds at the end of the programming period. The private sector will be cautious about creating new jobs under pressure to raise wages. Industrial relations are slowly adapting to a labour market that is becoming increasingly diverse, globalized and unconventional. Estimates of the Bulgarian National Bank for the cyclical position of the economy show that at the beginning of the year the economic activity in the country was above its potential level. These assessments give signals that in terms of supply part of the resources in the economy are still loaded above their optimal level, which is in line with the observed long-term trend towards a significant decrease in unemployment and maintaining a high capacity utilization rate.

4. Labour market opportunities in 2020

Providing for the necessary funds from the state budget of the Republic of Bulgaria for training of employed and unemployed persons for the acquisition of the skills required by employers, including advanced training, search for solutions to problems through:

- changes in the admission plan in education;
- for the unemployed – advanced training and training at the request of employers;
- training for employees;
- import of workforce from third countries;
- providing for more attractive conditions for payment and work;
- utilization of the untapped potential of human resources by activating the people who do not work and do not seek a job;
- support for reconciling family and professional life, flexible employment, part-time employment, maintaining the employment of people of retirement age, etc .;

- conducting information campaigns among Bulgarians living abroad about the opportunities for professional realization in Bulgaria, encouraging the return of highly qualified personnel after training or work in other countries;
- providing for employment, including at municipalities, to reduce poverty in small settlements and rural areas, ensuring faster transitions from inactivity to employment, including with the instruments of social assistance;
- removing barriers to active job search caused by poverty, deteriorating health and poor living conditions;
- more efficient allocation and use of human resources by redirecting to better and more productive jobs both by providing for high-tech equipment and new technologies, and by improving skills and motivation for work, training of managers and other. In the short term, labour market demand can be met by supporting the geographical and occupational mobility of the workforce; however, in the long run, the response to the declining labour force is to increase labour productivity;
- an analysis of the processes and development of measures, following the example of the countries that have already gained experience in the application of the new technologies, including for the where jobs are at risk due to automation and digitalisation, as well as areas and occupations where more jobs will be opened;
- development of the legislation for regulating the changes in the labour relations, as well as providing for social security for the workers in the new forms of work - in the information and communication sectors, work with vouchers, teleworking, etc.

5. Priority action areas in 2020

The National Employment Action Plan 2020 will include activities to stabilize the functioning of the labour market to prepare it both for accelerating economic development and to face the external and internal economic challenges. The aim is to develop human capital to meet the needs of the economy and to be able to adapt quickly to changes in labour demand caused by both new technologies and structural changes. The increase in workforce supply is to be achieved through continuous work on the labour potential - by activating the people who do not have and seek a job and advanced training of the workforce, motivation and professional orientation. The plan will continue to contribute to the realization of the goals and commitments of the country in implementation of the Europe 2020 EU Strategy, the European Pillar of Social Rights, the measures included in the

National Reform Program 2020, the Council Recommendation of 05.06.2019 (described below), the Convergence Program, the Government Program 2021, the tasks of the Updated Employment Strategy 2013-2020, the National Plan for the Implementation of the European Youth Guarantee 2014-2020, the National Strategy for Lifelong Learning 2014–2020, the National Strategy for People with Disabilities 2016–2020, the Bulgaria 2020 National Development Program, etc. At the same time, the NEAP 2020 will provide for reserves for financing emergency measures in case of negative phenomena through redistribution of funds.

Bulgaria is taking measures to implement the Council Recommendation of 9 July 2019 on the Bulgaria's National Reform Program for 2019 which includes opinion of the Council on Bulgaria's Convergence Program for 2019 (2019 / C 301/02), published in the Official Journal of the EU on 5 September 2019 under number C 301/02. The Recommendation states that:

- The labour market has improved, but challenges remain. Employment has reached its highest level since Bulgaria's accession to the EU, and unemployment rate is below the EU average. Despite these positive changes, some groups of the population, such as low-skilled workers, young people, Roma and people with disabilities, continue to face difficulties in finding a job. Specific measures are being implemented to support the long-term unemployed, who represent 3% of the active population in 2018. A combination of effective and sustained outreach measures, active employment policies and integrated social and employment services could improve the employability of disadvantaged groups and their chances of finding a job.

