

# **Bulgaria: National report on future socio-economic trends**

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**Polina Manolova and Siyka Kovacheva - New Europe  
Centre for Regional Studies**



**Universiteit Utrecht**



**Quality** is an innovative, quantitative and qualitative research project that aims to examine how, in an era of major change, European citizens living in different national welfare state regimes evaluate the quality of their lives. The project will analyse international comparative data on the social well-being of citizens and collect new data on social quality in European workplaces in eight strategically selected partner countries: UK, Finland, Sweden, Germany, the Netherlands, Portugal, Hungary and a candidate country for EU enlargement, Bulgaria.

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## Introduction

The objective of the meeting was to get insights into the future economic trends in a ten year period and the relevant public and organizational policies that might prevent the risks and broaden the opportunities for an improvement of the quality of work and quality of life of citizens in Bulgaria. An expected outcome was the development of policy recommendations to decision makers on an organizational, national and European level.

The practical organization of the meeting took longer than one month before 15 experts agreed on a date and time of the meeting. We invited high level experts from the academia, Ministry of Labour and Social Policy, trade union leaders, employer organizations, marketing companies, mass media, and leaders of non-governmental organizations. In order to get access to the experts we relied on personal knowledge of the Bulgarian national team and for institutions where we did not have previous contacts, we sent official invitation letters, together with promotional material – a leaflet with the four-page summary of the Comparative Report on the Institutional Context of the Quality of Life and Quality of Work in the Partner Countries, the Quality Newsletter Issue 1, and a poster of the meeting.

The composition of the group was balanced in terms of expertise and gender. From the 15 people who have confirmed the invitation only one did not make it at the meeting. The total number of experts in the group was fourteen of whom eight were women and six were men. There were the heads of a marketing, a consulting and an IT companies, two university lecturers – a biologist and an economist, a newspaper journalist working on social issues, high level experts from the National Employment Agency, the National Agency for Social Assistance, National Agency for Child Protection, Chamber of Commerce and Industry, the Bulgarian Business Chamber, the Agency for Regional Development, a trade union and a non-government ecological organization. When dividing the participants in the two sub-groups we took into consideration diversity in terms of gender and fields of expertise.

## The process of building scenarios

The meeting proceeded smoothly. The scenario building took place in the House of Science and Technology, on March 21, 2008, in a week day, from 9.30 to 13.00 o'clock. The meeting started with a round-table introduction of the participants. Then there was a short presentation of the 'known trends' in demography, economy and welfare policies. The speaker focused on the slow rise of GDP/capita in Bulgaria which however is still lagging far behind the other EU countries, with rather high indexes for income and gender inequalities. The country shares the trend toward a picking up of the employment performance together with the other 8 partner countries Bulgaria and the other post-communist country have the lowest employment rates for men and women in the different age groups. Bulgaria followed by Germany has the highest long-term unemployment rate. All countries are moving toward a greater flexibility of work, part-time work in particular, which is highest in the Netherlands and the UK and lowest in Hungary and Bulgaria. The two East-Central European countries however have higher flexibility of the informal labour market. There have been very similar demographic trends in the past 15 years toward a pluralisation of family forms, postponement of marriage and having children. There has been a general rise in cohabitation and in the share of births outside marriage. All countries have experienced an

increase in the mean age of the mother at first childbirth. The decline in fertility has also been common in the 1990s but has been rather small and reversed in Bulgaria, Finland and the UK. Despite the many common trends, major differences remain between the old and the new member states. Infant mortality remains very high in Bulgaria. While increased life expectancy is characteristic for all countries, nevertheless men in Sweden are expected to live ten years longer than those in Hungary. Similar features in the labour market policies in the countries in the Quality study are the development of measures to increase the employment rate; the shift toward an activation of the unemployed; and the promotion of flexible employment. Family policies are less regulated on the European level than employment policies. Some of the main policy objectives in this field are programmes to allow a better work/life balance through encouraging flexibility of work and care (mostly represented in the Netherlands, Sweden, Finland and the UK); measures to achieve a higher gender equality by facilitating the participation of mothers in the labour market (in the UK, Portugal, Finland, Sweden); reforms to foster the role of the father in the family (in Sweden, Finland, the UK and Germany); actions aiming at higher fertility (in Germany, Bulgaria, Hungary). Still, continuing problems endanger the quality of life of working parents, such as the high cost of childcare (the UK, Germany); the lack of adequate network of childcare facilities (Germany; Portugal); the shortage of flexible work arrangements (Hungary, Bulgaria); and the inadequate amount of leave benefits (Hungary, Bulgaria, Portugal).

