

## Constellations of Disadvantage and Policy Dilemmas in Youth Transitions from School to Work in Bulgaria

The chapter, first, outlines the constellations of disadvantage in youth passages to adulthood in Bulgaria in a comparative perspective and, second, explores the main policy approaches in support of disadvantaged youth presenting the factors of their efficacy. That made use of four main sources of information: statistical data provided by the Bulgarian National Statistical Institute and Eurostat (The Labour Force Survey); official documents of the Ministry of Education, Ministry of Labour and Social Policy, Ministry of Youth and Sports, and Ministry of Finance; research reports and publications of national and international sociological agencies; and expert consultations, including a seminar discussion with representatives of the academic community, policy makers, and stake holders in Bulgaria.

**Key words:** transitions of young people, constellations of disadvantage, transitions and active measures, social inclusion policies, transitions to market oriented economies, employment, good practices

In the past ten years there has been a growing concern in Europe with the drawbacks in youth transition from education to employment and social participation more generally (European Commission (EC), 2001; EC, 2005). Bulgaria is among the countries with accumulated problems in young people's educational attainment and integration into the labour market. Having experienced a radical social transformation in the 1990s in the course of which the centrally planned and state owned economy was replaced by a market oriented one, the present-day Bulgarian society lags behind the new member states in economic output and living standards of the population. The liberalisation of social life affected young people disproportionately hard. With the state withdrawal from active interference in the regulation of relations among the social groups, young people in particular were cast from the certainty of the previously firmly structured and strictly controlled transition patterns of the state-socialist societies into the sea of the risks and uncertainties of market regulated societies (Kovacheva, 2001). What are the key problems in youth school-to-work transition and main barriers of their sustainable employment integration? What are the dilemmas faced by the social inclusion policies in the country and the factors for the success and failure of the active measures in support of youth transitions?

### 1. Constellations of disadvantage facing young people in Bulgaria

The social inclusion of young people in European societies is hampered by a combination of economic, social and cultural barriers. The factors for disadvantage (conceptualised as unequal opportunities and risks of social

exclusion) operate in complex interrelationships creating different patterns in different countries. These specific clusters are understood as constellations of disadvantage in youth transitions from education to employment (Walther and Pohl, 2005). Focusing on constellations of disadvantage rather than problem groups helps to avoid neglecting structural problems and presenting them as individual deficits. Some of the barriers might be self-erected but it is the institutions of society which perpetuate life-chance inequalities among youth.

The perspective on constellations of disadvantage allows us to consecutively examine the clusters of early school leaving, unemployment, precarious employment and poverty, prevalent in the social context of present-day Bulgaria.

*- early school leaving*

The educational system in Bulgaria is open and not rigidly selective. Despite that, the system's reach of young people is fairly small by the operating European indicators.

Table 1. **Young people's enrolment in the educational system (%)**

Age groups	Bulgaria	European Union (25)
5-14 year olds	98.0	99.2
15-19 year olds	70.5	81.3
20-29 year olds	15.2	22.2

Source: Ministry of Finance, 2005.

While Bulgaria unlike other post-communist countries managed to preserve its network of public child care facilities and to make the preschool year mandatory to be spent in kindergarten (in 2004), the country is falling behind Europe in the numbers of young people it reaches as early as secondary school level. The existing normative base for the exams after seventh grade increases the selectivity of the secondary education and generates a considerable interdependence between parents' income and children's selection. There is also a noticeable lapse in the number of young people reached on the next educational level where the higher professional qualifications are acquired.

Early school leavers in Europe are considered youth aged 18-24 with highest qualifications ISCED level 2, that is, completed basic education. According to Eurostat in Bulgaria in 2004 21.4% of young people fall under this category. For comparison, the Scandinavian countries, Poland, Slovakia, the Czech Republic, Slovenia, and Lithuania have shares of early school leavers below 10%. A problem that becomes all the more pressing in Bulgaria is the youth dropping out of school in the first few years of schooling without acquiring basic literacy. Recently the National Statistical Institute (NSI, 2004a: 15) started publishing data on this process - in 2003 about 3% of the first-to-fourth grade students left school, as did 3.2% of the fifth-eight grade students and 3% of the ninth-thirteenth grade students. First among the indicated 'reasons' for leaving school is the category "family matters" which hides poverty, ethnic prejudices, bad transportation links and a multitude of other institutional disadvantages. There is still no official data on the number of children who have never started school but we can assume with a high degree of certainty that their number is increasing.