- Bulgaria's increasing skills shortages warrant significant investments. Young people might be more employable if the quality and effectiveness of traineeships and apprenticeships were improved. Moreover, the participation in upskilling and reskilling measures among the adult population is very low. Despite measures launched to encourage the development of digital skills, Bulgaria's level of basic digital skills (29 % of individuals possess basic digital skills against a Union average of 57 %) remains among the lowest in the Union.

- Despite the ratification of the International Labour Organization's Convention concerning Minimum Wage Fixing and of several rounds of negotiations during 2018, employers and trade unions still have diverging views on the criteria to be applied when setting the minimum wage. There is scope for greater consensus about an objective and transparent wage-setting mechanism. Meanwhile, although the involvement of the social partners in the design and implementation of policies and reforms seems to have increased, continuous support for a reinforced social dialogue remains necessary.

- Educational outcomes are still low and continue to be strongly influenced by parents' socioeconomic status. This reflects challenges relating to the quality and inclusiveness of the education and training system. Bulgaria invests insufficiently in education, particularly in pre-primary and primary education, two areas that are instrumental to creating equal opportunities from an early age. Participation in quality early childhood education and care is low, in particular for Roma and children from other disadvantaged groups. The rate of early school leaving is still high, with negative consequences for future employability and labour market outcomes. The labour market relevance of vocational education and training and the availability of dual vocational education and training remain insufficient. While some measures are underway, further efforts are needed to ensure that the skill set of higher education graduates can address short- and mid-term skills shortages in a consistent way.

- Bulgaria is still facing high income inequality and risk of poverty or social exclusion. Though decreasing, the rate of poverty or social exclusion in 2018 was 32,8 %, still well above the Union average. The social security system does not cover all people in employment and the social protection system is insufficient to tackle the significant social issues. This reflects the low level of social spending, the uneven availability of social services across the territory of the country and the limited redistributive effects of the taxation system. In 2018, the income of the richest 20 % of population was 7.7 times higher than that of the poorest 20 %, still one of the highest in the EU. Despite some measures, the adequacy and coverage of the minimum income remain limited and an objective mechanism for regularly updating it is still missing. Social services are hampered by low quality and lack of an integrated approach towards active inclusion. Disparities in access to social services, healthcare and long-term care persist. This undermines their ability to provide comprehensive support for the most vulnerable, such as the Roma, children, the elderly, persons with disabilities and people living in rural areas. Part of the population has difficulty getting access to affordable housing. More efforts are therefore needed to foster active inclusion, promote the socio-economic integration of vulnerable groups including the Roma, enhance access to quality services and address material deprivation.

It is recommended Bulgaria to take the following actions in 2019 and 2020:

Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education and training, in particular for Roma and other disadvantaged groups. Address social inclusion through improved access to integrated employment and social services and more effective minimum income support. Improve access to

health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.

The Council's recommendations on skills development pathways, the quality framework for traineeships, the European framework for quality and effective apprenticeships and key competences for lifelong learning will continue to apply.

In view of the above the concept of the National Employment Action Plan 2020 has been defined in the following way:

- „Support for economic growth by creating conditions for providing for the required by employers good quality and quantity of labour, including by activating and increasing the employability of the disadvantaged groups in the labour market with a priority given to the most poorly developed regions.”

In this regard, in 2020, as well as in 2019, the priorities in the active labour market policy are the services for jobseekers and inactive people, as well as the training of the labour force.

The actions envisaged in the Plan will create conditions for reducing the imbalances on the labour market by improving the combination of labour supply and demand (in terms of quantity and quality) and ensuring fast and quality transitions from unemployment and inactivity to employment through the development of services and cooperation with employers. Improving the qualifications and skills of the unemployed and the employed enables them to achieve, on equal other terms, higher labour productivity. Assisting the unemployed in their search for jobs, inclusion the most vulnerable groups of unemployed in training and employment ensures social inclusion for these groups, earned income and insurance rights, tax revenues and social security contributions for the state. Funding some part of the staff costs of the companies, especially the small and medium-size enterprises, is in practice a form of support and encouragement for them to create jobs. Support will be granted also for investments in regions with high unemployment rates.

The training and employment of disadvantaged groups is a factor which helps some of them escape the poverty trap and implement some of the tasks in the social economy. Conducting media campaigns to raise awareness of the benefits of skills development and encourage participation in various forms of training is a way to attract those who have the biggest need for training - the low-skilled unemployed.