The next part of the meeting was an elaboration of the methodology of scenario thinking. None of the experts had participated in a scenario building session but all had experiences from various forms of brainstorming. There were three moderators – two from the research team and one external expert. It was very helpful that the discussions in the groups started right away and there were no long pauses. In general, the participants kept the rules set in the beginning and there were no evaluative remarks of other people's suggestions, as well as no attempts for clear domination within the groups. The atmosphere was very friendly, there was laughing at times. Time was a concern and in one of the groups there was no time left to create a story about the life of a 'Maria' in the new society – the part of the meeting that the other group evaluated as the most enjoyable. Also, there was not enough time for the detailed formulation and discussion of the policy recommendations. At the end of the meeting and during the organized lunch the participants expressed their satisfaction with the common process and some stated their wishes for a full day for discussions.

After the presentation of the methods of scenario thinking, the participants were divided into two subgroups of 7 people each and followed the steps of the scenario building. The uncertainties that were raised and placed in the scenario building spaces were the following:

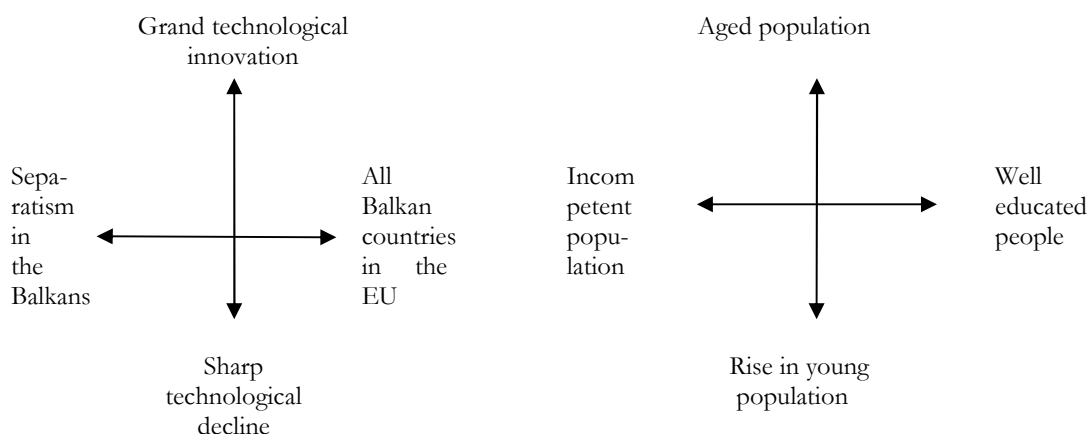
Group one pointed at the rapid technological progress that could easily lead to the discovery in a few years time of new worlds or finding a new energy source; but also a computer virus could destroy the E-banking, and the total telecommunications system. There could be a sudden outburst of ethnic intolerance, attempts at separation of Bulgaria into small vassal states, a real war among the neighbors in the Balkans. The opposite trend is also possible and uncertain – the EU to integrate Croatia, Albania, Macedonia, Turkey, Moldova and the rest of the Balkan countries. There could be a collapse of the credit markets, a trade crisis and a new embargo for some of the Balkan countries which could very easily give rise to mafia networks. Political instability can come due to the attempts of the government to maneuver between Russia and the USA. There could also be a civic unrest and disobedience due to a collapse of the social model – strikes over the health reform, the pension reform and childcare.

