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Venelin TERZIEV

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Venelin TERZIEV[1]

Abstract

The development of social policy in Bulgaria is closely related to social and economic development of the country but it is also influenced by the common European trends and priorities in last decades. Current study examines the theory and the practice of social policy in the context of its broader understanding focusing on active policy and especially considering employment encouragement and skills management. Main conclusions put the accent on the advantages of active policy and the importance of following a purposeful policy for raising employability and developing a functioning labor market.

Keywords: *employment, unemployment, labor market, active policy.*

Introduction

Social policy is a term embracing various notions which could be united under the understanding of a system of legislation, activities, principles, recommendations, etc. influencing positively life conditions and targeted to social welfare. Determined in such a way social policy concerns different spheres – healthcare, public services, justice and equality, education and labor. Being directly linked to social and economic development, social policy is the key one for each government expressing its management capacities and relations to citizens and communities. Summarizing social policies there could be identified the following evolving as separate forms

[1] University of Rousse, Rousse, Bulgaria; National Military University, Veliko Tarnovo, Bulgaria; University of Telecommunications and Post, Sofia, Bulgaria, terziev@skmat.com.

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Corresponding Author: Venelin TERZIEV
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but closely connected: social protection and public services, labor and employment policy, policies in education and training.

The study presented is focused on the policy in the field of employment, linked to the social protection too, in Bulgaria as a priority in the EU and the national governance. That policy aims at : facilitating the transition from school to work; making it easier to find work; modernizing social security systems; facilitating the movement of workers in the EU; reducing poverty; protecting people with disabilities.

Main accents are put on sharing best practices on social security, social inclusion, poverty and pensions and support to training, skills development and entrepreneurship. Employment policy encourages creation of jobs, reducing inequalities on the labor market and support to economic competitiveness. Today the attention is to the acquisition of skills and their management, to the employability issues, especially considering some of the vulnerable groups on labor markets. Social policy implementation should be coordinated and monitored at different levels in order to effectively promote social protection and inclusion working in areas such as childcare, healthcare, training, accessible infrastructure, job search assistance, and reforming systems for social security.

Active policies for a functioning labor market

The fundamental change in the role of labor from passive to active gives the economies and cultures a new space, in which the leadership style encourages the employed to behave as „stakeholders", to be well-trained in modern basic skills, to take responsibility for themselves and to be able to make adequate decisions. The countries owing high-quality training systems and effective government style that requires continuous improvement will succeed much more in raising the labor productivity. Increased productivity, in turn, will allow raising both the actual income of the employees and the overall standard of living. The countries and regions that fail in increasing the productivity of their labor force through continuous improvement will face declining competitiveness and lower overall standard of living [7]. The main challenge today is to create conditions for increasing the employment, reducing the poverty and successful overcoming of social exclusion in conditions of a still unfavorable economic environment.

In a market economy the rate of employment and unemployment of the economically active population is determined by the labour market, by market mechanisms regulating demand and supply of labour. The features of the economic development and the possible impacts on the labour market

gradually becomes an inseparable part of the process of policy making on the labour market. In the early periods of the development of labour market its policies are aimed primarily at tackling the effects of economic reforms on employment, it is now when the policy has pronounced active character and is aimed at influencing processes or the formation of behaviour among target groups according to pre-planned targets [3]. Functioning labour market in a country is an adequate mechanism of the market environment and policy increasingly based on existing relationships and interactions between the periods of development of the economy and the labour market [5]. The adequacy and timeliness of the policy are crucial for the effective support of the changes in the parameters of labour market and economic development [6]. The time delay effects and changes in its duration should not be ignored in order to develop preventive measures for timely response [9]. The shortening of the period in which the effects of modern crisis transferred on the labour market, respectively the demand for labour, reflects not only the degree of elasticity of demand for labour to primary markets, but also the flexibility of the implemented policies [2]. This has focused attention on the flexibility of labour markets and opportunities through its increase to strengthen the mobility and adaptability of the workforce to rapidly changing labour demand [10].