*- deficiencies of the vocational training system*

Major problems in the social integration of young people in the country are caused by the state of vocational education and training. The achievements of the reform in this sphere are the new legal base, the broader institutional network with numerous state and private schools, the decentralization of management, the efforts towards cooperation between the Ministry of Education and the Ministry of Labour and Social Policy. Even though the system offers education in a multitude of forms: vocational studies in the basic school after the sixth grade, secondary four-year vocational-technical schools, colleges and technical institutes as well as shorter courses in centres for vocational training, it still has not overcome many of its flaws. We consider the most important reason for this state to be the fact that the vocational training is conducted in schools without adequate technical equipment and not in a real business milieu. There is no system for cooperation between vocational schools and firms in the real economy. As a result such training remains mostly theoretic with an emphasis on information instead of skills and qualifications and young people graduate without experience in working with modern technology. The state of higher education is similar as professional internships are offered very rarely and such internships are most often just nominal and do not equip young people with professional work experience (MBMD, 2005). A major research conducted by the National Statistical Institute (2004b) on the continuing vocational training in the country during 2004 established that only 2.6% of the firms had conducted introductory training (of young people without previous work experience) during the past year. There is a mismatch between the mostly industrial specializations offered in the vocational schools in the country and the orientation of the Bulgarian economy towards dominating development of the services sector. What is lacking is an established system for research and monitoring of the qualifications needs of the state, private and non-governmental sectors.

*- gender inequalities*

Gender inequalities in Bulgaria are not as strongly present as in countries with conservative socio-political regimes. Bulgarian women have a lower share among the early school leavers than men and in the recent years they have been achieving higher educational levels than men. At present women comprise 57% of the student body in colleges that give a diploma for a "specialist", 52.2% of the student body among those studying for a bachelor's and master's degree and 51% among the Ph.D. students (NSI, 2004a). These data, however, do not mean that gender does not create disadvantages among youth in the country during their integration into the labour market. Young women comprise only 38.2% of the student body in vocational schools which limits their opportunities for finding a job after graduation. Women concentrate in specific occupations and specific sectors in the labour market and this phenomenon is linked with their lower pay and their circumscribed career development. According to JAP (2002) there is a significant gender pay gap - women earned 28% less than men in 1997. Young women are also underprivileged in their access to continuing vocational education and training given the lack of support for reconciliation of paid employment and child care for working mothers in terms of flexible

working time and place and the prevalent gendered division of household labour.

*- ethnic inequalities*

Among race, gender, ethnicity and immigration status that shape the particular constellations of disadvantage in different European countries, ethnicity has the greatest influence on the opportunities for social integration of youth in Bulgaria. Most disadvantaged are young people coming from families of ethnic Roma (between 4% and 10% of the population) and ethnic Turks (around 9.4%). Belonging to such a group means several times higher risks for early school leaving, long term unemployment and poverty (JIM, 2005). While more than half of the ethnic Bulgarians have secondary education and a fourth of them - higher education, only a fourth of ethnic Turks have secondary education and higher education is completed by only 3% of them. For the Roma group less than one out of ten has completed education higher than basic (secondary and higher combined).

Table 2. **Economically active population according to educational level, based on the census in 2001(%)**

Completed education	Bulgarians	Turks	Roma
Basic	20.7	53.0	44.9
Secondary	53.0	23.7	
Higher	23.7	2.7	7.2

Source: JIM, 2004

The illiteracy rate shows the same tendency - 0.4% among Bulgarians, 3.5% among Turks and 12.7% among Roma which share has increased by 50% between the two censuses. According to expert estimates cited in JAP (2002) half of Roma youth of compulsory schooling age have never been to school. The opportunities for finding work for young Roma and Turks in Bulgaria are also severely limited. In 2003 unemployed were 17.3% of ethnic Bulgarians, 48.4% of ethnic Turks and 52.9% of ethnic Roma. The World Bank (2002) data on poverty rates in 2002 defines as poor 5.6% of Bulgarians, 20.9% of Turks and 61.8% of Roma. The accumulation of disadvantage in the transition from school to work of minority youth in Bulgaria has structural and institutional reasons among which discrimination plays a significant role as shown by research reports (ASA, 2003; Mitev, 2002).

*- regional differences*

Differences among the regions in the country also create disadvantages affecting the educational achievements and employment prospects of youth. Children from rural areas leave the educational system on average three years earlier than their counterparts growing up in urban areas. Among the six regions in the country the most undeveloped is South-central, followed by North central and Northwest (JIM, 2005). The coefficient of economic activity is lowest in the Northwest - 41.9% and highest in the Southwest where it is 54.0%. Even greater differences exist among the separate areas and among the municipalities within one area. In 2004 the level of youth unemployment is in the range from 20% in Gabrovo to 33% in Stara Zagora and Smolian (MLSP, 2005). Regional differences in educational and employment prospects for the young are

particularly important in Bulgaria in view of the low geographical mobility inside the country – the share of young people who have never been out of their own settlement is increasing (JAP, 2002; MBMD, 2005). The young in Bulgaria in search of a job are more inclined to leave their home country and go abroad than to move to another region inside the country with better economic prospects (Mitev and Matev, 2005). This is largely due to the high housing costs which young people have to bear outside of their parental home in comparison with the low remuneration of jobs available to the young in the labour market in Bulgaria. The total emigration flow out of the country for the period of social transition since 1989 has been estimated at 10% of the labour force (JIM, 2005) and the emigration intensity has been the strongest in the age groups 15-19 and 20-29.