Group two pointed at the decline in the educational level and the growing lack of highly qualified personnel in many of the businesses such as tourism, financial market, and telecommunications. In the field of demography things could go both ways – a continuing ageing of the population, a new wave of emigration of young people abroad. This would create a true demographic imbalance in Bulgaria and a further lack of qualified people to work in the new businesses. The opposite wave – of immigrants from Turkey and other Asian countries seems less certain but also possible and the government does not seem ready to respond to such a trend. The decline of the industry in the country could be replaced by a growth in agricultural and ecological tourism and Bulgaria could easily become a target point for retired people to come and live in the country. Also, if Bulgarian computer geniuses supported by the government can create innovation trusts and the country could turn into a tempting place for qualified immigration.

## Description of the scenarios created by the two groups

The two axes chosen by the first group were technological development and inter-state relations in the Balkans. The four extremes are presented in Figure 1 below. The two axes chosen by the second group were demographic imbalance and educational development. From the two axes there emerged four scenarios for each group. Due to the lack of time we decided to describe two diagonally different scenarios in more detail by each group. The first group chose and named their scenarios: “The Seventh Heaven” and “The Balkans Jungle” and the second group: “Bulgaria – The Brain Centre of Europe” and “The False Serenity”.

**Figure 1. The Axes and Extremes in the Scenario Designs of the Two Groups**



## **“The Seventh Heaven”**

This scenario is formed between the two extremes of the axes of the first group – technological revolution and the growing cooperation between the Balkan countries becoming members of the European Union. The characteristics of this scenario are:

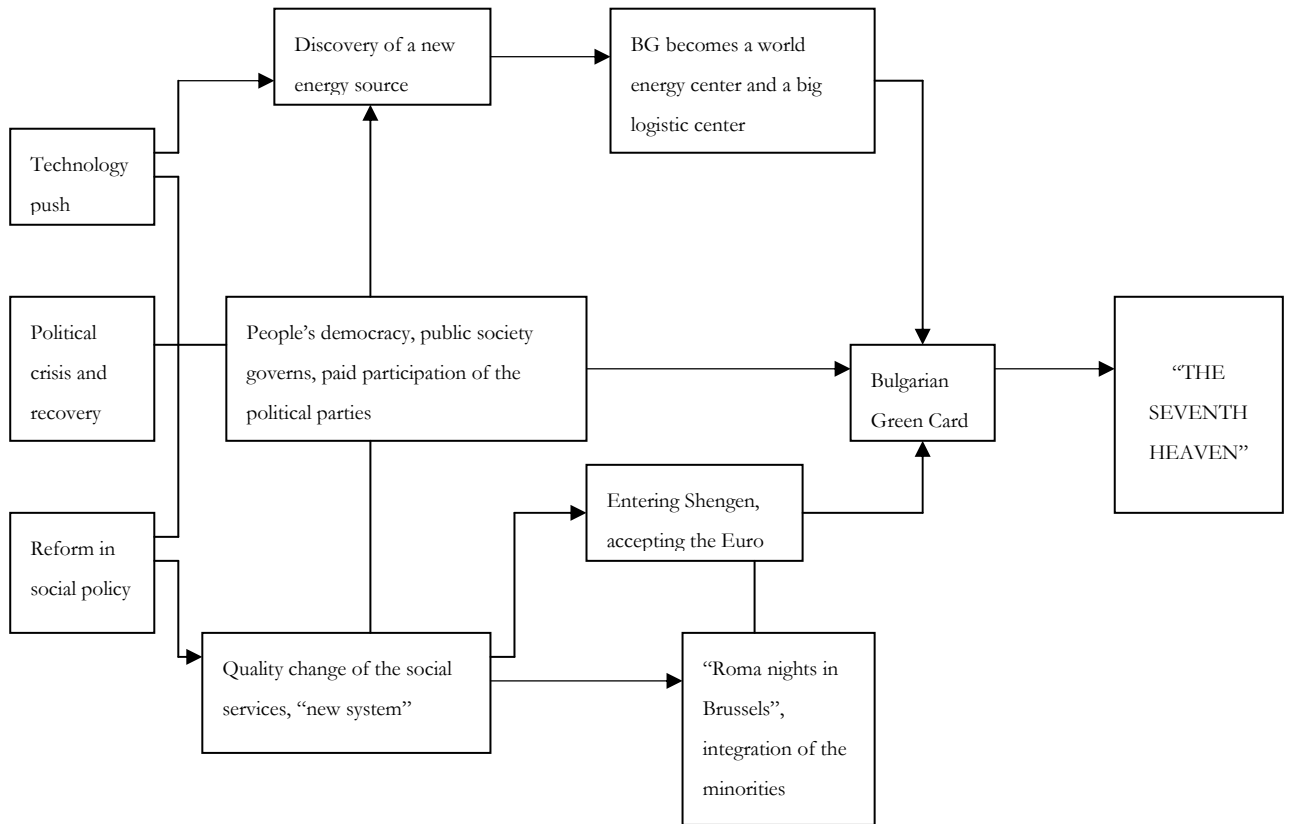
- developed technology
- easy to manage everyday life
- long and healthy life
- clean air, less diseases
- life-long learning
- super technological competency
- new level of erotic life
- mobility both within and outside the country
- open exchange of ideas
- quality of the political service
- people’s democracy
- united nation in Bulgaria – multicultural nation
- Bulgaria becoming the center of the Balkans and Europe
- interesting television becoming a public space for people’s opinions
- more spare time and better quality leisure
- superb life satisfaction

