

POSSIBILITIES FOR REALIZATION OF HUMAN RESOURCES AND DEVELOPMENT OF THE LABOR MARKET IN THE NORTH CENTRAL REGION OF BULGARIA IN 2022

Tatyana Dimitrova^{1*}, Slavi Dimitrov²

¹"St. Cyril and St. Methodius" University of Veliko Tarnovo, Faculty of Economics, Republic of Bulgaria, t.dimitrova@ts.uni-vt.bg

²"St. Cyril and St. Methodius" University of Veliko Tarnovo, Faculty of Economics, Republic of Bulgaria, s.dimitrov@ts.uni-vt.bg

ABSTRACT

In 2007, Bulgaria became a member of the European Union. The implementation of various policies related to the regional development of the country has begun. Many of these policies are aimed at the labor market and concern employment, unemployment and raising living standards. However, regional differences in the country persist. This can also be seen in the analysis of one of the six regions in Bulgaria, namely the North Central region and the five districts included in it.

Key words: *Employment, unemployment, regional development, labor market policies*

JEL Classification: 015

INTRODUCTION

The main instrument of the labor market policy in Bulgaria is the national employment action plan, covering the key priorities and activities to which resources are directed to combat unemployment and increase employment. The diverse initiatives in the field of active labor market policies are accompanied by the management of a significant volume of public funds, the effective and efficient use of which is the subject of continuous interest, monitoring, analysis and evaluation both by government bodies and civil society (Dulevski..., 2016, p. 173).

The subject of research is the labor market in the North Central region, the subject of research is the possibilities for the realization of human resources in the North Central region in 2022, and the goal is to analyze the policies, measures and priorities that affect the labor market, employment and the income of the population in this part of Northern Bulgaria. The methods used are theoretical analysis and synthesis, convergent analysis and graphical method.

Exhibition

In connection with the requirements of the EU in the pre-accession period (in 2000), 6 planning regions were identified and formalized in Bulgaria: North-West, North-Central, North-East, South-East, South-Central and South-West.

With the subsequent changes in the country's legislation (new laws on regional development, adopted in 2004 and 2008) and in the EU legal framework (regulations on the requirements for the number of population in the territorial units for statistical purposes NUTS 1, NUTS 2 and NUTS 3) the territorial extent of some of the planning areas was changed. Pleven and Lovech districts were removed from the North Central region and were "transferred" to the North-West region. Their place was filled by the regions of Ruse, Razgrad and Silistra, which until then were part of the North-East region (REGULATION (EC) No. 1059/2003 of the European parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS). Thus, the current North Central Region includes 5 districts: Veliko Tarnovo, Gabrovo, Ruse, Razgrad and Silistra (Levkov, 2017).

The area of the region is 14,974 km², making up 13.49% of the country's territory. The region borders the Republic of Romania to the north, the Northeast region to the east, the

Southeast region to the south, and the Northwest region to the west (Fig. 1). The population amounts to 750,795 people, unemployment is 6.9% compared to the national average of 5.3%.

Figure 1: Administrative-territorial structure of Bulgaria, (NUTS Level 2)



Source: NSI

The labor market in the North Central region is examined by the individual areas that are included in it.

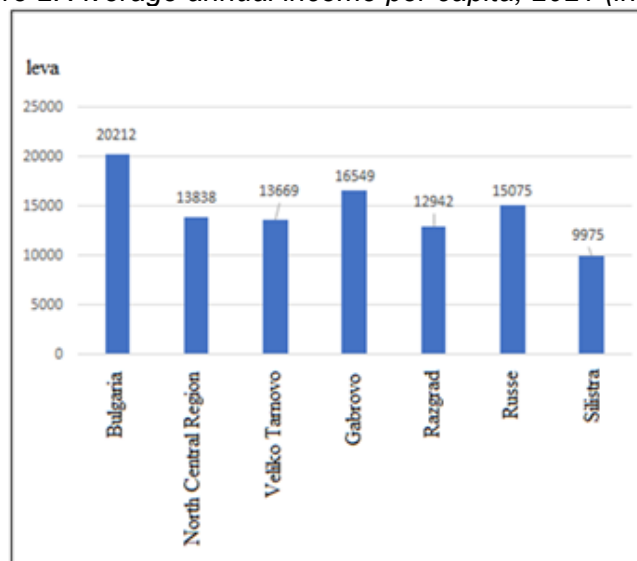
Veliko Tarnovo district

According to data from the National Statistical Institute (NSI), the population of the Veliko Tarnovo region in 2021 numbered 226 thousand inhabitants, with a decrease of 10.4% (26.6 thousand people) observed over the last 10 years. The relative share of persons of working age for the Veliko Tarnovo region is 59.1%, with a relative share for the country as a whole of 59.8%. Compared to 2011, the number of persons of working age in the district decreased by 13.5%, and during the period there was also a decrease of persons over working age by 6.3% (Employment..., 2022).

