



Bulgaria: Forecast highlights up to 2025

Between now and 2025:

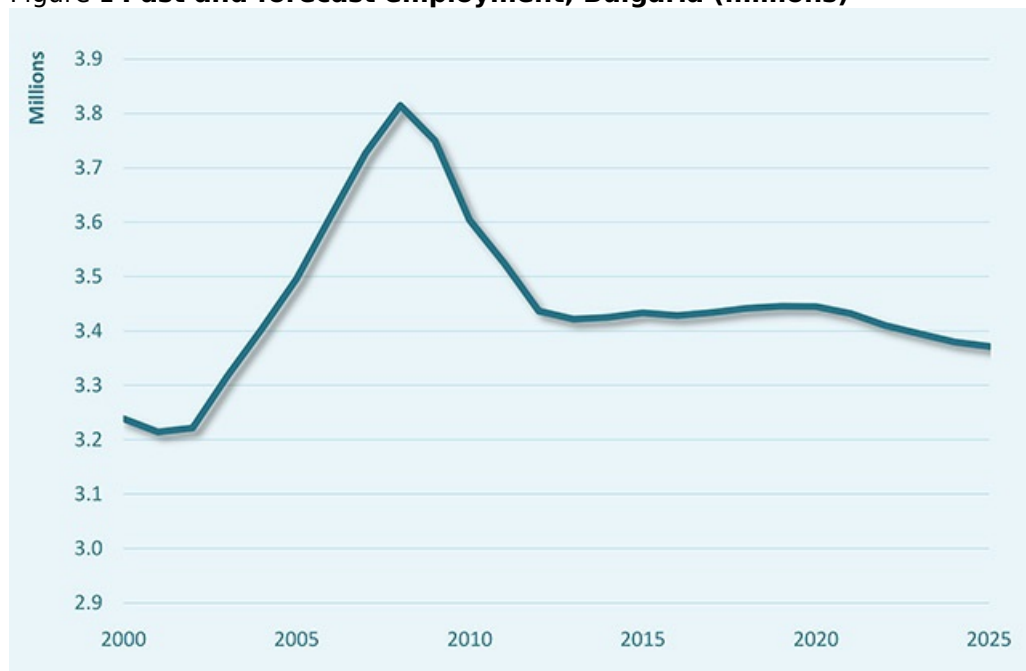
- Employment is forecast to remain below its 2008 pre-crisis level.
- Most employment growth will be in business services.
- Most job opportunities, around 21% for elementary occupations.
- Around 38% of the labour force will have high-level qualifications compared to 31% in 2013.

Following the economic crisis in 2008, Bulgaria's GDP has recovered very slowly. In 2013, Bulgaria's unemployment rate was 13%, above the European Union (EU) average of 11%. The European Commission forecasts modest GDP growth for Bulgaria of 0.6% in 2015 and 1% in 2016.

Employment outlook

According to Cedefop's skills supply and demand forecasts ([see scenario assumptions](#)) slow economic growth will limit job growth in Bulgaria and employment is expected to remain well below its 2008 pre-crisis level by 2025 (Figure 1). This is slower than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