*- segmentation of the formal labour market*

Young people aged 16-24 are as a whole disadvantaged at the labour market in Bulgaria. Among the employed, young people are over represented in the low-paid and low qualified jobs and elementary occupations. According to MLSP (2003) the highest share of young people are those employed in the industry – 24.7%, trade and repairs – 21.8% and hotels and catering – 13%. In the hierarchy of occupational groups starting highest with managerial positions and ending lowest with low-skilled workers, young people are concentrated in the groups of low skilled employees in the service sector, as guards and in trade (27.4%) and as low-skilled workers (18%). The report of the group of experts (Damgor, 2002) established that the demand of youth labour force (aged 18-29) was greatest for sales workers and demonstrators; waiters and bartenders; and operators of sewing and embroidering machines. According to their employment status most young people were employed in the private sector (83.1% of all employed youth), then those employed in the state sector (15.9%); self-employed are 6.7% of young men and 1.6% of young women; employers are 1% of young men and only 0.3% of young women. Significant is the share of young people working as unpaid family workers – 4.6% (Ibid.). The data about the very low shares of young women among the employers and self-employed indicate their disadvantaged position in comparison with young men.

*- constellations of unemployment*

In Bulgaria like most other European countries unemployment is predominantly a youth phenomenon along with education. According to Eurostat data from the Labour Force Survey in 2004 the youth unemployment rate (the %age of the 15-24 year old labour force) was 24.4% and the rate was higher for young men (24.9%) than for young women (23.8%). The youth unemployment ratio (the %age of the 15-24 year old population) in 2004 was 7.5% (8.6% among men and 6.3% among women). Compared to other European countries Bulgaria has the specificity of combining lower youth unemployment ratio (EU25=7.5%) with considerably higher youth unemployment rate (EU25 = 18.6%). This signifies a low activity rate among young people in Bulgaria which can be attributed to the unfriendly labour market, discriminating against the young.

Another specific feature of youth unemployment in the country is that young men are more often unemployed than young women. This is in contrast with the model in the South European countries like Spain and Portugal where unemployment among young women is considerably higher than among young men. Especially disadvantaged are the young who are *looking for a job for the first time*. According to the Ministry of Labour and Social Policy (2003) employers in the country are unwilling to hire workers and employees without work experience and to invest in their training. Characteristic feature of the model of youth unemployment that has been established in the labour market in Bulgaria is its *long term character*. Among the unemployed youth in Bulgaria 65% have been unemployed for over one year – the highest share compared to the other European countries according to Eurostat data. Especially high is the share of the young unemployed with low education (in 2004 over 65% of the young unemployed were young people with elementary or lower education) and without any previous work experience. The unemployment rate among youth with higher education is not that high in Bulgaria as it is among this youth group in Portugal or Spain for instance. Nevertheless there is no official data on how many of those with university degrees are employed in the field of their university specialty and how many of them work in low-skilled jobs in trade, services or as private guards.

- *status0 group*

There is a considerable youth group being formed in the country that comprises of young people with *undefined status (status0)* who are not part of the regular education system, do not attend courses for additional qualification, do not have a job and are unregistered as unemployed in the labour offices. However, it has not attracted the attention of policy makers or researchers. We can deduce the size of this group of young people indirectly from the mismatch between the data of the Labour Force Survey conducted by the National Statistical Institute and the data from the register of the Employment Agency.

Table 3. **Unemployed youth according to the Employment Agency (EA) and the National Statistical Institute (NSI)**

2004	NSI	EA	Difference
I quarter	79100	75907	3193
II quarter	76600	66116	10484
III quarter	77200	63639	13561
IV quarter	84000	61921	22079

Sources: [www.nsi.bg/Labour/Labour.htm](http://www.nsi.bg/Labour/Labour.htm);  
Employment Agency 2004 Monthly Statistical Forms

During the fourth quarter of the past year there were 22,000 young people who were integrated neither into the educational system nor into the institutions of the labour market. Surveys on young people show that factors for shunning registration at the labour bureaus are the required long period of previous work experience during which one must have made deposits in the state insurance fund, the small sums of unemployment benefit and the lack of trust that the labour offices offer good job positions (Kovacheva, 1999, MBMD, 2005).