In case of deterioration of the international economic environment as a result of failures in international markets, regional conflicts and migration flows from some countries to other and in view of the internal environment following crises and natural disasters, i.e. in a more pessimistic scenario, subsidized employment will be provided under programmes, where the

employment will be targeted at other aims as well, such as, for example, fostering security, environmental protection, rehabilitation and improvement of the infrastructure of the settlements, etc. In emergency situations and natural disasters, temporary employment in the regions which experience difficulties will be provided for.

The main objectives and priorities of the national employment policy for 2020 in light of the estimated economic growth laid down in the 2020 State Budget Act are a higher growth rate, stable environment and increase in domestic demand and include (2020d):

- Support the economy by providing one of the main factors for sustainable growth - quality and more productive workforce according to the needs of employers. Reducing imbalances between labour supply and demand and supporting the opening of quality jobs in the real economy to achieve employment-favourable growth. Improving the business environment and maintaining employment in the main sectors of the economy, restricting unregulated employment and undeclared payments. Improving the quality of the workforce in small and medium enterprises. Reducing employment disparities between regions.

- Increasing the participation in the labour market and reducing the number of inactive people of working age by activating and training for the acquisition of knowledge, skills and competencies required by employers.

- Better inclusion and acquisition of skills by the unemployed from the most disadvantaged groups, faster job placement and achieving sustainable employment. Achieving the objectives of the European Youth Guarantee to accelerate the reduction of youth unemployment, especially from the group of the inactive (NEET's). Reducing the number of long-term unemployed and in line with the Council recommendation on this target group.

- Achieving greater efficiency and quality of employment services, implementation of new services, including through systematic cooperation with business, closer interaction with private employment agencies and enterprises to provide temporary work. Fast transitions from one employment to another for job seekers with high qualifications and career opportunities. Achieving a lasting effect in the integration of the most vulnerable groups into the labour market by providing integrated services by the territorial divisions of the Employment Agency and the Social Assistance Agency. Increasing the effect of the programs, projects and measures of the active labour market policy in connection with the recommendations from the conducted net evaluations and improving the financial efficiency of the spent funds.

- Development of interdepartmental interaction and social partnership.

- In the event of sudden deterioration of the economic situation and lower than expected GDP rates as a result of unforeseen external circumstances, such as natural disasters, financial imbalances, etc., to consider the following priority as well:

- ✓ Curbing unemployment through information on job vacancies throughout the country, providing training, promoting internal mobility, inclusion of a number of unemployed in regions with a deteriorating economic environment in temporary employment, providing training and mediation services for a rapid transition to new employment for the dismissed staff from enterprises in difficulty and / or having ceased their activity.

6. Adaptation of the main actions in the National Employment Action Plan to COVID-19

The National Employment Action Plan 2020 will be including activities in the following primary areas: (2020b-d):

- Promotion of economic growth, which is favourable for employment, improvement of business environment, development of main economic sectors of favourable impact on employment, including: industry and environment, energy, agriculture, construction; transport; tourism; information and communication technologies; healthcare; trade incl. support for employment in small and medium-sized enterprises..

- Preparation for future changes in labour under the influence of new technologies.

- Improving social dialogue by involving the social partners in the formulation and implementation of employment policies.

- Development of regions.

- Improvement of labour market operation by:

- ✓ Providing for workforce with qualifications and skills that meet the demand of the business and in view of the future needs;

- ✓ Providing for employment for disadvantaged groups on the labour market in programs, projects and measures of the Employment Promotion Act and the Human Resources Development Operational Program; implementation of the Youth Guarantee; improving the services for activation of the unemployed, counselling and vocational guidance to professions and specializations in demand on the labour market for quick job placement and reducing the duration of unemployment; activation of inactive, incl. discouraged people; promoting internal mobility;

- ✓ Curbing unregulated employment and undeclared payments to employees;

- ✓ Income policy and passive labour market policy;
- ✓ Ensuring social security and social inclusion;
- ✓ Free movement of workers within the EU and employment for people from third countries.

- Enhancing the management of employment policies: the National Employment Agency, the General Labour Inspectorate, other institutions.

The implementation of the goals and activities set in the National Employment Action Plan will be significantly hampered in the current new and different in qualitative terms environment.

Despite the fact that some employers retain their employees in a way or other which artificially keeps the labour market in a relatively balanced position, the situation will change dramatically in the very short run.