Objectives and tasks of social policy in the regulation of the labour market productivity and employment are the following [3]:

• creation of all necessary conditions for economic growth, structural change in the industry to create new jobs for the employment of the economically active population;

• workforce flexibility, mobility in order to overflow freely between sectors, fields of application of employment and occupation, and also between the territories in the interest of growth of labour productivity and standard of living levels;

• connection of all parameters of demand and supply of labour, securing natural level of unemployment;

• assistance in job placement and social protection for the unemployed and socially vulnerable layers of the economically active population on the labour market;

• formation of a new motivation for highly productive labour of the individual;

• decent level of wages and income adequate to their qualifications, experience and the level of entrepreneurship;

• material interest and civil responsibility of the individual to maintain the standard of living of his family;

• elimination of the reasons and factors both external and domestic ones governing storage of underemployment and hidden unemployment.

An alignment of objectives and specifying the tasks of regulating relations in the labour market between all levels of government as well as its active agents is also necessary. The competence of the central bodies of power are related to those to define and control the implementation of social guarantees on employment, securing the volume of centralized investments to deliver the nation-wide social programs, including programs for full employment, and storage jobs, career guidance and other cooperation with the corporate capital at his involvement in the process of investing in employment [4]. Their place in the active policy on the labour market should also take regional bodies. Local authorities determine the status of the unemployed, reveal such citizens and provide them with specific assistance in job placement. In this connection, the group of measures for active policy on the labour market in order to support employment and the so-called "transitional forms" between unemployment and productive employment are therefore among the main goals to regulate the labour market.

Active policy on the labour market includes measures, programs and plans aimed to return the unemployed to work for their inclusion in the workplace [1]. Therefore, it provides [3]:

• preventive measures of employment services together with employers for reorientation and retraining of the staff of enterprises and organizations engaged in structural adjustment of production;

• actively seeking a job and job placement in accordance with the profession, personal experience and inclinations of the worker;

• measures in support of self-employment;

• professional counseling to those who want to discover their own company;

• non-monetary forms of support for small and family business.

Thus active policy aimed at strengthening the competitiveness of the workforce, supporting all forms of individual employment, including family businesses and farming. Part of the active policy on the labour market is the support of the unemployed in its active search of methods for inclusion in employment, which would enable it to provide financial yourself and your family with income and other means of subsistence.

Trends and challenges in labor market development in Bulgaria

Existing conditions for full employment enable almost all countries to focus on the issue of labour efficiency, the behaviour of participants in the labour process, the attitude towards work. After 70 years in the world of substantial changes in the economic and social life that have an impact on labour relations, and the strict sense of the term. Widening gaps between demand and supply of labour brought forward the concept of a labour market in which the main focus is the relationship between employers and workers.

Based on the current status, trends and prospects of the labour market within the European area identify the main challenges of employment policy in the field of human resources [2]:

• Substantial reduction in employment and increase in unemployment during the economic crisis, especially among disadvantaged groups in the labour market, especially young people, increasing inactive;

• Delayed exit and very limited creation of new jobs;

• Low educational qualification level of jobseekers and low mobility in a segmented labour market; mismatches in supply and demand for labour in terms of professional qualification structure of the workforce;

• The need for improving the quality of jobs and increase labour productivity, which will lead to increased incomes and expanding domestic consumption;

• The existence of unregulated employment and violations of labour law;

• Significant regional differences in employment and unemployment.

• Some possible threats are identified improving the match between demand and supply of labour and the functioning of the labour market:

• Belated exit from recession and weak economic growth in the EU and slow economic recovery, which together with insufficient competitiveness of the economy, are a threat to the creation of more and better jobs.

• Globalization, which hides risks associated with job losses, outsourcing of economic activities and loss of income for certain professions, regions and sectors.

• Unfavorable demographic trends - by reducing the number and aging workforce, which limited the supply of labour. Deterioration of the labour force due to the exit of skilled labour and the influx of low-skilled, low education. Influencing are also the external migration, and the gap in the quality and relevance of education, low participation of the population in

lifelong learning; regional disparities and imbalances, limited mobility and more.