In 2021, Veliko Tarnovo region ranks ninth among all regions in terms of relative share of produced gross added value. The growth of the gross domestic product per capita for the Veliko Tarnovo region is below the average for the country (Fig. 2). According to the level of income (measured by the average wage, BGN 14 545; one euro is equal to BGN 1.96), the district is in nineteenth place among all 28 districts, and the growth of the average wage for 2021 is below the national average. In 2021, about 0.5% of all foreign investments for the country are in the Veliko Tarnovo region (NSI, 2022).

Data from the Labor Force Monitoring show that in terms of the level of economic activity, for the age range 15-64 years (2021), the Veliko Tarnovo district ranks fourth among the districts in the country with an indicator value of 76.4%, which is higher than the national average. The number of employed persons in the area aged 15 to 64 in 2021 was 108.0 thousand, with 5.1% less compared to the same period of 2020. For a period of 1 year, the employment rate for the same age interval decreased by 2.8 p.p. to 75.2% (Employment and unemployment..., 2022).

Figure 2: Average annual income per capita, 2021 (in BGN)



Source: NSI, 2022

According to data from the Employment Agency, the number of registered unemployed in the Veliko Tarnovo region at the end of 2021 is 5,331, which is 3% of all persons registered in the labor offices. The number of unemployed people in the district decreased by 2.7 thousand in one year, and in relative terms, the district ranks seventh in terms of negative growth among all districts in the country. The number of unemployed youth under the age of 29 at the end of September was 480, and the district is in twelfth place with the lowest relative share of unemployed youth from the total number of unemployed in the district, which is lower than the average for the country. The number of long-term unemployed persons is 972, and according to the indicator, the lowest relative share of long-term unemployed persons compared to the total number of unemployed, the district ranks twelfth and is below the average relative share for the country. According to a survey of employers' workforce needs conducted in April 2022 - 14.7% of employers in the Veliko Tarnovo region plan to hire new staff, respectively 83.3% of employers do not plan to hire staff, and 1.9 % plan to release workers and employees.

For the period from April 2022 to April 2023, employers from the Veliko Tarnovo region plan to hire about 4,000 specialists with acquired qualifications. Demand will be highest for: garment operators, public transport drivers, garment workers and glass workers. Employers from the region plan to hire about 2.2 thousand specialists with qualifications in professions requiring legal capacity or higher education, including: drivers of international transport vehicles, teachers, lawyers and construction engineers. For the period under consideration, employers will be looking for employment of workers without special qualifications - about 1.4 thousand. When opening new jobs, respectively, the prevailing mode of work will be full-time - 97.6% of all jobs and 2, 4% will be part-time. According to the survey, 53.5% of employers who plan to open new jobs encounter difficulties in finding and hiring workers and employees with the characteristics they need.

In the medium term (after 3-5 years), employers foresee the highest demand for specialists with higher education in the fields of architecture, construction and geodesy, informatics and computer science, mechanical engineering and law. Regarding specialists with a secondary education, the highest demand will be in the field of construction, production technologies - wood, paper, plastics and glass, motor vehicles, ships and aircraft (The Action Plan..., 2022).