This scenario will manage to preserve the national identity of the citizens while making the country more open and desirable for others to come and live in Bulgaria due to the new opportunities for a higher quality of life.

The chain of events that would lead to the fulfillment of this “Heaven” scenario for a 10 years period of time (from 2008 to 2018) is:

- discovery of a new source of energy already in 2008
- parliamentary crisis, quick recovery, new uncorrupted politicians, people’s democracy, government of the civil society, paid participation of the political parties, transparence of party’s funding
- Bulgaria entering the Schengen agreement, accepting the Euro
- quality change of the social services, “new system”
- “Roma nights in Brussels” (as great musicians from the Roma community migrate to Western Europe to work there), integration of the minorities
- Bulgaria becomes a world energy center and a big logistic center
- Implementation of a “Bulgarian Green Card” as there will be a high influx of immigrants whom the developing economy will easily absorb.

Figure 2. “THE SEVENTH HEAVEN”



**“The Balkan Jungle”**

The second scenario, diagonally opposite to the first, is formed between the two extremes of the axes in the first group – high separatism and technological decline. It has the following characteristic features:

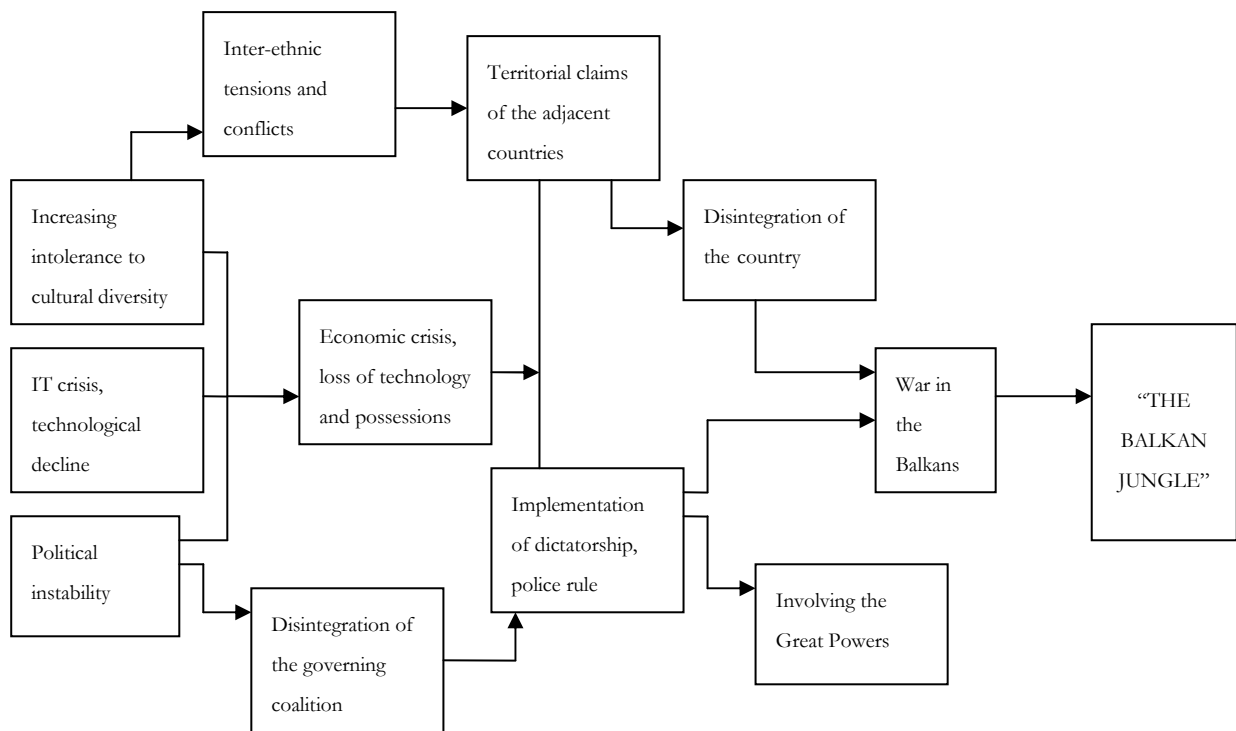
- loss of technological knowledge due to IT crisis
- loss of previous possessions, e.g. cars, household appliances
- police-governed country
- disrespect of human rights
- human losses due to war
- serf labor in illegal markets
- Chinese influence (building of walls around ethnic ghettos)
- destroyed nature
- Oxygen masks on the streets
- low mobility of people and ideas
- epidemics and chronic diseases
- disintegration of Bulgaria and the Balkans into smaller states