At the same time there are certain favourable conditions as the financial stability of the country and significant financial resources under operational programs and other EU programs. Bulgaria and other socialist countries, subject to the notion of "full employment" more than half a century, now suffer the serious consequences of transition and restructuring of the economy that are the most severe in the area of employment. Bulgaria was relatively unprepared to meet the challenges of the market economy in this area and the lack of public attitudes for more personal activity, personal responsibility and entrepreneurship. Expectations for change are linked again and primarily the role of the state [11].

The main challenge today is to create conditions for increasing employment, reducing poverty and redressing social exclusion in a still unfavorable economic environment and negative trends on the labor market where labor supply exceeds demand and there is a mismatch between workers' skills and the needs of the ongoing restructuring of the economy.

The most common events and policy instruments affecting the labor market include [3]:

• Information and counseling for young people and adults in all matters relating to the selection and change of profession, opportunities for training and employment.

• Assistance in finding employment and financial aid for employers and employees.

• Stimulation of professional training activities through continuing education, training, retraining and more.

These events are aimed mainly at regional and especially local labor markets and/or professional specialized labor markets and aim to bridge the imbalance in supply and demand.

The impact of government policy on economic and social development in a market economy is different and is determined principally of the market economy, the state of the economy and employment of the population [14, 15]. In a social market economy and high unemployment and inflation, government intervention in economic development and employment in particular is significant. Action affects mainly the promotion of employment or limiting the exemption of certain categories of the population, determining the amount of the minimum wage and some of the supplements thereto, working conditions, fund of wages, support to the unemployed to get back to work, etc. [7].

Government policy on the employment of unemployed is usually divided into two groups of measures and programs - those of active and of

passive policies. The essence of the first is in the boost employment and skills [16], and the second one deals with financial and informational support of the unemployed (benefits, labor offices, etc.). Active employment policy of the government and its specialized bodies could provide a number of measures and programs to promote employment of the population and employing a workforce of employers, job creation and others- both employed and unemployed [17-18]. Measures and programs for employment, vocational training and qualification are paid special attention to in a number of strategic and program documents on European and national level [12].

Measures and programs which can benefit organizations are specific and are determined by the level of unemployment and the degree of imbalance of various private labor markets [8]. Most often these include:

• Stimulation of different categories of unemployed and employers for their employment;

• Encouraging employers to create jobs and increase employment;

• Create temporary, so-called subsidized, employment for certain groups of unemployed by involving them in various programs such as temporary employment programs, youth employment programs, alternative employment program of social assistance to employment, training programs and others.

In the active employment policy a number of measures and opportunities for employment and preparation for it are included from which certain groups of unemployed can benefit [19]. Basically these are the unemployed who experience difficulties to find a job because they are not sufficiently competitive, are not preferred by employers for one reason or another, and this practice leads to their discrimination on the labor market: young people without work experience, persons with disabilities, people with fewer opportunities (disabled) and retirees of working age, long-term unemployed without professional training and others (women, ethnic groups, young people, adults) [3] .With this set of measures and programs the government with the cooperation of social partners (unions and employers) and public funds, the state budget or international programs could encourage employers to hire different groups of unemployed to create jobs for them, even temporarily, but with a guaranteed income in the form of wages, social insurance and the opportunity to prove their professional, employment and personal qualities.

Policies and programs of the government in the field of employment and unemployment are of interest to organizations in several ways:

• opportunity to hire relatively cheap labor in conditions of high unemployment;

• to benefit from a series of measures and programs to assist in the recruitment of certain categories of unemployed (young people without work experience, long-term unemployed and others), where the majority of the funds for salaries are borne of the above-mentioned sources, that is much cheaper to hire certain categories of labor;

• to use the offered tax breaks and interest in hiring and/or increasing employment in the organization, which is in fact increases its efficiency by reducing costs and others;

• to prepare, train or retrain unemployed or threatened by unemployment at the expense of external sources.