*- constellations of precariousness*

Another direction of the trend toward a segmentation of the labour market is the precariousness of employment in the form of temporary labour contracts and part-time jobs. Even though young people in the country are easier to find in the forms of insecure employment than other age groups, on the whole such flexible forms of labour are underrepresented in Bulgaria according to the data from Eurostat (2004) Labour Force Survey, comprising less than 10% of the employed youth. The Labour Code limits the opportunities for temporary contracts while the low salaries discourage job seekers, even when students or parents of young children to take up part-time jobs (Kovacheva and Tang, 2003).

The typical pattern of precariousness in Bulgaria, similar to the situation in some of the post-socialist countries, as well as in Greece and Italy, is the concentration of young people in the sector of undeclared work. The informal employment consists of numerous forms among which the most wide spread are the unpaid work in a family business, work with an employment contract albeit with false contents which means that social insurance is paid on a small part of the stipulated wage and the rest of the wage is paid in cash (according to MBMD this concerns about 25% of young people), and most commonly work without a labour contract. Hidden employment has been identified in the JAP (2002) as a significant problem of the established structure of the labour market in Bulgaria, estimated to account for 20% to 36% of the GDP in 2000, placing the workforce in precarious low productivity jobs, without employment protection. According to the Labour Force Survey in the fourth quarter of 2004 about 10% of young people are employed without a labour contract while Vitosha Research (2004) determines their share to be 17% in 2004. When we add the students combining studies and work, and the agricultural workers, (as both groups work mostly without a written contract), the real share probably will turn out to be twice as big. These forms of employment in a state of high unemployment rate and poverty not only provide income for young people but allow them to gather skills and social contacts which can serve them in their transition to the formal economy. Nevertheless, there is a danger that this hidden employment will be a trap that young people will not be able to escape from for their entire career because the acquired skills are not recognized officially during the search of a new job and the lack of social insurance payments prevents the young from accessing the system of social support.

*- poverty*

In Bulgaria as in the other European countries we can witness the extreme consequences of putting young people in a disadvantaged position at the labour market – most of all these are poverty and multiple

disadvantages of vulnerable groups. Data from Eurostat (2004) show poverty (measured by income below 60% of the average income in the country after tax and social support payments) among the age group 16-24 in the European Union to be 15% while for youth in Bulgaria it is 13%. Young people in Greece, Spain, Italy and Portugal and in the East European countries of Slovakia and Romania are much more disadvantaged compared to the other age groups in the population of the respective country. In Bulgaria young people are protected from this extreme consequence of unemployment mainly by the generous parental support rather than by the state financial assistance. School and university graduates without any work experience are not eligible to receive unemployment benefits as first job seekers. There is no official statistical information in our country on what share of the young people receive social support for poverty but according to experts from the Agency of Social Assistance very few young people rely on state aid. There is also no official data on the average age for leaving the parental home but it can be claimed that in case of financial difficulties young people continue living with their parents both before and after forming their own families thus reducing their housing and food expenses and therefore, reducing the risk of falling into poverty.

*- multiple disadvantage*

The weak support from the state against the risks of youth transitions creates a strong dependence of young people on their parents and an intergenerational reproduction and transmitting of disadvantage. When the parents themselves are poor and lack resources to assist the next generation, then the young people encounter greater risks. Roma youth in Bulgaria are such a disadvantaged group in which poverty as well as early school leaving, lack of professional qualification, informal labour, bad health, early pregnancy and other problems pile up creating high barriers in front of a successful integration into society (Mitev, 2002). Other groups that suffer multiple disadvantages are young people who are disabled physically, have mental health problems, live in social care centres, or come from single parent families. The homeless, those addicted to drugs and the victims of forced prostitution or trafficking abroad form especially vulnerable groups in present day Bulgarian society (JIM, 2004).

## 2. Policy dilemmas

The constellations of disadvantage in young people's transitions to adulthood are dealt with a multiplicity of strategies, programmes and measures in each country, which are referred to as policy mixes in this study. The two main axes differentiating between the national strategies devised to create employment pathways for the young are individualised versus structure-related and preventive versus compensatory approaches. The key policy dilemmas are whether to focus on strategies adapting individuals to the demands of education, training and labour market or on reforms oriented toward making structural opportunities more accessible and appropriate to young people's preferences, and whether to develop preventive measures addressing risk factors or give preference to solutions trying to alleviate accumulated problems.

