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Bulgaria's labour market has improved markedly, but more outreach and tailored support is needed to help people into jobs

The Bulgarian labour market has made major progress over the last decade. Despite headwinds from the COVID-19 pandemic, employment rates rose from under 60% among 15-64 year-olds 10 years ago to 68.5% in late 2021. Nevertheless, there are still close to 1 million working-age adults in Bulgaria who do not work, says a new report from the OECD. Further efforts will be needed to support these people to find jobs. Boosting employment is important because Bulgaria is projected to shrink more than any other country in the world, losing close to one-third of its working-age population by 2050 and will continue to face labour shortages.

Connecting people with jobs: Reaching out and activating inactive and unemployed persons in Bulgaria says that most of the country's inactive and unemployed belong to specific population groups: young people below 30, ethnic minorities, people with care commitments, people with disabilities and older people close to retirement. Many people from these groups are off the radar of the employment services with only 22% of inactive or unemployed 25-64 year olds registered with the employment service compared to an EU average of 35%. Supporting those less connected to the labour market is key to enable further labour market improvements, which can increase people's well-being and strengthen economic development.

"In the years to come, it will be crucial to ensure that vulnerable groups, too, share in Bulgaria's labour market progress. Dedicated outreach to inactive people and tailored service provision for groups further from the labour market are essential" says Stefano Scarpetta, OECD Director for Employment, Labour and Social Affairs.

In order to activate as many inactive people as possible, Bulgaria should reallocate resources to policies that work best and intensify its support to those most in need, says the OECD. Bulgaria spends just 0.16% of GDP on active labour market programmes less than half of the average for EU countries (0.39%). Moreover, two-thirds of this expenditure in Bulgaria goes towards direct job creation programmes, while other types of programmes are scarce. The OECD recommends shifting to a stronger focus on re-skilling and up-skilling workers, and targeted employment support in the primary labour market.

Improving the labour market participation of those further from the labour market requires cooperation and partnerships across many institutions and groups. Bulgaria's National Employment Agency (NEA) should deepen its existing partnerships with other stakeholders, including with the Social Assistance Agency, with employers, and with representatives of youth and the Roma communities. The NEA could also consider cooperation and partnerships with private employment services as well as further innovative ways to finance and deliver active labour market policies.

For more information, journalists should contact Stefano Scarpetta (Stefano.SCARPETTA@oecd.org).

* The OECD releases today the review "Connecting people with jobs: Reaching out and activating inactive and unemployed persons in Bulgaria". This review provides a detailed analysis of Bulgaria's inactive and unemployed population and identifies groups of people who would benefit from measures and services provided by Bulgaria's Public Employment Service. In addition, the report assesses Bulgaria's labour market policies to reach out to inactive people and help them integrate in the labour market, and offers recommendations for improvement. It is produced in the context of the [Reforming the Existing and Designing of New Measures for Activating Inactive Persons and their Inclusion in the Labour Market in Bulgaria project](#), which was co-funded by the European Union and implemented in cooperation with the European Commission via the [Structural Reform Support Programme \(REFORM/IM2020/004\)](#). The report is available [here](#).