The active programs and measures are the subject of increasing interest and comment not only because expectations for tangible effects, but also because of the relatively significant financial resources necessary for their implementation [3]. The problem of efficient spending has greater sharpness in the current situation of limited social spending [20].

Building capacity to conduct regular monitoring and evaluation of the effectiveness of the active policy is among the priority tasks in the employment strategies [2]. In practical evaluation of active programs and measures researchers often face various problems stemming from their multi-purpose and multi-faceted nature; lack of a unified and well-established methodology for assessment, measurement errors and lack of adequate statistical information, incl. the fact that it is objectively impossible to track persons and the "benefits" of participation in such programs. Conducted studies over more than a hundred different active research programs give ambiguous and often conflicting results on their effectiveness [13]. The results are strongly influenced by the peculiarities of the country, the time and manner of implementation of the programs.

There was an understanding that employment policy is more economic than social problem or the solution to the problems of high unemployment and poverty is economic, not social policy [2]. In fact, employment policies include macroeconomic and regional policies, but most often they have a more regional character expanding to programs that reflect the socio-economic priorities of different regions. Promotion of business and mitigating pro-social problems is one of the main guidelines. The actions are aimed at:

• support the construction and operation of small and medium-sized enterprises, particularly in areas in need of diversification of the economic structure (industrial areas in decline, depressed rural areas);

• employment projects and restructuring of manufacturing plants mainly in regions with high unemployment and the risk of exacerbation of social problems;

• creating entrepreneurial and innovative environment (construction of cooperation networks, regional marketing and distribution of information, supporting the creation and functioning of the market and technological infrastructure, business services, improving the quality of human resources, improving the quality of the environment as general condition for increasing the investment attractiveness, etc.).

The strategic objective of employment policy is to achieve full and productive employment of capable and willing to work. Targets and specific tasks for the realization of this goal are related to the development of the economy by achieving a perfect match between demand and supply of labor, the creation of job opportunities for everyone, and enterprises - to increase their competitiveness and efficiency. In a market economy labor market size, rate of employment and unemployment of the economically active population is determined by the labor market, by market mechanisms regulating demand and supply of labor [3].

The specific objectives of the policy of labor and employment in particular depend on many circumstances. Proceeding from the consequences of unemployment could be formulated theoretically several main objectives:

• preservation and protection of the human resource as the most important element of the productive forces of each country;

• inclusion of new generations to the values of work and labor morality;

• socially equitable division of labor in society;

• comply with the principle that ensures security and the balance understanding that the leading factor is labor and social benefits only replace or supplement income from work;

• preservation of social peace in society;

• solving employment problems not at the expense of higher inflation;

• solving the problems of employment and unemployment through the efforts not only of state, but also of local communities and voluntary associations.

Public employment services are gradually developing activities of the active employment policy [8]:

• recruitment, including informing on jobs and working conditions, vocational guidance, motivation and professional qualification targeted to employment in commercially available jobs;

• stimulation of self-employment and entrepreneurship;

• implementation of programs and measures of state policy regulating the labor market;

• implementation of specialized control over the observance of laws and other normative documents in the field of unemployment insurance, payment of cash benefits and others.

The economic effect of the active policy could be sought in several directions. On the individual level, for an unemployed person the economic effect would comprise of increased level of incomes as a result of finding job after participation in an active policy. On the level of the National employment agency, the economic effect could be measured by the saved resources from compensations for unemployment in cases of ceasing payments because the unemployed person has found a job. For the government the incomes are as saved money of compensations for unemployment and increased incomes in the state budget which the unemployed person and the employer have to pay from the moment of starting the job. For society as a whole, the economic effect is in the increased level of incomes and quality of life.

Conclusion

The analyses of the active nature of social policy and the specific socio-economic development of Bulgaria reveal some common for the EU and member countries characteristics but also some peculiarities regarding the adequacy and the timeliness of reforms, setting up the specific objectives and implementation of programs and measures of the active employment policies. The multidirectional and mixed effects of realized policy on employment, social protection and education and training show that there will not be a single way to its development. Furthermore, coordination and monitoring activities should be carefully planned and done applying innovative instruments and approaches.

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