Figure 1 **Past and forecast employment, Bulgaria (millions)**

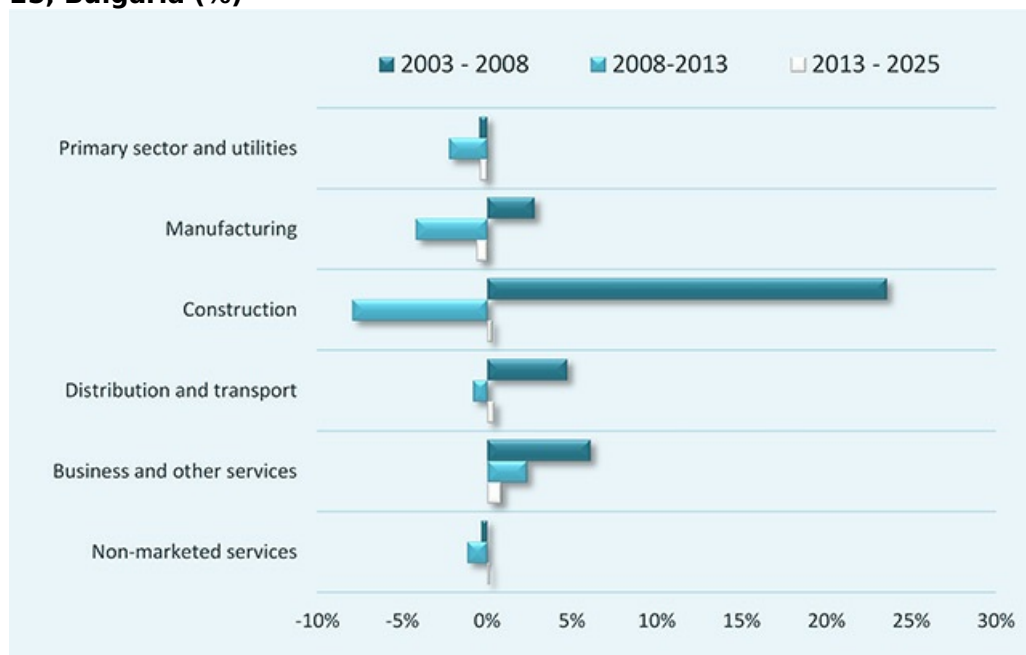


Source: Cedefop skills forecasts (2015)

Sector developments

The economic crisis reduced employment mainly in the construction and manufacturing sectors between 2008 and 2013 (Figure 2). In contrast, employment in business and other services increased slightly over the same period. Future employment growth in Bulgaria, up to 2025 although small will be concentrated in the business and other services sector.

Figure 2 **Employment trends by sector, average annual growth rate 2003-25, Bulgaria (%)**



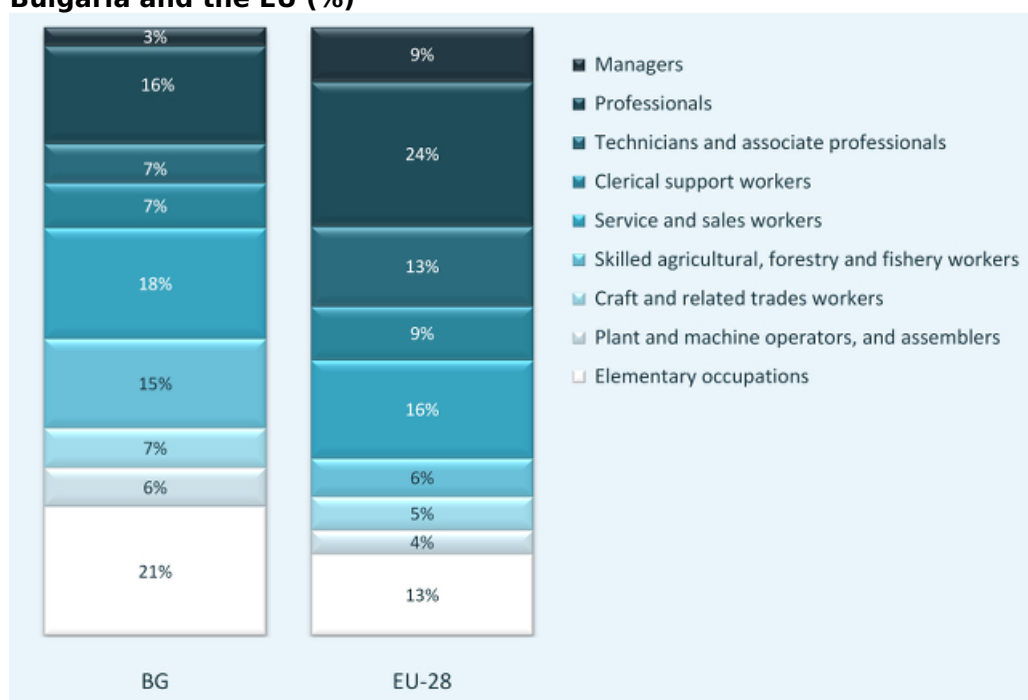
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop's forecasts give insights on job opportunities between now and 2025. Total job opportunities are considered as the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace those who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). In many cases the replacement demand provides many more job opportunities than expansion demand, which means that job opportunities will still exist even if the overall level of employment falls. Slow employment growth and an ageing population mean that, between now and 2025 replacement demand in Bulgaria is forecast to provide almost all job opportunities.

In Bulgaria, most job opportunities, around 21%, will be in elementary occupations, followed by around 18% for service and sales workers (Figure 3). The proportion of job opportunities for elementary occupations is significantly higher than the 13% forecast for these occupations in the EU as a whole. High replacement demand means that although there will be fewer jobs in agriculture overall, a significant number of job opportunities between now and 2025 will be for skilled agricultural workers.