And the chain of events that should bring to the “Balkans jungle” scenario for a 10 years period (from 2008 to 2018) is:

- IT crisis, loss of Internet
- economic crisis

- growing ethnic tensions
- open conflicts between ethnic groups
- disintegration of the governing coalition, implementation of dictatorship,
- failure of the social model, too many claimants, less readiness of the well to do to pay for welfare
- growing power of the police
- militarization of the society
- rising fears of the country's neighbors
- territorial claims of the adjacent countries
- a trade embargo and a rise of the shadow economy and mafia networks
- involving of the great powers in the Balkan conflicts
- war in the Balkans

**Figure 3. “THE BALKAN JUNGLE”**



### “Bulgaria – The Brain Centre of Europe”

The scenario is situated between the two extremes – educational boom and a rising share of young generation in the population. This is a thriving society with a well educated population, rather young as a result of the growing fertility and immigration into the country, including the return of young Bulgarians with Western education and experience from abroad. The characteristics of this scenario are:

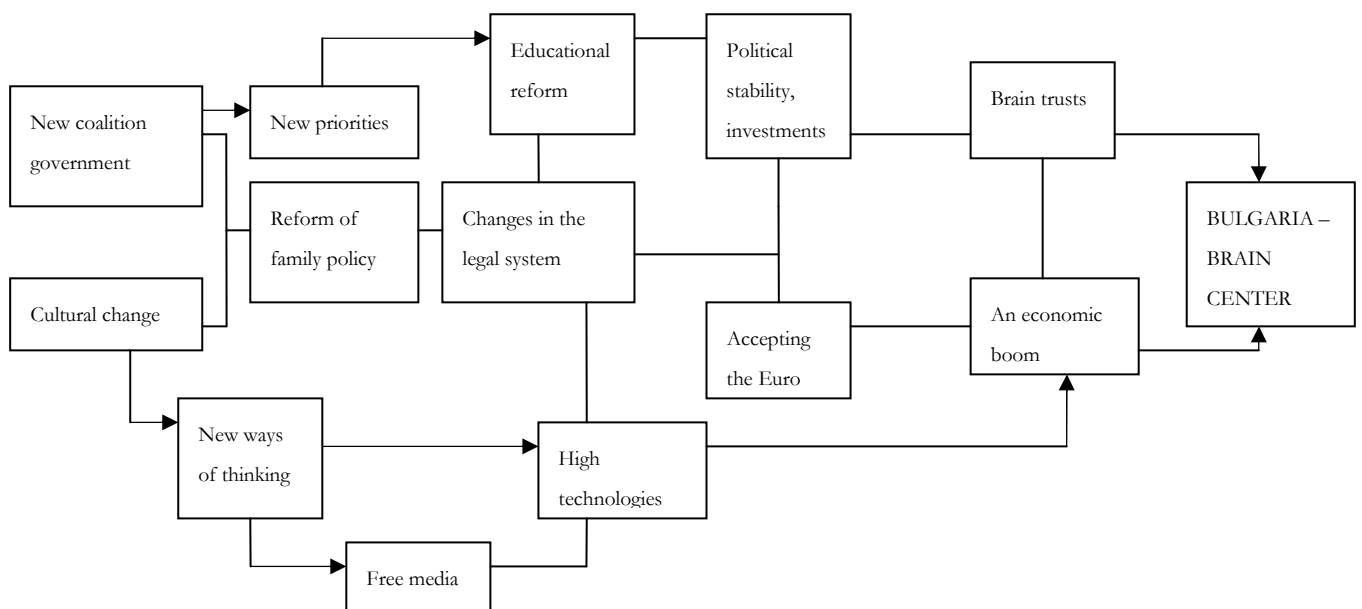
- return of the young people, former emigrants in Bulgaria
- educational reform starting from the kindergarten and bringing up to date of the whole system of education
- flexible employment and stimulation of the fertility
- well elaborated reform of the family policy
- high technological daily and social life