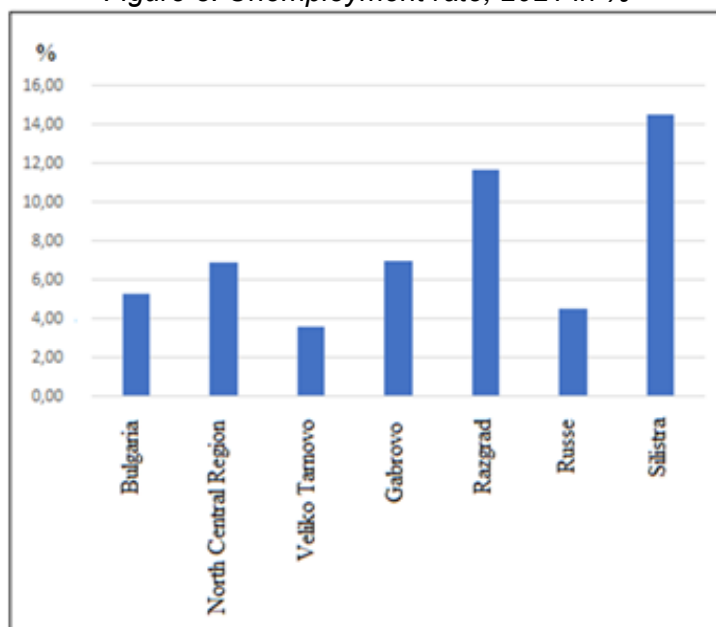
In 2022, the total number of applied jobs in the labor offices in the territory of the district is 7,215, of which 76.8% are in the primary labor market and 23.2% are under programs, measures and schemes for training and/or employment.

Gabrovo district

According to data from the NSI, the population of the Gabrovo region in 2021 will number 103 thousand inhabitants, and for the last 10 years there has been a decrease of 12.9% (15.6 thousand people). The relative share of persons of working age for the Gabrovo region is 55.2%, with a relative share for the country as a whole of 59.8%. Compared to 2011, the number of persons of working age in the district decreased by 15.6%, and for the period there was a decrease of persons over working age by 9.0%. In 2021, the Gabrovo region ranks sixteenth among the regions in terms of the relative share of produced gross value added (GVA). According to the gross domestic product per capita, the Gabrovo region ranks sixth among the regions, with Sofia - city and Sofia - region leading the ranking. Although according to the level of income (the average wage is BGN 15 771) the district is also in one of the leading places, according to the growth of the average wage for 2021, the district is below the national average. In 2021, about 1.3% of all foreign investments for the country are in the Gabrovo region (Employment..., 2022).

Data from the Labor Force Survey (LFS) show that in terms of the level of economic activity, for the age range 15-64 (2021), the Gabrovo region ranks fourteenth with an indicator value of 71.8%. The number of employed persons in the area aged 15 to 64 in 2021 was 40.4 thousand or 3.8% less compared to the same period of 2020. For a period of 1 year, the employment rate for the aged interval decreased by 1.9 pp. up to 64.9%. Gabrovo district has an employment level below the average for the 28 districts of the country (Employment and unemployment..., 2022).

Figure 3. Unemployment rate, 2021 in %



Source: NSI, 2022

According to data from the Employment Agency, the number of registered unemployed in the Gabrovo region at the end of 2021 is 1,710, which is 1.1% of all persons registered in the labor offices. The region has one of the lowest levels of unemployment after Sofia and Varna (Fig. 3). The number of unemployed people in the district decreased by 1.3 thousand

in one year, and in relative terms, the district ranks third with the highest negative growth after Sofia district. The number of unemployed youth under the age of 29 at the end of September is 179, and the district has values of the relative share of unemployed youth from the total number of unemployed in the district close to the average for the country. The number of long-term unemployed persons is 172, and according to the indicator, the relative share of long-term unemployed persons compared to the total number of unemployed in the district is one of the lowest values for the country. According to a conducted survey of employers' workforce needs in April 2022 - 12.3% of employers in the Gabrovo region plan to hire new staff, respectively 84.3% of employers do not plan to hire staff, and 3.4% plan to release workers and employees.

For the period from April 2022 to April 2023, employers from the Gabrovo region plan to hire about 1.7 thousand specialists in acquired qualifications. The highest demand will be for: machine operators, turners, machinists and welders. Employers from the region plan to hire about 771 thousand specialists with qualifications in professions requiring legal capacity or with higher education, including: mechanical and construction engineers, operators of metal cutting machines, etc. Demand for drivers, dentists and nurses will also be high. For the period under consideration, the demand by employers for hiring workers without special qualifications will be the lowest - about 451 people. When opening new jobs, the predominant mode of work will be full-time - 83.2% of all jobs, respectively 8.4% will be part-time, and "remote" jobs are not foreseen. According to the survey, 91.6% of employers who plan to open new jobs encounter difficulties in finding and hiring workers and employees with the characteristics they need.