One of the achievements of youth policies in Bulgaria in recent years is recognising youth as a group in a disadvantaged position in the labour market. After the noticeable participation of young people in the mass demonstrations and student strikes at the beginning of the transition – the early 1990s youth became invisible on the political scene in the country and other groups were defined as vulnerable and in need of social support. In the 15 years of market reforms the Bulgarian society matured enough to notice the high youth unemployment, the increasing group of school drop-outs, the mismatch between the educational qualifications received and the job skills demanded at the market for labour. Today we can define the dominating strategy in Bulgaria with regards to the problems of youth integration as a structural approach that recognizes the existence of social inequalities which put youth in disadvantage instead of treating young people as personally responsible for their situation.

In Bulgaria while there is a structure-related understanding of youth disadvantage, the policy is not consistently built upon such an approach and it is mixed with an individualising methodology, that is, measures which place the blame for educational or labour market failure upon the individual. The youth policy in the country is combining both preventive and compensatory strategies with the latter taking a dominance. While preventive, structure related approaches are more suited to the situation of accumulated disadvantages in youth transitions, we consider that individualised and compensatory solutions are also necessary for those young people who fall through the net of preventive and structure-transforming measures.

The analysis of the policies in support of disadvantaged youth in this paper follows several major axes: funding, investment in human capital, active labour market policies, empowering the individual, and coordination and integration of policies.

#### *- funding*

The choice of the policy approaches is obviously dependent on funding among other factors. An effective preventive policy requires more resources than remedial measures. In Bulgaria the range of programs and measures is severely limited by the financial resources that are available to the state as well as the general economic conditions and unfavourable structure of the labour market. In terms of GDP shares of expenditure on education and active labour market policies (ALMP) Bulgaria falls in the group of countries with low resources provided for education while it belongs to the group with medium degree of investment in ALMP.

Table 4. **Investment in Education and ALMP as % of GDP in 2002**

<b>Education ALMP</b>	<b>Low (&lt; 5%)</b>	<b>Medium (5 – 6%)</b>	<b>High (&gt; 6%)</b>
Low (< 0,5 %)	GR (4 – 0,22) RO (3,53 – 0,17) SK (4,35 – /)	AT (5,67 – 0,41) PL (5,6 – 0,02) PT (5,8 – 0,40) UK (5,25 – 0,06)	SI (6,02 – /)
Medium (0,5 – 1%)	BG (3,57 – 0,56) ES (4,4 – 0,55) IT (4,75 – 0,51)		FI (6,4 – 0,7)
High (> 1%)			DK (8,5 – 1,6)

Source: Eurostat, 2002

Funding is an obvious factor for the success of a certain policy but more importantly it signifies the importance attached to the problem by policy makers. The low share of investment in education at a time of increasing numbers of school drop-outs, severed links between vocational training and economy and underdeveloped system for life-long learning indicates that the state has not fully grasped the graveness of the situation with educational attainment of young people.

*- increasing human capital*

Considerable limitations can be found in the sphere of policies for creating and amassing human capital in Bulgaria. What this policy field is lacking are structure-related reforms to widen the access of young people to quality education and making it more flexible and relevant to their varied types of motivation and de-standardised transitions. In view of the rising need for a flexibility of the system of education, the neglect of non-formal education is highly unsuitable. There are not enough efforts and programs for stimulating more young people to stay at school longer and achieve vocational qualifications. There have been attempts for introducing financial stimuli such as offering free snacks at school and free textbooks to elementary school children but these are not enough to reduce the impact of social inequality and prevent dropping out. The educational system in Bulgaria does not provide counselling directed at early identification of problems and influencing young people's educational decisions such as the 'total counselling' in Slovenia or 'Connexions' in the UK.

A positive tendency is the strategy for integrating the children with special needs and children from ethnic minorities into the comprehensive school system in which assistant teachers are employed to help these children. The reforms, nevertheless, are far from meeting the needs of society to intervene and reverse the process of increasing illiteracy and early school leaving. The general quality of education is falling which is measured by the decrease in the achievements of Bulgarian students in the European studies PISA. There is a lack of a system of monitoring the quality of education as well as a system which identifies in due time the students at risk of dropping out of school and providing them with specialized help in the form of the resources such students need. The Ministry of Labour and Social Policy is striving to compensate for the inadequacies of the educational system by instituting a program for those youth who drop out of school. The program aims to teach them literacy, offer professional training and provide employment but it has too small a scope to cover the deficiencies of the educational system.

The programs in Bulgaria aimed at offering vocational training are also not able to overcome the mismatch between the qualifications demanded and the qualifications supplied especially in terms of skills for the labour market. Employers do not have enough incentives or experience in offering internship positions to young people while they are still in school or immediately after graduation. There is also no established system for support and control over employers and interns. As with the general education, the system of vocational training is highly inflexible and does not ensure the participation of the curriculum development of state and private employers and nongovernmental organizations from the third

sector, besides the educational experts. In our country educational institutions like vocational schools and universities are noticeably shrinking from their responsibilities for young people.