For some of the staff from the most affected sectors of the economy, such as tourism, public transport, etc. the dismissal process has begun. This will quickly change the forecasts for increasing employment and maintaining and even reducing unemployment rates.

In practice, other vulnerable groups will be formed on the labour market, as a direct consequence of the pandemic situation. This will require a reformulation of the objectives and priorities of action in the National Plan, even a change in its financial framework.

There will be people on the labour market who have the appropriate qualifications and specific competencies, but in the current situation they cannot apply them. The possible actions are in several directions: to support them financially by a respective monetary compensation, with the expectation that the activity in which they were engaged will recover soon enough after the end of the crisis or to orient them to the still available other vacancies that do not correspond to their qualifications and competencies. Both measures would be temporary and would rather prevent them from falling into a difficult social and life situation (Bogdanova, Parashkevova, Stoyanova, 2020a).

There are enough clear signals in the society that small and medium-sized businesses and those that do not have free financial resources face very serious problems. This puts in a different way the formation of new critical groups of people who have lost or will lose their jobs in the near future: a human resource of relatively diverse professions and with different age characteristics, which will be uncomfortable to participate in the labour market with limited supply of jobs. The presence of economic and social imbalances in the respective regions of the country, especially in its North-western part, will create an even more difficult situation (Bogdanova, 2019).

The approaches should be differentiated in two directions - the first - in efforts to maintain existing employment by supporting the enterprises

themselves. Various practices and technologies have been applied for the implementation of such activities in Bulgaria with varying degrees of success. A successful practice is to support the people who have little time left until retirement for seniority and old age - a mechanism for paying a certain salary and social security payments on it for a period of up to two years. A similar mechanism could be proposed and implemented for a specific period of time. The question arises in which directions such financial resources should be streamed and how to distribute them as fairly as possible. Undoubtedly, various systems of selection criteria can be applied, such as reduced production volumes, staff reduction compared to previous numbers, as well as those for sectors that are directly affected and unable to operate. Each of the criteria should comprise a certain corrective weight in making the relevant support decision. This is a mechanism that would be easily implemented and will give the fastest result, helping to avoid personnel dismissal during the crisis situation. The question is again whether the market behaviour of the respective business will recover quickly and fully enough after the end of the extraordinary crisis of the COVID-19 pandemic.

However, even at present there are companies that have ceased operations and laid off almost their employees - especially those in the sphere of services, which they are not able to render in any other form (Bogdanova, 2019a).

This raises the question of what happens with these employees who have specific skills which to apply are necessary to be involved in corresponding activities. If this is not possible, a solution should be sought for this newly formed group of unemployed. Again, there are solutions in at least two directions - one is the passive approach - to financially support them in the short run (using various forms - compensations, social benefits, etc.), the other - to retrain them so that they can work in areas where employment could be provided for them. A large part of this group in recent years have not been active players in the labour market and this is an unusual role for them and at the beginning there will be an adaptation period, i.e. the awareness that they appear to be unemployed persons in a not very dynamic and closed labour market. These are mainly people from small and family businesses who have provided for the sustenance of their families through activities in the production sphere or in the sphere of services.

The closure of large enterprises, the activities of which are mainly related to foreign partners, is currently at a standstill. Most of the staff is on paid or unpaid leave, and a positive solution to the crisis situation and the return of all at their workplaces is expected. A negative alternative might also be expected - that this type of production will shrink a lot and the reduction of production activity will be due to the fact that commodity markets will not

recover automatically. This will create additional great pressure on the Bulgarian market and the current system will encounter the serious challenge to look for opportunities to solve problems through instruments and measures aimed at achieving sustainable employment.

7. Conclusion

Ultimately, it is imperative to quickly consider revising the objectives and the activities envisaged in the National Employment Plan and to provide for additional funding to support the process of overcoming the crisis, as well as to support the functioning of the labour market.

Obviously, the parameters projected in the current plan should be revised, which will lead to a negative trend in employment and an increase of unemployment. The current program envisages funds from the state budget that will provide for the employment of almost 13,000 unemployed and the training of 11,824 unemployed persons. This will prove to be very insufficient, given that in the last days of March alone the number of unemployed registered per day was several thousand and this process will continue in the next few months.

The projected unemployment rate of 4.1% is likely to increase and will reach far higher levels, probably exceeding the critical levels reported in the period of the financial crisis of 2008.

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