In the medium term (after 3-5 years), employers foresee the highest demand for specialists with higher education in the field of engineering, communication and computer technology, as well as administration and management. With regard to specialists with secondary education, the highest demand will be in the field of mechanical engineering, metalworking and metallurgy, electrical and energy engineering, electronics, automation, communication and computer technology, wholesale and retail trade (The Action Plan..., 2022).

In 2022, the total number of jobs applied for in the labor offices in the territory of the district is 2,425, of which 65.6% are in the primary labor market and 34.4% are under training programs, measures and schemes and/ or employment.

Razgrad district

According to NSI data, the population of the Razgrad region in 2021 will number 108 thousand inhabitants, and for the last 10 years a decrease of 11.2% (13.8 thousand people) has been observed. The relative share of persons of working age for the Razgrad region is equal to the relative share for the country as a whole of 59.8%. Compared to 2011, the number of persons of working age in the district decreased by 14% (Employment..., 2022).

In 2021, the Razgrad region ranks among the last regions in terms of the relative share of produced gross added value. According to the gross domestic product per capita, the Razgrad region ranks thirteenth after Sofia - city and Sofia - region. Although according to the level of income (the average wage is BGN 15 517) the district is in eighth place, according to the growth of the average wage for 2021, the district is below the national average. In 2021, Razgrad district together with Silistra district are the two districts in which there are no direct foreign investments (NSI, 2022).

Data from the Labor Force Monitoring show that in terms of the level of economic activity, for the age range 15-64 years (2021), the Razgrad region is in last place with an indicator value of 63.7%. The number of employed persons in the area aged 15 to 64 in 2021 was 38.7 thousand or 7.2% less compared to the same period of 2020. For a period of 1 year, the employment rate for the aged interval decreased by 3.6 pp. to 55.3%. Razgrad district is among the five districts with the lowest level of employment among the 28 districts of the country (Employment and unemployment..., 2022).

According to data from the Employment Agency, the number of registered unemployed in the Razgrad region at the end of 2021 is 4,095, which is 2.6% of all persons registered in the labor offices. The district has an unemployment rate of 11.7%, which is more than twice the national average. The number of unemployed people in the district decreased by 1.4 thousand in one year, which in relative terms is among the lowest reductions. The number of unemployed youth under the age of 29 at the end of September was 381, and the district is among the districts with a low relative share of unemployed youth from the total number of unemployed in the district. The number of long-term unemployed persons is 1,574, and according to the indicator relative share of long-term unemployed persons to the total number of unemployed, the district ranks among the districts with a high relative share of long-term unemployed persons. According to a conducted survey of employers' workforce needs in April 2022 - 11.3% of employers in the Razgrad region plan to hire new staff, respectively 85.7% of employers do not plan to hire staff, and 2.9% plan to release workers and employees.

For the period from April 2022 to April 2023, employers from the Razgrad region plan to hire about 453 specialists with acquired qualifications. The highest demand will be for: welder and operational accountant. Employers from the district plan to hire about 400 specialists with qualifications in professions requiring legal capacity or with higher education, of whom at most (177) teachers. For the period under consideration, the demand from employers for hiring workers without special qualifications will be the lowest - about 140 persons. When new jobs are opened, the prevailing mode of work will be full-time - 85.5% of all jobs, respectively 14.5% will be part-time. According to the survey, 70.9% of employers who plan to open new jobs face difficulties in finding and hiring workers and employees with the characteristics they need.

In the medium term (after 3-5 years), employers predict that the demand for specialists with higher education in the field of electrical engineering, electronics and automation and mechanical engineering will be the highest. Regarding specialists with secondary education, the demand will be highest in the fields of wholesale and retail trade and motor vehicles, ships and aircraft (The Action Plan..., 2022).

In 2022, the total number of applied jobs in the labor offices in the territory of the district is 2,691, of which 65% are in the primary labor market and 35% are under programs, measures and schemes for training and/or employment.

Ruse district

According to data from the NSI, the population of the Ruse region in 2021 will number 209,000 inhabitants, with a decrease of 9% (21,000 people) observed over the last 10 years. The relative share of persons of working age for the Ruse region is 59.3%, with a relative share for the country as a whole of 59.8%. Compared to 2011, the number of persons of working age in the district decreased by 11.3%, and during the period there was also a decrease of persons over working age by 6.5% (Employment..., 2022).