*- increasing young people's access to the labour market*

In the field of strategies combating unemployment, the policy in Bulgaria relies on a combination of preventive measures known as active labour market policies (ALMP) and compensatory measures, mostly associated with benefits. While in some countries unemployment benefits are universal, in Bulgaria they are linked only to previous employment period with paid social security benefits while excluding first-job seekers and youth who have worked without a registered employment contract. The JAP (2002) assesses the current system of unemployment benefits as not ensuring a sufficient coverage of the unemployed, among which young people are among the most underprivileged. An advantage of the employment policy in Bulgaria is the trend toward increasing the funding for ALMP since 2000 which has already resulted in reducing the unemployment rate, both general and youth rate. Among the ALMP the focus is on company based training directed to registered unemployed youth and on subsidies for employers for hiring young people without work experience. Job creation and self-employment schemes are also available although not particularly targeting the young. Less focus is placed on measures directed toward deregulation of labour market entry thus reducing the costs of hiring young people or on antidiscrimination policies aiming at lifting barriers for ethnic minority youth.

Insufficient efforts are made to increase the access to employment for such a disadvantaged group as the young Roma. The JIM (2005) underlines that the elimination of discrimination on ethnic grounds (especially discrimination against Roma) should be one of the main priorities of the Bulgarian government. Several programmes have been devised in this direction: The Framework Programme for Equal Integration of Roma into Bulgarian Society and the National Action Plan for its implementation, The Minority Integration Section of the Government Management Programme and the creation of the National Council on Ethnic and Demographic Issues (NCEDI) and Regional Councils on Ethnic and Demographic Issues in 2003. Effective since 1 January 2004 is the Protection against Discrimination Act which incorporates European directives and establishes mechanisms for protection. However, the NCEDI does not have real power to fully influence decision-making processes, nor administrative and financial capacity to successfully fulfil its mission (JIM 2005). The first conference on the Roma Inclusion Decade 2005-2015 in Sofia in the spring of 2005 has not yet had a sizable effect in the development of effective programmes for social integration.

*- empowering the individual*

Encouraging the individual capacity for decision making and life management is still undeveloped in Bulgaria. The country shares the all-European trend of policy orientation toward activation of young people, that is, mobilizing individuals to engage more actively in the process of their own labour market integration and wider social inclusion. The dilemma that faces policy makers in this field is whether to rely on external pressure and negative sanctions or to encourage active job seeking by

offering more opportunities and support for individual choices. The approach that the country applies to the key mechanism of activation policies, the individual action plan (IAP), is very narrow. It limits activation to labour market integration only and relies mostly on negative incentives and young people's extrinsic motivation. Restricted benefit entitlements and removal from register are the main mechanisms used in Bulgaria to prevent long-term unemployment, while IAPs in Denmark, Finland and Slovenia are based on offering a wide range of educational and training options and individual counselling and rely on positive incentives and intrinsic motivation.

Individual orientation and counselling for young people are not a major activity of the labour offices. Individual plans for action are being introduced for each young person but the measure does not take into account the inexperience of the staff with working with young people or their enormous workload – for instance, there is no statistics how many individual plans each staff member has to prepare together with the young person and how many meetings between them are needed for this purpose. As the JAP (2002) pointed out, there is a need for a change of the dominant culture in the public employment services – from a widely administrative approach to a client oriented approach. Besides, there is no established system for cooperative work in creating IAPs together with other expert institutions and specialists – educational, social, medical or other. In the activities of the institutions there are no efforts made to recognise the individual needs and opportunities in order to motivate young people to participate in the preparation and execution of these individual plans for action. As a result, the possible unintended 'side effects' pushing young people into inactivity are not taken into consideration. Limiting activation to job placements and measuring its success by the increase in the numbers of young unemployed who have taken a job does not account for the duration of the employment gained, nor for the personal satisfaction with the income and working conditions. Under the conditions of a significant spread of informal and undeclared work, such activation policy might lead to de-motivation and disengagement.

#### *- coordination of policies*

There have been attempts in this sphere to raise the level of cooperation between the different institutions whose aim it is to facilitate the youth transitions. The role of a coordinator of the youth policy in the country is played by the Agency (former Ministry) of Youth and Sport which is trying to coordinate the activities of 14 ministries based on the Strategy for National Youth Policy for the period 2003-2007. In the first Yearly Youth Report developed in 2004 with the objective to present the latest state of youth, the main priorities of state youth policy, the accomplishments so far and the future activities concerning youth in Bulgaria, what has been emphasized is the activities of the state institutions but there is no systematic effort towards cooperation with the civil sector. The agency does not have enough personnel and authority for effective work. What is needed is a capacity for institutional flexibility and reflexivity as well as a greater level of decentralization and autonomy of the staff who work on youth policy. It is not noticeable that there are any efforts to achieve the engagement of the financial and economic policy on regional and local

level with the social support for youth transitions. The potential of youth organisations and the voluntary sector as a whole is not taken into consideration as a resource of youth policy.