- high tech service economy
- well developed IT communications
- less leisure time and time for face-to-face social contacts
- developed social service system
- new type of media
- democratization of the society
- flourishing of arts.

The chain of events that would lead to this scenario in a 10 years period of time (from 2008 to 2018) is the following:

- reform of the education
- new priorities of the government
- accepting the Euro
- changes in the legislation and the judicial system
- reform of family policy and the social services
- free media
- cultural change – higher trust in people, more readiness for associative life
- new ways of thinking and producing knowledge
- investments in innovation
- political stability
- high technologies
- an economic boom
- flourishing of brain trusts

**Figure 4. “BULGARIA – THE BRAIN CENTRE OF EUROPE”**



## **“The False Serenity”**

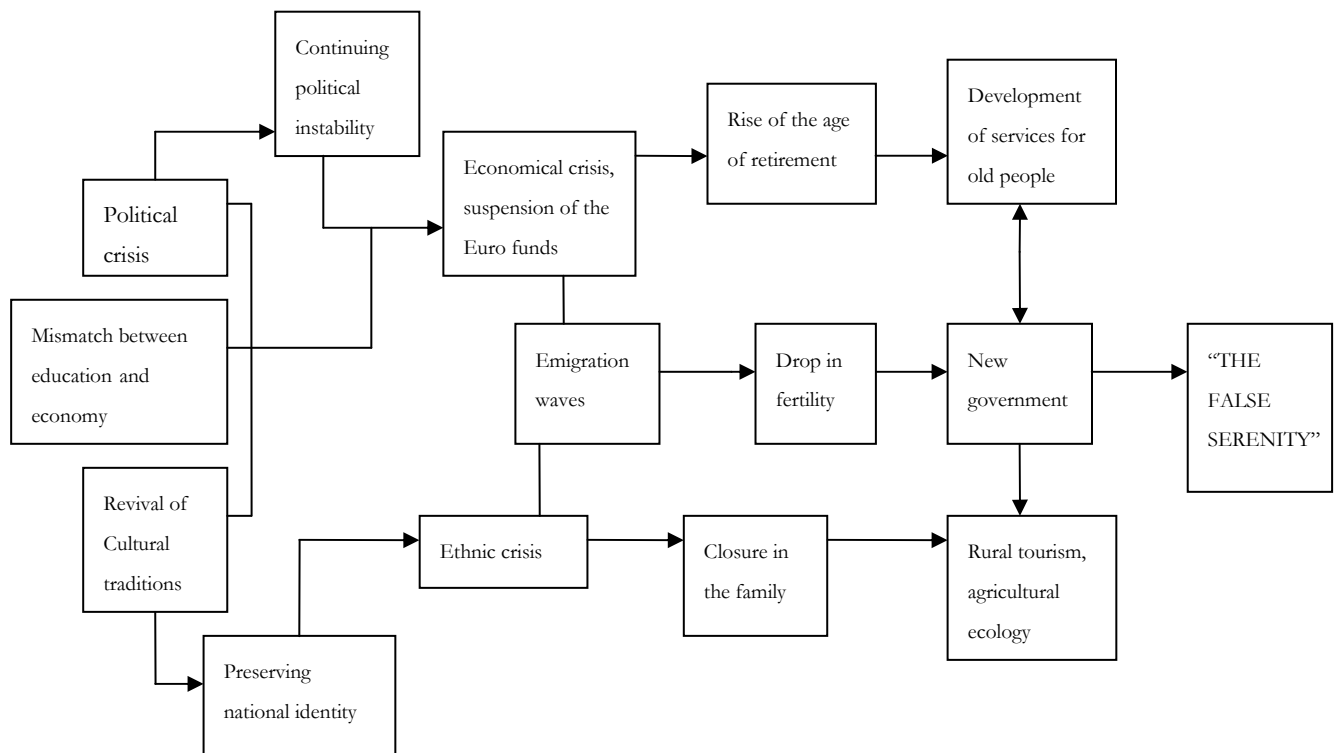
The fourth scenario that came up from the meeting was “The False Serenity”. It is situated between the two extremes – aged population and educational decline. It is a result of a sharp drop in fertility, high emigration of young people, as well as an outdated education. “The False Serenity” is a society of low educated adults, with outdated values and occupational skills, a kind of peaceful old people’s home. The traits of this scenario are:

- policy focus on the preservation of the traditional Bulgarian education and industry
- old competencies, no match for the global economic trends
- low socio – economical security
- drop in fertility
- aging of the population, deserted regions
- strong families, however without the young generation
- preserving of the national identity and traditional values
- ecological oases
- overpopulation in the big cities
- boom in the tourism
- social services in the tourism, e.g. resorts for old people

The chain of events for a 10-year period of time that will bring to this scenario is:

- fall of current government
- continuing political instability
- ethnic crisis
- growing mismatch between education and economic needs
- economical crisis
- suspension of the Euro funds
- emigration waves
- drop in fertility
- rise of the age for pension
- new government
- decline in traditional industries
- cleaner nature outside cities
- rural tourism, agricultural ecology

Figure 5. “THE FALSE SERENITY”



Building upon the four scenarios, after presenting and defending them in the common discussion, the meeting came up with the following policy recommendations.

## Policy recommendations

We had planned half an hour for this part of the meeting. In practice we came to it later than the time set for its beginning and stayed a bit longer, so the group discussion of the recommendations took half an hour but this turned out to be less than the group needed. So the facilitator applied a strategy encouraging participants to make as many suggestions as possible and rather discouraging detailed argumentation and elaborate formulation. In what follows we list the recommendations as presented by the group and then briefly reflect on their policy implications.

The first recommendation of the experts concerned the improvement of the quality of education. Quality of work and quality of life are not possible without a high-quality education. One of the scenarios suggested that a possible if uncertain trend would lead to a society of low qualified population with a growing minority of illiterate people and a majority of adults with outdated skills and work values. The experts recommended the following steps to avoid this risk:

- Stimulating the policies for modernization of the education and the engagement of the private businesses with the education and training of young people
- Developing of educational strategies in order to change the quality, structure and content of the educational process, more freedom and authority for the young
- Greater involvement of private businesses in the training of students, as well as in the design of educational programmes and quality control

- More active participation of the people as parents, managers, members of trade unions and employer organizations in the management of the educational system
- Making life long learning a state strategy for the development of the economy and education.

Another group of recommendations targeted the negative demographic tendencies by stimulating parenthood and reducing emigration. The proposals included:

- Legislation encouraging flexible employment
- Stimulating the so called active motherhood – developing services for combining work and family life during the early months of childcare
- Campaign for more equal sharing of household work and child care by the partners in the family.
- Investment in youth policy and more measures in support of the gifted and well-educated youth in order to prevent the brain drain to Western countries.
- State funded measures for the business start and professional self-realisation of qualified young people in the country.