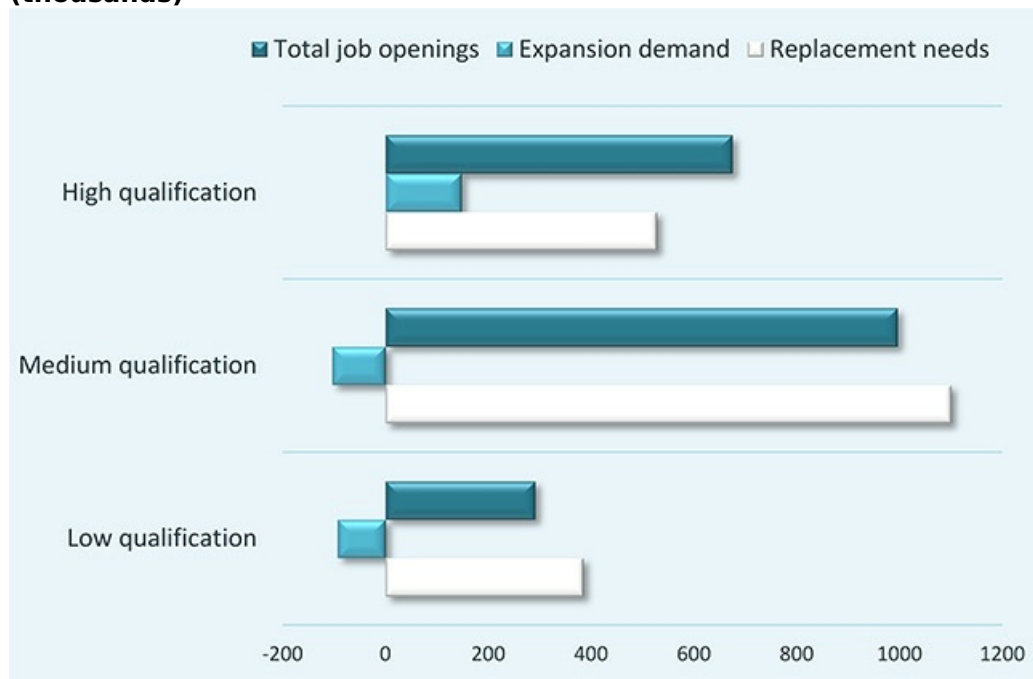
Figure 3 **Distribution of total job opportunities by occupation, 2013-25, Bulgaria and the EU (%)**



Source: Cedefop skills forecasts (2015)

Owing to high replacement demand, most job opportunities in Bulgaria will require medium-level qualifications (ISCED 97 levels 3 and 4) (Figure 4). However, will also be significant numbers of job opportunities requiring high-level qualifications (ISCED 97 levels 5 and 6).

Figure 4 **Total job opportunities by qualification, 2013-25, Bulgaria (thousands)**



Source: Cedefop skills forecasts (2015)

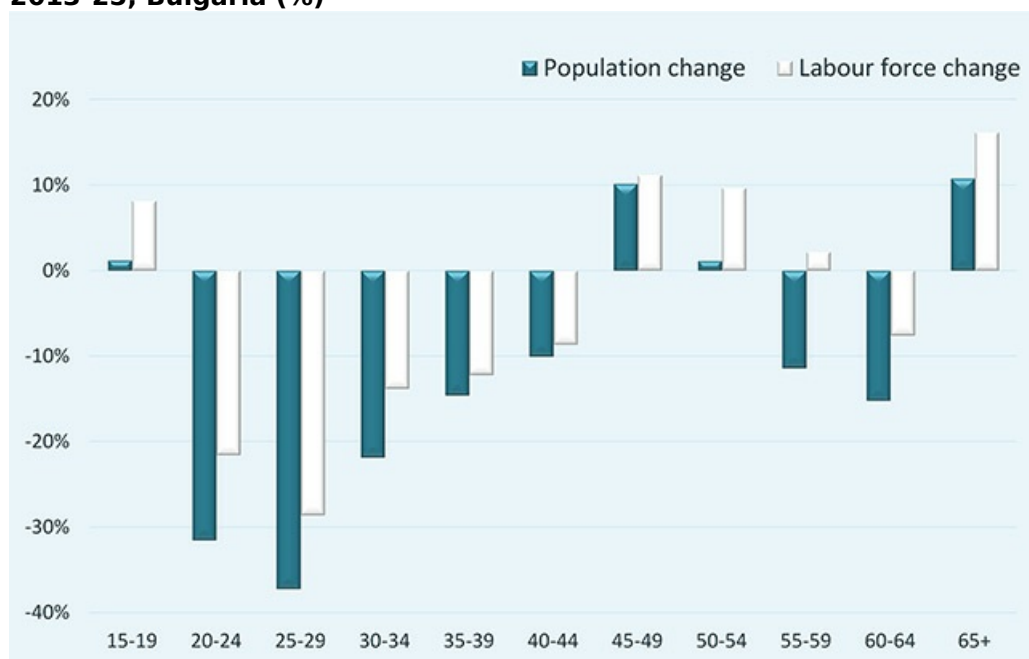
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population projection (Europop 2013) for Bulgaria reflects the current trends in fertility rates and net migration flows. Bulgaria's working-age population is projected to fall by nearly 8% between now and 2025. Labour market participation in Bulgaria is projected to be relatively stable at around 54% in 2025, lower than the EU forecast average of 55.5%.