In Bulgaria tripartism is the legal principle of the employment policy and the vocational education and training policy. Various tripartite councils function at the national, regional and levels but their activities are far from reaching an effective model of integrated activities based on the involvement of different types of actors (from the state, market and civil society), and in different policy sectors (not only employment and training, but also social protection, health, housing). Even in the field of vocational training, where the need of communication and integration of different actors seems self-evident, the created networks remain rather formal and do not provide the effective restructuring of the system. Thus the JAP (2002) identified an acute need for developing a strategy for continuing training in close cooperation with the social partners in order to ensure curricula tailored to companies' needs, as well as raise the employers' awareness of the importance of training.

### 3. Good practice in policies for supporting disadvantaged youth

Policy measures depend for their success upon a wide range of economic, cultural and institutional circumstances. Instead of listing the success factors applicable in all countries, in this chapter we outline two measures that have had a positive effect on the youth labour market situation in Bulgaria. Exchanging good practice examples between different national contexts is a form of sharing experiences and mutual learning.

In Bulgaria it was difficult to select the programmes which could serve as 'good practice' due to a significant flaw of the Bulgarian model for assisting youth transitions - the lack of systematic monitoring and assessment of the strategy and the applied programmes and measures. The active policy of the Ministry of Labour and Social Policy is in the process of assessment while the Ministry of Youth and Sport and the Ministry of Education and Science are still on the stage of developing a system of indicators for such assessment. Similar is the situation with support programmes and measures offered by the non-governmental sector. Independent evaluation of the implementation and outcomes features very rarely among the projects devised and carried out by voluntary associations and non-for-profit organisations in the newly developed civic sector in the country (Michailov, 2005). We chose to present two examples on the basis of consultations with experts.

- *national programme 'Computer training for young people'*

The programme is a mainstream example in the field of labour market policy, with a national coverage, one of the most popular programmes among unemployed young people. The programme started in 2003 and each consecutive year the number of young people involved was higher than the previous. In essence, the programme is directed toward the employability of the young unemployed through IT training. Its main tasks are:

- To provide computer training for the young unemployed
- To offer apprentice places in the real economy for them
- To train trainers for the programme in order to ensure its effectiveness and sustainability.

The target group of the programme are young people with secondary and university education registered as unemployed in the labour offices. An important aspect is the voluntary principle of involvement which means that the young are not forced by fear of losing their benefits or rights of registration if they are not willing to enter the course. That is why the interest and aspiration of the young to get involved in the programme is a clear indicator that the programme meets client needs. They enrol in training courses and then for the top ten per cent the labour offices provide placement as 'trainees' with employers in the real economy. The training of the unemployed young people is conducted according to a curriculum based on the modern accomplishments in the field of information and communication technologies in cooperation with Microsoft and the Bulgarian-German centres for vocational training based in Bulgaria.

The employers are stimulated to provide training places by receiving the following sums for the time of the apprenticeship but not longer than 6 months: full pay for the apprentice, the social security benefits, and the benefits for the yearly holidays. The young people receive a training wage as well as sums for travel if the training is done outside of their own town or village. The Ministry of Labour and Social Policy has planned programme evaluation after the first three years, but the main tools being six-month and yearly reporting forms and surveys with the participants - young people and employers. According to the officers involved in the recruiting of young people, to whom we talked in May 2005, this programme enjoyed a lot of interest among young people aged up to 29 and there were not enough places for all those wishing to enrol. The share of the involved in the programme from the registered young unemployed is very small, but still this is one of the big programmes of the Ministry targeting young people in particular. Young people acquire skills for work with Microsoft Office (Windows, Word, Excel, Outlook Express, PowerPoint), for work with data bases and the Internet. These are basic skills which however are not provided by schools and universities for all students, only for those in the specialised departments. There is no information to see how employers outside the programme evaluate such qualifications, they would surely require much higher skills if their business is in the IT sector. These skills are an advantage for the young if they apply for jobs in other economic sectors.

The program can serve as an example of "good practice" in terms of having youth participation rate of 121% higher than planned in 2005. While the participation of 1470 unemployed young people has been planned, the yearly form of the Employment Agency reports that 1780 participants have been trained. Additionally 138 young people have been placed in apprenticeships receiving employment contracts for six months. These activities were realised with a smaller sum than the planned budget. This was due to the fact that the Vocational Training Centres and colleges chosen in the tender had made offers for smaller sums. Another achievement of the programmes is that it ensured the involvement and

coordination of activities of 13 institutions in the program realization which is a good step toward a coordinated and integrated youth policy.