The latter suggestion expressed by an expert in a very provocative form resulted in a heated discussion about the alleged neglect by the state of the ‘normal’ healthy, intelligent people in an early active age. While there are numerous programmes and measures targeting various groups of disadvantaged youth, very little is done for those who are expected to become the society’s elite. Others opposed to this statement and insisted that the policies against emigration should lead not to less but to more efforts to integrate those with disadvantaged backgrounds such as poor Roma youth. In order to find a balanced policy strategy, several propositions were made:

- The social policy of the disabled and socially disadvantaged people should become more and better targeted
- The government should devise a strategy opening more opportunities for the majority of the youth population for self-expression in work, leisure, parenthood
- There should be more programmes to support the development of the gifted young people in arts, sports, sciences.

The negative scenario of the Balkan Jungle resulted in turning the integration of minorities the third topical question in the group discussions and provoked some proposals. It was recognized that this issue needed more information and social research. The policy recommendations made were:

- Providing more information in public media about the current social situation, as well as cultural and religious traditions of the ethnic and religious minorities in Bulgarian society
- Research on inter-ethnic feelings and the trends of their change
- Implementation of clever campaigns for tolerance
- More information about the social relations within and between the different minority groups
- Decreasing the pathos when studying our national history – a greater objectivity in schools and mass media.

Risks that arose from the uncertain but probable trend of a major technological failure and loss of technological knowledge and possessions were not only economic per se but also can have significant social consequences. An expert voiced the negative prediction that in 10-years time the national economy would not be able to provide for the non active generation and for the children in social institutions. A recommendation for resolving this problem that was under the lash of some other participants was:

- To remove the current legal barriers and ease the process of adoption of abandoned Bulgarian children in West European countries.
- To increase the financial assistance and services for families at risk while the children are still with them and before the family to split up and leave the children in an institution.

There were also recommendations arising from the growing public concerns with the high crime rate and the risks of political instability which might result in a public support for law and order and the creation of a probably police state. This group of suggestions to policy makers at the national and European level insisted on greater support for the development of civil society and the creation of better conditions for civic participation:

- Devising and conducting an informational strategy mainly on the national but also on the European level. Currently there is a lack of public information on many issues, which should be replaced with a concerted strategy to disseminate information to as many people as possible.
- Based on this there should be more efforts on all levels – local, national, European - to involve more people into public discussions. We need a strategy to foster a national and a European public sphere, to discuss what it means to be a European citizen, a Bulgarian, a Roma, a Muslim, a resident in the Rhodopa Mountains.
- More active civil society and more decisions taken through direct politics.
- More trust and more financial support for non-governmental associations by the state, the businesses and the public.
- Transition from a multi-ethnic nation to a civic nation – nation of citizens
- Developing of a health economy, the stimulation of tourism should not be at the expense of nature, more support for local agriculture and healthy products
- There should be more continuity in the strategies and policies of the successive governments for better results and for consistent policy. As it is, each successive government tends to feel obliged to start the reform from the beginning and ignore the achievements of the change process.

## Conclusions

In conclusion, we want to stress three main policy implications from the high level scenario meeting in Bulgaria. The ageing of society is a main concern with possibly momentous social consequences. An aged society means a society relying on outdated work skills and values if not backed with a relevant educational and training strategy to empower the young to create the new knowledge-based economy. To avoid the negative risks policy makers need not only to develop services for the elderly [which Bulgaria really lacks] or to stimulate fertility financially but also to invest wisely in youth policy and carefully nurture the new generation which could lead the country in the competitive global market of the 21<sup>st</sup> century. Another major issue is the risk of political instability both inside the country and also in the region (the Balkans). While Bulgaria has managed to be ‘an island of peace and stability’ [a cliché beloved by Bulgarian politicians] when compared to the wars in former Yugoslavia, the growing ethnic tensions and transnational criminal networks matched with a passive civil society might lead to a quick disintegration of society. The dominant policy of the current government seems to be ‘peace and quite’, keeping the public uninformed and uninvolved in major political decisions, particularly in the field of foreign policy. Devising the future scenarios, the experts in the meeting considered that we need, first, an adequate information policy representing, explaining and encouraging diversity, and second, a strategy for

creating and supporting the participatory networks of active citizens whose European and regional, national and local, ethnic and political identities are in a process of mutual enrichment.