In 2021, the Ruse region ranks eighth in terms of relative share of produced gross value added (GVA). According to the gross domestic product per capita, the Ruse region ranks ninth. According to the level of income (the average salary is BGN 15 443), the district is in tenth place, and according to the growth of the average salary for 2021, the district is below the national average. In 2020, about 1.7% of all foreign investments for the country are in the Ruse region.

The data from the Labor Force Monitoring (LFM) show that in terms of the level of economic activity, for the age range 15-64 years (2021), the Ruse region ranks fifth with an indicator value of 76%. The number of employed persons in the area aged 15 to 64 in 2021 was 96.4 thousand or 1.6% more compared to the same period in 2020. For a period of 1 year, the employment rate for the age interval was has increased by 2.2 pp. up to 72%, which places the district in sixth place in terms of employment among the 28 districts of the country (Employment and unemployment..., 2022).

According to data from the Employment Agency, the number of registered unemployed in the Ruse region at the end of 2022 is 4,878, which is 3.1% of all persons registered in the labor offices. The level of unemployment in the district coincides with the average for the country, which places the Ruse district in the eleventh place in terms of unemployment among the districts in the country. The number of unemployed people in the district decreased by 2.8 thousand in one year, and in relative terms, the district ranks eighth in terms of the highest negative growth. The number of unemployed youth under the age of 29 at the end of September is 529, and the district is in sixteenth place in terms of the lowest relative share of unemployed youth out of the total number of unemployed in the district. The number of long-term unemployed persons is 1,607, and according to the indicator, the relative share of long-term unemployed persons in relation to the total number of unemployed persons, the district ranks nineteenth and is above the average relative share for the country. According to a conducted survey of employers' workforce needs in April 2022 - 14.3% of employers in the Ruse region plan to hire new staff, respectively 81.2% of employers do not plan to hire staff, and 4.5% plan to release workers and employees.

For the period from April 2022 to April 2023, employers from the Ruse region plan to hire about 4.5 thousand specialists in acquired qualifications. The highest demand will be for: garment operators, locksmiths, welders, machine operators and dental assistants. Employers from the area plan to hire about 790 specialists with qualifications in professions requiring legal capacity or with higher education, including: nurses, drivers, software specialists and agronomists. Demand will also be high for teachers, mechanical engineers, machine tool operators, educational specialists and psychologists. For the period under consideration, the lowest demand by employers for hiring workers without special qualifications will be around 670. When new jobs are opened, the prevailing mode of work will be full-time - 78% of all jobs, respectively 22 % will be part-time. No "remote" jobs are envisaged. According to the survey, 75.5% of employers who plan to open new jobs face difficulties in finding and hiring workers and employees with the characteristics they need.

In the medium term (after 3-5 years), employers foresee the highest demand for specialists with higher education in the field of mechanical engineering, administration and management, chemical technologies, electrical engineering, electronics and automation, and others. Regarding specialists with secondary education, the highest demand will be in the fields of textile, clothing, footwear and leather production, wood, paper, plastics and glass, mechanical engineering, metalworking and metallurgy, chemical products and technology and construction (The Action Plan..., 2022).

In 2022, the total number of applied jobs in the labor offices in the territory of the district is 6,649, of which 68.9% are in the primary labor market and 31.1% are under training programs, measures and schemes and/ or employment.

Silistra district

According to NSI data, the population of Silistra region in 2021 will number 104.8 thousand inhabitants, and for the last 10 years a decrease of nearly 10% (11.6 thousand persons) has been observed. The relative share of persons of working age for Silistra region is 57.5%, with a relative share for the country as a whole of 59.8%. Compared to 2011, the number of persons of working age in the district decreased by 13.4%, and during the period a decrease was observed in persons under and over working age (Employment..., 2022).

In 2021, only Vidin region has a lower relative share of produced gross value added (GVA) than Silistra region. According to the gross domestic product per capita, Silistra region ranks last. According to the level of income (the average wage is BGN 13 272), the district is in one of the last places (22nd), but according to the increase in the average wage for 2021, the district is above the national average. In 2021, Silistra region is one of the two regions in the country (along with Razgrad) in which there are no foreign investments (NSI, 2022).