*- 'Encouragement of employers to open working places for training in order to provide vocational qualifications and/or practice to unemployed people aged to 29'*

This is another mainstream example of policy targeting the young unemployed. Unlike the previous one, this is a measure fixed in paragraph 41 of the Law for Encouraging Employment. Its coverage is the country as a whole and all young people have equal access to the preferences provided with it. The Law for Encouraging Employment was adopted in 2001 at the height of the unemployment in the country a very high share of which was youth unemployment. Public debates pointed at the mismatch between qualifications offered to young people in the labour market and the demands of the quickly changing economy. Employers did not feel administrative or morally obliged to provide training places and preferred to recruit experienced personnel from other companies rather than employ school graduates looking for their first job.

The main objectives of the measure are:

- to provide employment for unemployed young people aged up to 29 for 6 months in order to achieve experience in real work settings, and
- to offer training for attaining a certificate for vocational qualifications.

Under the measure employers receive significant subsidies for 6 months for each young person employed on a half day basis plus all due social insurance benefits, payments for yearly leaves and others. The employers are obliged to provide a labour contract for at least 6 months and this opening should be on top of the monthly personnel number in the company, and to pay up to the minimum salary if the young person is employed on a fulltime basis. The target group of the measure are all young people aged up to 29 independently of their educational level, qualifications and previous work experience. They receive an employment contract for six months and additionally may receive training for vocational qualification. The main institutions implementing the programme are the Ministry of Labour and Social Policy and the Employment Agency. Employers are defined as being the main partners of the state in the measure. The social partners in the face of employers' organisations, trade unions, local municipalities are also involved.

This is a permanent measure set up by the Law. Each year the state budget allocates money for it and the sums increase slightly each year. The young people included in the measure develop their practical skills and increase their experiences and the employers train them at the particular workplace according to their own business needs. The measure is flexible as it reflects the view point of the employers, rather than following a preset educational curriculum. The success of this measure lies in the interest of the employers and the young – since its start it provided employment for two and a half times more young people than the planned number. The popularity of the measure among young people and employers lies in its capacity to increase the competitiveness of businesses and to improve young employees' career prospects.

## 4. Conclusions

In the course of Bulgaria's transition from the centrally planned to a market economy young people as a whole turned to be a vulnerable group in the newly formed labour market. The economic liberalization itself did not create new bridges from education to employment to replace the former system of state allocation of graduates to jobs. Problematic became not only the transition from school to work but also the passage from one educational stage to another and the acquisition of the necessary skills for the new economy. In our opinion the main flaws in the system for supporting youth transitions in Bulgaria are the lack of preventive policy against dropping out of school and leaving the educational system without acquiring qualifications, the lack of a system for training and apprenticeship in a real setting with modern equipment, the lack of a system for monitoring the qualification demands of the real economy (state, private and nongovernmental sector), and the lack of individualised counselling for young people with complex needs, which to build upon their own perspectives and motivation. While the country has traditions of state support from the previous regime and accomplishments of successful interventions after the regime change, such as the chosen structural approach towards youth disadvantage and the wide range of programs and measures addressing specific groups among young people, it still has not built a system of assessment and monitoring according to established and socially approved indicators of the programs and measures in the educational, labour, housing and family policies that target young people. The potential of social research for monitoring the tendencies in the transitions of young people and casting light on youth values, aspirations and life plans as well as their expectations and satisfaction with the programs and measures of youth policy has not been sufficiently used.

A comprehensive policy aiming to enhance the social integration of young people should address the problems which young people face in a holistic way, integrating approaches across different sectors. To prevent poverty and social exclusion among the young, the country's youth policy still needs to find the appropriate mix of social protection and assistance measures with education, training and employment policies. A lot of the specific disadvantages of young people in Bulgaria are caused by the particular economic situation in the country, the slow development of the service sector, the lack of investments and job creation. Assessing policies for disadvantaged youth in Bulgaria requires taking into account the importance of the integration of economic and youth policies if they are to have a sustainable effect on youth social inclusion. Inclusion has to become a hard criterion in national, regional and local economic policies in the same way as policies for disadvantaged youth aim at economic effect among others.

Focusing on disadvantaged youth in this study does not mean neglecting young people's own resources for personal development and societal innovation. Young people's attitudes and expectations have to be made visible and taken into account in devising and evaluating policies. Youth policies can be effective when built upon the active participation of young people in the sense of choice and decision-making in their own and society's transitions.

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