Following the EU demographic trend, Bulgaria's population is getting older (Figure 5). Between now and 2025, there will be a significant decline in numbers of people aged between 20 and 44. The largest increase will be numbers of people aged between 45 and 49.

Figure 5 **Changes in working age population and labour force by age, 2013-25, Bulgaria (%)**

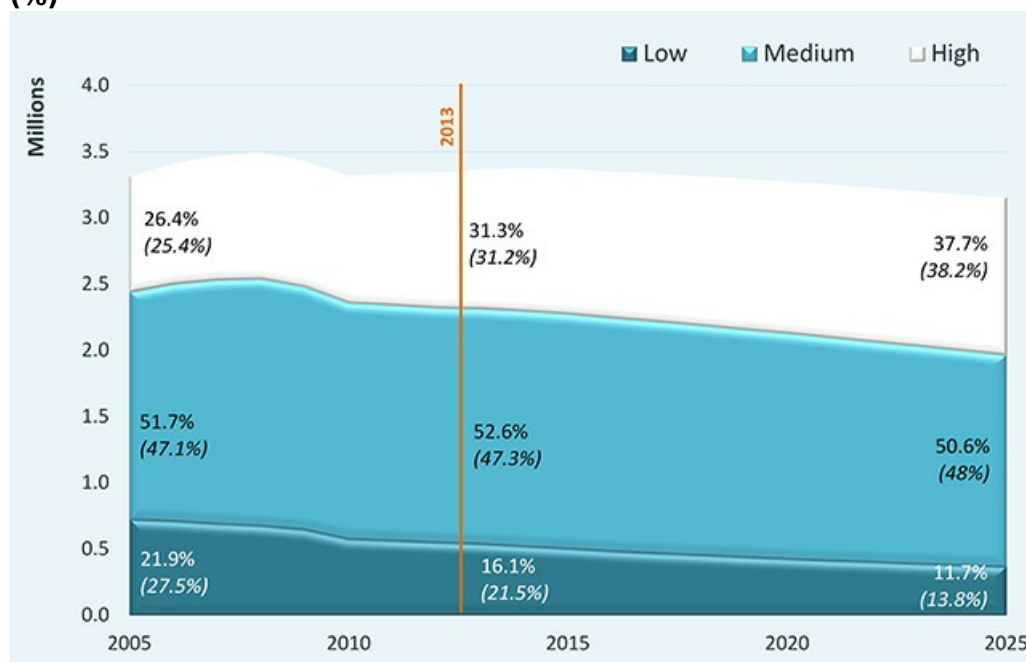


Source: Cedefop skills forecasts (2015)

Although older and smaller, Bulgaria's labour force is becoming more highly-qualified (Figure 6). This is explained by older less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Bulgaria's labour force with high-level qualifications is should rise to 37.7% compared to 31.3% in 2013 and 26.4% in 2005. People with medium-level qualifications in 2025 will account for 50.6% of the labour force, compared to 52.6% in 2013. The share with low-level or no qualifications is forecast to fall from 16.1% in 2013 to 11.7% in 2025.

According to Cedefop's forecasts, by 2020, in Bulgaria, around 40% of 30 to 34 year-olds Bulgarians will have high level qualifications, in line with the EU's educational attainment benchmark of 40% by 2020. On current trends around 44% of 30 to 34 year-olds in Bulgaria will have high-level qualifications by 2025.

Figure 6 **Labour force trends by qualifications, 2005-25, Bulgaria (and EU)** (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Bulgaria, 12.5% of young people left the education and training system with low-level qualifications, above the national target of reducing this to 11% by 2020. In the EU, the average, in 2013, was 11.9%, still higher than its benchmark of less than 10 % of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Elka Dimitrova, Director of Labour Market Policy at the Ministry of Labour and Social Policy**, considers the forecasts' underlying assumptions and results plausible.*

She adds that the European population projections, in her view, slightly underestimate population growth in Bulgaria, because of different assumptions about the fertility rate, life expectancy and net migration. National forecasts also make some different in economic assumptions, however, Ms. Dimitrova considers these differences minimal.

She confirms that forecasts of employment decline due to demographic changes and sector trends are very likely. National projections for 2015-28 show growth potential in services including social and business services. The future of manufacturing is related to how Bulgaria's geographic position as an entry point to the EU can attract foreign direct investment and increase employment. Restarting big infrastructure projects will also create jobs.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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