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SOME PROBLEMS IN THE SPATIAL DISTRIBUTION OF LABOUR FORCE IN BULGARIA

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Abstract: *The regional peculiarities in the demographic and socio-economic development of Bulgaria are the basis of unequal processes and tendencies in the formation of the local contingents of the labour resources and the labour force. Based on data from the population and housing census in 2011, an attempt was made to reveal the territorial differences in the demographic and social and labour-economic characteristics of the population in working, under-occupational and retirement age. The aim of the study is to reveal the regions with the most serious problems in reproduction, education, vocational training and ultimately the efficient use of their labour resources. Four clusters have been identified using multidimensional statistical analysis methods, covering provinces with similar characteristics of labour resources and workforce. Based on this typology an analysis of the problems of efficient use of available labour resources has been made and some recommendation has been proposed in order to conduct more effective training and retraining measures in the regions and provinces with the most serious problems in the functioning of local labour markets.*

Keywords: spatial differentiation; Hellwig method; cluster analysis; reproduction of labour resources; growth centres; periphery of growth.

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INTRODUCTION

The negative trends in the demographic development of Bulgaria over the last five decades have led not only to a rapid decrease within the number of citizens of the country to a level below 7 million at the beginning of 2019 compared to the maximum reached in the Bulgarian population in 1988 of 8,986 million people (NSI 2008)¹. The demographic crisis during the years of transition to democracy and a market economy caused by mass emigration has declined in birth rates and severe ageing. Bulgaria's twelve-year EU membership has failed to erase the significant margin in the pace of socio-economic development of individual regions. Despite the trend towards slow convergence of the economic development of the country as a whole to the average level in the European Union, the differences between the Bulgarian regions in terms of employment and educational status of the economically active population, labour productivity, average wages and others, continue to grow². While over 80% of investments in the national economy are made in the eight centres of socio-economic growth, which are Sofia, Varna, Plovdiv, Burgas, Stara Zagora, Ruse, Gabrovo and several municipalities in Sofia region (e.g. Bozhurishte and Botevgrad), most of the other provinces are seriously lagging behind in their development. Ten of them have not yet recovered from the crisis in 2009-2012 (IME, 2016). The divergent trends in the demographic development in the different regions are the main reason for the increase of the differences and disproportions between the characteristics of the labour resources in the country by provinces. Undoubtedly, the ones that are in the most favourable situation are the centres of economic growth and in the nearby municipalities, whose labour force is significantly (over 15%) involved in daily labour migration to the largest cities in the country and abroad. The demographic situation in the regions densely populated with ethnoreligious communities is characterised by a less deformed age and sex structure of the population, and the share of people under and in working age is above the national average. However, the relatively good conditions for the reproduction of labour resources in these regions contrast sharply with the extremely unsatisfactory levels of educational attainment and acquired work skills and professional qualifications acquired, especially among the Roma minority. A number of key conditions for full employment, cultural integration and social inclusion in the lagging regions fail to meet the modern requirements of both the European and the Bulgarian labour markets. The presence of sharp disproportions in the development of individual parts of Bulgaria and the concentration of a significant part of the working-age population in the lagging provinces that are compactly populated with ethnic minorities predetermine the directions of the internal labour migration from less economically developed to more developed provinces and abroad³. Overall, over the last two decades, there has been a general trend of

¹ IME (2016). Regional profiles: <http://ndt1.com/article.php/20080625151228819>

² According to the Eurostat classification NUTS-2, the 6 planning regions and NUTS-3, all 28 provinces.

³ Only 67 of a total of 265 municipalities feature over 15% of the labour force involved in daily commuting of the labour force. *Source*: NSI, 2016, www.nsi.bg/sites/default/files/files/publications/URBAN_BG.pdf.

deteriorating indicators of quantity and quality of labour resources and labour force, which has become even more pronounced since Bulgaria's accession to the European Union. Another conclusion from a cursory retrospection of what happened during the years of Bulgarian EU membership is that the provinces on the periphery of economic development and especially those with a severely deteriorating demographic situation and a predominantly agrarian appearance of the local economy have been experiencing increasing difficulties in attracting new investments to provide jobs for young people entering working age and thus keep them in their native places. The most pronounced stagnation and sharp disparities in the supply and demand on the local labour markets are observed in the provinces of the North-West and partly of the North-Central and North-East statistical regions. The educational attainment and vocational training of the significant groups of young Roma population of working age in a number of provinces such as Montana, Sliven, Plevan and Pazardzhik fail to meet the requirements for employment in most sectors of the economy even to some satisfactory levels, i.e. the so-called "hard" (professional) and "soft" (socio-psychological and organisational) work skills. Moreover, this directly affects the indicators of their human development characterised by very high levels of unemployment, extremely low incomes and early school leaving, all that concerning mainly Roma children. It is no coincidence that the shares of the long-term unemployed in working age and unemployed young people aged between 18 and 25 (NEET's category according to the Eurostat classification) in the three above-mentioned statistical regions are record-breaking not only in Bulgaria but all across the European Union⁴.

RESEARCH METHODS AND INFORMATION BACKGROUND

Data on employment, labour force and labour resources, most of which was taken from the 2011 census, was used to delineate the provinces with the most unfavourable demographic and socio-economic characteristics of the labour force. For this purpose, 27 indicators were selected: see the left column in table 1. The selection of indicators to reveal the researched territorial differentiation is subjected to the necessity to take into consideration the influence of several factor impacts that differ in their impact mechanism. For example, the role of the demographic factor is monitored by the absolute increase or decrease of the population in 2011 compared to 1985 (in %) and by the replacement rate, which shows the extent to which the number of retirement generations in the age group 60–64 is compensated by the number of the age group of young people aged from 15 to 19 entering the scope of labour resources: see indicators No. 1 and No. 3 in Table 1. The influence of economic factors on the characteristics of the labour force is reported using indicators of employment

⁴ A third of young people aged between 15 and 25 and living in the North-West economic region fall within Eurostat's NEET's category, and by this indicator the mentioned region occupied the lamentable first place in the EU at NUTS-2 in 2016. *Source:* European Commission. Statistics on young people neither in employment nor in education or training. Data extracted in July 2016: http://ec.europa.eu/eurostat/statisticsexplained/index.php/Statistics_on_young_people_neither_in_employment_nor_in_education_or_training