Data from the Labor Force Survey (LFS) show that in terms of the level of economic activity, for the age range 15-64 years (2021), Silistra region ranks twenty-third with an indicator value of 67.8%. The number of employed persons in the area aged 15 to 64 in the second quarter of 2021 was 35.1 thousand or 4.1% less compared to the same period of 2020. For a period of 1 year, the employment rate for the age interval decreased by 1.4 BC. to 53.7%. Silistra District ranks 25th in terms of employment level among the country's 28 districts (Employment and unemployment..., 2022).

According to data from the Employment Agency, the number of registered unemployed in the Silistra region at the end of 2022 is 3,930, which is 2.5% of all persons registered in the labor offices. The region ranks fourth with the highest unemployment rate after Vidin, Montana and Vratsa. The number of unemployed people in the district decreased by 1.4 thousand in one year, and in relative terms the district ranks 21st with the highest negative growth. The number of unemployed youth up to the age of 29 by the end of 2021 is 412, and the relative share of unemployed youth from the total number of unemployed in the district is 0.2 per cent. below the national average. The number of long-term unemployed persons is 1,491, and according to the indicator relative share of long-term unemployed persons to the total number of unemployed, the district ranks 22nd, and Silistra is above the average relative share for the country (NSI, 2022).

According to a conducted survey of employers' workforce needs in April 2022 - 22.3% of employers in the Silistra region plan to hire new staff, respectively 77.7% of employers do not plan to hire staff.

For the period April 2022 - April 2023, employers from the Silistra region plan to hire 634 specialists with acquired qualifications in the following professions: cashier, worker in the food industry, assistant educator, computer systems technician, operational accountant, worker in catering establishments and entertainment, driver of public transport vehicles, baker-confectioner, operator in the food industry. Employers from the area plan to hire about 1.4 thousand specialists with qualifications in professions requiring legal capacity or with higher education, including: drivers, mechanical engineers, machine tool operators, doctors, nurses, forklift operators and teachers. For the period under consideration, there will also be a demand by employers to hire 684 workers without special qualifications. When new jobs are opened, the prevailing mode of work will be full-time - 71.7% of all jobs, respectively 28.3% will be part-time. According to the survey, 71.7% of employers who plan to open new jobs encounter difficulties in finding and hiring workers and employees with the characteristics they need.

In the medium term (after 3-5 years), employers predict that the demand for specialists with higher education in the field of informatics and computer sciences, administration and management, communication and computer technology and electrical engineering, electronics and automation will be the highest. Regarding specialists with secondary education, the demand will be highest in the fields of wholesale and retail trade, food technology, production technology - wood, paper, plastics and glass, motor vehicles, ships and aircraft, mechanical engineering, metalworking and metallurgy, healthcare and sports (The Action Plan..., 2022).

In 2022, the total number of applied jobs in the labor offices in the territory of the district is 3,877, of which 60% are in the primary labor market and 40% are under programs, measures and schemes for training and/or employment.

Conclusion

The regional analysis shows that the North Central region lags behind in its economic development. All five regions are lagging behind in both income levels and the amount of foreign investment. Indicators continue to deteriorate, both demographic and related to the level of unemployment and employment at the regional level. This shows that the labor market needs more effective policies related to its regional development. Overcoming regional differences corresponds to dealing with the challenges of the labor market. Effective policies

promoting employment transitions are needed, which must be accompanied by well-functioning institutions, with strengthened institutional capacity and the ability to provide, according to specific needs, support to job seekers, including through increased use of digital tools. Taking effective measures in the field of employment in the region under consideration will accelerate its development and contribute to improving the standard of living for the population.

REFERENCES

1. Dulevski, L., L. Stefanov, M. Atanasova, M. Paunov, N. Pavlov, Hr. Maleshkov. (2016). Labor economics. Publishing complex-UNSS, Sofia.
2. REGULATION (EC) № 1059/2003 of the european parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS).
3. Employment Agency Action Plan Report 2021. (2022). Republic of Bulgaria, Ministry of Labor and Social Policy, Employment Agency, Sofia.
4. Employment and unemployment - annual data 2021. (2022). National Statistical Institute, Sofia.
5. Levkov, Kr. (2017). The demographic transition and the demographic problem in Bulgaria. Magazine "New knowledge", no. 5, 95-110.
6. National Employment Action Plan 2022. Republic of Bulgaria, Ministry of Labor and Social Policy, Sofia.
7. National Statistical Institute (2022). Sofia.
8. The Action Plan of the Employment Agency (2022). Sofia